



CNVP

Building a Greener Economic Environment

Annual Report

1 January – 31 December 2025



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Abbreviations

ADA	Austrian Development Agency
BD	Business Development
CNVP	Connecting Natural Values & People Foundation
CSOs	Civil-Society Organisations
DBU	Deutsche Bundesstiftung Umwelt (German Federal Environmental Foundation)
EB	Executive Board
EC	Employee Council
EU	European Union
EUKI	European Climate Initiative (Germany)
HR	Human Resources
ICEP	Institute for Cooperation in Development (Austria)
IFM	Integrated Forest Management (Drini River Basin project)
ILC	International Land Coalition
IPA	EU Instrument for Pre-Accession Assistance
LAGs	Local Action Groups
LED	Local Economic Development (project)
LLE	Local Legal Entity
MAPs	Medicinal & Aromatic Plants
MOVING	Mountain Valorisation through Interconnectedness & Green Growth
MSD	Market System Development
MT	Management Team
NLC	National Land Coalition
NTFPs	Non-Timber Forest Products
PONT	Prespa-Ohrid Nature Trust
RWoP	Rural Women of Prespa
SB	Supervisory Board
SIDA	Swedish International Development Cooperation Agency
SUNREED	Sustainable Use of Natural Resources for Environment & Economic Development
UNDP	United Nations Development Programme



Report of the Supervisory Board

Dear reader,

The words of Spanish poet Antonio Machado *“Traveler, there is no road; you make your own path as you walk.”* hold very true for CNVP in this period in time.

Geopolitical developments like the war in Ukraine and the full-stop of USAid activities have had a lasting impact in the Balkan countries, and thus also on CNVP. It has resulted in a changed donor landscape; for the past years the CNVP organization has reflected on the consequences of these developments and the road forward.

The foundation for this reflection -led by the Executive Board- is that there still is a need for CNVP’s activities: families and small business in the rural and mountain areas of Albania, Kosovo, Montenegro and North Macedonia are still looking for sustainable ways to make a living; the beautiful, yet vulnerable nature in these areas still needs protecting and the growing number of visits of tourists from all over Europe need to contribute to both the protection of nature and the income of the inhabitants of these areas. Connecting natural values and people.

Donors and partners value CNVP’s work very much, as evaluations demonstrate over and over: our colleagues in the field continue to deliver high quality project results. Local farmers, beekeepers, rural entrepreneurs, NGOs and Municipalities were supported to transition from traditional, often extractive practices toward more sustainable and income-generating activities. Through targeted training on agroforestry, non-timber forest products (NTFPs), and medicinal and aromatic plants (MAPs), combined with practical tools and small grants, communities were empowered to both protect and benefit from their natural environment.

As Supervisory Board we see this with great respect and proudness. A Supervisory Board that has been extended this year with the three chairs of the CNVP local legal entities.

Yet is it also clear that to be able to continue CNVP’s contribution to the green economy of the Balkan countries, organizational changes are needed. Fundamental questions are on the table: what is the best organizational set-up to respond to the developments in the Balkans, does the international foundation still serve its purpose, how can our local legal entities have amore prominent role and even: what is the added value of a region wide Supervisory Board in the new organizational design?

Given the fact that the inspiration and the mission of CNVP remain the same, the form of the organization is open to change and adapt. We believe that, collectively, we have the experience, insight, and shared values to navigate this process thoughtfully and responsibly; in a way that continues to serve the development of local communities and builds on what we have achieved together over these more than 10 years. The Executive Board and staff will engage with our partners and donors to get your input so we can use this to shape the way forward.

Because the path may not be there yet, but we are determined to shape it together. For the well-being of nature and people in the Balkans.

On behalf of the CNVP Foundation Supervisory Board

Maarten Bremer, Chair Person

Date: 12. 06. 2026 – Hollandsche Rading (NL)



The CNVP Foundation was established in 2012 as a continuation of the long-standing work of the SNV Netherlands Development Organisation in Southeast Europe. Building on this legacy, CNVP has evolved into a regionally rooted yet internationally connected non-profit organization, committed to advancing environmental sustainability and inclusive economic development across the Western Balkans. Its core geographical focus includes Albania, Kosovo, North Macedonia, and Montenegro, supported by locally registered entities in Albania, Kosovo, and North Macedonia that ensure strong national ownership and contextual relevance.

At the heart of CNVP's mission lies a clear and practical vision: that no individual should live in poverty and that all people, especially those in rural and underserved communities, should have the opportunity to actively participate in and benefit from sustainable development. Rather than delivering short-term aid, CNVP focuses on strengthening local systems and capacities. This includes working closely with small and medium-sized enterprises, farmer groups, forest user associations, and community-based organizations to improve productivity, market access, and environmental stewardship. By doing so, CNVP helps communities build resilient livelihoods and take ownership of their own development pathways.

A defining feature of CNVP's approach is its strong emphasis on inclusion. The organization actively integrates marginalized groups into its interventions, with particular attention to women and young people. Through targeted training, mentorship, and access to resources, CNVP supports these groups to become active economic actors and decision-makers within their communities. Gender equity and youth empowerment are not treated as standalone themes but are embedded across all programs as essential drivers of long-term, sustainable impact.

Governance within CNVP is designed to balance regional coherence with local responsiveness. The Executive Board (EB), composed of three Country Directors, is responsible for the day-to-day management and operational leadership across the countries of intervention. Complementing this structure, an International Supervisory Board (SB) provides strategic direction, oversight, and accountability, ensuring that CNVP's portfolio remains aligned with its mission, donor expectations, and national development priorities in each country.

CNVP's work is guided by its Strategic Framework 2022–2027, which sets out a clear and integrated vision for impact. The framework is built around three mutually reinforcing long-term objectives. First, CNVP prioritizes the restoration and sustainable management of degraded forest ecosystems, recognizing their critical role in biodiversity conservation, climate resilience, and rural livelihoods. Second, the organization works to develop inclusive green value chains in sectors such as wood processing, biomass energy, sustainable tourism, and non-wood forest products, sectors with strong potential for job creation and income generation in rural areas. Third, CNVP seeks to empower community groups, particularly women and youth, to actively participate in shaping policies, influencing markets, and advocating for their interests at local and national levels.

These strategic priorities are closely aligned with broader regional and international development agendas, including the EU Green Agenda for the Western Balkans, the European Union's IPA III funding framework, and the regional strategies of partners such as Sida, PONT, DBU,



and the Austrian Development Cooperation. Through these partnerships, CNVP not only mobilizes resources but also contributes to policy dialogue and knowledge exchange, positioning itself as a credible and effective actor in the field of sustainable rural development and environmental management in the Western Balkans.

Overall, CNVP Foundation represents a mature and adaptive organization that combines technical expertise, regional experience, and a strong commitment to inclusivity. Its work continues to demonstrate that sustainable development is most effective when local communities are empowered, natural resources are responsibly managed, and economic opportunities are accessible to all.

Looking ahead to 2026, the CNVP Foundation is entering a new phase of organizational maturity, with a clear transition toward a model in which Local Legal Entities (LLEs) will lead the future organization and serve as the primary decision-making and implementation drivers. This shift from a centrally coordinated structure to a fully locally led system will empower the LLEs in Albania, Kosovo, and North Macedonia to independently shape project pipelines, manage partnerships, and lead donor engagement, ensuring stronger ownership, relevance, and long-term sustainability at country level.

Part A: 2025 Annual Report

1. Introduction/Summary

CNVP has built a strong reputation for linking environmental stewardship with economic opportunities for local communities. Its work focuses on improving livelihoods while preserving ecosystems, with particular emphasis on protected areas, forestry, biodiversity, and green economic growth across Southeast Europe.

Since its inception, CNVP has operated with a clear goal to connect natural resources with people in a way that generates long-term social, environmental, and economic value. The organization applies a market systems development approach, supporting value chains such as wood biomass for renewable energy, non-wood forest products (NWFPs), and medicinal and aromatic plants (MAPs). At the same time, it promotes climate resilience, circular economy models, and inclusive local economic development, positioning itself as a bridge between communities, governments, and private sector actors.

In 2025, CNVP continued to play its role as a regional leader, implementing a broad and diversified portfolio of projects across Albania, Kosovo, North Macedonia, and Montenegro. These interventions spanned its core thematic areas, including sustainable use of natural resources in protected areas and beyond, renewable energy through wood biomass, sustainable use of NTFPs and MAPs, climate change adaptation, environmental protection, and circular economy practices. The organization's integrated approach ensured that environmental sustainability was closely aligned with economic development and social inclusion.

A key milestone during the year was the successful implementation of two major regional initiatives, which significantly strengthened CNVP's presence and recognition as a trusted regional actor. These initiatives expanded the organization's operational reach while reinforcing partnerships with donors, institutions, and local stakeholders, further enhancing its credibility and strategic positioning in the region.

Across its operations, CNVP managed eleven projects with an annual portfolio value of approximately €2.4 million. Through these projects, the organization actively promoted local ownership and innovation by channeling around €650,000 in competitive grants and sub-grants to civil society organizations, producer groups and farmers, green family businesses etc. In parallel, CNVP facilitated partnership agreements worth



€658,810, with private forestry owners, wood harvesting and processing companies, agro-processors, and rural enterprises. These partnerships were particularly focused on strengthening market systems for wood-based products, as well as NWFP and MAP value chains.

Overall, CNVP's work in 2025 reflects a mature and impact-driven organization that combines technical expertise, regional experience, and strong partnerships to advance sustainable development. By aligning environmental protection with economic opportunity, CNVP continues to play a pivotal role in fostering resilient rural economies and promoting the sustainable use of natural resources across the Western Balkans.

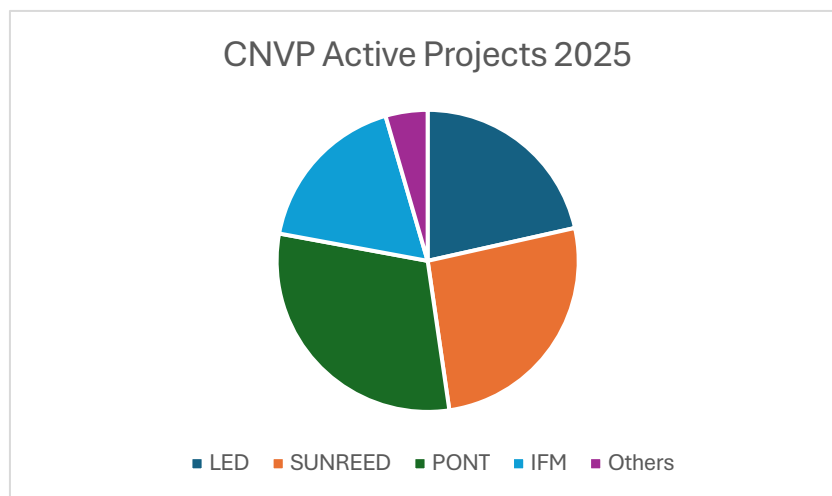


Figure 1 CNVP Active Projects

The report continues with the detailed following information:

Part A

- Business development and networking
- Main projects and results in 2025
- Lessons learned
- Uncertainties, risks, and mitigation measures
- Governance of human resources and internal organisation
- CNVP's Supervisory Board
- Future plans and goals

Part B

- CNVP's Structure
- Accounting Principles
- General accounting principles for the preparation of the annual accounts
- Assets

2. *Business development and networking*

In the context of the NGO sector in Southeast Europe, particularly in countries such as Albania, Kosovo, North Macedonia, and Montenegro, business development and networking have become essential components of organizational sustainability and impact. Unlike the private sector, where business development is primarily



associated with profit generation, in the NGO sector it is more closely linked to securing diverse funding sources, building strategic partnerships, and expanding programmatic reach.

Effective business development enables NGOs to identify new opportunities, align their expertise with donor priorities, and design relevant, high-quality interventions. At the same time, networking plays a critical role in fostering collaboration among civil society, public institutions, donors, and the private sector. Strong networks not only increase visibility and credibility but also create platforms for knowledge exchange, joint initiatives, and policy influence.

In regions where development challenges are interconnected, such as rural livelihoods, environmental protection, and market access, no single organization can operate in isolation. Therefore, cultivating partnerships and continuously engaging with stakeholders is key to delivering meaningful and lasting results. For organizations like CNVP Foundation, business development and networking are not just supportive functions, but strategic tools that enable scaling impact, strengthening local ownership, and ensuring long-term sustainability.



CNVP maintained a strong focus on advancing its project portfolio while reinforcing its position within the donor and partner ecosystem throughout 2025. From an organizational perspective, considerable effort was placed on sustaining and expanding relationships with key stakeholders, including EU delegations in the countries of operation, as well as building new alliances with organizations. At the same time, the organization demonstrated consistent commitment to resource mobilization through the preparation and submission of project proposals, aiming to secure additional funding and ensure continuity of impactful programming.

Over the course of the year, business development remained a central pillar of CNVP's work. Activities were characterized by active engagement in networking and intensified participation in funding opportunities at both national and regional levels. Particular emphasis was placed on identifying donor opportunities that align with CNVP's strategic priorities, especially those offering regional collaboration potential.

The organization continued to apply a systematic and coordinated approach to project development. This process includes the review and selection of relevant calls for proposals, formulation of project concepts, identification and engagement of partners, and the establishment of formal partnerships. Proposal development is carried out, drawing on the expertise of country teams and, where required, external specialists to ensure high-quality submissions.



Resource mobilization efforts in 2025 resulted in the successful contracting of 5 projects new projects, with a combined value of €1,477,000 .These include:

- PONT cross country project PULSE (Albania and North Macedonia)
- Euronature funded project in North Macedonia
- European Green Belt – Vital Pastures in Transboundary Sharr/Korab/Koritnik/Mavrovo (Kosovo, North Macedonia and Albania)
- Shaping the Future of the Bjeshkët e Nemuna Region in Kosovo
- National Land Coalition (NLC) in Kosovo

These achievements reflect a collective organizational effort, contributing to stronger collaboration with international, regional, and local civil society actors. In line with the CNVP Strategy 2022–2027, the organization has continued to diversify its funding base and actively engage with a range of donors, including EU offices in Prishtina, Tirana, and Skopje, as well as donnors such as DBU, the Hans Wilsdorf Foundation, Euronatura , and the International Land Coaliton. Applications have also been submitted to additional funding mechanisms, including EUKI and other relevant programs.

Visibility and Networking

Throughout 2025, CNVP made measurable progress in strengthening its visibility, outreach, and communication practices, guided by its Communications Strategy. The organization prioritized delivering clear and consistent messaging while increasing engagement with key audiences.

A central component of this effort was the implementation of an active and audience-focused social media approach. Regular publication of content reflecting ongoing activities, results, and policy messaging helped maintain continuous engagement with stakeholders. This approach led to notable growth across platforms.

Throughout 2025, significant growth and improved performance were recorded across social media platforms.



Facebook

The total number of views in 2025 reached 898,896, indicating a high level of audience interest and engagement with the published content. Regarding content interaction, 26,246 interactions were recorded, marking a 57.7% increase compared to the previous year. Facebook profile visits totalled 31,043, showing a



moderate increase of 4.8% compared to 2024. The number of Facebook followers reached 7,000 in 2025, representing an increase of 1,000 followers compared to 2024.

Instagram

Instagram profile visits amounted to 2,604, reflecting a strong increase of 53.4% compared to the previous year. The total number of views reached 102,128, further confirming growing audience interest in the content. The number of Instagram followers reached 1400 in 2025, representing an increase of 400 followers compared to 2024. Instagram showed a significant increase in activity and engagement. In terms of content interactions, 1,479 interactions were recorded in 2025, representing a 100% increase compared to 2024.

The data indicates continuous growth in digital presence and increased audience engagement across both platforms, with particularly strong progress on Instagram. These results confirm the effectiveness of the content creation and distribution strategy.

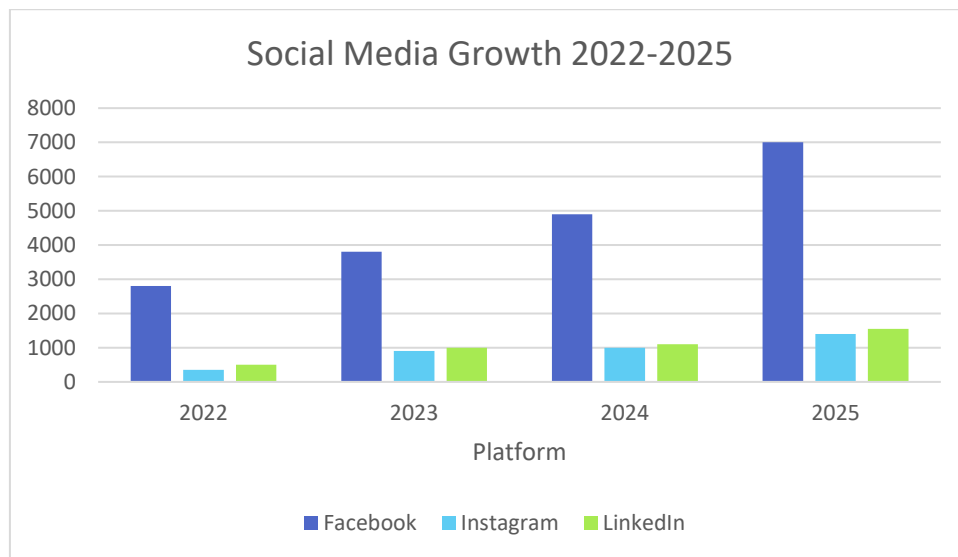


Figure 2 CNVP Social media presence

LinkedIn

The number of LinkedIn followers increased with plus 400 followers compared to 2024. Given the nature of this platform, a growth of approximately 30% represents a significant improvement and a solid promotion of the CNVP page and its content on this social media channel.

3. Main projects, results, success stories and lessons learned in 2025

3.1. Regional projects

During 2025, the CNVP implemented two major regional initiatives that significantly contributed to sustainable natural resource management and rural development across Albania, Kosovo, North Macedonia, and Montenegro. These projects not only delivered concrete field results but also reinforced CNVP's strategic role as a regional actor with its country offices and its local organisations (LLEs) promoting integrated, cross-border approaches to environmental protection and socio-economic development.

3.1.1. Sustainable Use of Natural Resources in Transboundary Protected Areas (PONT Project)

This transboundary project funded by PONT marked a major step forward in linking nature conservation with socio-economic development in protected areas and ecological corridors. By focusing on regions such as the Albanian Alps, Korab–Koritnik, Shar Mountain, and interconnected ecological corridors, the project demonstrated the importance of managing natural resources beyond administrative borders.

A key achievement of this cross-country initiative from Albania and North Macedonia was its strong community-centered approach. Local farmers, beekeepers, rural entrepreneurs, NGOs and Municipalities were supported to transition from traditional, often extractive practices toward more sustainable and income-generating activities. Through targeted training on agroforestry, non-timber forest products (NTFPs), and medicinal and aromatic plants (MAPs), combined with practical tools and small grants, communities were empowered to both protect and benefit from their natural environment.

In parallel, the project significantly contributed to the development of nature-based tourism. Investments in trails, shelters, and promotional activities transformed remote mountainous areas into attractive destinations, increasing visitor numbers and generating new income streams for local populations. At the same time, conservation efforts, such as habitat restoration, wildlife monitoring, and awareness campaigns, strengthened environmental stewardship and positioned local communities as key custodians of biodiversity.

Importantly, the project fostered cross-border dialogue and cooperation. Regional events, conferences and forums created platforms for exchange among institutions, civil society, and experts, helping to align approaches to biodiversity conservation and sustainable livelihoods. The significance of this project lies in its demonstration that environmental protection and socio-economic development are not competing priorities, but mutually reinforcing objectives when supported by inclusive and well-coordinated interventions.



3.1.2. Integrated Forest Management in the Drin River Basin (IFM Project – ADA/ICEP)

The IFM project played a critical role in advancing sustainable forest management practices across the Drin River Basin, a shared ecosystem of high ecological and economic importance in the Western Balkans (Albania,



Kosovo, North Macedonia and Montenegro). By combining restoration, capacity development, and livelihood support, the project addressed both environmental degradation and rural economic challenges in an integrated manner.

On the environmental side, large-scale interventions such as afforestation, forest rehabilitation, and silvicultural treatments improved forest structure, increased resilience to climate change, and enhanced ecosystem services. Degraded forests in Albania, Kosovo, North Macedonia and Montenegro were restored through planting and thinning, while innovative nature-based solutions, such as erosion control measures, helped stabilize vulnerable landscapes. A notable aspect was the productive use of biomass residues generated through these interventions, demonstrating how forest management can contribute to renewable energy solutions at the local level.

Equally important was the project's strong focus on people and local economies. Through training in business development, marketing, and sustainable production, local beneficiaries were supported to develop and expand small businesses linked to forestry and natural resources. This included beekeeping, processing of forest products, and other rural enterprises, all contributing to income diversification and improved livelihoods.

Capacity building and knowledge exchange were central pillars of the IFM project. Trainings, workshops, academic engagement, and regional study visits strengthened the skills of forestry professionals, students, and local stakeholders. These activities not only improved technical expertise but also fostered a shared regional understanding of sustainable forest management practices.

The importance of the IFM project lies in its holistic approach—demonstrating that restoring forests, supporting local economies, and strengthening institutional capacities can go hand in hand. By linking ecological restoration with practical socio-economic benefits, the project provides a scalable model for sustainable development across the region.



Together, these two regional projects highlight the growing relevance of integrated, landscape-level approaches in addressing complex development challenges. They reinforce the idea that sustainable management of natural resources—when combined with community engagement, market development, and regional cooperation—can serve as a powerful driver of long-term resilience and prosperity.



3.1.3. Success Stories

One of the most significant achievements emerged in Albania, where Mali i Balgjajt—once an overlooked and threatened landscape—was recognized for its ecological value. Through local engagement and scientific assessment, the area was identified as hosting rare species, glacial lakes, and important wildlife corridors. This led to a formal proposal for its designation as a Municipal Natural Park, demonstrating how community-driven action can transform neglected areas into protected national assets. At the community level, tangible livelihood improvements were evident across the region. In Albania’s Shala Valley, local beekeepers successfully transformed traditional practices into sustainable businesses. With targeted support, production capacity and product quality improved, enabling better access to growing tourism markets and creating stable income opportunities for rural families.

In Kosovo, forest rehabilitation efforts showcased how degraded landscapes can be restored while generating economic value. Interventions in chestnut and beech forests improved ecosystem health and produced biomass residues for renewable energy. These actions served as practical models of how sustainable forest management can simultaneously support environmental recovery and local needs. The intervention also generated wood biomass that can be used as a renewable energy source and serves as a practical model for the rehabilitation of degraded forests, demonstrating the importance of sustainable forest management and collaboration with local stakeholders.

In North Macedonia, innovation in value chains led to notable results. The introduction of api-Cosmetics, combining honey with medicinal plants, enabled local producers to diversify their products and access new markets. At the same time, eco-tourism initiatives, including activities such as paragliding and improved visitor infrastructure, expanded tourism offerings and increased the attractiveness of rural destinations.

In Montenegro, the restoration of coppice forests in Nikšić demonstrated how targeted interventions can improve forest resilience while directly benefiting local communities through sustainable fuelwood supply.

Across all countries, these examples highlight a common theme: when local communities are supported with knowledge, resources, and market access, they can become active drivers of sustainable development.

3.1.4. Key Lessons Learned

The implementation of these regional projects generated several important lessons for future programming.

- First, strong coordination and partnerships are essential. Effective collaboration between municipalities, national institutions, civil society, and the private sector ensures smoother implementation, reduces delays, and strengthens overall impact.
- Second, community engagement remains at the core of sustainability. Projects that combine technical support with tangible economic opportunities, such as income generation, market access, and value chain development, are more likely to achieve long-term results and local ownership.
- Third, investing in local capacities delivers lasting value. Training, mentoring, and practical learning approaches significantly improve the quality of implementation, increase transparency, and empower local actors to continue activities beyond project timelines.
- Fourth, integrated approaches yield stronger outcomes. Combining financial support, capacity building, and promotion, such as participation in fairs and regional exchanges enhances visibility, strengthens markets, and ensures that interventions are both economically and environmentally viable.



- Fifth, diversification increases resilience. Supporting a mix of sectors, including forestry, agriculture, tourism, and processing, helps communities reduce risks and adapt to challenges such as climate change and market fluctuations.

Finally, good governance and clear communication are critical. Transparent processes, well-defined roles, and continuous stakeholder engagement build trust and accountability, creating a solid foundation for sustainable development.

3.2. Country based projects

The organization's portfolio in addition to regional initiatives, it has consistently implemented a substantial number of country-based projects tailored to specific national contexts. While regional projects have played an important role in fostering collaboration, knowledge exchange, and strategic coherence across countries, country-level initiatives have ensured direct engagement with local stakeholders and more targeted impact. Building on this dual experience, the organization is now gradually placing greater emphasis on country-based, donor-driven projects, reflecting both the increasing availability of such funding opportunities and the need for context specific solutions. This shift does not replace the regional dimension but rather rebalances the portfolio strengthening the role of national offices in leading project development and implementation, while regional structures continue to provide coordination, quality assurance, and a platform for shared learning.

3.2.1. Albania

LED Project - Strengthening the MAPs Value Chain and Driving Innovation

In Albania, the CNVP Foundation advanced value chain development through a strong focus on medicinal and aromatic plants (MAPs), combining innovation, private sector engagement, and support to rural producers.

Throughout 2025, interventions focused on improving efficiency, quality, and value addition within the MAPs sector. A key achievement was the expansion of modern drying infrastructure, including the installation of a solar-assisted drying system in Mamurras, which serves over 200 farmers. This investment significantly reduced post-harvest losses and enabled continuous, higher-quality processing.

At the processing level, companies strengthened their capacities to move up the value chain by diversifying products and improving standards. Renewable energy solutions, such as solar systems, were introduced to stabilize production processes and reduce operational risks. Installation of processing lines for final products provided a unique opportunity to add value to the products of MAPs such as the Tea packaging line. In parallel, contract farming models supported the cultivation of high-value and endangered species, strengthening supply chains while reducing pressure on wild resources.

Additional efforts focused on diversification through new value chains such as mycoforestry, as well as exploring biomass-based energy solutions. National events and participation in fairs further strengthened sector coordination and market linkages.



Success Story – From Raw Herbs to Value-Added Products

A notable example of transformation is seen in a local processing company – GBE Herbs which shifted from exporting raw herbs to producing finished goods such as teas and spices. With upgraded technology, the company improved quality, increased efficiency, and accessed new markets. This transition also created more stable demand for a network of around 150 farmers and collectors, ensuring more reliable income and demonstrating how value addition can retain economic benefits at the local level.

3.2.2. Kosovo

In Kosovo, CNVP's work in 2025 reflected a strong market systems approach, combining forestry development, MAPs sector strengthening, and policy engagement.

Sustainable Use of Natural Resources for Environment and Economic Development (SUNREED)

The SUNREED project continued to drive structural improvements in both the wood biomass and MAPs sectors. Private forest owners expanded sustainable forest management practices across large areas, improving productivity while generating biomass for renewable energy. Partnerships with biomass businesses further strengthened market linkages and stimulated private investment.

In the MAPs sector, strategic cooperation with leading companies enabled large-scale seedling distribution and the introduction of modern cultivation techniques. Contract farming arrangements improved market access and created more predictable supply chains, benefiting rural producers.

At the policy level, the project contributed to important reforms, including the integration of private forestry measures into national programs and the development of funding schemes—ensuring long-term sustainability beyond project implementation.

European Green Belt & National Land Coalition (NLC)

Complementary initiatives enhanced stakeholder coordination, knowledge exchange, and participatory planning. Workshops, field visits, and platform facilitation strengthened local capacities and contributed to improved governance in land and natural resource management.



Success Story – Building a Local Wood Value Chain

One of the most impactful examples is the partnership supporting domestic production of beehive frames. By linking a local business with private forest owners, the initiative created a new value chain that uses higher-quality wood for manufacturing instead of low-value uses. This not only reduced import dependence but also generated local employment and strengthened relationships between producers and buyers—demonstrating how market-based solutions can create sustainable economic opportunities.

3.2.3. North Macedonia

In North Macedonia, CNVP’s work in 2025 emphasized inclusive rural development, with a strong focus on empowering women and strengthening community-based initiatives.

Rural Women for Sustainable Development of Prespa

The Rural Women of Prespa initiative continued to grow as a model of local organization and entrepreneurship. Through continuous mentoring and coordination, the group strengthened its internal structure and expanded its production activities.

Investments in cultivation and processing capacities enabled the production of traditional products such as Prespa tea, while new packaging and labeling equipment improved product quality and branding. At the same time, the group diversified into service provision through catering, linking local food traditions with tourism opportunities.

Capacity development played a central role, with training in digital skills, marketing, and modern tools helping members promote their products more effectively. Participation in regional fairs increased visibility and opened new market opportunities.

Beyond economic outcomes, the initiative contributed to social empowerment, strengthening the role of women in rural communities and preserving traditional knowledge and practices.



Success Story – Empowering Women through Local Enterprise

The Rural Women of Prespa (RWoP) represent a strong example of how targeted support can transform a local initiative into a sustainable enterprise. What began as a small group has evolved into an organized structure producing, packaging, and promoting local products while also offering catering services. Members have increased their income, improved their skills, and gained greater confidence in participating in local economic life. Their success highlights the broader impact of investing in women, not only economically, but also socially, creating more resilient and inclusive rural communities.

3.1.4. Key Lessons Learned and Overall Reflection

Across Albania, Kosovo, and North Macedonia, CNVP's interventions in 2025 demonstrate a consistent and integrated approach to sustainable development empowering indigenous people.

While Albania highlights value addition and innovation, Kosovo showcases systemic market transformation, and North Macedonia emphasizes inclusive, community-driven development. The success stories across all three countries reinforce a common message: when local actors are supported with the right mix of knowledge, investment, and market access, they can drive sustainable development from within.

Together, these experiences confirm that combining economic opportunity, environmental sustainability, and social inclusion is key to achieving long-term impact in rural areas.







4. Risk assessment and mitigation measures







Every organization faces uncertainties and potential obstacles, and what matters most is how they are managed. CNVP has directed a thorough risk assessment, identifying potential challenges and outlining mitigation measures. Flexibility and adaptability remain key strengths of the organization, allowing us to respond effectively to unexpected changes.

CNVP operates in a dynamic environment influenced by economic, technological, social, geopolitical, and political factors, all of which can impact stability and growth. To stay resilient, CNVP maintains a proactive approach by regularly monitoring external trends, conducting scenario planning, and fostering a culture open to change.

Financial, operational, and reputational risks are addressed through a comprehensive risk management framework that includes regular assessment, internal controls, and the integration of audit recommendations. In preparing the 2024 Annual Report, the Executive Board and Management Team carefully reviewed risk trends compared to the previous year and updated the risk matrix accordingly. CNVP remains committed to achieving mid-term financial stability and continuously improving its risk management practices.

Table 4: Risks and mitigation measures

Risk	Risk Level	Trend	Mitigation measures
BD dynamics (Internal)			CNVP enters 2026 with four major projects: SUNREED-Sida, LED-Sida, PONT, DBU and ADA. This gives the organisation a sustainable position for the coming year. Efforts are ongoing to create a diversified portfolio and ensure multiple donor streams. Beyond current strategic partners, such as Sida, ADA, and PONT, the target for the next period will be EU funds.
Major and traditional donors have closed or will close soon their programmes in the Balkans, which makes business development increasingly competitive, intensive and insecure.			EU funding is prioritising local organisations and as a mitigation measure, all applications as of January 2026 will be made through each country LLEs. During 2026, the transition process for transferring projects to each LLE will start. This transition carries risks such as coordination challenges and stakeholder acceptance, which will be mitigated through full internal inclusiveness, phased direct engagement with third parties, and a smooth transitional process.
Staff satisfaction (internal)			Executive Board is with full capacities (three members). It will be very transparent and hold regular meetings with its employees. Employees will be fully and regularly informed about the financial situation of the organisation, its perspectives, and projects that will be concluded. The board will try to encourage the internships and volunteers
Withdrawal of traditional donors, closing programmes, inability to cover regional/ Indirect costs, makes staff retention, capacity building and satisfaction challenging.. Human capacities are the organization’s most valuable resources where the organization has invested significantly in capacity building and the development of its human resources.			
Labor market risks (externals) Labor market is becoming more challenging and risk including difficulty in attracting and retaining skilled staff, are further exacerbated by ongoing migration trends and a declining working-age population, which reduce the overall availability of qualified candidates in the local market.			These challenges will be addressed through proactive and continuous recruitment when needed, competitive and transparent employment conditions, strengthened employer attractiveness, and targeted efforts to support retention and develop internal expertise. In addition retention of qualified staff even though reaching retirement age will be encouraged by combining new-not very skilled staff with senior experts to learn from.

Financial risk (Internal)	 	<p>a) The organization will ensure timely monitoring reports on incomes and expenditures, thereby indicating an early warning of financial risk if it arises. Additionally, timely reporting to donors and sending disbursement requests on time.</p> <p>b) Closely monitoring the fluctuations of exchange rates, we'll try to envisage potential bad scenarios with the banks we are working with. In the event of any significant gap, we'll contact the donors to identify early warning signs, aiming not to impact the project outcomes. In addition, the country level projects will have national level bank accounts to avoid the expenses from the countries to Netherlands and back.</p> <p>c) CNVP will act according to the labour code and legal requirements for all the staff obligations. Reserves will be decentralised so that the impact of severances is limited to the affected countries.</p> <p>d) Unnecessary overhead costs will be reduced.</p>
<p>a) The organization's midterm financial liquidity and sustainability is challenged by reduced or lack of funding.</p> <p>b) Exchange rate changes can limit the value of project revenues in euros and expose CNVP to losses.</p> <p>c) Severances for staff according to labour code and organisational equality and culture, drain the reserves of the organization</p> <p>d) Overheads, not fully covered by donor projects</p>		
<p>Sub granting scheme – financial support to local organisations increases the exposure to fraud.</p>	 	<p>The selection criteria are very strict and have been agreed upon with the donor. The contract is envisaged to have concrete milestones (disbursements are made in different instalments and percentages after agreed-upon deliverables are provided). Organize training sessions on finance (expenditures, procurement rules) to be held at the beginning of the sub granting process with subgrantees in finance management. Mentorship to each subgrantee throughout the entire period. A customized financial manual/guideline is provided to each subgrantee for each beneficiary to follow. Ongoing monitoring all the time and early warning signs in case something is not going as envisaged.</p>
<p>There is a risk that subgrantees may not be able to adhere to the strict financial rules and guidelines, potentially deviating from our expectations. Misusing of funds is a risk, too.</p>		
Donor Funding Competitiveness (External)	 	<p>CNVP is actively negotiating with donors, such as ADA, PONT, DBU, ILC, EuroNatura and Sida for follow-up projects and will continue to diversify its donor portfolio, targeting EU funds to mitigate competitive pressures.</p>
<p>Reductions in donor funding, have no direct impact on CNVP. However, such reductions increase competition for donor funds across the civil society sector in the mid-to-long term,</p>		









<p>potentially limiting CNVP’s access to new funding sources and threatening financial sustainability.</p>			
<p>Geopolitical situation and the political developments in the Balkans (External)</p>			<p>Elections in Kosovo 2026. CNVP will closely monitor the situation from its program perspective and, whenever required, review and adjust program activities with partners.</p>
<p>The political situation may have an adverse impact on programme results and outcomes.</p>			
<p>Corruption and Fraud (Internal)</p>			<p>CNVP has zero tolerance approach to fraud and corruption. Internal Control Framework. (manuals on fraud and whistle-blowing policy). During all staff meetings, at least once a year, a dedicated session will be held on the issues of corruption and fraud. Good experiences in combating corruption and fraud from various project activities and stakeholders will be incorporated and shared within the organization, thereby strengthening internal control.</p>
<p>The risk of corruption or fraud by staff can expose CNVP to financial losses, fines and sanctions, loss of reputation clients, and reputational damage.</p>			
<p>Inflation Impact (External)</p>			<p>CNVP is aware of the risk that might lead to problems with successful project implementation. CNVP management will try to mitigate the risk : a) in close cooperation with the donors; b) trying to explore the opportunity of having a contingency budget that will be used for the inflation spike b) redefine budgets based on realistic levels; c) reduce operating costs and travel where/when possible.</p>
<p>A significant increase in inflation, driven by rising overall prices, can lead to cash flow problems and hinder the successful implementation of projects.</p>			

Table legend		
	Risk High	Trend: High 
	Risk Medium	→ Trend: Stable 
	Risk Low	Trend: Low 

5. Governance, human resources, and internal organization

In 2025, the CNVP Foundation delivered a broad and well-balanced portfolio of interventions in thematic areas with strong emphasis placed on community engagement and mobilization, ensuring that local actors remain central to development processes and outcomes.

The organization’s governance structure continued to function effectively, with the Supervisory Board (SB)



providing strategic oversight to the Executive Board (EB), which is responsible for operational leadership. The EB, composed of Country Directors from Albania, Kosovo, and North Macedonia, held regular coordination meetings throughout the year. These sessions focused on aligning project implementation, financial management, governance practices, and human resource development across the region.

Throughout the year, organizational development remained high on the agenda. Both the EB and SB worked to enhance governance efficiency, including improving coordination and operations with CNVP's local legal entities (LLEs). At the same time, efforts were made to position CNVP brand (even regional or local) as a key actor in advancing the sustainability and green economy. This included expanding partnerships and increasing visibility among international, regional, and local stakeholders, ranging from civil society organizations to private sector actors, thereby laying the groundwork for broader engagement in future country, regional and EU-funded initiatives.

Investing in people is always a key priority. Staff members actively participated in a variety of international, regional, and national events, conferences, and knowledge exchanges. These covered areas such as nature conservation, sustainable agriculture, biomass, renewable energy, and EU regulatory frameworks. Such engagement not only strengthened technical competencies but also ensured that CNVP teams remain aligned with evolving global and European standards.

By the end of December 2025, CNVP's the organization employed 22 full-time staff members across its country offices:

- eight in Albania,
- eight in Kosovo (including one part-time position),
- four in North Macedonia
- one full-time staff member in Montenegro. In addition,
- one regional staff member operated from North Macedonia, supporting cross-country coordination.

This core team was complemented by a network of more than 40 associate experts, providing specialized knowledge and technical support across projects.

Internal collaboration and organizational culture were further strengthened through targeted staff engagement initiatives. In 2025, CNVP Employee Council has convened in several occasions. The main topics were dedicated to key cross-cutting themes such as gender equality, good governance, transparency, and inter-country cooperation.

The introduction and further development of Local Lead Entities (LLEs) marked another important step in strengthening CNVP's operational model. Initially piloted in 2022, this structure has enhanced the organization's capacity to manage projects more efficiently by streamlining procurement processes and improving engagement with local stakeholders. Early results indicate that LLEs contribute positively to faster implementation and more responsive project delivery.

CNVP's commitment to accountability and high operational standards was confirmed through several external audits conducted during 2025. Financial and compliance audits of key projects: SUNREED and ADA IFM projects, were completed with no significant audit findings. Overall, these independent evaluations confirmed that CNVP's projects are implemented in full compliance with established procedures, contractual obligations, and international standards.



CNVP's Supervisory Board

The Supervisory Board (SB) is the highest governing body of CNVP, tasked with overseeing the foundation's governance, strategy, and operational accountability. This board is responsible for approving the organizational strategy, annual plans, reports, and financial accounts.

The SB is composed of four members who convene both in person and online to ensure continuous governance and oversight. Below are the current board members and their terms:

- **Chairperson:** Mr. Maarten Bremer

Appointed: January 16th, 2016

Current Term: January 16th, 2020, to August 31st, 2025

Other roles: Vice-president of the Executive Board of ArtEZ, University of the Arts

- **Member:** Mr. Thijs van Buuren

Appointed: January 01st, 2017

Current Term: January 01st, 2021, to August 31st, 2025

Other roles: Controller at Médecins Sans Frontières

- **Member:** Mr. Aurel Jupe

Appointed: January 16th, 2016

Current Term: January 16th, 2020, to August 31st, 2024

- **Member:** Ms. Marianne Johanna Meijboom

Appointed: June 25th, 2022

Current Term: June 25th, 2022, to August 31st, 2025

Other roles: Policy adviser on biodiversity & bee health for the Dutch Beekeepers Association

Violeta Madzova (member with observer role since April 2025)

Granit Ternava (member with observer role since April 2025)

Sabah Sena (member with observer role since April 2025)

In 2025, the SB met four times—in March, June, August, and December—with all meeting minutes recorded and distributed. The Audit Committee also convened once before the approval of the annual accounts for 2024. Additionally, the SB formally approved the Annual Report for 2024 during this period.

6. Future Plans and Goals for 2026

Looking ahead to 2026, the CNVP Foundation is entering a new phase of organizational maturity, marked by a clear strategic shift toward deeper decentralization and stronger empowerment of its Local Legal Entities (LLEs), which will assume a leading role in both project implementation and business development as the core drivers of the future organization. This transition reflects the organization's long-term vision of becoming fully locally led, with LLEs ultimately constituting the primary governing and operational structures of CNVP. It also responds to the need for greater local ownership and effectiveness in increasingly complex operating environments, where demographic decline, migration, and shrinking labor markets further reinforce the



importance of strong, locally anchored structures capable of ensuring sustainability, responsiveness, and long-term impact.

This transition reflects a deliberate move from a centrally coordinated model toward a more distributed and locally anchored approach. In practical terms, country-based entities in Albania, Kosovo, and North Macedonia will take on increased responsibility in shaping project pipelines, leading partnerships, and managing donor relations at the national level. These entities are best positioned to understand local contexts, identify emerging opportunities, and build strong relationships with communities, institutions, and private sector actors.

Following the transition process, cooperation among the Local Legal Entities (LLEs) will be maintained through an informal regional network that serves as a practical mechanism for coordination, knowledge exchange, and collaboration. This network will not constitute a legal entity, joint venture, or any form of formal association, nor will it create joint liabilities or financial obligations among its members. Each LLE will remain fully independent, legally and financially autonomous, with its own governance structure, strategic priorities, and operational responsibilities.

A key priority for 2026 will be strengthening the institutional and operational capacities of local organizations so they can confidently lead both implementation and business development processes. This includes enhancing systems, project design capabilities, donor engagement, and visibility at the national level. By doing so, CNVP is investing in a future where its local entities are not only implementers, but also recognized leaders in advancing biodiversity, green economy solutions and sustainable rural development in their respective countries.

This forward looking approach positions CNVP for continued growth and relevance in an evolving development landscape. By placing local organizations at the center, the foundation ensures that its work remains grounded, adaptive, and impactful, while still benefiting from a strong, brand identity. Ultimately, this strategic direction reflects CNVP's long-term vision: a resilient and locally driven network that can independently sustain and expand its mission of inclusive, green development across the Western Balkans.

Part B: 2025 Annual Accounts

Part B of the 2025 Annual Report contains the annual accounts of Connecting Natural Values & People Foundation (CNVP) registered in The Hague, The Netherlands. CNVP's mission is to utilize evidence-based analysis to enhance the sustainable livelihoods of rural communities within the context of ongoing environmental and climate change processes.

CNVP achieves its objectives by helping to develop the capacity of local actors on a participatory basis through the provision of advisory services and technical assistance, using the expertise and experience of Team CNVP and its partners.

CNVP's Structure

The Foundation is a not-for-profit organisation that designs, implements, and manages projects funded by international donors and other financial sources. Its work is focused in the Balkans, with registered branches in North Macedonia, Albania, Kosovo, and Montenegro, and two Local Legal Entities (LLEs) established in



Kosovo and North Macedonia, which are incorporated into the annual accounts overseen by the Executive Board (EB) of CNVP Netherlands.

The annual accounts are prepared for CNVP Netherlands as a single legal entity. Financial data from country branches and Local Legal Entities (LLEs) are fully incorporated in the accounts to reflect the activities of the organization, including managing externally financed projects and providing advisory services.

International donors and own contributions fund CNVP's main activities. CNVP's initial capital contribution consists of cash and tangible fixed assets.

In the statement of financial performance, the income generated from CNVP's activities is reported under 'income from grants', i.e., funds made available to CNVP by other parties and donors, to be managed for the benefit of third parties located in the Balkan countries where CNVP operates. Beneficiaries do not pay for services provided by CNVP. Funds are transferable from donors to CNVP upon fulfillment and compliance with certain requirements as outlined in the legal contracts that CNVP enters into with donors.

Expenditure includes expenses incurred during the implementation of projects and for the day-to-day operations of CNVP. The balance of income and expenditure, or the result for the period, is transferred to the capital base of the foundation, and is reflected in the balance sheet. This also includes tangible fixed assets, current assets, which are mainly project-related receivables, grants receivable, prepayments, and cash. Current liabilities consist of payables, accruals and pre-received grants.

CNVP's annual accounts consist of the following:

- Balance Sheet after appropriation of balance of income and expenditure at 31 December 2025
- Statement of Financial Performance for the period from 01 January 01 to 31 December 2025
- Cash flow statement for the period from 01 January to 31 December 2025
- Accounting principles
- Notes to the Balance Sheet
- Notes to the Statement of Financial Performance
- Signed Financial Statements
- Independent Auditors Report

Balance Sheet at 31 December 2025

After appropriation of result from 01 January to 31 December 2025

Assets	Note	2025	2024
Tangible Fixed Assets			
		EUR -	EUR -
Vehicles	1	38,373	57,083
Office equipment		7,210	14,397
Subtotal		<u>45,582</u>	<u>71,480</u>
Current Assets			
Grant receivable	2	77,444	10,396
Prepayment projects	3	11,367	118,183
Prepayments	4	1,953	2,034
Cash	5	1,160,952	2,030,109
Subtotal		<u>1,251,716</u>	<u>2,160,721</u>
Total Assets		<u>1,297,298</u>	<u>2,232,202</u>

Balance Sheet at 31 December 2025

After appropriation of result from 01 January to 31 December 2025

Liabilities	Note	2025	2024
Foundation's Capital		EUR -	EUR -
General reserve	6	383,591	373,965
Appropriated reserve	6	43,542	71,462
Subtotal		<u>427,133</u>	<u>445,427</u>
Provisions			
Reservation severances	7	0	0
Subtotal		<u>0</u>	<u>0</u>
Current Liabilities			
Payables	8	33,336	44,088
Taxes, social security & pension	9	8,124	12,312
Grants provided	10	806,731	1,709,471
Accruals	11	21,974	20,905
Subtotal		<u>870,164</u>	<u>1,786,775</u>
Total Liabilities		<u>1,297,298</u>	<u>2,232,202</u>

During 2025, the total assets of CNVP decreased from EUR 2,232,202 to EUR 1,297,298. This reduction is primarily attributable to the utilisation of pre-received donor funds and the completion of major project activities.

In the previous year, a substantial portion of donor funding had been received in advance and recorded as cash and project liabilities. During 2025, these funds were progressively used for project implementation, resulting in a decrease in both cash balances and corresponding liabilities.



In addition, balances related to grants provided and prepayments to partners declined significantly as projects reached advanced stages or were finalized. This reflects normal project cycle dynamics rather than reduced financial capacity.

Statement of Financial Performance
For the period from 01 January to 31 December 2025

		Actuals from 01 January to 31 December 2025	Budget from 01 January to 31 December 2025	Actuals from 01 January to 31 December 2024
Income	Note	EUR -	EUR -	EUR -
Income from grants	12	2,413,559	2,858,159	2,220,173
Other income	13	8,485	0	2,485
Total Income		<u>2,422,044</u>	<u>2,858,159</u>	<u>2,222,658</u>
 Expenditure				
Personnel	14	607,367	601,280	621,453
Depreciation fixed assets	15	27,920	0	22,072
Other expenses	16	1,805,051	2,256,050	1,550,826

Total Expenditure		<u>2,440,338</u>	<u>2,857,330</u>	<u>2,194,351</u>
Balance Income & Expenditure	17	<u>(18,294)</u>	<u>829</u>	<u>28,307</u>
Appropriation Balance Income & Expenditure				
to:				
General reserve		<u>9,626</u>	<u>829</u>	<u>27,627</u>
Appropriated reserve		<u>(27,920)</u>	<u>0</u>	<u>680</u>
Foundation Capital		<u>(18,294)</u>	<u>829</u>	<u>28,307</u>
Balance Income & Expenditure after Appropriation		<u>0</u>	<u>0</u>	<u>0</u>

Cash flow statement at 31 December 2025

	Note	2025	2024
Operating result	12;14-16	(26,779)	25,822
Adjustment for :			
Depreciation	15	27,920	22,072
Receivables	2;3	39,768	41,573
Prepayments	4	81	195
Payables	8	(10,752)	5,821
Provisions	7	0	0
Taxes, and leave of employees	9;11	(3,118)	(5,930)
Project paybles	10	(902,741)	(53,595)
Interest received	13	3,485	2,283
Gain /loses/write off of fixed assets	1	0	0
Net Cash from Operating Activities		<u>(872,135)</u>	<u>38,239</u>
Purchase of fixed assets	1	(2,022)	(22,388)
Sale of fixed assets		5,000	203
Cash from investment activities	1	<u>2,978</u>	<u>(22,185)</u>
Net decrease in cash and cash equivalents		<u>(869,157)</u>	<u>16054</u>



Cash and Bank at 1 January 2025	9	2,030,109
Cash and Bank at 31 December 2025	9	1,160,952

Accounting Principles

General information and structure

Connecting Natural Values & People (CNVP) Foundation, with RSIN no. 851792479 at the Chamber of Commerce, with its registered seat Tolakkerweg 68 3739 JP Hollandsche Rading, The Netherlands, currently has four registered and active branches in the Balkans in North Macedonia, Albania, Kosovo and Montenegro. Additionally, two Local Legal Entities (LLEs) were established in 2023. The annual accounts of CNVP cover the period from 01 January 2025 to 31 December 2025. They reflect the financial information of the Netherlands based on the foundation along with the financial information, including the local branches. For the purposes of these financial statements, internal transactions and relations have been eliminated. Additionally, it's important to note that the accounting principles are applicable to Local Legal Entities (LLEs) and are incorporated into the annual accounts.

General accounting principles for the preparation of the annual accounts

The annual accounts are prepared in accordance with the IFRS.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention unless presented otherwise. If assets and liabilities are stated in foreign currencies, the calculations are based on the exchange rates prevailing on the 31 December 2025 balance sheet. Exchange rate differences are included in other operational costs in the statement of financial performance. Incomes and expenses are accounted for on an accrual basis. Profit is only included when realised on the balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before the preparation of the annual accounts.

The financial statements are presented in euros, which is the functional currency of CNVP.

Financial instruments

Financial instruments are both primary financial instruments (such as receivables and debts) and derivative financial instruments (derivatives).

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet, the information on the fair value is disclosed in the notes to the 'contingent assets and liabilities'.

Accounting principles for the valuation of assets and liabilities

Assets

Tangible fixed assets



Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

The assets are depreciated by asset group over their expected economic lives, using the linear method. Residual value is not taken into account. Any new assets purchased from CNVP are included at historical costs and are converted using the exchange rates prevailing at the date of the purchase. The tangible fixed assets purchased by or for the externally financed programmes are capitalised as tangible fixed assets. The cost is charged to donor projects at purchase and transferred to the appropriated reserve, while depreciation is recognised over the useful life of the assets.

Annual rates used for depreciation for CNVP assets are:

- Vehicles, 25%
- Office equipment, 33%

Any repairs or maintenance costs are reported in the statement of financial performance for the period.

Current Assets

Receivables

Upon initial recognition, the receivables are valued at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Receivables consist mainly of project-related receivables for work carried out by CNVP on projects for which the funding has not been received as of the balance sheet date.

Prepayments consist of short-term rent deposits and prepaid expenses for 2025.

Cash and bank

The cash and bank are valued at face value. If cash equivalents are not freely available, this has been taken into account upon valuation.

Capital and Liabilities

The Foundation's Capital consists of a general reserve and appropriated reserve. The account includes the initial donation of SNV to CNVP both in cash and fixed assets. At the end of the period, the balance of income and expenditure for the period is also appropriated to this account.

The general reserve is for unrestricted use of CNVP, and it is maintained to ensure the continuity of the foundation.

Provisions



Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, for which it is probable that an outflow of resources will be required and a reliable estimate can be made. Provisions are measured as the best estimate of the amount necessary to settle the obligation at the balance sheet date and are carried at the nominal value of the expected settlement value.

Current liabilities include mostly project-related items and project funds received in advance to be utilised within the coming year. A lesser amount is made up of payables and accruals related to payroll and other employee benefits.

Transactions in foreign currency are recorded based on exchange rates updated monthly. At the end of the year, the foreign currency-denominated receivables, payables, cash and bank balances are revalued. Results are posted in the statement of financial performance.

Social security and pension

CNVP contributes the employer share of social security schemes in compliance with local legislations of its branches. It also reimburses the employer's share of contributions for pension in case the state-owned social security cannot cover the employee.

Accounting principles for determining the balance of income and expenditure

Principles for the determination of the result

Income and expenses are accounted for on an accrual basis. Income is recognised only when realised at the balance sheet date. Income generated by CNVP is categorized as income from grants since CNVP manages donor funds for the benefit of third parties. On their part, beneficiaries do not pay for services received from CNVP work. Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to the balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. All expenses related to activities carried out prior to the balance sheet date are taken into account within the year's expenses.

The balance of income and expenditure, or the result for the period, is determined as the difference between income generated by CNVP activities and expenditure related to the implementation of these activities.

Principles for preparation of the consolidated cash flow statement

The cash flow statement is prepared using the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents are considered to be highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Transactions that do not result in the exchange of cash and cash equivalents are not presented in the cash flow statement.

Notes to the Balance Sheet at 31 December 2025

1. Tangible fixed assets

CNVP purchases assets that are paid mainly through project funds received.

New assets purchased are recorded in the books as of the date the assets were put in use. Depreciation expense starts from that date. Depreciation is based on the estimated useful life of each asset group and is calculated as a fixed percentage, not considering any residual value for the asset. Asset life extends to 4 years for vehicles and 3 years for office equipment. Depreciation expense is accounted for in the statement of financial performance. Costs for periodic major maintenance are also charged to the statement.

	Vehicles	Office equipment	Total
	EUR	EUR	EUR
Acquisition cost as at January 1, 2025	328,477	96,523	424,999
Cumulative depreciation and other impairments as at 1 January 2025	(271,404)	(82,115)	(353,519)
	<u>57,073</u>	<u>14,407</u>	<u>71,480</u>
Carrying amount as at 1 January 2025			
Investments	0	2,022	2,022
Depreciation	(18,700)	(9,220)	(27,920)
Net book value at 31 December 2025	<u>38,373</u>	<u>7,210</u>	<u>45,582</u>
Acquisition cost as at 31 December 2025	328,477	98,545	427,021
Cumulative depreciation and other impairments as at 31 December 2025	(290,104)	(91,335)	(381,439)
Net book value at 31 December 2025	<u>38,373</u>	<u>7,210</u>	<u>45,582</u>

Current Assets
2. Grants Receivables

The balance of receivables consists primarily in receivables for project work done for which the funds were not received as of the balance sheet date. The balance represents the amount due to CNVP in respect of the final instalment under the PONT Shar–Korab–Koritnik project.

At 31-12-2025	At 31-12-2024
EUR - 77,444	EUR - 10,396
<hr/> 77,444	<hr/> 10,396

3. Prepayment projects

Prepayment projects represent a balance of advance payments given to partners, consultants, etc. As at 31 December 2025, the balance of EUR 11,367 relates to advances provided under the ADA IFM project and the SUNREED project. The significant decrease compared to 2024 is primarily due to the utilisation and clearance of advances provided in prior periods. In particular, sub-grants under the PONT project were fully implemented and financially cleared during the year.

In relation to the SUNREED project, CNVP temporarily covered the partner's contribution due to budget limitations experienced by the Municipality of Deçan in connection with the heating system. Reimbursement of this amount is expected to be finalized by 30 June 2026.

At 31-12-2025	At 31-12-2024
EUR - 11,367	EUR - 118,183
<hr/> 11,367	<hr/> 118,183



4. Prepayments

Prepayments include prepaid expenses related to items such as rent deposits , work advance payment and overpaid tax .

At 31-12-2025	At 31-12-2024
EUR -	EUR -
1,601	1,601
352	433
<u>1,953</u>	<u>2,034</u>

5. Cash and bank

Cash and bank balances represent the liquidity at the disposal of CNVP as at 31 December 2025. As at this date, total cash and bank balances amounted to EUR 1,160,952.

The total balance comprises cash held in CNVP's general bank accounts, balances in dedicated project bank accounts, and cash on hand held in country offices. Bank accounts owned by CNVP amounted to EUR 540,370, while cash on hand totalled EUR 7,003 as at 31 December 2025.

Dedicated project bank accounts held for donor-funded projects (Sida LED, SUNREED, PONT, ADA IFM and UNDP) amounted to EUR 613,578 at the balance sheet date. These balances represent pre-received donor funds that are restricted for use in the implementation of approved project activities.

The remaining balance of EUR 547,373 reflects cash available in CNVP's general operations, including general bank accounts and cash on hand, as at 31 December 2025.

At 31-12-2025	At 31-12-2024
------------------	------------------

	EUR -	EUR -
CNVP bank balances		
Rabobank Netherlands	306,324	244,597
ProCredit Bank Albania	108,977	186,338
Procredit Bank Kosovo	38,477	67,782
Uni Bank Macedonia	8,553	11,784
NLB Bank Montenegro	18,267	8,001
NLB Bank LLE Kosovo	56,837	38,565

Uni Bank LLE Macedonia	2,936	30
Subtotal	540,370	557,096
Project bank accounts		
Rabobank Netherlands, Project Sida LED2	35,409	473,603
Rabobank Netherlands, Project Sida Sunreed	508,112	374,987
Uni Bank PONT Shar Korab Koritnik-EUR	0	201,141
Procredit PONT Shar Korab Koritnik--EUR	35,890	349,058
Uni Bank ADA IFM	15,417	54,448
Procredit PONT RWOP -EUR	10,184	14,355
Procredit UNDP-EUR	8,566	1,569
Subtotal	613,578	1,469,161
CNVP cash on hand		
CNVP Albania	1,796	1,280
CNVP Kosovo	1,745	1,108
CNVP Macedonia	1,113	997
CNVP Montenegro	68	-
CNVP Macedonia LLE	30	66
CNVP Kosovo LLE	2,252	400
Subtotal	7,003	3,851
Total	1,160,952	2,030,109

*Note: due to rounding, difference of 1 euro may occur

Liabilities

Foundation's Capital

6. Reserve

The **general reserve** represents funds available for the unrestricted use of CNVP and is intended to ensure the continuity of the foundation. During 2025, the general reserve increased by EUR 9,626, reflecting the addition of the year's result after appropriation.

The **appropriated reserve** relates to the project assets reserve. This reserve comprises fixed assets acquired through donor-funded projects. The cost of these assets is charged to the respective donor projects at the time of purchase, and a corresponding amount is transferred to the project assets reserve within CNVP's

reserves. The balance of the project assets reserve represents the net book value of donor-funded fixed assets as at the end of the previous financial year, which will continue to be depreciated over the remaining useful life of the assets. The decrease in the appropriated reserve of EUR 27,920 reflects the annual depreciation of donor-funded fixed assets. As these assets were fully financed through donor funds at the time of acquisition, their depreciation is recognized as a reduction of the appropriated reserve.

	At 31-12-2025	Add result for period	At 31-12-2024
	EUR -	EUR -	EUR -
General reserve	383,591	9,626	373,965
Appropriated reserve	43,542	(27,920)	71,462
Total	427,133	(18,294)	445,427

	At 31-12-2024	Add result for period	At 31-12-2023
	EUR -	EUR -	EUR -
General reserve	373,965	27,627	346,338
Appropriated reserve	71,462	680	70,782
Total	445,427	28,307	417,120

	At 31-12-2023	Add result for period	At 31-12-2022
	EUR -	EUR -	EUR -
General reserve	346,338	33,995	312,343
Appropriated reserve	70,782	70,782	0
Total	417,120	104,777	312,343

	At 31-12-2022	Add result for period	At 31-12-2021
	EUR -	EUR -	EUR -
General reserve	312,343	19,725	292,618
Total	312,343	19,725	292,618

Provisions

7. Reservation severances

There have been no reservation of severances for 2025

Current Liabilities

8. Payables

The payable consist of organisational expenses incurred during 2025 that remained unpaid and expected to be settled in 2026. The balance also includes e donation from the Pieter Baastian Foundation reserved for organisational development. Interest payable on donor funds represents interest earned on project-specific bank accounts that remains due to the respective donors as at the balance sheet date.

	At 31-12-2025	At 31-12-2024
	EUR -	EUR -
Amounts to be paid	32,190	41,968
Debtors	1,067	2,067
Interest payable to donor funds	79	53
Total	33,336	44,088

9. Payroll taxes, social security and pension payable

This consists of payroll tax withheld from CNVP staff salaries, as well as social security and pension contributions, including both the employee's and employer's shares. The amounts payable under this item relate to payroll costs for December 2025, which were withheld from employees' salaries and incurred as expenses by CNVP, and were payable to the relevant authorities in January 2026.

	At 31-12-2025	At 31-12-2024
	EUR -	EUR -
Payroll tax, social security & pension payable	8,124	12,312
Total	8,124	12,312

Grants provided

These are pre-received funds from grant contracts that continue to be implemented beyond **31 December 2025**. Part of the amounts received was recognised as income during the year, in line with the progress of project implementation. The remaining balances are recognised as liabilities as at the balance sheet date.

During 2025, grant amounts from **Sida, ADA IFM, HWF, IFAD/ILC, UNDP** were received in accordance with the respective grant agreements, payment schedules and approved financial reports. The remaining balances relate to projects that will be implemented after the balance sheet date.

Grants provided decreased from EUR 1.71 million in 2024 to EUR 0.81 million in 2025 due to the utilisation of advances received from donors in previous years. As project implementation progressed during 2025, these pre-financed funds were spent and recognised as income, resulting in a lower outstanding balance at year-end.

The following table presents the balance of grants provided by donors to be used after **31 December 2025**.

	At 31-12-2025	At 31-12-2024
	EUR -	EUR -
Sida LED 2	123,351	490,060
Sida SUNREED	520,700	409,524

H2020 MOVING	0	10,805
EU CSO project	1,505	1,505
ADA IFM	34,127	203,929
Green Belt	9,869	0
Hans Wilsdor Foundation (HWF)	94,179	0
IFAD/ILC	8,456	0
Pont Korab Koritnik Sharr	0	579,260
UNDP	3,352	0
Pont RWOP for LED	11,192	14,389
Total	806,731	1,709,471

10. Accruals

Accruals consist of amounts of outstanding leave days of the employees accrued for 2026, disaggregated below.

	At 31-12-2025	At 31-12-2024
	EUR -	EUR -
Outstanding leave days	21,974	20,905
Total	21,974	20,905

Contingent assets and liabilities

There are no long term commitments on rental agreements or other contingent liabilities.



Notes to the Statement of Financial Performance at 31 December 2025

Income

11. Income from grants

Income generated from CNVP activities is classified as income from grants. Funds are made available to CNVP by donors, and are used for the benefit of third parties.

Beneficiaries do not pay for services provided by CNVP. Funds are transferrable to CNVP upon fulfilment and compliance with certain stipulations, as foreseen in various legal contracts that CNVP enters into with different donors. Income is recorded on an accrual basis, meaning that it is recognised when earned, not received.

Grant income is divided into advisory services that CNVP offers to third-party beneficiaries, and project expenses covered by donor contributions.

The income for 2025 from the Sida LED 2 project amounted to EUR 366,709, of which EUR 108,987 related to advisory services and EUR 257,722 to reimbursable project expenses. The subsidy period for the Sida LED 2 project runs from October 2019 to July 2026.

The income for 2025 from Sida SUNREED amounted to EUR 613,509, of which EUR 258,330 related to advisory services and EUR 355,179 to reimbursable project expenses. The subsidy period for the SUNREED project runs from January 2022 to 31 December 2026.

The income for 2025 from the PONT Shar Korab Koritnik project amounted to EUR 929,495, of which EUR 270,047 related to advisory services and EUR 659,448 to reimbursable project expenses. The subsidy period for the project runs from September 2022 to 31 December 2025.

The income for 2025 from ADA IFM amounted to EUR 429,802, of which EUR 155,529 related to advisory services and EUR 274,273 to reimbursable project expenses. The subsidy period for the project runs from January 2023 to November 2026.

Income from other projects (HWF, GreenBelt , PONT RWoP, UNDP) amounted EUR 74,044 in 2025, of which EUR 25,793 related to advisory services and EUR 48,251 to reimbursable project expenses.

The following table presents income from grants for the period from 1 January to 31 December 2025.

Actuals from 01 January to 31 December 2025	Budget from 01 January to 31 December 2025	Actuals from 01 January to 31 December 2024

<u>Income from grants</u>	EUR -	EUR -	EUR -
Project SIDA LED 2 - Advisory services	108,987	64,388	165,334
Project SIDA LED 2- Reimbursable project expenses	<u>257,722</u>	<u>145,378</u>	<u>311,952</u>
Subtotal	<u>366,709</u>	<u>209,766</u>	<u>477,286</u>
Project SIDA SUNREED - Advisory services	258,330	291,031	262,325
Project SIDA SUNREED 2- Reimbursable project expenses	<u>355,179</u>	<u>629,560</u>	<u>320,004</u>
Subtotal	<u>613,509</u>	<u>920,591</u>	<u>582,329</u>
Project PONT - Advisory services	270,047	277,838	268,387
Project PONT Reimbursable project expenses	<u>659,448</u>	<u>630,370</u>	<u>402,209</u>
Subtotal	<u>929,495</u>	<u>908,208</u>	<u>670,596</u>
Project ADA IFM - Advisory services	155,529	210,563	144,130
Project ADA IFM- Reimbursable project expenses	<u>274,273</u>	<u>572,147</u>	<u>246,419</u>
Subtotal	<u>429,802</u>	<u>782,710</u>	<u>390,550</u>
Other projects - Advisory services	25,793	9,385	57,947
Other projects - Reimbursable expenses	<u>48,251</u>	<u>27,500</u>	<u>41,466</u>
Subtotal	<u>74,044</u>	<u>36,885</u>	<u>99,413</u>
Total Income from grants	<u>2,413,559</u>	<u>2,858,159</u>	<u>2,220,173</u>

12. Other income

Other income in 2025 consisted of interest earned on CNVP funds & sale of assets.



Other Income

Net gain from sale of assets	5,000	0	203
Interest income from CNVP funds	3,485	0	2,283
Miscellaneous income	0	0	0
Subtotal	8,485	0	2,485
Total Income	2,422,044	2,858,159	2,222,658

Note on the difference between actual and budget figures for income

Project income is 85% realized from the planned budget. The budget was prepared in 2024 based on the best information available at that time. Lower realization in programme costs occurred because funds were not spent on key projects such as SUNREED, and ADA. For the SUNREED project, lower expenditure was mainly due to the complexity of the MSD (Market Systems Development) approach, which resulted in a slower implementation speed than originally planned. For the ADA IFM project, delays in the implementation of activities led to a non-cost extension.

These differences do not have a negative impact on the overall financial realisation, as the project activities will be implemented and realised in the following year. They also do not affect coverage of the core operational expenses of the organisation.

Expenditure

13. Personnel

As at 31 December 2025, CNVP had 22 employees.

Details about the remuneration of the Executive Board (EB), the Supervisory Board (SB), staff salaries and benefits, and other personnel-related expenses are given below.

Remuneration of the Executive Board members in 2025 consisted of salaries earned and other benefits, amounting to a total of EUR 111,725.

Members of the Supervisory Board do not receive remuneration for their activities. They are compensated for reasonable travel and business expenses incurred in relation to board meetings and attendance. The total expense incurred for board meetings in 2025 amounted to EUR 13,512.

The total cost for staff salaries, social security contributions, other staff-related benefits, severance costs, and external and temporary staff amounted to EUR 482,131 in 2025. Total personnel expenses for the year amounted to EUR 607,367.

	Actuals from 01 January to 31 December 2025	Budget from 01 January to 31 December 2025	Actuals from 01 January to 31 December 2024
	EUR -	EUR -	EUR -
Executive Board member salary Nehat Ramadani 01-01-2025 until 31-12-2025	38,844	38,844	38,856
Executive Board member other benefits Nehat Ramadani	0	0	0
Subtotal	38,844	38,844	38,856
Executive Board member salary Anila Aliaj 01-01-2025 until 31-12-2025	36,590	36,590	0
Executive Board member Anila Aliaj -other benefits	3,878	3,878	0
Subtotal	40,469	40,469	0
Executive Board member salary Xhevat Lushi 01-01-2025 until 31-12-2025	30,240	30,240	30,240
Executive Board member Xhevat Lushi -other benefits	2,172	2,172	2,232
Subtotal	32,412	32,412	32,472
Board members - remuneration	0	0	0
Board meetings	13,512	8,000	4,400
Subtotal	13,512	8,000	4,400
Staff salaries	436,559	437,664	458,053
Social security contribution	31,273	32,465	37,412
Other benefits & expenses	4175	4200	4671
Outstanding Leave Days	1,069	0	(603)
Severances for NS	4,029	0	0
Subtotal	477,105	474,330	499,533

	5,026	7,226	46,192
External & Temporary Support	5,026	7,226	46,192
Total personnel expenses	607,367	601,280	621,453

14. Depreciation of tangible fixed assets

The following shows the details of depreciation incurred in the period January-December 2025

	Actuals from 01 January to 31 December 2025	Budget from 01 January to 31 December 2025	Actuals from 01 January to 31 December 2024
	EUR -	EUR -	EUR -
Depreciation vehicles	18700	0	13700
Depreciation office equipment	9,220	0	8,372
Total depreciation expense	27,920	0	22,072

15. Other expenses

Other expenses include operating business expenses and project expenses.

	Actuals from 01 January to 31 December 2025	Budget from 01 January to 31 December 2025	Actuals from 01 January to 31 December 2024
	EUR -	EUR -	EUR -
<u>Other expenses</u>			
<u>A. Operating expenses</u>			
Fuel & vehicle expenses	35,479	40,020	41,818
Travel & lodging	19,538	38,800	36,644
Office rent	39,879	38,651	41,068
Utilities & office maintenance	16,209	19,300	15,860
Communication & mailing	7,879	8,565	7,792
Office expense	32,810	42,950	28,062

Accounting & audit fees	46,947	46,830	47,214
Bankcosts & x-rate differences	6,009	8,080	5,371
Other expenses	5,430	7,900	4,949
Subtotal	<u>210,178</u>	<u>251,096</u>	<u>228,777</u>

B. Project expenses

Programme Support	427,657	584,650	425,200
Local Capacity Building	22,124	21,000	34,931
Consultancy	240,515	332,528	307,614
Partnership cost	904,577	1,066,776	554,305
Subtotal	<u>1,594,873</u>	<u>2,004,954</u>	<u>1,322,050</u>

Total expenditure	<u>2,440,338</u>	<u>2,857,330</u>	<u>2,194,351</u>
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Balance of income and expenditure	<u>(18,294)</u>	<u>829</u>	<u>28,307</u>
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Note on the difference between actual and budget figures for expenditure

The approved budget for the year anticipated a surplus of EUR 829. The reported result for the period amounts to a deficit of EUR 18,294, which is made by movements in the appropriated reserve.

At the end of the year, depreciation expense of EUR 27,920 was recognised in the statement of financial performance. As these fixed assets were acquired using donor-funded project resources, the depreciation charge is fully balanced through appropriated (project assets) reserve.

Excluding the effect of depreciation that is balanced through the appropriated reserve, the underlying operational result amounts to a surplus of approximately EUR 9,626, compared to the planned surplus of EUR 829. This positive result mainly relates to the recognition of additional eligible costs at a later stage of project implementation. Certain costs, including indirect costs as well as travel expenses and the use of CNVP vehicles, were claimed based on the final financial reports and could therefore only be recognised once the project period was completed and the final reports were approved.

16. The results for the period

Appropriation of balance of income and expenditure

Actuals	Budget	Actuals
from 01 January	from 01 January	from 01 January

	to 31 December 2025	to 31 December 2025	to 31 December 2024
General reserve	9,626	829	27,627
Appropriated reserve	(27,920)	0	680
Result for the period	(18,294)	829	28,307

Note on the difference between the actual and budget figures of result.

The difference between the budgeted and actual result for the period is explained in Note 15 above and mainly relates to the movement in the appropriated reserve for depreciation and the recognition of additional income upon finalisation of projects.

Subsequent events

There are no significant subsequent events .

Hollandsche Rading, XX XX 2026

Executive Board

Mr. Xhevat Lushi
Mr. Nehat Ramadani
Ms. Anila Aliaj

Supervisory Board

Mr. Maarten Bremer
Chair of Supervisory Board

Mr. Thijs van Buuren
Supervisory Board member

Ms. Maria Johanna Meijboom
Supervisory Board member

Mr. Aurel Jupe
Supervisory Board member

Part C: Other Information

Independent auditor's report

A reference is made to the auditor's report, which is attached below.

Appropriation of result according to articles of association

The CNVP Foundation articles of association do not indicate specific requirements for appropriation of the result. Appropriation of the result will be made by the Foundation Board after the adoption of the annual accounts by the Supervisory Board within the limits of the goals of CNVP as set out in the articles of association.

**To:
The Supervisory Board and the Executive Board of
CNVP - Connecting Natural Values & People**

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with the Standards, we exercise professional judgment and maintain professional scepticism 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 Foundation 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 Foundation 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 Foundation 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.

Other matters

- A. The Executive Board of the Foundation is also responsible for the preparation of the Executive Board's Annual Report. Our responsibility is to express an opinion on whether the Executive Board's Annual Report is consistent with the financial statements for the year ended 31 December 2025. Our work, which refers to the Executive Board's Annual Report, is carried out in accordance with ISA 720 and it is limited to reporting whether the historical financial information presented in the report is consistent with the audited financial statements.

The Executive Board's Annual Report of the Foundation is consistent in all material aspects with the financial statements of CNVP for the year ended 31 December 2025.

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**To:
The Supervisory Board and the Executive Board of
CNVP - Connecting Natural Values & People**

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the CNVP (in the following text "Foundation"), which comprise the Balance Sheet as of 31 December 2025, the Statement of Financial Performance, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of CNVP give a true and fair view of the financial position of the Foundation as of 31 December 2025, as well as the operating results and the cash flow for the year then ended, in accordance with the IFRS.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standard Board for Accountants, (the Code of Ethics). We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 the financial statements in accordance with the IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation 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 it is not a guarantee that an audit conducted in accordance with the Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**To:
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INDEPENDENT AUDITOR'S REPORT (continued)

Other matters (continued)

- B. As part of its activities in 2025, the Foundation implemented projects financed by PONT. Our work consisted of verifying the income and expenses related to the PONT-funded projects, as well as reviewing the project balances.

Based on the procedures performed, the status of the income, expenses, and balances of the projects financed by PONT in 2025, is as follows:

#	Project	Income (Project Period)	Expenses (Project Period)	Balance Due to/from PONT
1	PONT EA_038 – ALB Sustainable use of natural resources for transboundary socio-economic development of protected areas in North Macedonia and Albania (Korab-Koritnik, Shara and Albanian Alps)	1.111.500	1.164.635	(53.135)
	PONT EA_038 – MKD Sustainable use of natural resources for transboundary socio-economic development of protected areas in North Macedonia and Albania (Korab-Koritnik, Shara and Albanian Alps)	741.120	765.429	(24.309)
2	PONT EA_054 – Rural Women for Sustainable Development of Prespa	14.652	3.460	11.192
	Total (All PONT Grants)	1.867.272	1.933.524	(66.252)

June 19, 2026

Certified Auditor
Zvonko Kocovski

Managing Partner
Nenad Torteovski

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I. Annex 1 Detailed project progress

Regional projects

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2024	Milestones up to 31 December 2025
<p>Integrated Forest management in W. Balkans countries (AL, KO, NMK, MNE)</p> <p>Donor: ADA</p>	<p>01.12.2022 to 30.11.2026</p>	<p>Sustainable forest management, Climate change, Environment, water and natural resource management</p> <p>Renewable energy, primarily from wood and crop biomass</p> <p>Community mobilisation, governance and civil society</p> <p>European accession and policy questions related Chapter 27- Environment and water</p>	<p>Preparation of technical projects for afforestation activities and soil erosion control in each country</p> <p>Training of workers for afforestation and soil erosion control activities.</p> <p>Implement afforestation and soil erosion control activities in each country.</p> <p>Set up of different models of thinning aiming to properly address forest rehabilitation and stakeholder needs.</p> <p>Elaborate/revise forest action plan in collaboration with national and local stakeholders.</p> <p>Improved know-how and capacities for IFM along the Drin River Basin, awareness raising workshops and round tables.</p> <p>Participatory conservation and/or action plans for protected / potentially protected areas in Shala Valley, Puka and NM (Struga) are in place.</p> <p>Organize meetings/workshops with the target groups.</p> <p>Identification of biodiversity plots to be protected and collaboration with stakeholders to put them under protection.</p> <p>Applying ecological thinning as a potentially suitable management action by involving local communities.</p> <p>Organize meetings/workshops with local stakeholders to develop better understanding eco-friendly economic activities.</p> <p>Lobbying Meeting with the main stakeholders of the forestry sector and Vocational school for establishment of an extension service in the institutional framework and curricula.</p> <p>Awareness and know-how in IFM to increase cooperation among local communities, as well as forest users/owners and forestry experts</p>	<p>Finalize afforestation of 5 ha in Albania & 4 ha in Kosovo.</p> <p>Finalize 50 m³ anti-erosive double fences in Kosovo</p> <p>Improve through thinning 20 ha Oak forest & 14 ha Chestnut forest in Albania and 5 ha Beech forest & 5 ha Chestnut forest in Kosovo</p> <p>Identify threats to habitats & species and prepare action plan for Shala Valley in Albania</p> <p>Workshop on income generation in Pukë</p> <p>Business plans prepared for 9 grantees in Albania</p> <p>Deliver tanning in Afforestation, thinning and soil erosion control to associations</p> <p>Finalize the study in forest change and high conservation areas along Drini River Basin</p> <p>Celebrate International Forest Day</p> <p>Celebrate International Wetlands Day</p> <p>Stakeholders meetings/workshops on the importance of forests and IFM contribution on water management & wetland protection</p> <p>Exchange visit of experts involved in</p>

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2024	Milestones up to 31 December 2025
			<p>Regional and international academic collaboration and research data on the benefits of IFM, PES and biomass heating systems is available</p> <p>Regional expertise in IFM and replicable good practices of related policies are available - NM Case studies IFM and case study community income generation</p> <p>Webinars with international experts for regional experts will be elaborated</p> <p>Increased awareness for gender equality and mainstreaming in climate change and sustainable development.</p> <p>Monitoring, reporting and evaluation</p>	<p>MNE & ALB to share findings from activities</p> <p>Training for municipalities, NGO etc. on:</p> <ul style="list-style-type: none"> - Preparation of Forest Management Plans - NbS – Nature-based Solution - Wild forest fire prevention/protection <p>Universities involved:</p> <ul style="list-style-type: none"> ➤ Boku University ➤ Agriculture University of Tirana ➤ University of Tirana ➤ University "Luigj Gurakuqi" of Shkodra ➤ University Ukshin Hoti Prizren ➤ University Hans Em ➤ Biotechnical University Montenegro ➤ Forestry Faculty Sarajevo <p>Case Studies prepared on:</p> <ul style="list-style-type: none"> ➤ Community income generation ➤ Erosion Control ➤ Ecosystem restoration through afforestation/reforestation ➤ Habitats and species Feasibility study on biomass-heating systems for public institutions ➤ Conservation of coppice beech forest <p>Topics & Institutions to participate in Webinars chosen. Contacts with potential representatives being established.</p>

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2024	Milestones up to 31 December 2025
				<p>The “Borderless Bites & Forest Treasures” fair held in Debar on 13 September 2025. 20 vibrant stands from NM and Albania showcased local nature-based tourism, forest products like jams, teas, mushrooms, and honey, and traditional crafts</p> <p>Prepare ToR-s and hire consultants.</p> <p>The evaluation of the project implementation is carried out by “IDRA”. Findings and the evaluation report shared with CNVP and ICEP.</p>
<p>Sustainable use of natural resources in Korab Koritnik, Shar, and the Albanian Alps", Donor: PONT</p>	<p>Started on 01.09.2022 to 31.12.2025</p>	<p>Rural Development, Sustainable Natural Resource Management ,Community Mobilisation</p>	<p>NORTH MACEDONIA</p> <p>Successfully was organized 2 study visits. The CNVP North Macedonia team, together with representatives from the Shar Mountain and Mavrovo National Parks, as well as several sub-grantees, visited a Gesäuse National Park in Austria.</p> <p>CNVP North Macedonia team, Shar Mountain National Park, and several sub-grantees participated in the international tourism fair IFTM Top Resa in Paris.</p> <p>CNVP North Macedonia hosted two major events focused on cross-border</p>	<p>The study visit enabled knowledge exchange and mutual learning, allowing national park representatives and members of local communities to see how their EU counterparts address challenges and manage protected areas.</p> <p>The participants learn about the latest trends and best practices in the field of sustainable tourism, particularly in mountain and protected areas, and engaged in direct exchange of experiences with experts and practitioners from around the world.</p> <p>Around 100 participants, including mayors, national park</p>

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2024	Milestones up to 31 December 2025
			<p>cooperation and the exchange of good practices.</p> <p>18 June 2025 – Forum on Good Governance, Tetovo.</p> <p>19 December 2025 – Project Closing Event, Tetovo.</p> <p>Production of the 5 promotional videos showcasing the achievements of CNVP/PONT sub-grantees. The videos proved to be an effective tool for promoting our work and increasing the visibility of nature conservation efforts within the supported projects.</p> <p>ALBANIA Trainings related to diversification of agricultural and agro-forestry practices with focus on NTFP-s Delivery of training and capacity building (TOT</p>	<p>representatives, experts, and civil society, gathered to strengthen inter-institutional cooperation and improve governance in protected areas across the region.</p> <p>More than 80 participants, including national park directors, mayors, sub-grantees, and partners, attended. Certificates were awarded, and project results and success stories were showcased, highlighting the impact of the three-year collaborative effort.</p> <p>Production of the 5 promotional videos showcasing the achievements of CNVP/PONT sub-grantees.</p> <p>Prepare news articles and improve project visibility.</p> <p>Training sessions were delivered following a Training of Trainers (TOT) model. As a result, the project has established a foundation of trained individuals capable of driving further dissemination and practical application of agroforestry and NTFP-related</p>

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2024	Milestones up to 31 December 2025
			<p>Develop Tourist Products with thematic working group</p> <p>Training of tourism service providers on the tourism services.</p> <p>Organization of familiarization trip in three areas to promote the tourism products.</p> <p>Support local stakeholders in marketing and exchanging experiences and knowledge on products (NTFPs, NBT) and services in transboundary area (exchange visits and fairs)</p> <p>Direct support to beneficiaries with sub-grantees in Ecological Corridors</p>	<p>practices across the targeted regions consultant hired to support the development and packaging of integrated tourism products across Korab–Koritnik, Dibër, Kukës, and the Albanian Alps, combining nature, culture, and rural experiences, including cross-border itineraries.</p> <p>Two familiarization trips were organized in Zagrad, Kala e Dodës, Bushtricë, and Shishtavec–Novosej to promote emerging nature-based, rural, and cultural tourism products in Dibër and Kukës</p> <p>A two-day regional conference was organized in Kukës in June 2025, bringing together over 100 stakeholders from Albania, North Macedonia, and Kosovo to discuss biodiversity conservation, local economic development through tourism and NTFPs, and ecological corridors.</p> <p>CNVP fAlbania ocused its intervention on the Cukal–Munellë–Balgjajë–Martanesh connectivity corridor, covering six</p>

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2024	Milestones up to 31 December 2025
			<p>Support /enable local NGOs, SMEs and farmers to develop and increase its operational capacities for sustained service delivery and marketing products and services, in accordance with governance of PAs</p>	<p>municipalities. Two grant calls were launched, with 10 projects selected out of 18 applications, totaling €157,770 in contracted and disbursed support.</p> <p>A grant call for the Korab–Koritnik Natural Park was launched focusing on biodiversity protection, sustainable economic development, and nature-based tourism. Out of 33 applications, 14 projects were contracted.</p>

Project Name	Status	Link to CNVP's strategy	Key Project Interventions	Milestones up to 31 December 2025
Local Economic Development (LED), Donor: Sida	1 October 2020 to 31 July 2026	-Forestry, agro-forestry and sustainable forest management , including the development of nontimber forest product value chains -Agri-rural development , including eco-tourism -Renewable energy, primarily from wood and crop biomass -Community mobilisation, governance and civil society	<p>Outcome 1: Improved MAPs (and other NWFPs) productivity Interventions under this area aim to improve the MAPs (and other NWFPs) productivity so that it generates enhanced incomes for rural households, which will involve partnering with the private sector.</p> <p>Outcome 2: MAPs (and other NWFPs) private sector market actors have sustainable pro-poor business models. This intervention area involves partnering with a range of private sector actors to stimulate new investments.</p> <p>Outcome 3: Enabling environment policies and regulations promote fair and sustainable practices Interventions under this area aim to improve the general enabling environment for MAPs market actors, which will involve partnering with the public sector to support them to create policies and regulations which are consistent, unbiased and equitable.</p>	<p>Innovation and Value Chain Development in the MAPs Sector Installation of a modern solar-assisted drying and storage system in cooperation with Agroherbal in Laç-Mamurras, with a drying capacity of 60 tons/month, benefiting over 200 farmers through improved quality and year-round processing. Strengthened local processing and value addition through support to GBE in Tirana for the installation of a new processing line producing over 10 tea products meeting international standards, while expanding cooperation with farmers and buyers through certification and quality standards. Supported Vera Ceko in Delvinë to install a 100 KW solar energy system powering the entire processing facility, ensuring stable energy supply, reducing operational costs, and improving processing efficiency. Promoted cultivation of high-value and biodiversity-friendly MAPs through the establishment of 2 ha of Primula veris in Gramsh and 1.5 ha of Gentiana lutea in</p>

				<p>Kukës, directly supporting 15 farmers. Advanced innovation in MAPs and NTFPs through a mycoforestry assessment in the Pukë region, implemented with the Spanish company IDForest to explore sustainable wild mushroom production opportunities. Promoted renewable wood biomass energy by commissioning a feasibility study for introducing modern biomass heating systems in public buildings in Fushë-Arrëz and Has municipalities. Supported four Albanian MAP companies to participate in the Agricultura Fair in Lushnjë, enhancing product promotion, networking, and market linkages at national level.</p>
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North Macedonia

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2024	Milestones up to 31 December 2024
Rural women for sustainable development of Prespa (RWoP) - PONT	Started on 1-st of June 2024 to 31-st of May 2027	Sustainable natural resource management Rural development Community mobilisation	Cultivated new farming species, including Prespa tea in the Prespa region. Catering dishes for catering activities of RWoP.	Weekly coordination (~ 12 meetings) with Rural Women of Prespa Establishment of 9 cultivation plots for Prespa tea and new crops Procurement of 2 machines (1 packing, 1 labeling) Distribution of catering equipment to members (January 2025) Delivery of 1 three-day digital training (marketing, social media, AI tools) Continuous capacity building and internal coordination Participation in 1 regional fair – Borderless Bites & Forest Treasures
Capacity Building Program for Sustainable Tourism with a Focus on Non-Timber Forest Products – Donor UNDP	Started on 1-st of June 2024 to 31-st of May 2027	Sustainable natural resource management Rural development Community mobilisation	Activity 2.1.1.1: Capacity building on processing, packaging, branding and marketing of NTFP's to PWC Activity 2.1.1.2: Establish relationships among collectors and producers with the traders on the market. Activity 2.1.1.3: Develop catering services that include local food specialties with NTFP's from the Prespa region and their promotion in the region. Activity 2.1.2.1: Value chain analysis to identify potential market opportunities for new species in farming and NTFP's. Activity 2.1.2.2: Establishment of at least 7 pilot sites for cultivation of new farming species a	Establishment of 9 pilot cultivation plots ; planting of raspberries, blueberries, and 2,250 mountain tea seedlings Procurement of 1 packing machine and additional materials to strengthen local identity and operations 6 meetings with buyers ; participation in 2 key fairs – Apple Harvest Festival and Festival of Flavors Creation of 3 catering menus

			<p>Activity 2.1.2.3: Involvement of at least 15 new women and young collectors of NTFP's in PWC.</p> <p>Activity 2.1.2.4: Preparation of practical guide for sustainable use of previously identified NTFP's of economic importance and field validation of proposed practices</p> <p>Activity 2.1.2.5: Promotion of cooperation among collectors, traders and Protected Areas managers through certification of forest-based products.</p> <p>Activity 2.1.2.6: Promotion of responsible market offer through obtaining quality assurance and certification of NTFP's.</p> <p>Activity 2.1.3.1: Organization/visit to 2 annual fairs where tradition, local values and products from the Prespa region are promoted.</p> <p>Activity 2.1.3.2: Organisation of Study visits.</p>	<p>1 study visit and several community engagement events to enhance skills and cooperation</p>
<p>European Green Belt Association (EGBA) e.V. EuroNatur Foundation c/o</p>			<p>fair „Borderless Bites & Forest Treasures“</p> <p>Activity 1: Exhibition Stands</p> <p>Activity 2: Traditional Food Workshop and Tasting – "Learn & Taste from the Forest"</p> <p>Activity 3: Cultural Program – "Voices and Moves of Tradition"</p>	<p>20 vibrant stands from North Macedonia and Albania</p> <p>cooking workshop led by the Radika DE Women's Association, where 30 participants prepared traditional dishes using forest ingredients.</p> <p>engaging over 30 students in celebrating local traditions.</p> <p>More than 150 visitors attended, gaining knowledge of the European Green Belt, sustainable practices, and opportunities for future engagement. 5 local stakeholders expressed interest in cross-border projects, strengthening</p>

				cooperation in eco-tourism and NTFPs.
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Kosovo

Project Name	Status	Link to CNVP's strategy	Key Project Interventions 2025	Milestones up to 31 December 2025
SUNREED Sustainable Use of Natural Resources for Environment and Economic Development Donor: Sida	Started: 01 January 2022 Expected completion 31 December 2026	Forestry, agro-forestry and sustainable forest management, including development of Non Timber Forest Product value Chains Climate change Environment and natural resource management Renewable energy, primarily from wood and crop biomass Community mobilisation,	Facilitate the process of entering into partnership agreements. No. PFOs with management plans Forest thinning / silviculture (ha) conducted No. PFOs collaborating with biomass collectors No. feasibility studies / investment plans completed No. MAPs-NWFPS collectors/cultivators with improved access	21 Partnership Agreements (PAs) were implemented and monitored with total amount of investments €961,309. 310 PFOs 400 ha 235 PFOs 14 feasibility studies

		<p>governance and civil society European accession and policy questions related particularly to Chapter 11 (Agriculture and Rural Development) and Chapter 27 (Environment) of the Acquis Communautaire</p>	<p>No. young advisors trained (ToT)</p> <p>No. B2B / trade linkage events organised</p> <p>No. policy recommendations submitted and/or policy forums which SUNREED has participated</p>	<p>12</p> <p>9 events</p> <p>4</p>
<p>The European Green Belt project "Vital Pastures in Transboundary Sharr/Korab/Koritnik/Mavrovo" Donor: Aage V. Jensen Charity Foundation, the Nando & Elsa Peretti Foundation, and EuroNatur</p>	<p>Started 01 June 2025 Expected completion 31 May 2028 "</p>	<p>Sustainable Natural Management</p>	<p>Coordination and project management activities carried out from June–December, including regular meetings and continuous communication with project partners (CNVP team, KEPA, LAG Sharri).</p> <p>Organization and facilitation of a Project Partner Meeting in Kukës, focusing on progress updates, reporting requirements, and planning for 2026</p> <p>Field visits to demonstration sites in Kukes including: (Gentiana lutea planting areas & a potato farm showcasing sustainable practices)</p>	<p>Strengthened coordination and collaboration among project partners and stakeholders</p> <p>Clear implementation plans and tools aligned with project objectives and Improved understanding of project progress, reporting standards, and future timelines among partners.</p>

			<p>Organization of one capacity-building workshop with LAG Sharri members focused on project objectives, planned activities, and the drafting process of the LAG Sharri Strategy</p>	<p>Practical insights gained from field visits demonstrating sustainable land-use practices.</p> <p>Enhanced stakeholder engagement and capacity through the LAG Sharri workshop.</p>
<p>National Land Coalition (NLC)</p>	<p>Started on September 2024 to December 2026</p>	<p>Sustainable natural resource management</p> <p>Climate change</p> <p>Community mobilisation</p>		