

Financial overview 2018

Last updated on 5/12/2018

EaP CSF Secretariat's funding sources

The main funding source of the EaP CSF Secretariat is the European Commission. The EaP CSF Secretariat also seeks funding from foundations or national institutions (Ministry of Foreign Affairs, development agencies, etc.). The strategy of the EaP CSF Secretariat is to secure funding for the functioning of the EaP CSF and to fundraise for extra projects.

The EaP CSF Secretariat is currently operating under a three-year grant from the European Commission (EC) entitled “*Support to the activities of the Eastern Partnership Civil Society Forum II ENI/2018/387-389 (2018-2020)*”.

The objectives of the three-year project are:

- To contribute to a more enriched and more people-oriented EaP agenda;
- To increase EaP CSF's engagement in dialogue on sector governance issues covered by 20 deliverables for 2020;
- To strengthen mechanisms of trilateral dialogue with participation of civil society on the national level dedicated to the sector reforms in the frames of the EaP
- To make the Forum's structures and internal processes more effective

The project activities include:

- Organising Forum meetings (working groups: 5 meetings per year, Steering Committee – up to 4 meetings per year, plenary meetings: 1 meeting per year);
- Organising advocacy events in Brussels or the EaP countries;
- Supporting joint projects and activities of the WGs and NPs through re-granting
- Organising capacity development activities for Working Groups in the frames of WG meetings or other events;
- Conducting the reform of the Forum;
- Financing the activities of the Secretariat as support structure for the Forum

The total of the grant is 4.764.979 EUR. The EC undertakes to finance a maximum amount of 4.500.000 EUR and the grant is further limited to 94,44% of the eligible costs of the project. There is an obligatory co-funding part of 5,56% to find over the 2018-2020 period.

Table 1 – EaP CSF donors in 2018

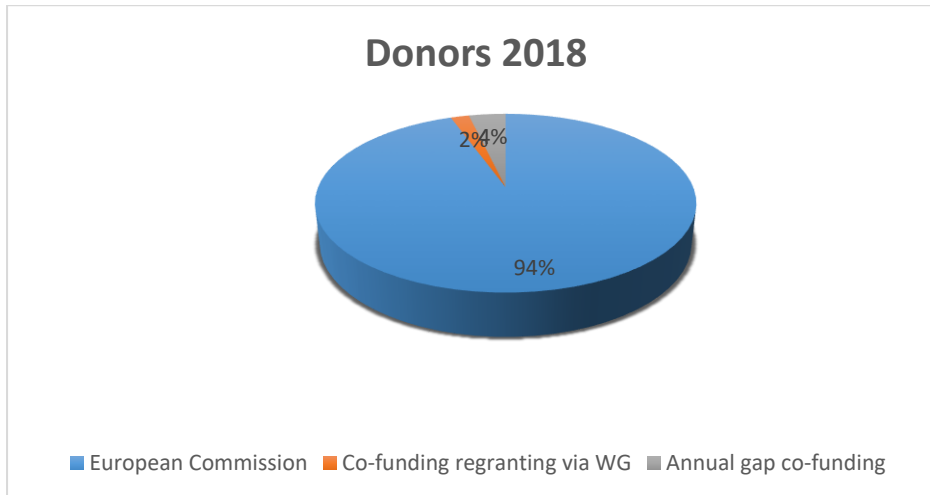
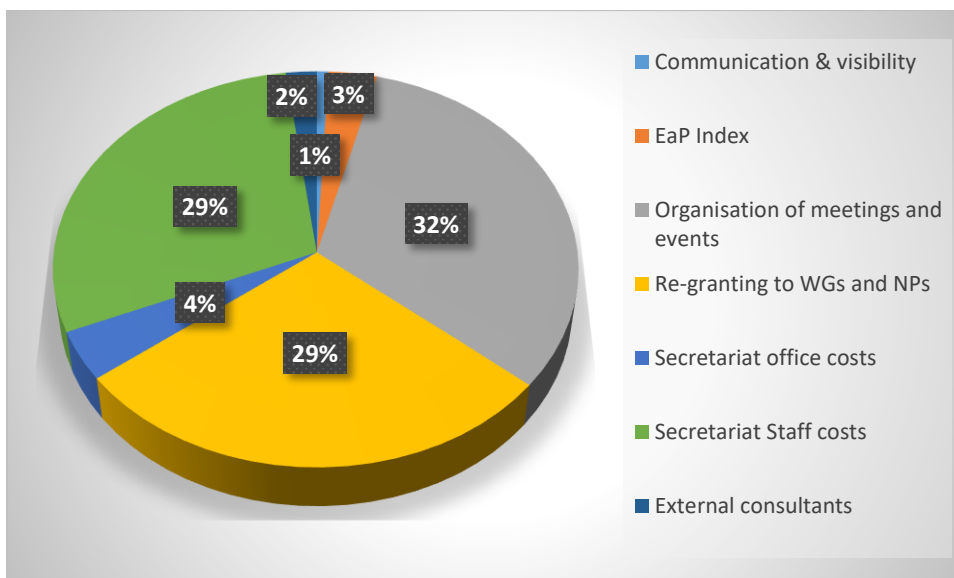


Table 2 – EaP CSF budget's distribution for the period 2018-2020



The main type of expenditures per year are the organisation of EaP CSF meetings and events, such as annual meetings of five Working Groups, four Steering Committee meetings, five Working Groups capacity-building events, the Annual Assembly and advocacy meetings. The second main budget item is Working-Group and National Platforms re-granting scheme, absorbing 29% of the annual budget and the Secretariat staff costs, also 29%.

The yearly budget is 1.380.815,05 EUR. However, the actual amount of expenditures depends on the level of co-funding secured project. The application to National Endowment for Democracy has been submitted in September and the decision is pending in January. By the end of December 2018, the EaP CSF Secretariat will have spent 1.091.030,10 EUR (actual expenses for the period January-October 2018 and foreseen expenditures until the end of 2018).

Table 3 – EaP CSF Secretariat actual expenditures for the period January-October 2018 and foreseen expenditures until the end of December 2018

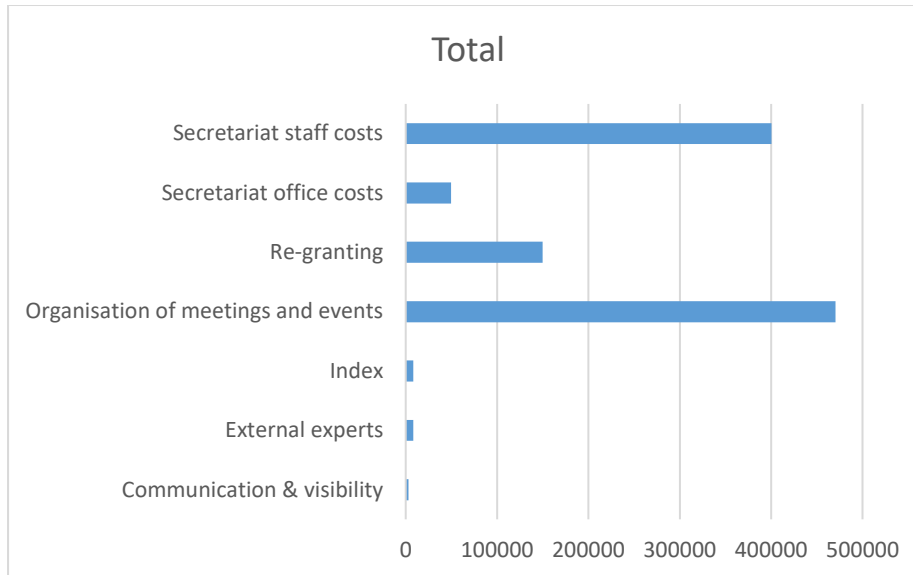
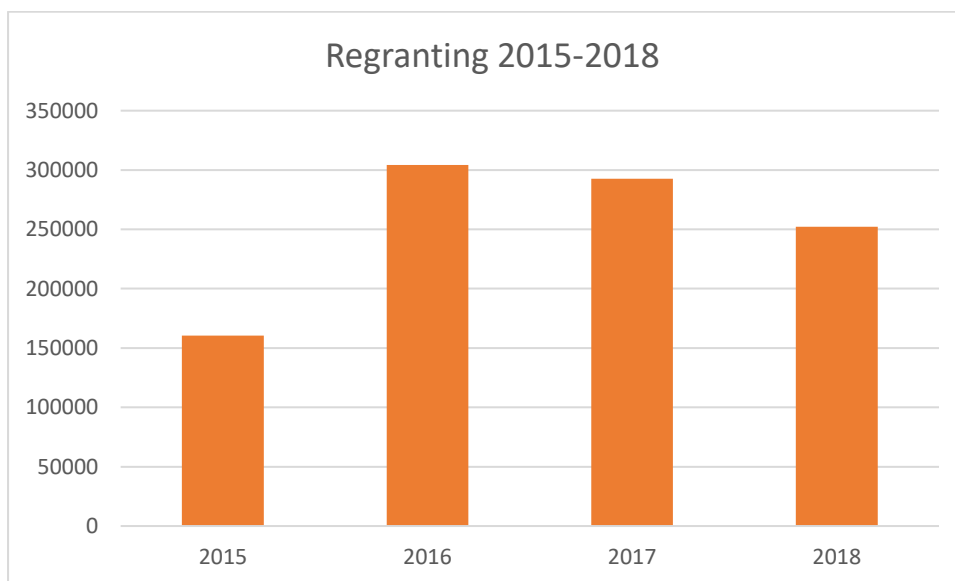


Table 4 – Re-granting expenditures over the 2015-2018 period.



An average of 15 regranting projects have been awarded yearly.

Audit of previous grant ENI/2014/347-121 “Support to the activities of the Eastern Partnership Civil Society Forum” (2015-2017)

In April 2018, the European Commission hired an external auditor to carry out a financial/system audit of the above mentioned grant. The audit report resulted with the following main findings:

1. Missing/inadequate documentation
 - Boarding passes, related to flight travel, were kept only for inbound trips
 - For some of cases, the EaP CSF Secretariat was not able to provide boarding passes – for both directions. The auditors have been able to confirm eligibility of expenditure by

checking flight and hotel accommodation invoices, per diems received, participant lists signed, reports, minutes of meetings and payments.

- For some regranting WG projects, costs were considered ineligible, like flights for participants that could not finally attend events, paid and finally declined visa, missing invoices etc.
 - Participants lists missing or not signed by all the participants
 - Missing invoices, related to purchase of flight tickets. The tickets were bought by the Company Stolitsya which did not present the invoices. The auditors have been able to confirm the eligibility of expenditures by checking the breakdown of expenditures, hotel accommodation invoices and participant lists signed, related to the events and payments
2. Ineligible beverage costs not related to the project activities

The auditors have found ineligible the purchase of the wine of National Platform regional event in Tbilisi in 2016, in particular for the “Networking dinner with members of the EaP CSF Georgian National Platform.

Following this audit, the EaP CSF Secretariat followed the auditors’ recommendations and reinforced its internal rules. The EaP CSF Secretariat has not agreed with some of the findings and is waiting from the EC the decision on the final amount of costs considered as ineligible.

EaP CSF Secretariat Annual accounts 2017

The EaP CSF Secretariat is registered as a non-profit organisation under the Belgian law, and its accounts are expressed in Euro and maintained in compliance with international accounting standards and the legislation on international non-profit making association (AISBL) applicable in Belgium.

According to the Belgian legislation, the annual accounts of the EaP CSF Secretariat are audited on a yearly basis. On May 27th 2018, the Secretariat received the audit report from external auditors (DGST & Partners) on the General Accounts of the EaP CSF Secretariat for the reporting period January-December 2017. No inconsistencies have been found (“*Opinion sans reserve*”).