

# ENAR General Assembly

## Statutory session



15 May 2020

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## Questions related to the income

### **How is ENAR's core programme financed?**

The ENAR core activities are reflected under the Rights, Equality, Citizenship (REC) programme. This programme is managed by the DG Justice at the European Commission (EC). 80% of the amount spent under this program is funded by the EC (with a maximum contribution of 1,100,000 EUR). 20% needs to be funded by other sources. The 20% represents the so-called co-funding.

Observed fluctuations in the EC REC contributions are directly linked to the levels of fluctuations in the expenses under the REC programme.

In 2019, the Open Society Foundations, the Sigrid Rausing Trust and the Joseph Rowntree Charitable Trust contributions represented the co-funding. In other words, these donors funded 20% of the REC expenses.

### **Where does ENAR stand in terms of (current and expected) funding?**

#### EC REC

The EC framework agreement applies until December 2021.

The application for the next framework agreement (2022-2024) is due in 2021.

#### Open Society Foundations (OSF)

2019 was the first year of the 2 years contract with OSF. The current grant is higher than in the past to allow for a contingency reserve and to finance the research on counter-terrorism.

The full amount is used for REC co-funding purposes. In 2019, part of the received amount was deferred to 2020.

The application for the 2021-2022 was submitted in April 2020 and we are still awaiting the answer.

#### Sigrid Rausing Trust (SRT)

2019 was the last year of the 3 years contract with SRT so application for the next 3 years was submitted (in 2019).

The full amount is used for REC co-funding purposes.

The application was successful and as from 2020, SRT increases its contribution by 50% compared to the last grant, until December 2022

#### The Joseph Rowntree Charitable Trust (JRCT)

2019 was the last year of the 3 years contract with JRCT so application for the next 3 years was submitted (in 2019).

Part of the amount is used for REC co-funding purposes. The other significant part is used to finance the National Project Contracts (NPC) for ENAR members.

The application was successful and as from 2020, JRCT increases its contribution by 10% compared to the last grant, until December 2022.

#### ENAR Foundation

The ENAR Foundation generates income mainly thanks to the Equal@Work partners contributions. The Foundations allocates money to the ENAR aisbl. This amount is used by the aisbl to support the REC programme in case of a lack of co-funding or to reduce the accumulated loss of previous years.

Membership fees

Until 2019, the membership fees were used to support the ENAR aisbl to run its activities or to reduce the accumulated loss of previous years.

### **How is the DARE project financed?**

The Dialogue About Radicalisation and Equality (DARE) is a European Union's Horizon 2020 Research and Innovation programme. This 4 years project started in May 2017 and is expected to terminate at the end of April 2021. ENAR acts as a partner of the consortium whom coordinator is the University of Manchester. This project is fully / 100% financed by the Research Agency of the European Union. The reported income is directly to the amount of expenses.

### **Questions related to the expenses**

#### **Why do ENAR staff costs evolve every year?**

Higher staff costs are directly linked to the increasing number of staff members:

In 2018, Chaïb (part-time Researcher for DARE) started in January, Sanka (Digital Communication Officer) in June, Esra (Network Development Officer) and Myriam (Administrator) in July. Bayane (Secretary) left in September and Claire (Deputy Director Programme) in November.

In 2019, Delphine (part-time Advocacy Officer for DARE) started in January, Isabela in February (Advocacy Officer – covering Julie's maternity leave) and Elisabeth in July (Researcher Assistant). Isabela left in November and Elisabeth in December.

Indexation of salaries also increase the staff costs every year.

However, staff costs are in the lower range compared to similar networks.

#### **Why do ENAR expenses (except staff costs) decrease in 2019 (compared to 2018)?**

The decrease in ENAR expenses is due to a decrease in REC expenses in 2019. There are different reasons. Below, the main ones:

- The 2018 GA took place in Lisbon with many participants, celebrating the 20 years anniversary and generating more costs than budgeted. However, the actual costs were moderate in 2019 due to it being in Brussels and with fewer members attending.
- The 2019 shadow report is based on a more depth analysis and the research focusses on 5 member states (instead of 24 member states in 2018). ENAR hired and paid a Research Assistant for 6 months. Much work was achieved. However, the direct costs linked to the research (contracts with researchers, travels, etc) did not occur in 2019 and are postponed to 2020.
- The 2019 Anti-Racism Week was supported by ENAR and EOTO, who provided financial support, lowering ENAR spending.
- Several staff travel costs were reimbursed by external organisations, lowering actual spending.

#### **Why do we observe underspending in REC 2019 (while comparing expenses and budget)?**

The actual spending in 2019 was lower than foreseen in the budget 2019 for the following reasons:

- The budget is based on the assumption that ENAR will receive enough co-funding (money from donors to fund 20% of REC expenses) to maximize the EC REC contribution (1,100,000 EUR). However, this is rarely the case and this was not the case in 2019.
- In 2019, the actual spending was lower, mainly due to the reasons explained at the previous question / answer.
- 2019 was the last year of 3 years contracts with Sigrid Rausing Trust and the Joseph Rowntree Charitable Trust. ENAR received confirmations (from donors for a next 3 years support) only in December. In the meantime, ENAR did not want to push for more spending to avoid risking a drop in the co-funding level in 2020.

## Questions related to the financial result (profit / loss)

### **How does ENAR get a profit in 2019?**

In 2019, ENAR had enough co-funding from donors to cover REC expenses. Therefore, the full contribution from the ENAR Foundation and the membership fees were not allocated to any expenses so ENAR ended up the financial year 2019 with a profit.

The profit amount was sufficient to offset the past operational loss so ENAR is back in profit as from end of 2019.

### **Why did ENAR get a loss in 2018?**

In 2018, ENAR had to face expenses that are considered as ineligible costs to the EC. Moreover, the ENAR Foundation contribution was needed to co-fund REC activities and the amount of membership fees was not sufficient to offset the ineligible costs so ENAR ended up the financial year 2018 with a loss.

## Questions related to 2020

### **How does ENAR handle the Covid-19 crisis?**

ENAR informed all donors that the Covid-19 crisis impacts its planned activities. They all showed understanding. The 2020 work plan has been reviewed. The 2020 budget is under review and will be fully updated soon. ENAR will send amendments to the EC for REC activities and will inform other donors of the expected adjustments. ENAR does not foresee at this stage any decreases in their financial support.