

**Association EKO-SVEST Skopje**

**Financial statements  
Year ended December 31, 2023 and**

**Independent Auditor's report**

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## INDEPENDENT AUDITOR'S REPORT

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 (hereinafter referred as "Association" or "Eko-svest"), which comprise the statement of financial position as at 31<sup>st</sup> December 2023, and the income and expense statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *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 the management determines is necessary to enable the preparation of the financial statements that are free from material mistreatment, 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 International Standards on Auditing adopted and published in the Official Gazette of the Republic of North Macedonia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurances 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 our judgment, including the assessment of the risks of material mistreatment of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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.

To the Management and the Founders of  
Association Center for environmental research and information EKO-SVEST Skopje

*Independent auditors' report (continued)*

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

**Unqualified opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association EKO-SVEST Skopje, as at 31<sup>st</sup> December 2023, 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 2022 were audited by another auditor who expressed an unqualified opinion in their report on 20 November 2023.

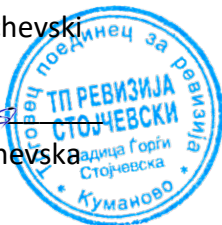
Skopje, 29 April 2024

Revizija Stojchevski



Nadica Stojchevska

Manager





Nadica Stojchevska

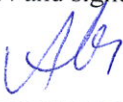
Certified auditor

**INCOME AND EXPENSE STATEMENT**  
**Year ended December 31, 2023**  
**(In Denars)**


	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>			
Revenues from projects implementation	4	51,545,831	47,810,205
Revenues from membership	4	15,000	25,000
Revenues from services provided and other revenues	4	1,573,688	1,976,889
Foreign exchange gain	5	49,497	61,685
Excess of revenues over expenses brought forward from previous year		<u>29,618,220</u>	<u>18,349,792</u>
		<b>82,802,236</b>	<b>68,223,571</b>
<b>Expenses</b>			
Operational expenses	6	(44,120,981)	(23,921,885)
Staff costs	7	(13,464,415)	(11,585,419)
Capital expenses	8	(500,890)	(2,378,064)
Foreign exchange (loss)	5	<u>(823,342)</u>	<u>(626,749)</u>
		<b>(58,909,628)</b>	<b>(38,512,117)</b>
<b>Excess of revenues over expenses for the year before income tax</b>	12	<b>23,892,608</b>	<b>29,711,454</b>
Income tax	3.3	<u>5,528</u>	<u>7,503</u>
<b>Excess of revenues over expenses for the year</b>		<u><b>23,887,080</b></u>	<u><b>29,703,951</b></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 26 April 2024 and signed on its behalf by:

  
 Executive director,  
**Ana Colovic-Lesoska**



  
 Financial Manager,  
**Andreea Minoska**

**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2023**  
**(In Denars)**

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible and intangible assets	9	3,825,003	5,227,718
<b>Total non-current assets</b>		<b>3,825,003</b>	<b>5,227,718</b>
<b>Current assets</b>			
Cash and cash equivalents	10	23,892,605	29,451,903
Trade and other receivables	11	-	296,440
<b>Total current assets</b>		<b>23,892,605</b>	<b>29,748,343</b>
<b>TOTAL ASSETS</b>		<b>27,717,608</b>	<b>34,976,061</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Business fund	12	3,825,000	5,227,718
<b>Total funds</b>		<b>3,825,000</b>	<b>5,227,718</b>
<b>Current liabilities</b>			
Trade & other payables	13	5,528	44,392
Excess of revenues over expenses	13	23,887,080	29,703,951
<b>Total current liabilities</b>		<b>23,892,608</b>	<b>29,748,343</b>
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>27,717,608</b>	<b>34,976,061</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 26 April 2024 and signed on its behalf by:

Executive director,  
Ana Colovic-Lesoska



Financial Manager,  
Andreea Minoska

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

**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

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

Elena Nikolovska, BA in Law, Public relations

Simona Trajkovska

Zarko Koneski

Naum Ilieski

Orhideja Zlatkova-Kozareva

Darko Kjitnovski

Eleonora Gjeorgievska

Andreea Minoska

Deana Blazheska

Ivica Stojanovski

Leonora Velkoska – contracted employee

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

**GENERAL INFORMATION (Continued)**

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  
Fundacja "Rozwoj TAK - Odkrywki NIE"



## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

### 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, 2023, the Association has 15 employees (2022: 15 employees.)

#### 1.1 PROJECTS (2023/2022)

During 2023 EKO-SVEST successfully implemented over 20 projects. A large part of them continue beyond 2023 as multi-year projects, and some of them as renewed collaborations with the same donors.

During 2023, EKO-SVEST actively acted on a large number of laws and put forward proposals in the field of energy, climate and nature protection. At the same time, in 2023 EKO-SVEST showed that the synchronized and meaningful involvement of stakeholders in the processes of passing new laws bring benefits to the public, but also to the institutions, through the joint creation of sustainable legal solutions. A showcase of such practice was the proposal for the Law on Climate, for which EKO-SVEST, in cooperation with the Ministry of Environment and Physical Planning, organized broad consultations for the civil society. As a practice, this process was evaluated as one of the few inclusive and transparent consultation processes in the country. EKO-SVEST sent 2 public responses to prevent harmful infrastructure projects in the protected areas, filed 2 court proceedings for the proper application of the provisions of the Environmental Law, and continued to follow up on their international complaint in the Bern Convention for the Mavrovo case. Comments were prepared and submitted on 2 Strategies and Strategic Environmental Impact Assessments as well as strategic projects in the field of energy. A series of comments and proposals were prepared for the improvement of legislation in the field of energy in order to improve conditions for prosumers (households that produce and use electricity from renewable energy sources). EKO-SVEST sent comments to the proposal of the Law on Forests, the Law on Hunting and Game and the Law on Climate Action. 20 analyzes and public policy documents were promoted through the media and by organizing events with stakeholders.

During 2023, EKO-SVEST conducted more than 13 workshops and educational activities intended for the youngest and students in Demir Kapija, Mavrovo and Vevcani. Over 300 young people were involved in these workshops.

The organization was present at two festivals - FlipBook and DreamShort and directly reached 340 participants. Through this cooperation for the first time, the "greenest film" category has also been established at the FlipBook Animated Film Festival.

Two exhibitions were organised on the topic of river protection and supported the creation of an eco mural in Vevcani. In the Museum of Contemporary Art in Skopje, the exhibition of the artist Gjorgje Jovanović covered topics from the area of the climate crisis, thanks to the collaboration with this artist.

Public campaigns aimed at information and education were carried out within the framework of many of our projects. In the domain of climate and energy, a series of 5 mini educational videos was produced that were broadcasted on a national TV channel. A campaign through public transport and social media on the topic of protection of Mavrovo National Park from the planned hydropower plants reached over 160,000 citizens.

Through the "CSO in Action for Climate" project in 2023, 5 campaigns with educational content on the connection of climate change with forests, urban green infrastructure, transport, energy transition and food production were carried out. This was done through traditional, social media and visual art and experimental film, animations and music. The campaigns reached a visibility of 2.5 million people.

**NOTES TO THE FINANCIAL STATEMENTS****December 31, 2023****1.1 PROJECTS (2023/2022) (Continued)**

In Vevcani, EKO-SVEST organized a series of trainings for the rangers of the protected area, and for over 1000 scouts, conducted lectures on the topic of nature protection during the scouts' gathering in Krushevo. The organization organized 2 concerts in Demir Kapija for different age groups as part of the events to announce the process of proclaiming of a protected area. Following main projects have been implemented during 2023 and 2022:

**Civil Society Organizations in Action for Climate financially supported by Sida**

Civil organizations in action for climate change" is a three-year program for strengthening civil organizations in Macedonia and their activities in the relevant environmental processes at the national level. In this program, EKO-SVEST is the lead organization responsible for management, coordination and reporting. The programs are implemented in partnership with MZMP and CNVP Macedonia.

The second project year provided a significant qualitative and quantitative contribution to the support of civil society organizations through capacity building, mentoring and legal advice, financial support through a grant program and policy engagement on various issues in the field of the environment, climate change and energy at the local and national level.

Increasing the volume of knowledge and communication on these topics, through carefully selected sectoral analyses, policy documents and specific responses to policies or incidents that were formulated with support and targeted at CSOs, helped them to strengthen their role in the processes of decarbonization, transformation and rebuilding society.

Communication has been established with a number of municipalities across the country, some benefiting from advice and support from the project team, and others benefiting from direct collaboration with CSOs for specific climate-related activities, such as data collection, inventory compilation and planning climate action measures for mitigation or adaptation.

Communication campaigns aimed at the general public with a strong focus on civic engagement messages raise awareness and understanding and update the energy and climate debate where climate and energy issues are linked to the environment, sustainable economic development and health.

The possibility to provide funding for local climate action grants, institutional support and ad-hoc projects was essential to help CSOs to conceive, design and propose specific projects for climate priorities at the local level. 288 individual users and 117 CSO registrations and 97 project applications registered on the grant management platform. 15 grants were awarded to civil society organizations in the total amount of Den 22,118,512.00.

With the support of the Climate Coalition, which reached around 70 members, the ekosfera.mk network and other partners working on climate issues, civil society organizations are encouraged to take a more active role in framing and solving local or national issues together with relevant stakeholders. The project activities of the grantees offered more opportunities for cooperation with municipalities and the involvement of CSOs in the improvement of local and national policies and programs.

*The program lasts until May 2025.*

**Cooperation with the Heinrich Boell Stiftung for the publication of Atlas of plastics in Macedonia**

During 2023, the Heinrich Bell Foundation and the Break Free From Plastic movement in collaboration with EKO-SVEST collaborated on the adaptation of the first Macedonian edition of the "Atlas of plastics: Facts and Figures on the World of Synthetic Polymers". The atlas offers more than 50 detailed infographics covering a wide range of topics related to the plastic pollution crisis along the entire plastic value chain.

The atlas highlights the global impacts of plastic production, consumption and disposal on other key global challenges, such as human health and climate change. It also describes the role of plastics for key industrial sectors such as agriculture and tourism and describes the corporate interests and drivers behind the plastic crisis. Finally, Atlas of plastics presents an overview of key plastic regulations, zero waste solutions and a look at the growing global movement working towards a future free of plastic pollution.

**NOTES TO THE FINANCIAL STATEMENTS****December 31, 2023****1.1 PROJECTS (2023/2022) (Continued)**

The Macedonian edition provides an overview of the plastic waste situation in Macedonia, legal regulations and ways to deal with waste, as well as the role of the informal sector in waste management. The international edition of this atlas was first published in 2019 and to date has seen separate editions in different languages in more than 20 countries and territories.



**Cooperation with Germanwatch on energy transition and decarbonization in the Western Balkans**

The goal of the project is to support the countries of the Western Balkans, especially Kosovo, Macedonia and Serbia, in accelerating their energy transition and decarbonization. This includes building strong civil society networks in the region that, in close coordination with academia and the private sector, will work together for national and regional reforms.

The project builds a regional/cross-border strategy in order to propose a regional roadmap that defines clear actions that can and should be implemented with the joint effort of all stakeholders. It is obvious that the energy transition in the region can only be successful if energy networks and energy production are coordinated regionally.

The project started at the beginning of 2023 and will last for three years.

**Cooperation with CAN Europe to coordinate the development of a study on overcoming obstacles to the use of renewable energy sources in Macedonia and Serbia**

CAN Europe supported the preparation of a study that aims to identify country-level barriers in Macedonia and Serbia that hinder the deployment of renewable energy capacity, with a focus on solar and wind.

EKO-SVEST supported and coordinated the submission of the aforementioned report on barriers to RES in the Western Balkans and more specifically in Serbia and Macedonia, and assisted in the publication and promotion of the report. The report was consulted with Balkan activists working on climate and energy. A presentation of the study report was organized where national activists from Macedonia and Serbia presented current and upcoming policies in the energy sector, and consultants presented key findings and recommendations from the Study. The study can be downloaded from the following link.

The cooperation of this activity lasted during 2023.

**Save the blue heart of Europe, a campaign supported by the Euronatur foundation**

After the last decision of the Berne Convention in December 2022, which explicitly stated the need to withdraw the concessions for the three small hydropower plants in Mavrovo National Park (Zhirovnichka 5 and 6 and Ribnichka 7), EKO-SVEST designed and implemented a campaign to raise public awareness of the importance for the termination of the concessions in Mavrovo for the successful implementation of the process of re-proclamation of the park. The campaign was carried out on public transport buses in Skopje. In addition to public transport, the campaign was simultaneously implemented on social media platforms.

Within the same campaign, EKO-SVEST collaborated with representatives from institutions, especially political, educational and cultural institutions, by organizing an exhibition with photo and video essays on the same topic. The exhibition was held at the Jadro cultural center, where EKO-SVEST advocated breaking concessions in our communication with various institutional representatives and the public. At a meeting with representatives from the nature protection department in the Ministry of Environment, EKO-SVEST advocated for the withdrawal of the concessions in Mavrovo.

By involving children and young people as creators of creative content, EKO-SVEST made sure that the campaign spoke in a new and authentic language understandable to the young population. The campaign also contributed to motivating young people and professional profiling of young artists by working on topics related to river protection. This enabled the development of a new narrative that will be used to convey the problem of river protection to a wider audience through the vision of the younger generation.

**NOTES TO THE FINANCIAL STATEMENTS****December 31, 2023****1.1 PROJECTS (2023/2022) (Continued)**

In that direction, EKO-SVEST collaborated with the FlipBook animated film festival and organized stop-motion animation workshops with students from the secondary art school in Skopje. The EKO-SVEST team provided the content on river protection, while the FlipBook team of animators trained the students on how to convey a visual narrative through stop-motion animation. The animations produced during the workshops were shown in the official program of the festival edition of the FlipBook Film Festival in August 2023, where a panel discussion was also organized on the importance of river protection and the revocation of concessions in Mavrovo National Park.

Since this year, the FlipBook Film Festival has also introduced an award for "Most Eco-conscious Film", i.e. an award for a film with an environmental message, which is awarded by Eco-consciousness.

The campaign specifically addressed residents in national parks, raising awareness of the problems with hydropower plants in their immediate environment. In that direction, the last two activities in 2023 were focused on cooperation with local communities in Mavrovo directly affected by the construction of small hydropower plants. One activity was realized in cooperation with the "Partizan Print" Collective, which held workshops on screen printing and collage with elementary school children. As a result of the workshops, monotypes and collages were exhibited at school exhibitions, and a coloring book was designed for use in elementary schools across the country.

The other activity was carried out in cooperation with the "Shadows and Clouds" theater, which held a workshop with high school students where the students got to know the principles of environmental activism, during which works and props were made which were then used to organize a protest march in Rostuse.

The Save the Blue Heart of Europe campaign was implemented during 2022 and 2023, with its continuation in 2024.

**United for Rivers, a campaign supported by The Nature Conservancy**

The ultimate goal of this initiative is the establishment of a protected area on the territory of the municipality of Demir Kapija, which will ensure the protection of a part of the lower stream of the Vardar River and its tributaries. The initiative started in October 2022 and will last until the set goal is reached.

First of all, an analysis of the shortcomings in the legislation and the possibilities for establishing protection mechanisms was carried out, after which the initiative to declare a protected area was presented to the Department of Nature in the Ministry of Environment and Spatial Planning, and the procedure for implementing the initiative was harmonized with the legal requirements.

All local stakeholders who should be involved in the initiative and be allies for the protection of the area were identified. Meetings and detailed interviews were held where they were informed about the initiative, and their experiences, opinions, expectations and recommendations were collected. All local stakeholders were included as supporters of the initiative.

In the next step, cooperation was established with the municipality and the mayor of Demir Kapija. The initiative was presented to councilors in the municipality, and the council of the municipality voted a positive opinion, with which the municipality became an official institution that will be the submitter of the initiative for a protected area. In that direction, the municipality submitted to the ministry the intention to declare the protected area, as prescribed by the law on nature, which officially started the process.

In the past year, a survey of public opinion was also carried out in the municipality of Demir Kapija, as well as an analysis of the possibilities for ecological tourism and sustainable development in the region of Demir Kapija. The data obtained from the survey, as well as the proposals obtained from the analysis, will be used to design a campaign to inform the local community and ensure their involvement in the process. Such a campaign is planned for 2024.

In October, at the Cultural and Information Center in Skopje, EKO-SVEST opened the exhibition "Lives Shaped by Water", which reveals the complexity of our relationship with rivers and documents the connections between people and rivers through the lens of seven established photographers from Bosnia and Herzegovina, Montenegro, Croatia, Macedonia, Slovenia and Serbia.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2023

**1.1 PROJECTS (2023/2022) (Continued)**

In October 2023, an event was also held to launch the initiative, i.e. a public event with concerts by two bands - Ljubojna and Letechki Pekinezeri in Demir Kapija, which officially announced the start of the initiative to declare the protected area. The speeches of the mayor, representatives of the institutions and non-governmental organizations aimed to present the initiative and the challenges for its implementation to the local community and ensure their trust.

**Protecting rivers by establishing monitoring and river habitat restoration practices in protected areas, supported by Prespa Ohrid Nature Trust**

The main goal of this three-year project is to establish and ensure, through partnership and cooperation, continuous monitoring of rivers with the intention of protecting and restoring rivers and habitats in two protected areas in Macedonia - NP Mavrovo and NP Shar Planina. This will be achieved through joint activities involving NP Mavrovo and Shar Planina, state institutions, local authorities and citizens, creating a model for how river restoration activities in protected areas should be planned and implemented in the future.

During the entire implementation process, local civil society organizations and local communities themselves will be involved through the establishment of citizen science practices for the regular contribution of local communities in river monitoring efforts.

The project officially started in September 2023 and the first months were dedicated to forming and training the project team, as well as holding initial meetings with the most important stakeholders. In that direction, official meetings were held with the two national parks in which the program plan was explained to the contact persons and the next steps were agreed upon.

A meeting was held with the Department of Water in the Ministry, from where knowledge and guidance were obtained, and consultative meetings were also held with some of the key experts in the field of hydrology.

**Reconnecting rivers - creating a methodology for identifying obstacles to be removed, a project supported by the Open Rivers Foundation**

"Reconnecting the rivers in Macedonia" is the first project related to the restoration of rivers through the removal of obstacles. This practice will provide an opportunity to introduce the removal of dams, obstacles and barriers as an important mechanism for river restoration.

The aim is to develop a nationally applicable methodology and database with a simulator for the identification of priority barriers for removal using the Pcinja river basin as a case study.

The project is implemented in partnership with the association Geobalkanica.

The analysis carried out within the framework of the project assessed the obstacles and their impacts on the environment, impacts on biodiversity, socio-economic significance and legal status in the Pcinja river basin. All the collected data from the fieldwork are entered into a database, which allows for a systematic classification of the impact of the obstacles and clear directions for their removal.

The methodology, database and simulator initially used in the case of the river Pcinja will further be used at the national level for all river basins in the country.

The database can be supplemented with data from other river basins and will serve for future river restoration projects.

The scientific study "Reconnection of rivers in Macedonia - creation of a methodology and identification of priority obstacles for removal" will lay the foundation for similar studies related to the evaluation of the possibilities of river restoration. It will also be used as scientific evidence for the importance of river restoration for healthy and connected ecosystems. For the purposes of this project, a legal analysis on the status of the obstacles of the Pcinja river and a socio-economic analysis of the impact of the obstacles on the Pcinja river basin have been prepared.

The project was implemented during 2023. Based on the findings, two obstacles were identified for removal, which will allow over 70 km of free flow of the river Pcinja and its tributaries. It is expected that the identified barriers will be physically removed during 2024.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

**1.1 PROJECTS (2023/2022) (Continued)**

**Analysis of possible termination mechanisms for small hydro concessions, supported by the Sigrid Rausing Trust**

In order to ensure the protection of the natural heritage in the protected areas from the infrastructure projects that have harmful effects on nature, EKO-SVEST prepared a "Legal analysis of the national legislation on the cancellation of permits for the exploitation of water resources during the production of electricity". The analysis covers the national legal framework and accompanying by-laws in the field of environmental protection, nature protection and water protection and identifies potential shortcomings in the procedure that allowed projects that are harmful to the environment and nature to be approved and implemented.

The analysis is also in accordance with the current recommendations of the Committee of the Berne Convention regarding the termination of concessions of all hydropower projects that are planned and approved for construction in all protected areas, while it aims to emphasize the protection of nature as an activity of public interest.

The analysis contains specific legal amendments that will improve the procedure for assessing environmental impacts for infrastructure projects in protected areas and will prevent projects in protected areas without a proper assessment of their impacts on biodiversity, geodiversity, hydrology and quality of life. of the local population.

In doing so, the analysis proposes three scenarios for the termination of permits for the exploitation of water resources in protected areas, and the risks that may result from the termination of the agreements are assessed. The analysis is intended to provide support for the re-proclamation process of NP Mavrovo and specifically focuses on the termination of the granted concessions for MHEC Ribnicka and Zirovnica 5 and 6.

The legal analysis was made in cooperation with prof. Dr. It was presented to Igor Kambovski on June 9, 2023. before the relevant institutions including the Ministry of Environment and Spatial Planning, the State Inspectorate for the Environment, National Parks) and it was delivered to all institutions that have competence in this area. As a result of the discussion, EKO-SVEST applied one of the proposed legal mechanisms and challenged the legal procedures for issuing concessions in protected areas as unconstitutional and harmful to the natural heritage before the Constitutional Court of Macedonia.

**Support of sustainable management of the Vevchani Springs Nature Monument, financed by Prespa Ohrid Nature Trust (PONT)**

With this project EKO-SVEST with the support of Prespa Ohrid Nature Trust continued its work in the Vevchani Springs Nature Monument in 2023. The three-year project, which started in August 2022, implemented by the local office of EKO-SVEST in Vevchani aims to harmonize efforts to preserve nature by involving the local community and improving the management of the protected area Nature Monument Vevchani Springs.

In the framework of this project, educational workshops were organized that included over 200 students from the elementary school and kindergarten from Vevchani, as well as local schools from the surrounding area. These activities contributed to greater involvement of young people in educational workshops, nature outings, actions for cleaning up waste and planting trees, as well as creating a mural with natural motifs. In cooperation with NP Galichica, EKO-SVEST also organized two workshops for citizen science.

EKO-SVEST organized and participated in 5 events that included different groups of people. As part of the DreamShort short film festival, EKO-SVEST organized a film evening with a screening of environmental films and a debate. EKO-SVEST presented educational workshops at the 13th Macedonian Scout Show. Over 1000 participants from 16 countries attended our workshops and had the opportunity to get more information about the Vevchani Springs Nature Monument. With INKA - Initiative for independent cultural activism, EKO-SVEST organized educational art workshops in the protected area.

**NOTES TO THE FINANCIAL STATEMENTS****December 31, 2023****1.1 PROJECTS (2023/2022) (Continued)**

EKO-SVEST also took part in the Vevchani Cultural Summer through the projection of films, and together with the Planinski Cvet kindergarten, EKO-SVEST organized a pre-New Year's workshop where the youngest made souvenirs with natural motifs and exhibited them at the New Year's Bazaar in Vevchani.

On the territory of the Natural Monument, in order to improve the infrastructure for visitors, information boards with a tourist map, information about the natural heritage of the area and the permitted and prohibited activities according to the protection zones, as well as signposts that will contribute to better orientation and awareness of the visitors, were placed.

For the ranger service of the Vevchani Springs Nature Monument, EKO-SVEST organized theoretical and field trainings to improve their skills and knowledge, as well as procurement and installation of wildlife monitoring systems (photo traps).

The creation of a permanent nature display in the Multicultural Center in Vevchani is in its final phase. Here, visitors will be able to get more information about the significance of the Nature Monument Vevchani Springs and the Jablanica mountain, as well as about the natural beauties of this area.

**Protection of the Brown Bear project, supported by the Euronatur Foundation**

Protection of the Brown Bear project is a regional initiative to protect the bear that began in 2022 and ended in December 2023.

The project financed through EuroNature and implemented by EKO-SVEST and the Macedonian Ecological Society (MED), PPNEA from Albania and Kalisto from Greece helped to improve cross-border protection, monitoring and greater cooperation between the three countries with a single goal, greater protection of the brown bear.

In order to achieve the goal of protecting the brown bear, EKO-SVEST have built a network of relevant actors - institutions and local stakeholders. This network represents a basic axis in the circle of efforts needed to improve the protection of this species.

During 2023, as part of the project, trainings were organized for the ranger services of protected areas and institutions, as well as cross-border trainings aimed at the presentation and exchange of experiences and knowledge about modern conservation measures, monitoring systems and prevention of road accidents.

Protocols for monitoring and intervention teams were developed as part of the project, and these are shared with protected areas and used in regular monitoring activities. It is expected that this activity will continue in 2024 with a new project.

**"Collect, recycle, create - From recycled plastic to innovation" funded by the GEF Small Grants Program in North Macedonia**

In September 2023, EKO-SVEST started with the implementation of the project which aims to improve the management of plastic waste and other solid materials in the municipality of Vevchani through education and promotion of innovative practices of a circular economy for using waste as a resource.

The project has a duration of 12 months. EKO-SVEST started by improving the infrastructure for the collection and treatment of plastic waste by purchasing plastic sorting bins and cages and a shredder to reduce the amount of waste sent to landfills. With the introduction of 3D printing as a way to recycle plastic waste, the selected waste through the production of 3D printing filament will be reused in 3D printed products. In addition, the local population in Vevchani is familiar with the ways to correctly select and recycle plastic waste and the benefits of the same, through activities for informing and raising public awareness.

**Smart Energy Planning, supported by The Nature Conservancy**

In cooperation with The Nature Conservancy and the Macedonian Academy of Sciences and Arts (MANU), Eko-svest worked on a project for smart energy planning in the country. In 2023 the Eko-svest organized the work of the expert working group as well as the institutional advisory body to better disseminate the results of the research and collect timely feedback in each project phase.

**NOTES TO THE FINANCIAL STATEMENTS****December 31, 2023****1.1 PROJECTS (2023/2022) (Continued)**

As a result of this project, a map of best possible locations for photovoltaic and wind plants was created and a study was published. The results were launched at a public event in October 2023. This activity was started in 2020 and finalized in October 2023.

**Implementing climate targets, supported by CAN Europe through the Beyond Fossil Fuels campaign**

The purpose of this project was to secure implementation of already adopted high climate and energy goals and push for the start of the national just transition processes. To achieve this Eko-svest reached out to relevant institutions such as the Ministry of economy and Ministry of environment and held meetings to push for the implementation of adopted high energy and climate targets. As part of the national climate coalition was formed a working group on unlocking RES specifically for households and produced a [policy paper](#) with key findings and recommendations for improving RES Regulation that were sent as an open letter to the cabinet of the prime minister, Minister of economy and Minister of transport and communications of North Macedonia.

Facilitating the process for active participation of CSOs in the preparation and commenting of the draft law on climate action was a good practice example of cooperation with institutions. Eko-svest worked closely with media from the country since energy and climate topics are still relatively difficult to understand for them.

Eko-svest managed to reach a wide audience with the multisensory exhibition and satiric TV episodes. Campaign reached more than 1.5million since they aired on national TV. The exhibition entitled “Bitter sugar” in the Museum of Contemporary Art in Skopje from September 2023 to February 2024, showcases the country’s food production sector in a post apocalyptic world affected by climate change.

**Decarbonising North Macedonia through preventing harmful fossil fuel projects and advocating for clean alternatives and just transition, supported by the European Climate Foundation**

A Fact Finding Mission was conducted in July 2023 to the Bitola region. A number of meetings were held with relevant stakeholders, including Municipality representatives, Council members, archaeologists at the Museum and local actors. There is general support to these activities in the region. The mission also focused on investigating the opening of the new coal mine and opposition of the archaeologist’s society to it. The mission enabled Eko-svest to build new alliances that are now used for the implementation of a new follow up project.

A GAP analysis on the implementation of energy efficiency directive and a case study was conducted together with an external expert. It focused on analysing the EU directives and national legislation and identified the gaps in the national law, providing a set of recommendations. This analysis as jointly published with the case study on implementation of energy efficiency measures online. The analysis was presented in a public event in June 2023 co-organized with the Consumer Association of Macedonia.

A set of 13 information posts were published on social media, extracting key messages and recommendations from this analysis resulting in 10150 reach on Facebook and 2463 on Instagram. Reach reports are attached to the report. More than 30 articles were published in online media and electronic portals covering this topic.

**Eliminating coal as a fuel from the energy sector in North Macedonia, supported by the European Climate Foundation**

This project aims to raise awareness among citizens in the Bitola region regarding alternative energy options for electricity and heating. Through collaboration with local stakeholders, Eko-svest plans to develop a long-term plan for a Coal Free Future in this area. Additionally, the goal is to advocate for the implementation of new technologies such as solar energy and energy storage, and to achieve a just transition that is fair to all parties involved in the case of Bitola.

The timeframe of this project is one year, starting from 1 September 2023.

Since the beginning of the project, several meetings were held with local stakeholders to explore their perspectives on a just transition. This initiative aims to ensure engagement and support from the interested parties in the implementation of the project.



## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

### 1.1 PROJECTS (2023/2022) (Continued)

During 2024, there will be a series of cultural and educational events with partner organizations from Bitola.

#### **ENCLUDE, supported by the EU's Horizon 2020 programme**

In the third year of the ENCLUDE project, Eko-svest prepared a research report based on in-depth interviews with stakeholders in two examples of energy collectives in the country. The research report analyzes the factors and obstacles that influence the processes of creating trust, making decisions for community development, determining common goals, the institutional and legal context in which they operate, in order to provide specific recommendations and criteria for effective energy association (energy citizenship).

In November, the ENCLUDE consortium held its third annual meeting in Ohrid. Representatives of the consortium including professors, doctoral students, researchers, think tanks and civil society organizations from European countries visited the protected area Monument of nature Vevčanski Izvori and were informed about the benefits and challenges faced by the local population. A visit was also organized in the village of Belica, where the energy association is one of the cases in the project that shows exceptional and positive results.

#### **Minimising the intake of fossil gas in the Macedonian energy sector, supported by European Climate Foundation**

The project aims to raise awareness about gas as an inappropriate transition fuel in the country. By providing expert opinions and advocacy, the goal is to influence energy policy and prevent the massive development of gas infrastructure, through cooperation with local communities and institutions. The vision is that Macedonia will move towards clean development without financial lock-in of resources in projects that in the long run will not result in a real transition of the sector.

Within the framework of the project, in 2023, cooperation was achieved with the Regional Energy Policy Center REKK from Hungary for the preparation of an analysis of the economic viability of the gas infrastructure. Although the analysis was completed in December 2023, it was officially presented to the relevant stakeholders in early 2024 with an outstanding reception by the institutions.

The time frame for the realization of this project is one year, starting from December 1, 2023.

#### **Implementing the fossil fuel campaign plan of CEE Bankwatch Network in North Macedonia, supported by Sida**

The main goal of this activity was to keep the discussion on accelerating the energy transition and phasing out fossil fuels. As part of the Macedonian Energy Forum 2023, Eko-svest organized a panel discussion on "Transformation of the Energy Sector through Local Climate Action" which focused on how local communities can engage and educate their residents to promote climate action and how they can be drivers of larger energy policies. The panel discussion covered topics of transparency, smart energy planning, energy transition and energy efficiency, and the mayor of Bitola was among the speakers on the panel and discussed the opportunities and challenges facing the energy transition for the municipality of Bitola. The panel was attended by 48 guests, including stakeholders from the government, relevant institutions and agencies, energy companies, civil society organizations and the media.

Eko-svest participated in the process of preparation of the National Strategy for Mineral Resources and submitted comments on the first draft version. During 2023 there were a number of new laws and policies related to energy drafted, so Eko-svest worked with journalists to discuss the conclusions of COP28, the investment plan for a just transition and recent changes in legislation and announcements of new laws. In this way, the media was prepared to follow these processes and informed them about the key aspects of the new and announced changes.

#### **Cooperation with Fundacja "Rozwoj TAK - Odkrywki NIE" on researching coal insurance**

Within the framework of the project "Stop insuring fossil fuel", Eko-svest started cooperation with Rozwoj TAK - Odkrywki NIE (RTON) Foundation from Poland. The project is regional and takes place in the countries of the Western Balkans, Bulgaria, Romania and Turkey.

Through the project, Eko-svest prepared a research report on the practices and legal restrictions for insurance of coal or lignite mines, coal-fired power plants, insurance of workers and equipment in Macedonia. As part of the project, Eko-svest, together with a representative from the RTON Foundation from Poland, organized a workshop where civil society organizations working in the area had the opportunity to learn about the role

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

### 1.1 PROJECTS (2023/2022) (Continued)

of the insurance sector and companies involved in the exploitation and use of coal, as well as about the activities that the foundation implements in Poland. The research took place in the period from July to September 2023.

#### **Enabling the decentralization of energy production, supported by the NDI**

The main objective of the project was to improve regulatory framework for the stimulation of electricity production from photovoltaic, photovoltaic/thermal and thermal systems in households.

Key project results:

- Qualitative research about experiences of households with administrative procedures related to renewable energy sources, as well as energy efficiency of energy poor households through focus group discussions.
- Analysis of the Regulation on Renewable Energy Sources
- Analysis of the administrative procedures for the installation of photovoltaic and photovoltaic/thermal (PV/T) systems in households
- Analysis of the cost effectiveness of photovoltaic, photovoltaic/thermal and thermal systems in households
- Recommendations for improvement of support measures for households that will incentivize installation of photovoltaic, thermal and photovoltaic/thermal (PV/T) systems
- Open letter to Government and relevant institutions
- Communication materials with key findings and recommendations

Key recommendations from the Analysis of the administrative procedures for the installation of photovoltaic and photovoltaic/thermal (PV/T) systems in households were included in the comments to the draft law on climate action. These recommendations were discussed with MPs from the Green Parliamentary Group in parliament with a main focus on key priorities for the law on climate action.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

**PUBLICATIONS (2023/2022)**

- Energy crisis vs. decarbonization in Republic of North Macedonia (2023)
- Gasification plans and building heating options in North Macedonia (2023)
- Legal analysis of the status of obstacles, dams, and other infrastructure constructions in the catchment area of the river Pčinja (2023)
- Reconnecting rivers- Creation of methodology and identification of priority cascades for disposal (2023)
- Policy document Carbon fee in the Republic of North Macedonia (2023)
- Public Policy Paper The carbon fee - An opportunity for a healthier environment for citizens (2023)
- Analysis of the development and sustainable planning of transport in RSM from the aspect of the impact on climate change (2023)
- Legal analysis of the national legislation on the cancellation of permits for the exploitation of water resources during the production of electricity in protected areas (2023)
- Public Policy Paper Corridors 8 and 10D. Do EKO-SVEST have enough guarantees that the construction of highways will not have a negative impact on the forest fund? (2023)
- Analysis of compliance and enforcement of Energy Efficiency Legislation (2023)
- Public Policy Paper Strategic management of the environment and climate change at the central level (2023)
- Public Policy Paper Strategic management of the environment at the local level (2023)
- Faster to a renewable future: Using degraded and unusable areas as locations for solar and wind power plants in North Macedonia (2023)
- Legal provisions on issues and areas useful for the work of environmental civil society organizations (2023)
- A plan at the right time for North Macedonia to accelerate the energy transition (2023)
- Atlas of plastics. Facts and figures about the world of synthetic polymers (2023)
- Analysis of the administrative procedure for setting up solar systems in the Republic of North Macedonia (2023)
- Analysis of the regulations on renewable energy sources with special emphasis on the regulations on renewable energy sources, to identify the procedures, legal and technical aspects for installing photovoltaic systems for households in the Republic of North Macedonia (2023)
- Proposal-Recommendations for the introduction of household support measures that will encourage the installation of photovoltaic, photothermal and thermal systems (2023)
- 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)

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

**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 2023 and 2022. 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****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 2023 income tax is paid to the own generated income if exceeds Den 1,000 thousand by applying tax rate of 1%.

	In Denars
	2023
Revenue from services provided	1,552,821
Decrease of revenue for 1,000,000 denars	(1,000,000)
Total revenue after deduction	<b>552,821</b>
Income tax of 1%	<b>5,528</b>

**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

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

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

**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.

**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, 2023

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

		In Denars Year Ended December 31,	
		2023	2022
<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)	28,214,679	23,045,600
Institutional grant	Sigrid Rausing Trust	5,148,257	5,463,056
Activities within the fossil fuels strategic area	CEE Bankwatch Network	1,680,851	3,477,583
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			
4. Coal Free Future for Bitola	European Climate Foundation (ECF)	4,141,527	3,178,049
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)	1,153,420	2,861,040
1. Support for Sustainable Management of the Monument of nature "Vevchani Springs			
2. River protection through establishing monitoring practices and habitats restoration in protected areas	Prespa Ohrid Nature Trust	5,696,711	2,393,178
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

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

		<b>In Denars</b>	
		<b>Year Ended</b>	
		<b>December 31,</b>	
		<b>2023</b>	<b>2022</b>
<b>1.Revenue from projects implementation (continued)</b>			
<b>Projects</b>	<b>Donator</b>		
Save the Blue Heart of Europe	EuroNatur Stiftung	491,960	1,170,533
Research on the Possible Removal of Obstacles on the River Pchinja	Stichting European Open Rivers	2,066,158	1,035,545
Communities for Just Transition	Climate Action Network Europe- Europe Beyond Coal	643,898	604,350
TriPoint Brown Bear project	MED	-	401,057
Citizen science in service to nature protection	Birdlife International	-	328,657
Fund for environment project	GEF SGP NM	681,080	129,482
Wetlands International - European Cooperation on the preparation of the Shadow report for Chapter 27	CKP Gevgelija	-	101,708
GEAR	Fors Montenegro Nvo	280,206	-
Enabling decentralization of energy production	Democratic Institute for International Affairs NDI	1,133,563	-
Energy Citizens for Inclusive Decarbonisation - ENCLUDE	Technische Universiteit delft	<u>153,723</u>	<u>-</u>
<b>Total revenue from projects implementation</b>		<b><u>51,545,831</u></b>	<b><u>47,810,205</u></b>
<b>2. Revenue from membership</b>		<b><u>15,000</u></b>	<b><u>25,000</u></b>
<b>3. Revenue from services provided</b>			
Germanwatch E.V.		616,847	924,080
Climate Action Network Europe		442,764	-
Heinrich Boll Fondacija		58,420	293,488
Other (services provided)		<u>434,790</u>	<u>532,780</u>
		<b><u>1,552,821</u></b>	<b><u>1,750,348</u></b>
<b>4.Other revenue</b>		<u>20,867</u>	<u>226,541</u>
		<b><u>20,867</u></b>	<b><u>226,541</u></b>
<b>TOTAL REVENUE (1+2+3+4)</b>		<b><u><u>53,134,519</u></u></b>	<b><u><u>49,812,094</u></u></b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

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

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Foreign exchange loss	(823,342)	(626,749)
Foreign exchange gain	49,497	61,685
Interest income	-	-
Interest loss	-	-
	<b><u>(773,845)</u></b>	<b><u>(565,064)</u></b>

**6. OPERATIONAL EXPENSES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Office materials consumed	561,020	312,044
Energy & communal expenses	164,872	105,518
Rent expenses	1,705,885	1,388,853
Post, telephones, internet	270,797	187,155
Bank charges	90,740	71,998
Intellectual services	7,465,688	7,214,961
Donations to other entities	29,266,556	10,747,270
Transportation	1,025,467	587,145
Promotional materials	1,479,825	418,455
Membership	200,278	18,262
Other miscellaneous	1,889,853	2,870,224
	<b><u>44,120,981</u></b>	<b><u>23,921,885</u></b>

Donations to other Entities in 2023 in the amount of 29,266,556 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 out of which Den 17,073,322 were disbursed in 2023. Also, Den 10,254,319 were disbursed to the partners of EKO-SVEST in implementing the project, Connecting Natural Values People Foundation – Office in N.Macedonia and Macedonian Young Lawyers Association.
- Funds in total amount of Den 91,800 for the partnership with Macedonian Ecological Society (MED) for the collaboration in the project Exploring pathways for low impact energy solutions in MK financed by The Nature Conservancy.
- Funds in total amount of Den 697,410 were disbursed to several organizations for their support in preparing expert analyses for the collaboration in the project Enabling decentralization of energy production financed by National Democratic Institute for International Affairs NDI.
- Funds in total amount of Den 92,250 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, 2023****6. OPERATIONAL EXPENSES (Continued)**

- Funds in total amount of Den 1,057,455 for the partnership with Geobalknika for the collaboration in the project Reconnecting rivers in North Macedonia- Developing methodology and identification of priority barriers for removal - Catchment development of the Peinja financed by European Open Rivers Programme.

**7. STAFF COSTS**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Net salaries for employees	8,862,116	7,519,421
Mandatory contributions for salaries	4,362,299	3,894,914
Holiday allowance	240,000	171,084
	<b><u>13,464,415</u></b>	<b><u>11,585,419</u></b>

**8. CAPITAL EXPENSES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Equipment & furniture	500,890	1,271,064
IT Software	-	1,107,000
	<b><u>500,890</u></b>	<b><u>2,378,064</u></b>

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

9. TANGIBLE AND INTANGIBLE ASSETS

	In Denars		
	Tangible assets	Intangible assets	Total
<b>Cost</b>			
As at 01 January 2022,	4,213,995	567,847	4,781,842
Additions	1,984,092	1,120,985	3,105,077
<b>As at 31 December 2022/01 January 2023,</b>	<b>6,198,087</b>	<b>1,688,832</b>	<b>7,886,919</b>
Additions	136,552	-	136,552
Disposals	(1,516,954)	-	(1,516,954)
<b>As at 31 December 2023,</b>	<b>4,817,685</b>	<b>1,688,832</b>	<b>6,506,517</b>
<b>Accumulated depreciation</b>			
As at 01 January 2022,	(1,835,670)	(108,921)	(1,944,591)
Depreciation for the year	(676,722)	(37,888)	(714,610)
<b>As at 31 December 2022/01 January 2023,</b>	<b>(2,512,392)</b>	<b>(146,809)</b>	<b>(2,659,201)</b>
Depreciation for the year	(220,592)	(116,403)	(336,995)
Revalorization	432,421	(432,599)	(178)
Correction	314,860	-	314,860
<b>As at 31 December 2023</b>	<b>(1,985,703)</b>	<b>(695,811)</b>	<b>(2,681,514)</b>
<b>Carrying amount</b>			
As of 01 January 2022	1,995,013	141,379	2,136,392
<b>As at 31 December 2022</b>	<b>3,685,695</b>	<b>1,542,023</b>	<b>5,227,718</b>
<b>As at 31 December 2023</b>	<b>2,831,982</b>	<b>993,021</b>	<b>3,825,003</b>

As at 31 December 2023 and 2022, the Association does not have any equipment pledge under collateral.

10. CASH AND CASH EQUIVALENTS

	In Denars	
	Year Ended December 31,	
	2023	2022
Cash in banks – Denars	17,346,578	7,903,320
Cash in hand – Denars	2,997	263
Cash in banks – foreign currency	6,543,030	21,548,320
	<b>23,892,605</b>	<b>29,451,903</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

**11. TRADE AND OTHER RECEIVABLES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Trade receivables	-	295,242
Accruals	-	1,198
	<u>-</u>	<u>296,440</u>

**12. BUSINESS FUND**

	<b>In Denars</b>	
	<b>Business Fund</b>	<b>Business Fund</b>
	<b>2023</b>	<b>2022</b>
<b>As at 01 January</b>	<b>5,227,718</b>	<b>2,837,251</b>
Additions-intangible	-	1,107,000
Additions-tangible	136,552	1,528,183
Disposals -tangible	(1,516,954)	-
Revalorization	(178)	470,961
Correction, net	314,860	1,928
Current year amortization	(116,403)	(40,883)
Current year depreciation	(220,592)	(676,722)
<b>As at 31 December</b>	<b>3,825,003</b>	<b>5,227,718</b>

**13. TRADE AND OTHER PAYABLES**

	<b>In Denars</b>	
	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Trade payables to local companies	-	-
Tax on unrecognised expenditure	-	547
Advances received	-	13,124
Personnel Tax payable (office rent related)	-	21,614
Payable to individual involved in project implementation	-	1,604
Income tax payable	5,528	7,503
Employees' salaries related payables	-	-
Excess of revenues over expenses	<u>23,887,080</u>	<u>29,703,951</u>
	<u><b>23,892,608</b></u>	<u><b>29,748,343</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023**

**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, 2023 and 2022 are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
EUR	61,4950	61,4932
USD	55,6516	57,6535

**15. COMMITMENTS AND CONTINGENCIES**

*Taxation*

The accounting books and records of the Association for the years ending 31 December 2023 and 2022 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 2023, there are no legal proceeding initiated against the Association (2022: none).

**16. POST BALANCE SHEET EVENTS**

After 31 December 2023 – 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.