

Annex of the PBO Report of the European Center for Not-for-Profit Law

1. Organizational data

Name: ECNL Európai Nonprofit Jogi Központ Szolgáltató Nonprofit Korlátolt Felelősségű Társaság

Seat: 1052 Budapest, Apáczai Csere János u. 17. I. em.

Registration number: 01-09-921425

Name of representative: Varga Judit, Manager of the Company
Katerina-Hadzi-Miceva-Evans, Executive Director

2. Description of exact mission-related public benefit activities in the current year

For this section, please see separate narrative report.

3. Introduction of the public benefit activity (per activities)

For this section, please see separate narrative report.

Statement of non-reimbursable funding to perform public benefit activity

| | | in thousand HUF | | | |
|-------------------------------|---|-------------------|----------------|--------------|---------------|
| Description of donors | Supported objectives | Amount of support | | Difference | |
| | | Previous year | Current year | % | thousand HUF |
| Funding received from founder | Protection of fundamental rights, supporting civil society development and public participation on the local and national level, and in international development cooperation | 29,031 | 24,867 | -14.3% | -4,164 |
| Amount awarded by tenders | Protection of fundamental rights, supporting civil society development and public participation on the local and national level, and in international development cooperation | 60,006 | 98,817 | 64.7% | 38,811 |
| Total: | | 89,037 | 123,684 | 38.9% | 34,647 |

Statement of funding awarded by tenders

In thousand HUF

| | Description of donors | Supported objectives | Funding accounted for | | Funding transferred in the current year | |
|-----------|--|--|-----------------------|---------------|---|---------------|
| | | | Previous year | Current year | Previous year | Current year |
| | Total | | 55,306 | 99,101 | 67,304 | 80,241 |
| 1. | Funding received from central governmental budget | | 0 | 0 | - | - |
| 2. | Funding received from local governmental budget | | 0 | 0 | - | - |
| 3. | International funding received | | 60,006 | 99,101 | 67,304 | 80,241 |
| 3.1 | Project partners | Reimbursement of travel costs | 729 | 284 | 729 | 284 |
| 3.2 | United Nations Office for Project Services (UNOPS) | Preparation and adoption of policy documents regulating public participation and cooperation between Parliament, government and CSOs, supporting local-level participation in Iraq | 20,005 | 28,787 | 20,005 | 28,786 |
| 3.3 | Civil Society Institute | Strengthening and promoting the role of CSOs in reform processes and democratic transition through improved participation in the implementation of European Neighborhood priorities. | 1,532 | 1,533 | 6,041 | - |
| 3.4 | FHI Development 360, LLC | Strengthening Moldovan CSOs by improving advocacy capacities and promoting cooperation between CSOs and the government. | 9,881 | 27,932 | 9,881 | 18,868 |
| 3.5 | BCNL | Assessment of intersectoral social contracting practices and optional models in Bulgaria to improve financial sustainability. | 788 | 1,708 | - | 1,708 |
| 3.6 | EU Belarus | Improving freedom of association and the overall legal framework for CSOs in Belarus to protect fundamental human rights. | 6,062 | 4,968 | 7,387 | 2,478 |
| 3.7 | OSF | Promoting and ensuring safeguards for freedom of association and assembly with regards to the implementation of counter-terrorism measures. | 9,773 | 26,521 | 15,256 | 18,517 |
| 3.8 | TIA Transparency | Improving enabling environment for CSOs in Armenia, creating mechanisms that improve transparency and accountability. | - | 5,884 | | 6,559 |
| 3.9 | CEE Bankwatch Network | Research on the contribution of international financial institutions to better human rights conditions. | - | 1,484 | | 1,484 |
| 3.10 | Balkan Civil Society Democracy Network BCSDN | Creation of a matrix and related toolkit for monitoring enabling environment for civil society development. | 6536 | - | 4,334 | 1,557 |
| 3.11 | IPA Macedonia | Supporting the creation of strong and sustainable CSOs in Macedonia, that can successfully mobilize local resources and can enter in a dialogue with the private sector. | 4700 | - | 3,671 | - |
| | 4. Funding received from other source | | - | - | | |

5. Statement of designated funding

| Description of designated funding | Previous year | Current year |
|---|---------------|--------------|
| Designated funding provided by the organization | 6.920 | 14.806 |

6. Allowance for the executive officers

| Position | Previous year | Current year |
|--|---------------|--------------|
| In 2014 and 2015 the organization did not provide separate allowances for the executive officers | | |
| Salaries paid for the executive officers | 10.254 | 22116 |

7. Indicators determining public benefit status

Calculation of indicators determining public benefit status

Demonstration of adequate resources

Data in thousand HUF

1. Average annual revenue

Criterion met: yes

| | FY 2014 | FY 2015 | Average annual revenue |
|----------------|---------|---------|------------------------|
| Annual revenue | 100 780 | 145 092 | 122 936 |

Ascertainment: the annual revenue of the organization exceeds 1 million HUF as specified in subsection (4)a) of Section 32. of the *Law on Freedom of Association, on Public Benefit Status and on the Activities of and Support for Civil Society Organizations* (hereinafter: Law on CSOs).

The organization complied with the conditions as set forth in the law both in financial years 2014 and 2015.

2. Two-year aggregate after tax result

Criterion met: yes

| | FY 2014 | FY 2015 | Two-year aggregate |
|----------------------------|---------|---------|--------------------|
| After tax financial result | - | - | - |
| | | | |

Ascertainment: the organization's two-year aggregate after tax financial result is not a negative figure, as specified by Subsection (4)b) of Section 32. of the Law on CSOs.

The organization complied with the conditions as set forth in the law both in financial years 2014 and 2015.

3. Ratio of personnel expenses

Criterion met: in 2014: yes in 2015: no

| | FY 2014 | FY 2015 |
|-------------------------------------|---------|---------|
| Personnel expenses | 41 846 | 55 624 |
| Allowances for executive officers - | 10 254 | 22 116 |

| | | |
|-----------------------------|---------|---------|
| Modified personnel expenses | 31 592 | 33 508 |
| | | |
| Total expenses | 100 780 | 145 092 |
| Quarter of total expenses | 25 195 | 36 273 |

Ascertainment: personnel expenses amount to one-fourth of total expenses in financial year 2014, but not in financial year 2015.

Subsection (4)b) of Section 32. of the Law on CSOs.

Conclusion: Organizations need to meet one out of the three criteria above in order to comply with public benefit requirements.

The corresponding indicators of adequate resources comply with public benefit conditions in three cases in financial year 2014 and in two cases in financial year 2015.

The organization has adequate resources both in financial years 2014 and 2015.

Demonstration of adequate public support

Data in thousand HUF

1. Ratio of 1% of personal income tax designation received

Criterion met: no

| | FY 2014 | FY 2015 |
|---|---------|---------|
| Total revenue | 100 780 | 145 092 |
| Amount disbursed from central governmental budget | - | - |
| Corrected income | 100 780 | 145 092 |
| 2 % of corrected income | 2 016 | 2 902 |
| | | |
| 1% of personal income tax designation received | - | - |

Ascertainment: 1% designation received does not amount to 2% of total revenue, the organization does not comply with conditions as set forth in Subsection (5)a) of Section 32. of the Law on CSOs.

2. Ratio of public benefit costs and expenses

Criterion met: yes

| | FY 2014 | FY 2015 | Two-year average |
|-----------------------------|---------|---------|------------------|
| Total expenditures | 100 780 | 145 092 | |
| Half of total expenditures | 50 390 | 72 546 | 61 468 |
| Public benefit expenditures | 100 780 | 145 092 | 122 936 |

Ascertainment: costs and expenses incurred for the public benefit activity in financial years 2014 and 2015 reach the half of total expenses in the average of two years; i.e., the organization complies with conditions specified in Subsection (5)b) of Section 32. of the Law on CSOs in both financial years.

3. Number of volunteers: 0

Criterion met: no

Ascertainment: As per Subsection (5)c) of Section 32. of the Law on CSOs an organization can also meet the requirements of public benefit status if at least 10 volunteers contribute to its activities. The organization did not employ volunteers either in financial year 2014 or in 2015.

Conclusion:

Organizations need to meet one out of the three criteria above in order to comply with public benefit requirements. The corresponding indicators of public support comply with public benefit conditions in one case both in financial years 2014 and 2015.

The organization has adequate public support both in financial years 2014 and 2015.

In conclusion, based on data and indicators from financial years 2014 and 2014 the organization complies with public benefit conditions specified in the Law on CSOs, as it has sufficient resources and enjoys adequate public support.

Budapest, 7 April 2016.

Head (Representative) of the organization