



Democracy for Development – D4D

Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2023

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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, 2023 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, 2023, 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 statement's 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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


Astrit Musa – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtina, Kosovo
March 13, 2024



Democracy for Development – D4D
Statement of financial position
As at 31 December 2023

(All amounts are presented in EUR)

	Notes	As of December 31, 2023	As of December 31, 2022
ASSETS			
Current assets			
Cash and bank balances	3	158,640	157,915
Total current assets		158,640	157,915
Non-current assets			
Property and equipment			
Total non-current assets		-	-
TOTAL ASSETS		158,640	157,915
LIABILITIES AND RESERVES			
Current liabilities			
Tax liabilities		-	-
Deferred Revenues and Other Liabilities	4	158,640	157,915
Total current liabilities		158,640	157,915
Reserves			
Retained surplus		-	-
Net (deficit)/surplus for the year		-	-
Total reserves		-	-
TOTAL LIABILITIES AND RESERVES		158,640	157,915

The financial statements prepared and approved were signed on March 13, 2024 by:

Rezarta Krasniqi



Executive Director



Fjolla Veseli- Zeka



Finance Manager

Notes attached on pages 9 to 18 are integral part of these financial statements.

Democracy for Development – D4D
Statement of profit or loss
For the year ended 31 December 2023

(All amounts are presented in EUR)

		Year ended December 31, 2023	Year ended December 31, 2022
	Notes		
Income			
Contribution and grants	5	306,655	310,428
Total income		306,655	310,428
Expenditure			
Project and administrative expenses	6	306,655	310,428
Total expenditure		306,655	310,428
Net (Deficit)/surplus for the year		-	-

Notes attached on pages 9 to 18 are integral part of these financial statements.

Democracy for Development – D4D
Statement of changes in funds balance
For the year ended 31 December 2023

(All amounts are e presented in EUR)

	As of 31 December, 2023
Balance as at December 31, 2021	-
Net deficit/surplus for the year ended December 31, 2021	-
Balance as at December 31, 2022	-
Net deficit/surplus for the year ended December 31, 2023	-
Balance as at December 31, 2023	-

Notes attached on pages 9 to 18 are integral part of these financial statements.

Democracy for Development – D4D
Statement of cash flow
For the year ended 31 December 2023

(All amounts are e presented in EUR)

	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities		
(Deficit)/surplus for the period		
Adjustment for:		
Depreciation		
Other Adjustments (last year profit)		
Change in deferred revenues	725	(3,960)
Change in receivables		
Change in prepayments		
Change in payables		
Change in other current liabilities		
Net cash from operating activities	<u>725</u>	<u>(3,960)</u>
Cash flows from investing activities		
Acquisition of property and equipment		
Net cash used in investing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	725	(3,960)
Cash and cash equivalents at 1 January	157,915	161,874
Cash and cash equivalents at 31 December	<u><u>158,640</u></u>	<u><u>157,915</u></u>

Notes attached on pages 9 to 18 are integral part of these financial statements.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

1. GENERAL INFORMATION

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

Institutional Grant

Donor: Smart Balkans

This institutional grant is designed to enhance the organization's ability to adapt to external changes and streamline the creation of essential documents. With this grant D4D will produce activities and papers which will help

In the year 2023, Democracy for Development (D4D) demonstrated its commitment to progress by not only drafting the 2023-2027 strategy but also formulating a comprehensive communication strategy tailored to the organization's requirements. Its significant involvement in shaping labor law, election law, and fostering increased citizen participation in public discourse solidified its position as a crucial player in these domains.

Donor: INSPIRES SUBGRANT PROGRAM

Through this grant, D4D has improved its entrepreneurial mindset and outreach communications by hosting focus groups with staff, board and stakeholders of D4D, to analyze the strategy of the organization regarding new fundraising opportunities for D4D and communications and outreach through hired experts, whom has provide experimental and innovative approaches on the concerning situations, especially on communication strategy for D4D.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

Made in Kosovo Corners (MiK)

Donor: USAID Compete

In this project D4D in cooperation with Skins Agency had the main aim to recognize the challenge of promoting economic sectors within Kosovo's Diplomatic Missions (Embassies). Even the project had several activities, D4D was the leading organization for the implementation and the main activity on which was focused was to gather the information from the representatives of Ministry of Foreign Affairs, Chambers of Commerce in Kosovo and other relevant stakeholders which will give better understanding of the specific challenges and opportunities faced by the appropriate stakeholders, as well as identifying the key priorities for the MIK corners and will allow us to understand which of the companies from the export-oriented sectors will be chosen to be presented at the MIK corners.

Elections and Political Parties

Empowerment of youth municipal assembly members and building public trust on local authorities

Donor: National Endowment for Democracy (NED)

The general objective of this project is that young people elected to municipal assemblies will be equipped with sufficient knowledge and skills to represent with responsibly the interest of citizens. Throughout this project D4D will aim to raise awareness of local young assembly members to fight corrupt practices in public procurement at the local level and increase accountability of young local representatives toward citizens.

Through this project, D4D will offer members of municipal assemblies aged under 35, the opportunity to have good performance while exercising their mandate, and better represent the interests of their local community with a particular focus on youth issues. Selected municipalities for implementation of this project are Prishtina, Gjakova, Gjilan, Mitrovica, Peja, Ferizaj, and Prizren, which are the seven main municipalities in Kosovo.

Governance and Public Interest

Institutional Grant

Donor: Kosovar Civil Society Foundation (KCSF)

This project is divided in two different components. One of the components is focused on Good Governance Principles towards first-time local assembly councilors while the other component is focused on tackling hate speech towards women, LGBTI+ community, persons with disabilities and minorities.

The first component aims to better inform first-time councilors on the principles of good governance, and activating them more in the society. For this purpose, D4D presented the Good Governance platform, which could ease their work to get all information they need for the assembly meetings.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

The second component aims to tackle hate speech. The main target groups are the journalists and editors, where the main aim is to enhance their skills throughout the trainings. D4D has also monitored social media through two different platforms and published a report per year.

Combating Misinformation and Restoring Citizens Trust to Media Donor: National Democratic Institute (NDI)

This project aims to scale-up the effort of the NDI Kosovo initiative in raising awareness about information disorders, bring this issue to public discourse, and engage relevant stakeholders in understanding and combating information disorders.

NDI Kosovo employed two software tools (Mediatoolkit and Crowdtangle), which greatly enhanced the process of media article review and data collection. With the tools and expertise acquired from NDI Kosovo D4D will collect data from media outlets and produce weekly/monthly visualized reports. These reports will be used to raise awareness about the level of information present in media outlets, through infographics that will be published on D4D's official platforms (web and social media), debates on media (TV and Online), information sessions with citizens, and roundtable discussions with relevant stakeholders.

Improved performance of municipalities in governance, management and services contributing to increased citizens' satisfaction Donor: Helvetas

Synergize with CSOs to hold municipalities accountable to prepare and monitor the budgetary hearing processes by analyzing municipal budgets and presenting them to citizens in a user-friendly manner with the aim to facilitate better citizen participation in budget hearings.

Moreover, as a continuation of achieving the above-mentioned objective, DEMOS in partnership with D4D aims to contribute to the "Increasing citizens' information about municipal budgets" within a period of seven months, which aims to better inform citizens about the budgets of targeted municipalities in general and in their localities in particular.

Maternity and Parental Leave Donor: Swedish Institute

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. D4D has continued the implementation of the Maternity and Parental leave project, the overall where the main 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.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

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 Prishtina. 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.

Identifying and exposing corruption: Challenges in Kosovo's Public Healthcare System

Donor: National Democratic Institute (NDI)

This project is being implemented through a coalition of organizations where D4D is the lead. Though this project D4D is aiming to identify and expose corruption related to the Healthcare Insurance Fund, focused on the Program for Medical Treatment Outside of Public Healthcare Institutions. Through analysis and research the goal of this project is to strengthen the legal basis for medical treatment outside of public institutions and increase efficiency through good management.

Through this project we aim to advocate for revision and strengthening of the legal basis for medical treatment outside of public institutions, also to identify and expose corruption within this program and to increase efficiency.

Maternity and Parental Leave

Donor: Swedish Institute

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. D4D has continued the implementation of the Maternity and Parental leave project, the overall where the main 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.

Active Youth for Sustainable Development

Donor: Ministry of Youth, Culture and Sport

Engaging young people for advocacy at relevant institutions through discussion in salons and editorials, preparing them for the labor market through networking with business representatives, participation in training and the opportunity for practical work, promoting the youth workforce through promotional video and recommendation work.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

Dialogue and Regional Cooperation

Enhancing Security through energy alliance- A Joint Action

Donor: Western Balkan Fund (WBF) and co-funded by European Union

The Energy Security Alliance intended to establish an interactive platform for information, discussions, analysis, academic research, expertise, training, policy recommendations, advocacy and networking on all aspects of energy security in Kosovo and in collaboration with the Albanian Institute for International Studies (AIIS) - Albania and European Policy Institute (EPI) -North Macedonia.

The Energy Security Alliance main aim was to support and promote contemporary energy security policies based on new energy sources such as renewable and green energy. The policy forum will merely focus on Kosovo's developments in energy security, with concrete recommendations to be prepared for decision-makers and the respective executive agencies.

Tuesday Salon's

Tuesday Salons of D4D are organized under Chatham House Rule. This rule allows people to speak as individuals, and to express views that may not be those of their organizations, and therefore it encourages free discussion. During 2023, D4D has organized a total of 21 salons which gathered around 400 participants.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. Basis of preparation

2.1.1. Statement of compliance

The financial statements have been prepared on the basis of cash-based accounting for revenues and expenses. The basis of measurement is described in more detail in the accounting policies presented below.

2.1.2. Basis of measurement

The financial statements for the organization are prepared on a historical cost basis. Historical cost is generally based on the fair value of the value given in exchange for the goods and services.

2.1.3. Functional and presentation currency

The functional currency of the organization as well as the presentation of the financial statements is the Euro ("EUR"), which is the main currency in the Republic of Kosovo since January 1, 2002.

2.1.4. The Use of estimate and judgements

The preparation of Financial Statements in conformity with actual laws requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.1.5. Going concern

The Statement of financial position and Statement of Comprehensive Income have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course activity.

2.2. Significant accounting policies

2.2.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other highly liquid short-term investments with original maturities of three months or less..

Foreign currency transactions

Foreign currency transactions are transactions undertaken by the Organization in a currency other than in its functional currency. Foreign currency transactions are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

2.2.2 Income

Revenues are recognized as income in the period when they are paid. At the end of the year, the excess amount of income over expenses is treated as a balance carried over to the next period.

2.2.3 Grants

Government grants are recognized in profit or loss on a systematic basis throughout the period in which the Organization recognizes as expenses the corresponding costs for which the grants are intended for compensation. Specifically, Government grants, for which the primary condition is that the Organization must acquire, construct or recognize non-current assets as deferred income in the statement of financial position and be transferred to profit or loss on a systematic basis and rationally throughout the useful life of the relevant asset.

Grants are recognized only when there is reasonable assurance that:

- The organization will fulfill all the conditions attached to them; AND
- Grants will be accepted

Operating grants are recognized as income over the period necessary to relate them to the costs, for which they are intended to be compensated, on a systematic basis. Grants marked for the acquisition of assets are deferred and recognized as income over the period of use of the respective asset.

2.2.4 Expenses

The incurred expenses are recognized in the corresponding period on a cash basis.

2.2.5 Provisions and unexpected (contingent) liabilities

Contingent liabilities have not been recognized in the financial statements. They are disclosed only if the possibility of the flow of resources involving economic benefits is remote. The contingent asset is not recognized in the financial statements but is disclosed when the flow of economic benefits is possible.

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

3. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash in bank	158,206	157,516
Cash in hand	435	399
Total Cash and Bank Balances	158,640	157,915

4. DEFERRED INCOME

	December 31, 2023	December 31, 2022
Deferred income at the beginning of period	157,915	161,874
Payments received from donors during the reporting period	307,381	306,468
Total income received in the reporting period	465,295	468,343
Income recognized in the reporting period	(306,655)	(310,428)
Total deferred income	158,640	157,915

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are e presented in EUR)

5. CONTRIBUTIONS AND GRANTS FOR THE PERIOD

	December 31, 2023	December 31, 2022
Royal Norwegian Embassy in Pristina	94,850	89,318
National Endowment for Democracy NED	45,498	56,040
Smart Balkans	32,549	-
Kosovo Civil Society Foundations (KCSF)	30,000	17,600
National Democratic Institute NDI	25,250	42,525
DT GLOBAL INC BRANCH IN KOSOVO	24,770	-
Helvetas	16,200	10,000
Internews Network Res+	9,097	-
Advocacy Training and Resource Center (ATRC)	7,781	-
USAID	6,920	6,750
QPA	6,616	-
Western Balkans Fund WBF	2,570	-
COE	2,565	15,952
CDF	1,978	3,014
Increasing Civic Engagement in the Digital Agenda ICEDA	737	-
Olof Palme International Center	-	29,546
BIRN MCC	-	12,825
BFPE	-	10,368
HD	-	6,606
Ministry of culture, youth and Sport (MKRS)	-	5,870
UN Women	-	660
		-
Kosovo Foundation for Open Society KFOS	-	605
Total Contribution and Grants received	307,381	306,468
Difference of deferred income at the end of the period	(725)	3,960
Total Contribution and Grants for the period	306,655	310,428

Democracy for Development – D4D

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are e presented in EUR)

6. EXPENSES

	December 31, 2023	December 31, 2022
Norwegian Embassy	81,150	85,142
Kosovo Civil Society Foundations (KCSF)	46,258	-
National Endowment for Democracy NED	37,032	42,956
USAID	31,950	2,168
National Democratic Institute NDI	27,008	25,124
Smart Balkans	26,856	-
Advocacy Training and Resource Center (ATRC)	15,719	-
Helvetas	15,602	-
Internews Network Res+	8,687	-
Salon (GIZ, ZKGJ, UNDP, FES, Helvetas, OEGJ, MKRS, BIRN)	7,445	23,751
D4D	5,219	10,726
Western Balkans Fund	1,884	-
Swedish Institute	1,844	-
Olof Palme International Center (OPIC)	-	29,582
KCSF	-	28,732
CIE	-	18,517
NDI Serbia	-	17,525
MCC	-	10,931
Kosovo Foundation for Open Society KFOS	-	7,305
CDF	-	4,995
Increasing Civic Engagement in the Digital Agenda ICEDA	-	2,806
UN Women	-	168
Total expenses	306,655	310,428

7 CONTINGENCIES AND COMMITMENTS

7.1. Legal issues

For the year ended December 31, 2023, the organization does not have any contingent liabilities that require disclosure in its financial statements.

8 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting date that would require either adjustments or additional disclosures in the financial statements