



## Democracy for Development – D4D

Independent Auditor's Report and Individual Financial Statements  
for the year ended December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

### To the Management of Democracy for Development – D4D

#### **Opinion**

We have audited the accompanying financial statements of Democracy for Development – D4D, which comprise the statement of financial position as at December 31, 2020 and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Democracy for Development – D4D as of December 31, 2020, results of its operation and the cash flow for the year then ended in conformity with actual laws.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and those charged with Governance for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error.

For the financial statements preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the financial statements**

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

total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
Astrit Musa – Statutory Auditor  
ACA – Audit & Consulting Associates  
Prishtine, Kosove  
11 May, 2021



**Democracy for Development**  
**Statement of Financial Position**  
**For the year ended December 31, 2020**

		As of December 31, 2020 (in EUR)	As of December 31, 2019 (in EUR)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	3	197,864	174,736
Accounts Receivable	4	3,439	36,617
<b>Total current assets</b>		<u>201,303</u>	<u>211,353</u>
<b>Non-current assets</b>			
Property and equipment		-	-
<b>Total non-current assets</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u><u>201,303</u></u>	<u><u>211,353</u></u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Tax liabilities	5	-	2,435
Deferred Revenues and Other Liabilities	6	201,303	208,919
<b>Total current liabilities</b>		<u>201,303</u>	<u>211,353</u>
<b>Reserves</b>			
Retained surplus		-	-
Net (deficit)/surplus for the year		-	-
<b>Total reserves</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>201,303</u></u>	<u><u>211,353</u></u>

The financial statements have been signed on 11 May 2021 by:

**Rrezarta Krasniqi**

  
 Executive Director

**Fjolla Veseli Zeka**

  
 Finance Manager

The accompanying notes from 1 to 9 form an integral part of these financial statements

**Democracy for Development**  
**Statement of Profit or Loss**  
For the year ended December 31, 2020

	Notes	Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
<b>Income</b>			
Contribution and grants	7	361,455	431,823
<b>Total income</b>		<u>361,455</u>	<u>431,823</u>
<b>Expenditure</b>			
Project and administrative expenses	8	361,455	431,823
<b>Total expenditure</b>		<u>361,455</u>	<u>431,823</u>
<b>Net (Deficit)/surplus for the year</b>		<u>-</u>	<u>-</u>

The accompanying notes from 1 to 9 form an integral part of these financial statements

**Democracy for Development**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2020**

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	<b>As of 31 December, 2020 (in EUR)</b>
Opening balance as at January 1st, 2019	-
Net deficit/surplus for the year ended December 31, 2019	-
<b>Balance as at December 31, 2019</b>	-
Net deficit/surplus for the year ended December 31, 2020	-
<b>Balance as at December 31, 2020</b>	-

The accompanying notes from 1 to 9 form an integral part of these financial statements

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**Democracy for Development**  
**Statement of Cash Flows**  
For the year ended December 31, 2020

	Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	-	-
Other Adjustments (last year profit)	-	-
Change in deferred revenues	-	-
Change in receivables	(7,616)	31,522
Change in prepayments	33,178	(14,747)
Change in payables	-	-
Change in other current liabilities	(2,435)	2,435
	-	-
<b>Net cash from operating activities</b>	<u>23,127</u>	<u>19,209</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	-	-
<b>Net cash used in investing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<b>23,127</b>	<b>19,209</b>
Cash and cash equivalents at 1 January	174,736	155,527
<b>Cash and cash equivalents at 31 December</b>	<u><u>197,864</u></u>	<u><u>174,736</u></u>

The accompanying notes from 1 to 9 form an integral part of these financial statements



**Democracy for Development**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

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**1. INTRODUCTION**

The **Democracy for Development (D4D)** Institute was established in April 2010 by a group of analysts who increasingly worried that the state-building exercise had neglected democracy. D4D seeks to contribute to Kosovo's state consolidation through a set of institutional programs that promote democracy as the ultimate principle and practice.

D4D's vision is to promote an active and educated citizenry that participates fully in the public space and utilizes the public arena of representation and decision-making to deliberate and build consensus over resource allocation that is efficient, smart, long-term, and that brings about equitable development. To make headway, D4D first offers its research findings to interested stakeholders, which is followed by a paper with recommendations, wider national dialogue, and advocacy with authorities, and pressure through the media. The main program pillars of D4D are:

1. Policy Analysis & Research
2. Elections and Political Parties
3. Governance & Public Interest
4. Dialogue & Regional Cooperation

**Policy Analysis and Research**

**Track 2 to Europeanization: A Partnership Approach**

Donor: Open Society Initiative for Europe, Open Society Foundations

The purpose of this project is to create linkages with EU partner organizations in the field of labor mobility and foreign policy, focusing on three levels:

1. Stir evidence-based EU Debates on labor mobility in a non-formal level with counterparts in Germany, and Greece, and focus on the common thematic issue of foreign policy with fellow think-tanks in Netherlands.
2. Organize formal talks, debates, meetings with EU Policy and Foreign Affairs actors of targeted countries that are involved in EU policy making processes in relation to labor mobility and foreign policy.
3. Bring EU debates on labor mobility and foreign policy back to Kosovo to enrich the discussion and move it beyond the EU accession/association dimension.

**ELECTIONS AND POLITICAL PARTIES**

**Removing Barriers: Participatory Democracy in Electoral Processes**

Donor: IFES

The overall goal of the project is to gather electoral adjudication stakeholders, and to improve, implement and draw the rights lessons for further improvement, in order to have a lasting effect for a better electoral adjudication process. A strong judiciary structure must have the capacity to resolve complaints and disputes arising during elections through a fair, transparent and efficient process.

**In Search of Party Ideology**

Donor: The Konrad-Adenauer-Stiftung (KAS)

The proposed research project aimed to create an ideological/issue map of the Kosovo political parties and the consistency of association within parties. In addition, electoral programs of political parties from

**Democracy for Development**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

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the 2019 general early elections were analyzed from the perspective of political ideologies and where do they fit within them. The analysis enabled us to better understand the level of association and helped us to influence a potential 'realignment' along specific lines and improve the policy debate.

**Political Participation: Towards Effective Youth Engagement**

Donor: National Endowment for Democracy (NED)

Promoting civic engagement among young people and encouraging greater youth participation in political processes. The overall objectives of this project were: Advancing young men and women of political parties' youth forums political sensitization and responsiveness; and advancing youth's participation in political and decision-making processes through enabling an environment that nourishes a culture of inclusion and dialogue.

**Youth representation with political integrity**

Donor: National Endowment for Democracy (NED)

Youth representation with political integrity project aims to scale-up the efforts of a previous NED project to enhance the political representation of youth, with a particular focus on young people who will take part for first-time in local election, as candidates and as voters, scheduled for 2021. This will be achieved through encouraging youth to enter and remain in politics with high integrity through capacity development on political integrity and misinformation and disinformation risks, and increased exchange with elected Members of Parliament to motivate youth to become politically engaged. This project was support it by National Endowment for Democracy (NED)

**GOVERNANCE AND PUBLIC INTEREST**

**Beyond numerical parity: Empowerment of women assembly members in local governance**

Donor: Advocacy Training & Resource Center (ATRC)

D4D has continued its close collaboration with women assembly members and has managed to functionalize the non-formal women groups in target municipalities (Pristina, Prizren Mitrovice, Istog, and Kamenica). These groups have continued to organize ongoing meetings, thus identifying main priorities for the initiatives that they will undertake in their respective municipalities. Two documents have been completed as foreseen by the project. The first document, "Beyond Numerical Parity: Empowerment of Women Assembly Members in Local Governance", focuses on political needs assessment on women policy makers and offers recommendations to address the challenges they face in fulfilling their duties as women assembly members.

The second document developed is the training manual with five modules addressed to municipal officials, including women assembly members, that are involved in decision- and policy- making processes. The document is being utilized for the training of women assembly members, two of which have been held, with more than 50 women assembly members and young women participating. In addition, two neighborhood talks were held in Pristina and Mitrovica in the framework of the 16 days of activism, with more than 60 women participating, who discussed with the women councilors about the problems and needs of women in their community.

**Democracy for Development**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

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**Maternity and Parental Leave**

Donor: OPIC

During 2020, D4D has continued the implementation of the Maternity and Parental leave project, the overall aim of the project is to enhance social justice by contributing to improved quality and intensity of social dialogue and interaction between social partners. Specifically, the goal of the project is to increase awareness of the key stakeholders about the benefits of introducing a paid parental leave program into the country's new Labor law and the special law for maternity and parental leave.

**Accountable and Transparent Local Governance**

Donor: Friedrich Ebert Stiftung (FES)

The overarching goal of the project was to create a space for democratic dialogue and participation through strengthening the capacities of the local assembly councilors to effectively fulfill their responsibilities toward the local constituencies. This was achieved through the establishment and strengthening of regular exchanges between mayors and municipal decision-makers, creation of a space for democratic dialogue and participation, to formulate common demands and improvement of public accountability via regular exchanges with young municipal councilors and mayors.

**Enhancing women's access to employment**

Donor: Royal Norwegian Embassy in Prishtina

In the effort to increase women participation in the labor market, D4D is implementing the "Enhancing women's access to employment" in partnership with GADC in Albania, financially supported by the Royal Norwegian Embassy in Pristina. Enhancing Women's Access to Employment project aims is to increase participation of women in the labor market through targeted advocacy in fighting gender discrimination, promoting decent jobs and implementing gender-friendly strategies that improve the presence of women in the labor market. The project provides seed funding support to grass-root organizations to build sufficient capacity and engage in a constructive and rewarding process of involving women in the workforce.

**Data 4 Women – Addressing COVID-19 impact on women's labor rights**

Donor: The Balkan Trust for Democracy (BTD)

The main goal of the project was to close the data gap on the impact of COVID-19 pandemics on the position of women in the labour market through reliable and up-to-date data, and to increase women's economic sustainability through small grants and trainings in fund-raising for community organizations. In addition, empowering small community-based organizations by awarding small grants for women's economic empowerment and providing online trainings on fund-raising from various donors will ensure stability for these organizations and greater networking for access to information and advocacy for women's access to the labour market and the impact of COVID-19 in this regard.

**Revitalizing Kosovo's assembly through analyzing and tackling key bottlenecks**

Donor: Heinrich Böll Foundation (HBF)

The general objective of the project is to enhance the efficiency and inclusiveness of Kosovo's Assembly through tackling the main bottlenecks identified. As it was foreseen in the project during the implementation we achieved to monitor meetings, organize discussions, we gathered a lot of numbers and all of the information's were published in the paper, which was presented in front of MPs.

**The position of women in the post-COVID-19 labor market: Challenges and opportunities**

Donor: Kosovo Foundation for Open Society – KFOS

The main objectives of the project were a) to expand the understanding of the impact of COVID-19 on the position of women in the labor market, b) to share data on response measures to address the inclusion of women in the labor market after the pandemic, c) generate specific recommendations and priorities for joint program work in adapting existing measures to increase women's access to employment after the pandemic.

**DIALOGUE AND REGIONAL COOPERATION**

**Promoting and Communicating Benefits of the Kosovo-Serbia EU Facilitated Dialogue**

As part of the Consortium with seven (7) other NGOs from Kosovo and Serbia, D4D worked closely on Promoting and Communicating Benefits of the Kosovo-Serbia EU Facilitated Dialogue. As it was foreseen in the project, D4D has completed the following activities: a) organized a local roundtable in the Municipality of Peja with citizens (mainly students) and interested NGOs with the aim of informing them furthermore about the technical dialogue agreements; b) Peer-to-Peer visit with the aim to connect youth, media, civil society, opinion makers, and interested political subjects from Kosovo and Serbia, with the purpose of informing them about the technical dialogue agreements and discuss the benefits from them; c) publish an opinion/editorial as a story on the impact that one of the technical dialogue agreements between Kosovo and Serbia had on the author.

## **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation**

The financial statements for the Organization have been prepared on a cash basis for revenues and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

### **2.2 Currency of presentation**

The functional currency of the Organization is the European Union currency unit Euro ("EUR"). The business financial statements are presented in Euro.

### **2.3 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

### **2.4 Taxes**

The organization was established as a non-governmental organization, therefore it has responsibilities and operates as an NGO under the applicable laws of Kosovo.

### **2.5 Revenue recognition**

Revenues from grants are recognized as income on a straight-line basis over the period of the operation.

### **2.6 Expenses recognition**

Expenses incurred for generation incomes are recognized in that period with the historical costs.

**Democracy for Development**  
**Notes to the Financial Statements**  
For the year ended December 31, 2020

**3. CASH AND CASH EQUIVALENTS**

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Cash in bank	197,621	174,613
Cash in hand	243	123
<b>Total Cash and Bank Balances</b>	<u><u>197,864</u></u>	<u><u>174,736</u></u>

**4. ACCOUNTS RECEIVABLES**

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Prepayment to Gender Alliance for development Centre (GADC)	3,439	36,617
<b>Total Accounts Receivable</b>	<u><u>3,439</u></u>	<u><u>36,617</u></u>

**5. ACCOUNTS PAYABLE**

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Income Tax/ Pension contribution	-	2,435
<b>Total tax liabilities</b>	<u><u>-</u></u>	<u><u>2,435</u></u>

**6. DEFERRED REVENUES**

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Deferred income at the beginning of period	208,919	177,397
Payments received from donors during the reporting period	353,839	463,345
<b>Total income received in the reporting period</b>	<u>562,758</u>	<u>640,742</u>
Income recognized in the reporting period	<u>(361,455)</u>	<u>(431,823)</u>
<b>Total deferred income</b>	<u><u>201,303</u></u>	<u><u>208,919</u></u>

**Democracy for Development**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

**7. CONTRIBUTION AND GRANTS**

	<b>December 31, 2020 (in EUR)</b>	<b>December 31, 2019 (in EUR)</b>
Norwegian Embassy	129,480	99,656
Think Tank Fund / Open Society Institute (TTF)	62,905	83,654
National Endowment for Democracy NED	39,882	49,789
Olof Palme International Center	37,415	37,398
USD/CEPPS/IFES	25,855	13,782
BTD	21,833	-
Kosovo Foundation for Open Society KFOS	19,680	-
Henrich Boll Stiftung (HBF)	14,209	8,275
Advocacy Training and Resource Center (ATRC)	12,746	12,973
Program Grants Other	7,601	-
Friedrich Ebert Stiftung (FES)	6,365	294
European Fund for the Balkans Think & Link	4,860	500
AKTIV	4,819	-
KAS	4,210	-
Ministry of culture, youth and Sport (MKRS)	2,155	2,790
Western Balkans Fund WBF	300	-
Balkans Policy Research Group (BPRG)	167	27,200
The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ - DIMAK)	-	28,208
Embassy of the Kingdom of Netherlands - MATRA	-	16,390
Open Society Foundation NEF	-	4,175
Helvetas Swiss Intercooperation Kosovo (Education)	-	2,880
Kosovo Civil Society Foundations (KCSF)	-	2,420
German Chamber of Commerce	-	1,273
GLPS	-	227
Kosovo Democratic Institute (KDI)	(646)	6,470
Swiss Federal Department for Foreign Affairs (FDFA)	(39,998)	64,994
<b>Total Contribution and Grants received</b>	<b>353,839</b>	<b>463,345</b>
Difference of deferred income at the end of the period	7,616	(31,522)
<b>Total Contribution and Grants for the period</b>	<b>361,455</b>	<b>431,823</b>

**Democracy for Development**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

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**8. PROJECT AND ADMINISTRATIVE EXPENSES**

	<b>December 31, 2020 (in EUR)</b>	<b>December 31, 2019 (in EUR)</b>
Norwegian Embassy	135,035	76,968
Olof Palme International Center (OPIC)	37,270	37,258
OSIF	30,620	29,332
National Endowment for Democracy NED	25,898	47,663
CEPPS(IFES)	25,549	15,465
BTD	21,805	-
Advocacy Training and Resource Center (ATRC)	20,623	12,905
Henrich Boll Stiftung (HBF)	14,215	8,280
Think&Link	12,346	15,413
Kosovo Foundation for Open Society KFOS	11,851	657
CP SWISS	10,751	39,257
Other project costs	7,560	25,086
Salon (GIZ, ZKGJ, UNDP, FES, Helvetas, OEGJ, MKRS)	5,315	39,720
Balkans Policy Research Group (BPRG)	2,616	23,354
Embassy of the Kingdom of Netherlands - MATRA	-	43,324
The Belegrade Fund for Political Excellence BFPE	-	7,896
Kosovo Democratic Institute KDI	-	5,824
EYE Helvetas	-	1,750
German Chamber of Commerce	-	974
Open Society Foundation NEF	-	697
<b>Total project and administrative expenses</b>	<b>361,455</b>	<b>431,823</b>



**9. SUBSEQUENT EVENTS**

COVID-19

The period of several months of closure of the organization or reduction of activities may have an effect on the operations of the organization in the future.

At the time of preparation of the audit report, the organization has continued operations and has been able to meet its obligations, therefore the report is prepared using the basis of continuity.