

**Association EKO-SVEST Skopje**

**Financial statements  
Year ended December 31, 2022 and**

**Independent Auditor's report**

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## Independent Auditor's Report

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To the Management and the Founders of

Association Center for environmental research and information EKO-SVEST Skopje

We have audited the accompanying financial statements of Association Center for environmental research and information EKO-SVEST Skopje (further refer to as "Association" or "Eko-svest") which comprise the Balance Sheet as at 31 December 2022, and the Statement of income and expenses and Statement of changes in the sources of funds for the year then ended, and a summary of significant accounting policies and other explanatory notes, included on page 3 to 24.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting standards for non-profit organizations adopted in the Republic of North Macedonia, and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards accepted in the Republic of North Macedonia<sup>1</sup>. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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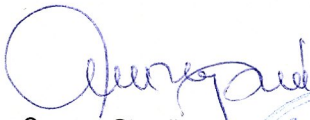
<sup>1</sup> International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board ("IAASB"), effective from 15 December 2009, translated and published in the "Official Gazette" of the Republic of Macedonia no.79 from 2010.

*Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Association Center for environmental research and information EKO-SVEST Skopje as at 31 December 2022, and its financial performance for the year then ended in accordance with the accounting standards for non-profit organizations adopted in the Republic of North Macedonia.

*Other matter*

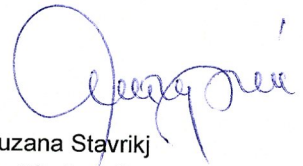
The financial statements of the Association as at and for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion in their report on 06 June 2022.



Suzana Stavrikj  
Director  
Grant Thornton Doo, Skopje



Skopje, 20 November 2023




Suzana Stavrikj  
Certified auditor

**INCOME AND EXPENSE STATEMENT**  
**Year ended December 31, 2022**  
**(In Denars)**


	Note	2022	2021
<b>Revenues</b>			
Revenues from projects implementation	4	47,810,205	37,365,637
Revenues from membership	4	25,000	4,440
Revenues from services provided and other revenues	4	1,976,889	595,221
Foreign exchange gain	5	61,685	121,500
Excess of revenues over expenses brought forward from previous year		18,349,792	7,753,287
		<b>68,223,571</b>	<b>45,840,085</b>
<b>Expenses</b>			
Operational expenses	6	(23,921,885)	(17,167,126)
Staff costs	7	(11,585,419)	(8,702,707)
Capital expenses	8	(2,378,064)	(1,514,219)
Foreign exchange (loss)	5	(626,749)	(44,118)
		<b>(38,512,117)</b>	<b>(27,428,020)</b>
<b>Excess of revenues over expenses for the year before income tax</b>	12	<b>29,711,454</b>	<b>18,412,065</b>
Income tax	3.3	7,503	-
<b>Excess of revenues over expenses for the year</b>		<b>29,703,951</b>	<b>18,412,065</b>

*The accompanying notes on the following pages are an integral part of these financial statements.*

These financial statements were approved for issuing by the management of the Association on 10 November 2023 and signed on its behalf by:

  
 Executive director,  
**Ana Colovic-Lesoska**



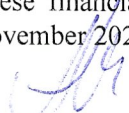
  
 Financial Manager,  
**Andreea Minoska**

**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2022**  
**(In Denars)**


	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible and intangible assets	9	<u>5,227,718</u>	<u>2,837,251</u>
<b>Current assets</b>			
Cash and cash equivalents	10	29,451,903	18,537,880
Trade and other receivables	11	296,440	18,054
<b>Total current assets</b>		<u>29,748,343</u>	<u>18,555,934</u>
<b>TOTAL ASSETS</b>		<u>34,976,061</u>	<u>21,393,185</u>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Business fund	12	<u>5,227,718</u>	<u>2,837,251</u>
<b>Total funds</b>		<u>5,227,718</u>	<u>2,837,251</u>
<b>Current liabilities</b>			
Trade & other payables	13	44,392	143,869
Excess of revenues over expenses	13	29,703,951	18,412,065
<b>Total current liabilities</b>		<u>29,748,343</u>	<u>18,555,934</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u>34,976,061</u>	<u>21,393,185</u>

*The accompanying notes on the following pages  
are an integral part of these financial statements*

These financial statements were approved for issuing by the management of the Association on 10 November 2023 and signed on its behalf by:

  
 Executive director,  
**Ana Colovic-Lesoska**



  
 Financial Manager,  
**Andreea Minoska**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**1. GENERAL INFORMATION**

The Association Center for environmental research and information EKO-SVEST Skopje (the “Association”) was established as a non-profit organization, and is registered in the Central Register of Republic of North Macedonia on September 9, 2002, under EMBS No: 5690552.

**Address**

Str. Kiril i Metodij 30/1-6, 1000 Skopje, Republic of North Macedonia

**President**

Prof Dr Stefan Buzarovski, University of Manchester, UK

**Executive Board**

Prof Dr Stefan Buzarovski, President, University of Manchester, UK

Lence Danailovska, member – Asseco South Eastern Europe, North Macedonia

Toni Popovski, member

Fidanka Baceva MekGrat, member

Metodija Minoski, member

Ana Colovic-Lesoska, member

**Executive director**

Ana Colovic-Lesoska

**Branch offices**

1. Association Center for environmental research and information EKO-SVEST Skopje -  
Branch EKO-SVEST Vevcani

**Address**

Naseleno mesto bez ulicen system No.474, Vevcani, Republic of North Macedonia

2. Association Center for environmental research and information EKO-SVEST Skopje-  
Branch Eko-Akademija Skopje

**Address:**

Str. Kiril i Metodij 30/1-6, 1000 Skopje, Republic of North Macedonia

**Association’s Office Employees**

Ana Colovic-Lesoska, BA in Biology, Executive director

Nevena Smilevska, BA in Sociology, Program coordinator

Stojan Lesoski, Computer networks Engineer, Project coordinator

Ivana Trpevska, BA in Bank Management, Accountant

Gjorgji Mitrevski, MS in strategic planning, Coordinator for support of communities

Kiril Efremovski, MS political sciences, PR Coordinator

Elena Nikolovska, BA in Law, Public relations

Davor Pehcevski, Industrial design Engineer, Project coordinator

Kristina Dimitrova

Simona Trajkovska

Zarko Koneski

Naum Ilieski

Orhideja Zlatkova-Kozareva

Darko Kjitanovski

Tereza Kanturska

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 1. GENERAL INFORMATION (Continued)

The mission of EKO-SVEST Skopje is to research, inform and act towards the improvement of public policies and people's behaviors for sustainable living and environmental protection.

EKO-SVEST Skopje supports and encourages civic awareness and active participation and promotes practical solutions in cooperation with organizations and institutions.

EKO-SVEST Skopje focuses on topics closely related to environmental protection: sustainable transport, renewable energy sources and energy efficiency, sustainable waste management, protection against chemicals and heavy metals, and protection against genetically modified organisms.

As horizontal issues that affect the organization, but also its main goals are informing and education of citizens in Republic of North Macedonia, public participation in environmental decision making, transparent and accountable work of public institutions, public money for public benefits, access to justice in the environmental decision making processes.

#### **Areas of work**

The Association focuses on the following areas:

- Energy and climate
- Air pollution
- Innovations
- Sustainable Living
- Nature Protection
- Active citizenship

#### **Awards**

- Goldman Environmental Prize 2019, recipient: Ana Colovic Lesoska
- Porta 3 2019 Ecological Award
- 13<sup>th</sup> November Award, 2011, City of Skopje Award

#### **Networking, cooperation & membership**

- SIDA
- Sigrid Rausing Trust
- European Climate Foundation
- Prespa Ohrid Nature Trust (PONT)
- The Nature Conservancy
- Euronatur
- Europe Beyond Coal
- Critical Ecosystem Partnership Fund (CEPF)
- Open Rivers Programme and Arcadia
- National Democracy Institute
- Germanwatch
- CEE Bankwatch Network
- CAN Europe
- HEAL (Health and Environment Alliance)
- SEE NET
- European Environmental Bureau EEB
- GENET
- Inforse Europe
- Kite
- WECF (Women in Europe for Common Future)
- WWF Adria official partner in North Macedonia



## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 1. GENERAL INFORMATION (Continued)

In North Macedonia, Eko-svest is a founder of the following CSO networks:

Coalition NATURA2000

IPA 2 mechanism for civil society organizations

Ekosfera

Climate Coalition

As of December 31, 2022, the Association has 15 employees (2021: 10 employees.)

### 1.1 PROJECTS (2022/2021)

EKO-SVEST Skopje is implementing projects, public campaigns in order to inform the public on the results of the conducted analysis, research and surveys.

In September 2022 Eko-svest celebrated its 20 year anniversary. The marking of the twenty-year existence of the organization gala was under the auspices of the President Mr. Stevo Pendarovski. In his speech, President Pendarovski emphasized the role of Eko-svest as one of the leading organizations in the country in the sphere of environmental protection and public health, which successfully exists for 20 years and leads policies for sustainable development, a green transformation of the society, and actively stands for reducing the consequences of climate change. At the ceremony, part of Eko-svest's work was conceptually presented through the chronological history of the numerous and significant activities realized over the past two decades. In these twenty years, Eko-svest has realized over 80 projects, implemented numerous campaigns that have reached over 1.2 million citizens, and has issued over 100 relevant publications.

Following main projects have been implemented during 2022 and 2021:

#### (1) Civil Society Organizations in Action for Climate

After the successful launch of the project "Civil Society Organizations in Action for Climate", financed by Sida, activities from the first and second project years have been implemented throughout 2022. A series of workshops were organized to strengthen the capacities of organizations working in the sphere of environmental protection and climate change, mentoring and free legal assistance were provided for specific issues and challenges that organizations have at a local level. A sectoral analysis has been prepared in the sphere of management and sustainable use of forests in Macedonia as well as the first policy document for public participation in urban planning, posing as the first in a series of similar documents that should help CSOs be informed about priority topics they will represent before the national and local institutions. Memorandums of cooperation were signed with 16 municipalities and four institutions, as the work of the Climate Coalition, which already includes 50 members, was supported. The traditional annual meeting of organizations working in the sphere of environmental protection and climate change was organized with the participation of representatives from the MEPP and over 45 civil organizations.

A functional online platform for grants and calls has been established within the project "Civil Organizations in Action for the Climate", funded by Sweden, which aims to offer a transparent, clear, and efficient way of managing public calls for project funding. The platform could be easily adjusted to manage other calls for hiring experts or procurement of services. The platform includes various processes, such as user and organization registration, call publication, project registration, evaluation of project applications, and management of project activities by preparing narrative and financial reports. The online platform for Eko-svest's grants and calls was created through which three calls for financial support of CSO projects were successfully published, as over 380 users, 120 organizations, and 97 projects were registered. Public climate action campaigns in 2022 reached over 1 million views on traditional and social media.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**1.1 PROJECTS (2022/2021) (continued)**

**(2) Raising awareness about the negative impacts from the hydropower development, funded by the Sigrid Rausing Trust**

To raise awareness about the negative impacts of the hydropower development, in particular, small hydropower plants in the country, a public awareness campaign was designed and implemented during December 2021-February 2022. Throughout the year 2022 Eko-svest continued monitoring the impacts of several hydropower plants in protected areas, and investigated the locations where new plants are planned to be constructed in the vicinity of protected areas Mavrovo and Shar Mountain. The communication with local communities continued and helped them understand processes as well as opportunities to get involved and prevent infrastructure developments that would harm their environment and livelihoods.

The cooperation with Geobalkanica CSO was continued on further exploring river catchments in the country affected by a variety of dams and weirs. The plan is to develop a methodology for identification of dams to be removed, inspired by the dam removal seminar organized in Lisbon, 2022.

The efforts were directed at central level for the cancellation of the concessions of the small hydro power plants in the Park. As a result, the Minister of environment and physical planning proposed the cancellation of 7 (seven) small hydropower plants and they were cancelled by the Government.

The dialogue between the national park of Mavrovo and the Government on the Park's reclamation was initiated even if the process was blocked by the issued concessions for construction of small hydropower plants in prohibited zones. Eko-svest continued reporting to the Bern Convention on the open case file "Mavrovo National Park and proposed hydropower projects on its territory".

Eko-svest established cooperation with the film festival Makedox and worked with young people studying the film arts to help them build stories around the impacts of hydropower plants and local communities. Youngsters were also engaged to develop animations and flip book comics on issues such as climate change and water scarcity. Together with the "Theater of shadows and clouds" was developed a multimedia performance "Fludo- the River Ghost" aimed at young people which was performed at the 9th edition of the international shadow theater festival "Cloud's dream" and live in three cities in the country.

At the end of October 2022 an event was organized with relevant stakeholders on the transparency of electricity bills. As a result, new partnerships with relevant institutions (Regulatory Commission on energy) will be established to continue the work in this area.

The grant strengthened the CSO's internal capacities and policies and helped us set up a new local office in Vevcani, located in the southwest of the country where Eko-svest has a subsidiary since 2018. They have worked in this region ever since and managed to help the Municipality adopt a Management Plan for the protected area Monument of Nature Vevchani springs. They work in partnership with the local municipality and support the sustainable management of the area. In 2022 Eko-svest managed to also become a strategic partner to the Prespa Ohrid Nature Trust and signed a contract with them for a 3 year programme to continue their work in the region.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**1.1 PROJECTS (2022/2021) (continued)**

**(3) Raising Awareness About Just Transition and Renewable Energy Sources as Solutions to Phase Out Coal - funded by the European Climate Foundation**

The project "Raising Awareness of a Fair Transition and Renewable Energy Sources as Solutions for Coal Abandonment" is part of the energy portfolio of Eko-svest and focuses on raising awareness of a fair coal transition, introducing a fair transition in policies and offering energy dependency solutions. of coal. Moreover, the project follows the theme of the EU Green Agenda for the Western Balkans and related developments, including advocating for the inclusion of the Green Agenda in national strategies, legislation and policies. The project mainly consists of advocating for energy issues and issues related to the fair transition before the relevant decision makers, but as part of it a study was made on the possibilities of installing roof photovoltaic panels in Bitola and the comics from the series Team ECO were translated into languages from the Western Balkans region and in English. The implementation of this project will last until July 31, 2022.

The collaboration with European Climate Foundation continued in 2022 through the project "To decarbonise North Macedonia through preventing harmful fossil fuel projects and advocating for clean alternatives and just transition". The project's objectives are to implement advocacy related to fossil fuels, in particular coal and just transition processes, following development of bylaws ensuing from NECP and Climate Action Law and reacting on processes on EIA procedures for TPPs, new coalmines and gas-related projects. Other component objectives are assessing gaps in transposition of energy efficiency - related acquis and implement targeted advocacy and implement campaign for households using expert calculations to increase interest in EE measures and thus reduce energy demand.

**(4) Exploring pathways for low impact energy solutions in North Macedonia, funded by The Nature Conservancy**

In the frame of the partnership established with The Nature Conservancy and the Macedonian Academy of Sciences and Arts, Eko-svest started a project on **smart energy planning** in order to accelerate the development of solar and wind energy in the country and respond to the goals defined in the ambitious energy strategy adopted in 2019. The Academy was performing an analysis to identify the energy potential located on degraded land such as abandoned mines and quarries and Eko-svest performed an in depth stakeholder analysis. Through a public survey on a representative number of citizens and several focus groups Eko-svest managed to obtain the opinions of various stakeholders in the process and design principles of application of the smart energy planning. The goal of the project is to identify ideal locations for the development of solar and wind energy without negative impact to natural and protected habitats, local communities and agricultural land. By conducting focus groups and a representative sample survey, as well as a series of consultations with relevant stakeholders in the sector, Eko-svest developed the Principles and Recommendations for Smart Energy Planning. On the other hand, MASA designed a study on the use of mine lands and other brownfields, i.e. smart positioning of projects on degraded lands. The first phase of the project identified 650 MW of capacity for these projects. In the second phase of the project, the analysis and mapping of locations for the construction of such projects is continued according to established methodology, on land that has no other use value. Of course, the principle of protecting nature and the local population is key and driving values in this project. Additionally, an expert working group has been established to revise the work of MASA and to enable even higher quality research and results from this project.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**1.1 PROJECTS (2022/2021) (continued)**

**(5) Support for Sustainable Management of the Monument of nature "Vevchani Springs." funded by PONT**

With the project "Support for sustainable management of the Monument of nature Vevchani Springs," Eko-svest continued the successful cooperation with PONT (Prespa Ohrid Nature Trust). A new three-year cooperation agreement was signed, which represents a continuation of the efforts of Eko-svest for the protection of the Monument of nature Vevchani Springs.

By opening a local office in Vevchani, Eko-svest increased its presence in the protected area to intensify its activities and increase its visibility. Eko-svest started with the implementation of education with the local school, kindergarten, and visitors, monitoring and continuing the use of civic science to protect key species. They also conducted training for the ranger service. The goal of the project is to provide support for the sustainable management of the area and the implementation of management plans.

**(6) United for Rivers, funded by The Nature Conservancy**

In cooperation with The Nature Conservancy and partner organizations from the region, Eko-svest founded the initiative "United for Rivers" aimed at river protection in the region. Within the scope of this cooperation, next year Eko-svest will work on the protection of the lower stream of the River Vardar and will lead an initiative to re-proclaim the Demir Kapija gorge a protected area, through which the waters of the River Vardar and its tributaries such as Doshnica, Boshava, Iberliska, and Klisurska will be protected.

**(7) Activities of CEE Bankwatch Network**

The membership in this network of Eko-svest lasts for around 20 years. Being a part of the Bankwatch network for Eko-svest represents immense importance to their activities and facts sharing related to one of the most important topics of their work – Air quality and air pollution. An almost full year of monitoring (25.10.2020 - 15.09.2021) of PM10, PM2.5, SO2, NO2, CO, and O3 pollution was completed in Novaci near REK Bitola providing huge amounts of important data. An eight-month period of the monitoring, from January to August 2021, was used for the preparation of a health impact analysis that was officially published in 2022.

The main objective was to ensure that plans to phase out coal were not going to be delayed by designing and promoting two studies: Analysis of alternatives to coal-based central heating for the Bitola Region, and a Policy Paper on Carbon Compensation. The analysis that explored the alternatives for individual and central heating for the Bitola Region, has shown that the establishment of central heating that is dependent on the thermal power plant REK Bitola is not the most lucrative and efficient solution for the citizens. In fact, the techno-economic analysis showed that the most efficient solution is the connection of photovoltaic systems to inverter air conditioners for individual houses and collective buildings, which will enable greater energy savings and reduced costs for the citizens. In addition, the Analysis was presented to the members of the Bitola Municipality Council at a hybrid round table in Bitola in November 2022, which provided a platform for the exchange of knowledge, experiences, and opinions regarding the findings of the study. Furthermore, the Carbon Compensation Policy Paper analyzes several scenarios for its introduction at the national level to avoid the implications of the introduction of the CBAM mechanism. All three scenarios assume a gradual increase in the price per ton of CO2 each year, starting at a different price, until it reaches the level of the EU ETS system. Also, according to Macedonian legislation, the document proposes three possibilities of where the carbon compensation would be inserted, as well as where the funds would be collected and what they could be used for. The Carbon Compensation Policy Paper was presented at a round table in February 2023 where representatives from the energy-intensive industries, the Ministry of Environment and Physical Planning, as well as relevant civic organizations, showed their willingness to contribute as main stakeholders to the process of introducing carbon compensation at the national level.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**1.1 PROJECTS (2022/2021) (continued)**

**(8) Communities for Just Transition by Climate Action Network Europe**

The purpose of this project was to empower communities and prepare the ground for a successful start of the just transition process in Kichevo region. To achieve this Eko-svest worked with local communities in Kichevo region to increase their capacities and support their work to form RES cooperatives. They mapped relevant stakeholders and established good communication with representative from municipal council, regional chamber of commerce and small local green businesses. Through a public campaign on the importance of climate action and just transition on local level Eko-svest worked to further raise awareness on the importance of local communities in the just transition process. The main activities conducted were the following: Capacity building workshops for local communities, Communication and coordination with local communication in Belica, Advocacy and comments regarding Just transition plan for Kichevo region, Just transition fair and Campaign for Just Transition. Thus, all these processes and documents produced will further be used to shape the national just transition process according to recommendations coming from local population in coal regions.

Following the example of Belica, the other neighboring villages, such as Svinjishta, founded associations, so they could act as a legal entity and work on the development of their village and the region. The participation of local communities in the national programming and planning was also discussed at the "20 Years of Decarbonization" conference organized by Eko-svest in September 2022 with relevant governmental and international stakeholders. Part of the social media campaign included video statements by local stakeholders that were played and used as an example at international events (Energy Community Just Transition Forum held in Sarajevo on July 12, 2022). The campaign reached over 90,000 views.

**(9) Protected areas for nature and people, funded through WWF Adria from Sida**

The project "Protected Areas for Nature and People" which was implemented regionally in partnership with WWF Adria, ended at the end of the year with the presentation of the document Roadmap for Nature Protection. The document is based on recommendations and solutions that were obtained through discussion with all stakeholders, which set the tone for which nature protection priority areas will Eko-svest advocate in the future. The promotion of nature protection is established in the Roadmap, referring to the strengthening of institutions and the legal framework for nature management, the improvement of the capacity for managing protected areas, and the establishment of a system for state financing of environmental protection.

Through this project, grants were awarded to two organizations that support the management of protected areas, those being Ursus Speleos for the management of the Monument of nature "Slatinski Springs" and Izvor Kratovo for the promotion of the Monument of nature "Kuklica". During October, the members of the regional Coalition 27 had a study visit to Brussels where they had meetings with representatives from the European Parliament and discussed the implementation of the Green Agenda for the Western Balkans and the need for a regional approach to environmental protection. Within the framework of the project, a documentary video was prepared titled "Let's Preserve Our Most Valuable" telling a story about the role of the protected areas and natural ecosystems of NM Vevchani Springs, PENP Shar Planina, and PENP Galichica. In addition to all of these activities, during July 2022, James Trentos stayed at Eko-svest as an intern of the Birthright Macedonia program of the Macedonian Center for International Cooperation (MCIC), the United Macedonian Diaspora and Bitola Alliance (Bitola Alliance).

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**1.1 PROJECTS (2022/2021) (continued)**

**(10) ENCLUDE project, as part of the HORIZON 2020 EU Program**

Eko-svest conducted research activities in three local communities (villages) during 2022 - Zhirovnica, Belica, and Tursko Rudare. The local communities were identified as specific cases of collective association for the prevention of SHPP and association in the form of energy communities for the development [www.ekosvest.com.mk](http://www.ekosvest.com.mk) of energy from renewables. The project aims to identify all factors that can help define the term "energy citizenship" as part of the future EU regulation.

**(11) Save the Blue Heart of Europe, funded by EuroNatur Stiftung**

In 2022, a significant step forward was taken in re-actualizing the issue with the re-proclamation of the Mavrovo National Park (NP). At the initiative of Eko-svest, after several years, a working meeting was held for the re-proclamation of the Mavrovo National Park, attended by the Minister of Environment, representatives from the nature department within the Ministry, the director and management board members of NP Mavrovo, the Macedonian Ecological Society and civil sector representatives. Eko-svest continued to actively advocate for the cancellation of the concessions for small hydropower plants on the territory of NP Mavrovo as a necessary step in the successful re-proclamation of the park, during which it implemented the campaign "Mavrovo without hydropower plants" which advocated for the implementation of the last decision of the Berne Convention on the termination of the concessions of the three small hydropower plants on the territory of NP Mavrovo (Zhirovnichka 5 and 6 and Ribnichka). The campaign was realized through various means such as public transportation in Skopje, social media, an exhibition of photo-video essays at the Cultural Center Jadro, as well as advocacy before domestic institutions

Eko-svest also carried out an intensive campaign to raise awareness about the negative impacts of small hydropower plants in protected areas. The activities of the campaign were carried out in direct cooperation with artists, producers, cultural centers, and festivals, which enabled a much greater presence in the public sphere and reached a very diverse and wide audience, including various cultural and social stakeholders, with a special focus on the youth.

**(12) Research on the Possible Removal of Obstacles on the River Pchinja, European program for open rivers (Stiching Open Rivers Program)**

Eko-svest has joined the European program for open rivers (Open Rivers Program) within which, next year, in cooperation with the association Geobalkanica, it will conduct a survey of the River Pchinja basin area, through which an assessment of the dams, obstacles, and barriers of the river will be carried out as well as their impacts on the environment, biodiversity, socio-economic significance, and legal status. Based on the collected data, a methodology will be designed for the systematic classification of the barrier impact and priority locations for removal. The ultimate goal of the project is to develop a nationally applicable methodology for identifying river barriers and prioritizing their removal through the River Pchinja basin case study, to achieve the greatest possible connection of rivers and a positive impact on river ecosystems.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**1.1 PROJECTS (2022/2021) (continued)**

**(13) Protection of the Brown Bear, funded by EuroNatur Foundation**

In partnership with organizations from the Balkans, Euronatur has started to take major steps to protect the bear population. This project, which is being implemented on the territory of Macedonia, Albania, and Greece, aims to undertake joint activities and procedures for the protection of the brown bear. This process saw the creation of protocols for monitoring the bear, training for the ranger service in protected areas, as well as the signing of a Memorandum of Cooperation between the ministries of the three countries. The ranger pieces of training represent a basis for building capacities for the formation of intervention teams.

**PUBLICATIONS (2022/2021)**

- Analysis of alternatives to coal-based central heating in Bitola region (2022)
- Analysis of possibilities for installing photovoltaic power plants for households in Bitola region (2022)
- Stimulating electricity production from renewable energy sources (2022)
- Analysis in the field of management and sustainable use of forests in North Macedonia (2022)
- Economic justification of the work of small hydropower plants (2022)
- Use of mines and other brownfield locations for the construction of solar and wind plants in North Macedonia: study and methodology (2022)
- Proposal Pathology for Nature Protection (2022)
- Analysis for the establishment of Environment Fund in North Macedonia (2022)
- Exploring pathways for low-impact energy solutions in North Macedonia (2022)
- Case study for Belica village (2022)
- Stay safe and speak out (2021)
- Team ECO (2021)
- Our green future or green future of the region (2021)
- Analysis of the state aid support to renewable energy sources (2021)
- Catalogue of implemented projects through the small grants programme (2021)
- Analysis of the impacts of small hydro power projects on the geomorphology and forests (2021).

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**2.1 Basis of preparation**

The financial statements of the Association have been prepared in accordance with the Law on Accounting for Non – profit Organizations of the Republic of North Macedonia in order to provide true and fair presentation of the balance sheet positions, balance of assets, liabilities, sources of assets, income and expenses and the operating results.

The financial statements of Association have been prepared in accordance with the legal regulations accepted in the Republic of North Macedonia in relation to the work of the non-profit organizations, the Law on Accounting for Non-profit Organizations and the Rulebook for non-profit organizations.

The financial statements have been prepared as of and for the years ended 31 December 2022 and 2021. Functional and presentation currency of the Association is Macedonian denar. All amounts in the financial statements and related notes are presented in Denars, unless otherwise stated.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of the financial statements are presented further in this report. The Association is requested to apply the accounting policies consistently.

**3.1 Recognition of income and expenses**

The recognition of the income and expenses is in accordance with article 13 from the Law on Accounting for Non-profit Organizations (“Official gazette of Republic of Macedonia” no.24/03, 80/05, 17/11) and article 18 from the Rulebook for Non-profit Organizations (“Official gazette of Republic of Macedonia” no.42/03, 11/09, 11/06, 08/09, 175/11), i.e. according the accounting base of modified presentation of business changes and transactions, as it follows:

- Revenues are recognized in the accounting period in which they occurred, if they are measurable and available. Revenues are measurable when they can be expressed as value and are available when occurred in the accounting period or within 30 days after the end of the accounting period as long as the revenues refer to that accounting period and serve to cover the liabilities of that accounting period. Revenues are recognized in the amount equal to the expenses which occurred at the reporting period.
- Expenses are recognized in the accounting period in which they occurred or within 30 days after the end of the accounting period as long as the payment obligation occurred in that accounting period

**3.2 Foreign Exchange Transaction**

Transactions denominated in foreign currencies have been translated into Denars at the rates set by the National Bank of Republic of North Macedonia applicable at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the end of the reporting period using official rates of exchange ruling on that date.

Net foreign exchange gains or losses resulting from foreign currency translation are included in income and expense statement in the period in which they arise.

**3.3 Taxation**

According to the Law on Corporate Income Tax, non-profit organizations are exempt from paying income tax on the revenues generated from membership fees, sponsorships and donations that are collected and allocated for an intended purposes and are not intended for business purposes.

For the financial statements for the year ended 31 December 2022 income tax is paid to the own generated income if exceeds Den 1,000 thousand by applying tax rate of 1%.

	In Denars
	2022
Revenue from services provided	1,750,348
Decrease of revenue for 1,000,000 denars	(1,000,000)
<b>Total revenue after deduction</b>	<b>750,348</b>
<b>Income tax of 10%</b>	<b>7,503</b>



**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2022

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.4 Tangible assets**

Tangible assets of the Association comprise of office equipment and furniture. They are recorded at cost value. The cost value of the tangible assets comprises the purchase price plus import duties, value added tax, cost of transportation and all other expenses directly attributable to the cost value i.e. to the purchase cost. The value of purchased assets is presented as expense at the time of purchase with increasing the business fund of the Association.

Tangible are depreciated on a straight-line basis so that the cost or revaluation value of the fixed assets is depreciated in equal annual amounts over their estimated useful lives.

Subsequently, at each Balance sheet date the equipment is revalued applying the official announced revaluation index to its (revalued) cost and (revalued) accumulated depreciation. The net revaluation effect is recognized directly in the sources of funds.

The depreciation charge for the year is recorded on the business fund accounts.

The annual depreciation rates applied are the following:

Office equipment	16%
Furniture	12%

All other regular maintenances and repairs are recognized as expenses in the Statement of income and expenses during the financial period in which they occur.

**3.5 Sources of funds**

Funds are initially created by founders' contributions made in monetary and/or in kind assets carried at their fair values. Subsequently, funds are increased/ decreased through additional founders' contributions, through results (surplus/shortages) from operations during the periods, as well as changes in the net carrying amounts of the equipment and intangibles (capital expenditures) as explained in Note 3.4

**3.6 Cash and cash equivalents**

Cash and cash equivalents comprise from cash in hand and cash in bank accounts in commercial banks.

Cash in hand and cash in bank accounts in macedonian denars are recorded at their nominal value, and cash in foreign currencies are translated according to the foreign exchange rate of the Central Bank of Republic of North Macedonia on the reporting date.

**3.7 Trade and other receivables**

Receivables are recognized at nominal value stated in the documents according to settled amounts, less for allowance for uncollectable receivables due to their maturity, final court decision and declaration of uncollectibility of receivables from entities in bankruptcy and liquidation

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.8 Trade payables and other liabilities**

Liabilities to suppliers and employees, as well as obligations for salaries, taxes, contributions and other current liabilities are recognized at nominal value.

Liabilities denominated in foreign currencies have been translated at the National Bank of the Republic of North Macedonia middle exchange rate.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**4. REVENUES FOR PROJECTS IMPLEMENTATION, DONATIONS, MEMBERSHIP & SERVICES PROVIDED (Note 1.1)**

		<b>In Denars</b>	
		<b>Year Ended</b>	
		<b>December 31,</b>	
		<b>2022</b>	<b>2021</b>
<b>1.Revenue from projects implementation</b>			
<b>Projects</b>	<b>Donator</b>		
Civil Society Organizations in Action for Climate	The Swedish International Development Cooperation Agency (SIDA)	23,045,600	18,065,400
Institutional grant	Sigrid Rausing Trust	5,463,056	5,331,523
Activities within the fossil fuels strategic area	CEE Bankwatch Network	3,477,583	1,567,338
1.Raising Awareness About Just Transition and Renewable Energy Sources as Solutions to Phase Out Coal			
2.Clean energy and just transitioning away from harmful fossil fuels for a carbon free future			
3. To minimize the intake of fossil gas in the Macedonian energy sector	European Climate Foundation (ECF)	3,178,049	1,737,550
1.Exploring pathways for low impact energy solutions in North Macedonia			
2. Promoting and implementing “Let the Rivers Flow” campaign activities	The Nature Conservancy (TNC)	2,861,040	1,002,972
1. Support for Sustainable Management of the Monument of nature "Vevchani Springs			
2. Citizen Science in Service to Biodiversity Protection	Prespa Ohrid Nature Trust	2,393,178	615,234
Institutional grant for Eko-svest for 2020	European Commission Directorate	2,066,890	-
Protected areas for nature and people (PA4NP)	WWF Adria	1,493,658	2,060,447
Save the Blue Heart of Europe	EuroNatur Stiftung	1,170,533	-
Research on the Possible Removal of Obstacles on the River Pchinja	Stichting European Open Rivers Climate Action Network Europe-	1,035,545	-
Communities for Just Transition	Europe Beyond Coal	604,350	524,405
TriPoint Brown Bear project	MED	401,057	-
Citizen science in service to nature protection	Birdlife International	328,657	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

		<b>In Denars</b>	
		<b>Year Ended</b>	
		<b>December 31,</b>	
		<b>2022</b>	<b>2021</b>
<b>1.Revenue from projects implementation (continued)</b>			
<b>Projects</b>	<b>Donator</b>		
Fund for environment project	GEF SGP NM	129,482	1,025,451
Wetlands International - European Cooperation on the preparation of the Shadow report for Chapter 27 CKP Gevgelija		101,708	1,780,887
Activities within the fossil fuels strategic area	CEE Bankwatch Network	59,819	-
Communities communicating climate change	Delegation of European Union in North Macedonia	-	1,695,902
Balcan green foundation		-	414,667
GLOBE sustainable program	US Embassy	-	246,420
Stay Safe and Speak Out	CZZS BIH	-	1,033,826
<b>Total revenue from projects implementation</b>		<b><u>47,810,205</u></b>	<b><u>37,365,637</u></b>
<b>2. Revenue from membership</b>		<b><u>25,000</u></b>	<b><u>4,440</u></b>
<b>3. Revenue from services provided</b>			
Germanwatch E.V.		924,080	-
Res Fondacija		385,594	-
Heinrich Boll Fondacija		293,488	-
Other (services provided)		147,186	595,221
		<b><u>1,750,348</u></b>	<b><u>595,221</u></b>
<b>4.Other revenue</b>		<b><u>226,541</u></b>	<b><u>700</u></b>
<b>Total revenue from services provided</b>		<b><u>226,541</u></b>	<b><u>700</u></b>
<b>TOTAL REVENUE (1+2+3+4)</b>		<b><u><u>49,812,094</u></u></b>	<b><u><u>37,965,298</u></u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**5. FOREIGN EXCHANGE GAIN / (LOSS), NET**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Foreign exchange loss	(626,749)	(43,967)
Foreign exchange gain	61,685	121,500
Interest income	-	-
Interest loss	-	(151)
	<b>(565,064)</b>	<b>77,382</b>

**6. OPERATIONAL EXPENSES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Office materials consumed	312,044	947,020
Energy & communal expenses	105,518	21,028
Rent expenses	1,388,853	254,700
Post, telephones, internet	187,155	93,729
Bank charges	71,998	70,930
Intellectual services	7,214,961	5,458,354
Donations to other entities	10,747,270	8,709,213
Transportation	587,145	92,435
Promotional materials	418,455	341,182
Membership	18,262	66,012
Other miscellaneous	2,870,224	1,112,524
	<b>23,921,885</b>	<b>17,167,126</b>

Donations to other Entities in 2022 in the amount of 10,747,270 denars consists of:

- 15 sub-grants provided to CSOs within the project Action for Climate, of which 4 action grants, 7 institutional and 4 ad-hoc grants, with a total amount of funds of Den 22.118.512,00 out of which Den 9.950.370,00 were disbursed in 2022. Project teams of sub-granted projects consist of 60% women. Women and men hold project coordination roles equally.
- Funds in total amount of Den 213.118 for the partnership with Natura MK in the Monument of nature "Vechanski Izvori" for integration of citizen science in the monitoring of important forest species in the area.
- Within the project, Protected Areas for Nature and People II 2019-2022, founded through WWF Adria from Sida six grants were supported through the project with amount of Den 523,032.
- Funds in total amount of Den 60,750 have been allocated to Cultural Center Jadro for the collaboration in the project Save the Blue Heart of Europe.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**6. OPERATIONAL EXPENSES (Continued)**

Donations to other Entities in 2021:

- Five sub-grants are awarded to local civil society organizations for the implementation of green economy related projects in their communities within the project GEAR-Green economy for an advanced region, supported by the European Commission in total amount of Den 311,959.
- Funds in total amount of Den 651,767 have been allocated as a final installment of sub-grantees within the project Communities Communicating Climate Change, funded by the Delegation of the European Union in North Macedonia.
- Within the project Action for Climate (CSOs Action for Climate, funded by SIDA, Embassy of Sweden Skopje), funds in total amount of Den 7,452,324 were allocated to partner organizations for implementation of project activities.
- Within the project, Protected Areas for Nature and People II 2019-2022, founded through WWF Adria from Sida one grant was supported through the project with amount of Den 307,950.

**7. STAFF COSTS**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net salaries for employees	7,519,421	5,708,883
Mandatory contributions for salaries	3,894,914	2,902,040
Holiday allowance	171,084	91,784
	<b><u>11,585,419</u></b>	<b><u>8,702,707</u></b>

**8. CAPITAL EXPENSES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Equipment & furniture	1,271,064	807,217
IT Software	1,107,000	707,002
	<b><u>2,378,064</u></b>	<b><u>1,514,219</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**9. TANGIBLE AND INTANGIBLE ASSETS**

	In Denars		
	Tangible assets	Intangible assets	Total
<b>Cost</b>			
As at 01 January 2021	3,145,291	161,803	3,307,094
Additions	1,068,704	406,044	1,474,748
<b>As at 31 December 2021/01 January 2022,</b>	<b>4,213,995</b>	<b>567,847</b>	<b>4,781,842</b>
Additions	1,528,183	1,107,000	2,635,183
Revalorization	455,909	15,052	470,961
Correction	-	(1,067)	(1,067)
<b>As at 31 December 2022,</b>	<b>6,198,087</b>	<b>1,688,832</b>	<b>7,886,919</b>
<b>Accumulated depreciation</b>			
As at 01 January 2021,	(1,150,278)	(20,424)	(1,170,702)
Depreciation for the year	(685,392)	(88,497)	(773,889)
<b>As at 31 December 2021/01 January 2022</b>	<b>(1,835,670)</b>	<b>(108,921)</b>	<b>(1,944,591)</b>
Depreciation for the year	(676,722)	(40,883)	(717,605)
Correction	-	2,995	2,995
<b>As at 31 December 2022</b>	<b>(2,512,392)</b>	<b>(146,809)</b>	<b>(2,659,201)</b>
<b>Carrying amount</b>			
As of 01 January 2021	1,995,013	141,379	2,136,392
<b>As at 31 December 2021</b>	<b>2,378,325</b>	<b>458,926</b>	<b>2,837,251</b>
<b>As at 31 December 2022</b>	<b>3,685,695</b>	<b>1,542,023</b>	<b>5,227,718</b>

As at 31 December 2022 and 2021, the Association does not have any equipment pledge under collateral.

**10. CASH AND CASH EQUIVALENTS**

	In Denars	
	Year Ended December 31,	
	2022	2021
Cash in banks – Denars	7,903,320	17,855,779
Cash in hand – Denars	263	2,816
Cash in hand – foreign currency	-	1,465
Cash in banks – foreign currency	21,548,320	677,820
	<b>29,451,903</b>	<b>18,537,880</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**11. TRADE AND OTHER RECEIVABLES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Trade receivables	295,242	-
Accruals	1,198	18,054
	<b>296,440</b>	<b>18,054</b>

**12. BUSINESS FUND**

	<b>In Denars</b>	
	<b>Business Fund</b>	<b>Business Fund</b>
	<b>2022</b>	<b>2021</b>
<b>As at 01 January</b>	<b>2,837,251</b>	<b>2,136,393</b>
Additions-intangible	1,107,000	1,068,704
Additions-tangible	1,528,183	1,068,704
Revalorization	470,961	-
Correction, net	1,928	-
Current year amortization	(40,883)	(88,497)
Current year depreciation	(676,722)	(685,392)
<b>As at 31 December</b>	<b>5,227,718</b>	<b>2,837,251</b>

**13. TRADE AND OTHER PAYABLES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Trade payables to local companies	-	44,117
Tax on unrecognised expenditure	547	-
Advances received	13,124	73,124
Personnel Tax payable (office rent related)	21,614	20,963
Payable to individual involved in project implementation	1,604	3,072
Income tax payable	7,503	-
Employees' salaries related payables	-	2,593
Excess of revenues over expenses	29,703,951	18,412,065
	<b>29,802,308</b>	<b>18,555,934</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**14. FOREIGN EXCHANGE RATES**

The official foreign exchange rate of significant currency used for transaction disclosure of items denominated in foreign currencies on December 31, 2022 and 2021 are as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
EUR	61,4932	61,6270
USD	57,6535	54,3736

**15. COMMITMENTS AND CONTINGENCIES**

*Taxation*

The accounting books and records of the Association for the years ending 31 December 2022 and 2021 have not been reviewed by the local tax authorities. Accordingly, the tax liabilities of the Association cannot be considered final. Additional tax liabilities that would result from review of the accounting books by the tax authorities cannot be determined with reasonable accuracy as this time.

*Litigations*

As of 31 December 2022, there are no legal proceeding initiated against the Association (2021: none).

**16. POST BALANCE SHEET EVENTS**

After 31 December 2022 – the reporting date, until the date of approval of these financial statements, there are no events that would cause correction of the financial statements, nor events that are materially significant for disclosure in these financial statements.