

Audit Report\*

Financial Statement

for the financial year from 1 January to  
31 December 2022

\*In case of contradictions, the German version of the audit report of the financial statements for financial year 2022 shall be valid.

**G5 Sahel Fazilität**

**Frankfurt am Main**

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## Abbreviations

Abbreviation	Full term
Foundation	G5 Sahel Fazilität, Frankfurt am Main
AO	Abgabenordnung [Fiscal code]
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf [Institute of Public Auditors in Germany]
IDW PS	IDW Prüfungsstandard [IDW Standard on Auditing]
KfW	Kreditanstalt für Wiederaufbau [Credit Institute for Reconstruction]
Sec.	Section
StiftGHess	Hessisches Stiftungsgesetz [Hessian Foundation Act]

## Contents

	Page
1. Audit Engagement	1
2. Conducting examinations	2
2.1. Subject of the examination	2
2.2. Type and scope of the examination	2
2.3. Independence	4
3. Findings and explanations on the financial statements	5
3.1. Propriety of the accounts	5
3.2. Overall statement of the financial statements	5
3.3. Audit of the constitutional use of the Foundation's funds pursuant to Sec. 12 para. 3 StiftG Hess	6
4. Analysis of the net assets, financial position and financial performance	7
4.1. Earnings situation	7
4.2. Net worth	9
4.3. Financial position	10
5. Final Remarks	11

## Attachments

### **Financial Statements**

Balance sheet as of 31 December 2022 Attachment 1

Income Statement for the period  
from 1 January to 31 December 2022 Attachment 2

Notes for the financial year  
from 1 January to 31 December 2022 Attachment 3

### **Appendices of the auditor**

Legal, economic and tax background Attachment 4

General Engagement Terms Attachment 5

## 1. Audit Engagement

The legal representatives of the

**G5 Sahel Fazilität, Frankfurt am Main,**

engaged us to audit the financial statements, comprising the balance sheet as of 31 December 2022, the income statement for the period from 1 January to 31 December 2022 and the notes to the financial statements for the financial year 2022, in accordance with the principles of IDW PS 480.

In accordance with the results of our audit, we will issue an audit opinion and, as instructed, report in writing on the audit performed. This report is addressed to the G5 Sahel Fazilität, Frankfurt am Main.

For the performance of the engagement and our responsibility, also in relation to third parties, the "General Engagement Terms for German Public Auditors and German Public Audit Firms" in the version dated 1 January 2017, attached as Annex 5, are authoritative. The amount of our liability is determined in accordance with No. 9 of the General Engagement Terms. In relation to third parties, No. 1 (2) and No. 9 of the General Engagement Terms shall apply.

This report is addressed exclusively to the client or its organs and has not been prepared for the purposes of third parties, towards whom neither responsibility for the content nor other obligations exist. Please refer to No. 6 of the General Conditions of Contract for the prerequisites for disclosure to third parties.

## **2. Conducting examinations**

### **2.1. Subject of the examination**

The subject of the audit is the Foundation's financial statement as of 31 December 2022, prepared in accordance with German commercial law, including the underlying accounting records. We would like to point out that the Foundation has not prepared a management report.

As part of the engagement, we have been given, we have assessed whether the relevant accounting provisions, supplementary relevant provisions of the Articles of Association and German generally accepted accounting principles have been complied with.

The object of the audit was extended by Sec. 12 para. 3 of the Hessian Foundation Act (StiftGHess). The audit therefore also covers the use of the Foundation's funds in accordance with the statutes. The Foundation is a consumption Foundation.

Compliance with other legal provisions and an opinion on the adequacy of insurance cover were not the subject of our engagement. The detection and clarification of criminal offences, such as acts of embezzlement or misappropriation, as well as the determination of regulatory offences committed outside the scope of accounting are not the subject of the audit of the financial statements.

The audit of whether the tasks could have been fulfilled more effectively with less personnel or material expenditure or in another way was not the subject of our audit assignment.

In analogy to Sec. 317 para. 4a German Commercial Law (HGB), the audit does not extend to whether the continued existence of the audited company or the effectiveness or efficiency of the management can be assured beyond the going concern assumption in the balance sheet.

### **2.2. Type and scope of the examination**

We carried out the audit work, with interruptions, at our offices in Frankfurt am Main in the months of May and June 2023.

We have recorded details of the audit performance in terms of type, scope and result in our working papers.

### **Audit strategy**

We conducted our audit in accordance with IDW PS 480 "Audit of Financial Statements Prepared for a Specific Purpose in Accordance with Accounting Standards" and German generally accepted standards for the audit of financial statements promulgated by the IDW.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The starting point for the audit was the Foundation's financial statements for the short fiscal year from June 8 to December 31, 2021, which we audited and issued with an unqualified audit opinion.

The audit is based on a risk-oriented audit approach, which is based on knowledge of the business activity, the economic and legal environment of the Foundation as well as on an analysis of the risk areas.

Based on an assessment of the inherent risks, the control environment, and the accounting-related internal control system, we prepared a risk profile for the financial statements. Based on this, we determined the type and scope of analytical (plausibility assessments) and other case-by-case audit procedures. For individual case audits, we obtained evidence by deliberate selection or by using sampling procedures. In doing so, we observed the principles of materiality and economic efficiency.

Our audit strategy for the year under review has resulted in the following audit focus areas:

- Internal control system, in particular for the use of funds
- Existence and recoverability of financial assets
- Development of equity

### **Evidence and confirmations obtained from third parties**

Bank confirmations were obtained without any gaps.

### **Information, declaration of completeness**

Information was provided by the legal representatives and the employees named to us. The requested explanations and evidence were provided to us willingly.

The legal representatives have confirmed to us in a written statement the completeness of the accounting records and the financial statements as well as the other information required by IDW PS 303.

### **2.3. Independence**

In accordance with IDW PS 480, we confirm that we have complied with the applicable provisions on independence in our audit.

### 3. Findings and explanations on the financial statements

#### 3.1. Propriety of the accounts

In our opinion, based on the findings of our audit, the accounting records and other audited documents are in order and comply in all material respects with the legal requirements.

The financial statements have been properly developed in all material respects and their derivation from the accounting records and other audited documents (e.g., cost accounting to determine the cost of production, planning calculations, contracts, minutes).

The financial statements have been prepared in accordance with generally accepted accounting principles and the accounting provisions of the German Commercial Code (HGB).

#### 3.2. Overall statement of the financial statements

The financial statements as a whole give a true and fair view of the net assets, financial position and results of operations of the Foundation in accordance with German principles of proper accounting.

Pursuant to Sec. 321 para. 2 sentence 4 of the German Commercial Code (HGB), in addition to the notes to the financial statements, we describe below the main valuation principles and - if applicable - the influence of changes in the valuation principles, including the exercise of accounting and valuation options, the use of discretionary decisions and measures to shape the facts.

#### Significant valuation principles

The valuation methods applied to the items in the financial statements comply in all material respects with the German commercial law provisions applicable to corporations. They are described in the Foundation's Notes. The Foundation's statutes do not specify the type and scope of accounting.

In contrast to the previous year's financial statements, project advances paid out from 2022 onwards will be expensed directly in line with the standard practice among funding foundations.

### 3.3. Audit of the constitutional use of the Foundation's funds pursuant to Sec. 12 para. 3 StiftG Hess

Pursuant to Sec. 6 para. 1 StiftGHess, the Foundation's assets must be maintained undiminished. The supervisory authority may allow exceptions if the founder's will cannot be realised otherwise, and the Foundation's existence is guaranteed for an appropriate period of time. The assets of the Foundation shall be kept separate from other assets. The Foundation is a consumption Foundation. According to Sec. 3 of the articles of association, the Foundation's assets consist of assets intended for consumption (so-called consumption stock). In addition to income, the Foundation may use up to 10 percent of the consumption stock annually for the fulfilment of the Foundation's purpose. Unused withdrawals may be made up in subsequent years. At least 2 % of the consumption stock must be used annually for the fulfilment of the Foundation's purpose. The Foundation's consumption stock must be used up by 31 December 2031 in accordance with Sec. 3 of the Statutes.

In summary, we find that the Foundation has complied with the provisions of Sec. 6 para. 1 StiftGHess.

According to Sec. 6 para. 3 StiftGHess, the Foundation's funds are only to be used for purposes in accordance with the Foundation's statutes. Foundation's funds in this context are income from KfW's Foundation assets (consumption stock and reserves) as well as donations from other sponsors.

The purpose of the Foundation is regulated in Sec. 2 of the Foundation Statutes.

Within the scope of our audit, we have not found any indications that would indicate that the Foundation's funds available for the fulfilment of the Foundation's purpose have not been used in accordance with the provisions of the Articles of Association.

## 4. Analysis of the net assets, financial position and financial performance

### 4.1. Earnings situation

To present the results of operations, we have used a derived income statement as follows:

	2022	2021 *	Changes
	TEUR	TEUR	TEUR
<b>A. Ideal area</b>			
1. Depreciation	2	0	2
2. Staff expenses	185	39	146
3. Travel expenses	27	7	21
4. Room costs	3	0	3
5. Other expenses	269	219	51
<b>Shortfall ideal area</b>	<b>-486</b>	<b>-264</b>	<b>-222</b>
<b>B. Items not affecting income tax</b>			
Donations paid/given	1.529	0	1.529
<b>Shortfall in income tax-neutral items</b>	<b>-1.529</b>	<b>0</b>	<b>-1.529</b>
<b>C. Asset management</b>			
1. Depreciation	0	69	-69
2. Other expenses	46	16	29
<b>Shortfall asset management</b>	<b>-46</b>	<b>-86</b>	<b>40</b>
<b>D. Net loss for the year</b>	<b>-2.061</b>	<b>-350</b>	<b>-1.711</b>

\* Abbreviated fiscal year for the period from June 8 to December 31, 2021, comparability is therefore only possible to a limited extent.

Other noncurrent expenses mainly include legal and consulting fees of TEUR 239, of which TEUR 211 in the reporting year relates to expenses in connection with the monitoring consultant contract with GOPA Worldwide Consultants GmbH.

The donations paid/given relate to expenses for direct support measures. Thereof TEUR 1,073 relate to support measures with the implementation partner ACTED, Bamako (Mali), for the support of the project "Strengthening social cohesion and access to basic services in the region of Gao, Mali" and TEUR 456 to support measures with the implementation partner COOPI Cooperazione Internazionale, Milan (Italy), for the support of the project "PRODEVELOP - Promotion of local economic development and peace through an inclusive strategy to support the livestock and agricultural sector in Mauritania, Wilawa de Hodh El Chargui".

Other expenses in the area of asset management mainly include losses from the sale of financial assets in the amount of TEUR 42.

The total of all expenses is fully offset by the withdrawal from the consumption stock assets and the capital reserve. All administrative costs are taken from the consumption stock assets and all project-related costs are taken from the capital reserve. All expenses are recorded on corresponding cost centers to distinguish them.

#### 4.2. Net worth

To present the balance sheet structure, we have broken down the asset and liability items as follows:

	31.12.2022		31.12.2021		Changes	
	TEUR	%	TEUR	%	TEUR	%
<b>Assets</b>						
Property, plant and equipment	5	0,0	1	0,0	4	400,0
Financial assets	34.039	96,8	23.781	96,4	10.258	43,1
<b>Fixed assets</b>	<b>34.044</b>	<b>96,8</b>	<b>23.782</b>	<b>96,4</b>	<b>10.262</b>	<b>43,2</b>
Cash and cash equivalents	1.105	3,2	109	0,4	996	913,8
Other assets	6	0,0	779	3,2	-773	-99,2
<b>Current assets</b>	<b>1.112</b>	<b>3,2</b>	<b>889</b>	<b>3,6</b>	<b>223</b>	<b>25,1</b>
	<b>35.156</b>	<b>100,0</b>	<b>24.670</b>	<b>100,0</b>	<b>10.485</b>	<b>42,5</b>
<b>Equity and liabilities</b>						
<b>Equity</b>	<b>35.090</b>	<b>99,8</b>	<b>24.650</b>	<b>99,9</b>	<b>10.439</b>	<b>42,3</b>
Provisions	58	0,2	9	0,1	49	544,4
Trade payables and other liabilities	8	0,0	11	0,0	-3	-27,3
<b>Short-term liabilities</b>	<b>66</b>	<b>0,2</b>	<b>20</b>	<b>0,1</b>	<b>46</b>	<b>230,0</b>
	<b>35.156</b>	<b>100,0</b>	<b>24.670</b>	<b>100,0</b>	<b>10.485</b>	<b>42,5</b>

The **financial assets** relate entirely to securities at DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

**Cash and cash equivalents** are bank balances at Frankfurter Volksbank Rhein-Main eG, Frankfurt, (TEUR 715) and at the Bank für Sozialwirtschaft AG, Cologne (TEUR 390).

As of the previous year's reporting date, the **other assets** consisted of an advance payment of TEUR 774 to the implementation partner ACTED, Bamako (Mali), for support of the project "Strengthening social cohesion and access to basic services in the Gao region, Mali," which was reversed through profit or loss in the reporting year via the donations made.

### 4.3. Financial position

The following **cash flow statement**, prepared in accordance with general principles, provides information on the liquidity situation and financial development:

	2022	2021 *
	TEUR	TEUR
Result for the period (before withdrawal from capital reserve and from the consumption stock assets)	-2.061	-350
+/- Depreciation/write-ups of		
Fixes assets	2	0
+/- Depreciation/write-ups on the		
Financial assets	0	69
+/- Increase/decrease in provisions	49	9
-/+ Increase/decrease in receivables and other assets as well as the other assets	773	-779
+/- Increase/decrease in liabilities from		
Trade accounts payable and other liabilities	-3	11
-/+ Gain/loss on disposal of financial assets	42	0
<b>Cash flow from operating activities</b>	<b>-1.198</b>	<b>-1.040</b>
- Payments made for investments in property, plant and equipment	-6	-1
- Payments for investments in fixed assets	-10.900	-24.000
+ Proceeds from disposals of fixed assets	600	150
<b>Cash flow from investing activities</b>	<b>-10.306</b>	<b>-23.851</b>
+ Proceeds from equity injection (consumption stock)	0	5.000
+ Proceeds from equity injection (capital reserve)	12.500	20.000
<b>Cash flow from financing activities</b>	<b>12.500</b>	<b>25.000</b>
<b>Changes in cash and cash equivalents affecting payments</b>	<b>996</b>	<b>109</b>
Cash and cash equivalents at the beginning of the period	109	0
<b>Cash and cash equivalents at the end of the period</b>	<b>1.105</b>	<b>109</b>

\* Abbreviated fiscal year for the period from June 8 to December 31, 2021, comparability is therefore only possible to a limited extent.

## 5. Final Remarks

We issue the following unqualified audit opinion on the financial statements attached as Annexes 1 to 3, which comprise the balance sheet as of 31 December 2022, the income statement for the financial year from 1 January to 31 December 2022 and the notes for the financial year 2022:

### **Auditor's Report**

To the G5 Sahel Fazilität, Frankfurt am Main

We have audited the accompanying financial statements of the **G5 Sahel Fazilität, Frankfurt am Main**, which comprise the balance sheet as of 31 December 2022, the income statement for the financial year from 1 January to 31 December 2022 and the notes for the financial year 2022.

#### *Responsibility of the legal representatives and the board of trustees*

The legal representatives of the G5 Sahel Fazilität, Frankfurt am Main, are responsible for the preparation of the financial statements in accordance with German commercial law. Management is also responsible 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.

The Board of Trustees is responsible for overseeing the Foundation's financial reporting process for the preparation of the financial statements.

#### *Responsibility of the auditor*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the financial statements in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement. This includes the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. The objective is to design and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Audit opinion*

In our opinion, based on the findings of our audit, the financial statements - comprising the balance sheet as of 31 December 2022, the income statement for the financial year from 1 January to 31 December 2022 as well as the notes for the financial year 2022 - have been prepared, in all material respects, in accordance with German commercial law.

#### *Accounting policies and restrictions on disclosure and use*

Without qualifying our opinion, we draw attention to the fact that the Foundation is not subject to any accounting regulations and has not provided for any in the Statutes. The financial statements have been prepared in accordance with accounting principles under German commercial law for the purpose of providing information to the relevant Board of Trustees. Consequently, the financial statements may not be suitable for a purpose other than the aforementioned.

**Other statutory and other legal requirements**

**Report on the extension of the audit on the basis of  
Sec. 12 Para 3 Hessian Foundation Law**

We have audited the use of the Foundation's funds in accordance with the Statutes in the financial year from 1 January to 31 December 2022.

In our opinion, in all material respects the Foundation's funds were applied in accordance with the Statutes in the financial year from 1 January to 31 December 2022.

We conducted our audit in accordance with Sec. 12 (3) Hessisches Stiftungsgesetz and the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Accordingly, as an auditing firm, we apply the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1). We have complied with the professional duties pursuant to the Auditors' Code and the Professional Statutes for Auditors/Sworn Auditors, including the requirements for independence. Our responsibility under these regulations and principles is further described below. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion thereon.

The legal representatives are responsible for the use of the Foundation's funds in accordance with the Statutes as well as for the arrangements and measures (systems) which he has deemed necessary for this purpose.

Our objective is to obtain reasonable assurance about whether, in all material respects, the Foundation's funds were used in accordance with the Statutes during the financial year and to express an opinion on the use of the Foundation's funds in accordance with the Statutes. During the audit, we exercise professional judgement and maintain a critical attitude.

Our report and audit opinion are intended solely for the use of the G5 Sahel Fazilität, Frankfurt am Main, and may not be disclosed to or used by any third party without our consent.

Frankfurt am Main, 4 July 2023

Ebner Stolz GmbH & Co KG  
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Marcus Grzanna  
[German Public Auditor]

Christoph Tritsch  
[German Public Auditor]

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Any use of the audit opinion outside of this report requires our prior consent. Publication or transmission of the financial statements - comprising the balance sheet as at 31 December 2022, the income statement for the financial year from 1 January to 31 December 2022 and the notes to the financial statements for the financial year 2022 - in a form that deviates from the certified version (including translation into other languages) requires our prior renewed opinion, provided that our audit opinion is quoted or reference is made to our audit.

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# Attachments

Balance sheet of G5 Sahel Fazilität, Frankfurt am Main,  
as at 31 December 2022

Assets	As at 31.12.2022 EUR	As at 31.12.2021 EUR
<b>A. Fixed assets</b>		
I. Property, plant and equipment Other equipment, furniture and fixtures	4.650,00	889,00
II. Financial assets Securities held as fixed assets	34.039.135,58	23.780.635,58
<b>B. Current assets</b>		
I. Receivables and other assets Other assets	800,00	774.000,00
II. Cash and cash equivalents	1.105.436,92	109.485,60
<b>C. Prepaid expenses</b>	5.586,45	5.176,90
	35.155.608,95	24.670.187,08

Equity and liabilities	As at 31.12.2022 EUR	As at 31.12.2021 EUR
<b>A. Equity</b>		
I. Endowment capital		
consumption stock	4.605.857,25	4.805.866,59
II. Capital reserve	30.483.790,53	19.844.390,59
III. Profit brought forward	0,00	0,00
	35.089.647,78	24.650.257,18
<b>B. Provisions</b>		
Other provisions	57.776,62	8.870,00
<b>C. Liabilities</b>		
1. Trade payables	3.467,44	3.035,72
2. Other liabilities	4.717,11	8.024,18
	8.184,55	11.059,90
	35.155.608,95	24.670.187,08

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**Statement of Profit and Loss**  
of G5 Sahel Fazilität, Frankfurt am Main,  
for the financial year from 1 January to 31 December 2022  
(p.y. for the period 8 June to 31 December 2022 (short financial year))

	2022	2021
	EUR	EUR
<b>A. Ideal area</b>		
1. Depreciation	2.230,19	81,37
2. Staff expenses	184.785,46	38.819,00
3. Travel expenses	27.245,37	6.723,25
4. Room costs	2.576,35	0,00
5. Other expenses	269.215,61	218.522,19
Shortfall ideal area	<u>-486.052,98</u>	<u>-264.145,81</u>
<b>B. Items not affecting income tax</b>		
Donations paid/given	1.529.000,00	0,00
Shortfall in income tax-neutral items	<u>-1.529.000,00</u>	<u>0,00</u>
<b>C. Asset management</b>		
1. Depreciation	0,00	69.164,42
2. Other expenses	45.556,42	16.432,59
Shortfall Asset management	<u>-45.556,42</u>	<u>-85.597,01</u>
<b>D. Net loss for the year</b>	<u>-2.060.609,40</u>	<u>-349.742,82</u>
1. Withdrawal from the capital reserve	1.860.600,06	155.609,41
2. Withdrawal from the consumption stock	200.009,34	194.133,41
<b>E. Profit carried forward</b>	<u>0,00</u>	<u>0,00</u>

## **Notes to the Financial Statements of the G5 Sahel Fazilität Foundation for the Financial Year 2022**

### **General information and notes to the financial statements**

The "G5 Sahel Fazilität" Foundation, Frankfurt am Main, was established as a legally capable foundation under civil law with a foundation deed dated 25 May 2021. Recognition by the Darmstadt Regional Council took place on 8 June 2021, and foundation supervision is also the responsibility of the Darmstadt Regional Council. The Foundation has its registered office in Frankfurt am Main and is listed in the Foundation Register.

The financial year is generally the calendar year. A short financial year was formed for the first financial year from 8 June 2021 to 31 December 2021. The annual financial statements as of 31 December 2022 were prepared in accordance with the provisions of German commercial law and the supplementary provisions of the Articles of Association. The provisions of the German Commercial Code for small corporations (§ 267 para. 1 HGB) were applied.

The structure of the balance sheet and profit and loss account considers the special features resulting from the foundation's activities. The profit and loss account were prepared in accordance with the total cost method pursuant to § 275 para. 2 of the German Commercial Code (HGB), considering the special features of foundation and non-profit law.

For the preparation of the annual financial statements, the Foundation observes the principles of the statement on accounting adopted by the Institut der Wirtschaftsprüfer (IDW) (IDW RS HFA 5) in the version of 6 December 2013.

### **Accounting and valuation principles**

Property, plant and equipment and financial assets are valued at acquisition cost in accordance with section 255 (1) HGB. In the case of property, plant and equipment, performance-related loss of value is recognised through scheduled depreciation, which is measured based on useful lives recognised under tax law and the straight-line method. Financial assets are written down to the lower fair value in the event of a probable permanent impairment.

Receivables and other assets as well as bank balances are recognised at nominal value.

Prepaid expenses are expenses incurred before the balance sheet date that represent expenses for a certain period after that date.

The values of other provisions include all identifiable risks and uncertain liabilities. They are recognised at the settlement amount that is necessary according to prudent business judgement.

Liabilities are recognised at the settlement amount.

## Notes to the balance sheet

Other assets relate exclusively to a security deposit for rented premises.

Prepaid expenses result from prepaid insurance premiums and subscriptions.

The previous endowment capital of the Foundation, which is structured as a consumption foundation, was consumed in the fiscal year in accordance with the provisions of the Articles of Association. The consumption corresponds to the costs for the general infrastructure of the foundation as well as personnel and administrative costs that cannot be directly allocated to individual funding projects. The consumption stock developed as follows:

in €	Original asset endowment	As at 31.12.2021	Consumption 2022	As at 31.12.2022
Consumption stock	5.000.000,00	4.805.866,59	200.009,34	4.605.857,25

The capital reserves result from reserves for capital endowment pursuant to Section 62 (3) no. 2 of the German Fiscal Code (AO), which KfW allocated in the previous year and in the fiscal year. These funds are used to finance the projects supported in accordance with the purpose of the statutes, including directly attributable personnel and administrative costs. The reserves for the endowment of assets developed as follows:

in €	Original donation	As at 31.12.2021	Access 2022	Withdrawal 2022	As at 31.12.2022
Reserve for the endowment of assets	32.500.000,00	19.844.390,59	12.500.000,00	1.860.600,06	30.483.790,53

Other accruals relate to outstanding invoices for consulting fees and accounting services received in fiscal year 2022 as well as year-end closing costs.

Other liabilities relate to payroll and church taxes as well as social security contributions.

All liabilities have a remaining term of up to one year and are unsecured..

## Notes to the profit and loss account

### Ideal area

Personnel expenses relate to salaries and social security costs.

Other expenses include consulting costs in connection with projects, costs of preparing and auditing the annual financial statements, legal and consulting costs, insurance premiums, and other administrative costs.

## Items not affecting income tax

Donations paid/given relate to expenses for direct funding measures.

In contrast to the previous year's financial statements, project advances paid out from 2022 onwards will be expensed directly in line with the standard practice among funding foundations.

## Asset management

Other expenses relate to losses on the disposal of financial assets, investment advisory costs and other asset management costs.

## Other information

### Board of Directors

Name	Function	Period
Patrick Berg Frankfurt	Chairman	complete reporting period
Dr Karsten Timmer Managing Partner panta rhei Foundation Consulting, Bielefeld	Member	01.07.2022 until 31.12.2022
Cornelia Tittmann Team Leader KfW West Africa, KfW Bank, Frankfurt am Main	Member	until 31.07.2022

### Board of Trustees

Name	Function	Period
<b>Christoph Rauh</b> Head of Division Africa, Federal Ministry for Economic Cooperation and Development (BMZ)	Chairman	complete reporting period
<b>Michael Wehinger</b> Head of the West Africa Department, Kreditanstalt für Wiederaufbau	Vice Chairman	complete reporting period
<b>Eric Yemdaogo Tiaré</b> Executive Secretary G5 Sahel	Member	complete reporting period

The members of the Board of Trustees are volunteers and have not received any remuneration for their work.

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## **Number of employees**

The Foundation had an average of three employees (including members of the Board of Directors employed by the Foundation) in fiscal year 2022.

## **Other financial obligations**

There are other financial obligations in connection with service agreements concluded for project promotion and project monitoring amounting to TEUR 10,917.

Frankfurt am Main, 4 July 2023

G5 Sahel Fazilität

Patrick Berg, Chairman of the Board

Dr Karsten Timmer, Executive Board

## Legal basis

### 1. Relationships under Foundation law

Company	G5 Sahel Fazilität
Location	Frankfurt am Main
Statutes	Version of 26 May 2021
Foundation purpose	<p>1. The purpose of the Foundation is to promote development cooperation (Sec. 52 para. 2 no. 15 AO).</p> <p>2. The Foundation's purpose is realised in particular through the promotion of economic and social development in countries that are entitled to receive Official Development Aid (ODA) funds according to the ODA list published by the Organisation for Economic Co-operation and Development (OECD). The Foundation is particularly active in selected regions of the G5 Sahel states (Burkina Faso, Mali, Mauritania, Niger and Chad). Projects can take place in individual countries as well as across borders. The Foundation works in particular by financing measures that</p> <ul style="list-style-type: none"><li>▪ contribute to strengthening social cohesion and reducing inequalities,</li><li>▪ improve the economic prospects of the population,</li><li>▪ give the population better access to economic and social infrastructure and basic services as well as natural resources,</li><li>▪ strengthen the capacity of local and national actors implementing projects in the target countries within the framework of the statutory purposes.</li></ul> <p>The measures can include, for example, construction projects, the expansion of selected value chains, the diversification of income opportunities or the expansion of water, health or education infrastructure. Through its funding measures, the Foundation aims to contribute in the medium to long term to peacebuilding, the prevention of conflicts and development in particularly fragile and disadvantaged regions. regions of the world.</p>

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3. The Foundation may also fulfil its statutory purposes within the limits permitted by tax law by raising funds for the realisation of the tax-privileged purposes of other corporations or for the realisation of tax-privileged purposes by legal persons under public law within the meaning of ij 58 No. 1 AO. The Foundation may also carry out projects itself and use domestic and foreign cooperation partners as auxiliary persons within the framework of contractual relationships.
  4. The Foundation shall exclusively and directly pursue charitable purposes within the meaning of the section "Tax-privileged purposes" of the German Tax Code. The Foundation shall act selflessly; it shall not primarily pursue its own economic purposes. The funds of the Foundation may only be used for purposes in accordance with the Statutes. The members of the executive bodies as well as the founder and her legal successors shall not receive any benefits from the Foundation's funds. No person may be favoured by expenses that are alien to the purpose of the Foundation or by disproportionately high remuneration.

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Business year

The financial year shall correspond to the calendar year. The Foundation was established as a Foundation under civil law with a Foundation deed dated 26 May 2021. The approval of the supervisory authority and recognition of legal capacity was granted by deed dated 8 June 2021.

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Foundation capital

EUR 5,000,000.00  
The Foundation is a consumption foundation. The Foundation assets consist of assets intended for consumption (so-called consumption stock).

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Organs

Board of Directors:  
The Board of Directors shall consist of at least two and at most three natural persons. The term of office for all Board members is up to three years. The Board of Directors shall conduct the business of the Foundation in accordance with the Articles of Association, the Board of Trustees and in accordance with the resolutions of the Board of Trustees. The Board of Directors shall represent the Foundation in and out of court.

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In the reporting year 2022, the following persons were appointed to the Executive Board:

- Patrick Berg  
(Chairman)
- Dr Karsten Timmer  
(Chairman from 1 July 2022)
- Cornelia Tittmann  
(until 31 July 2022)

#### Board of Trustees

The Board of Trustees consists of at least two and up to eight natural persons. The term of office for all members of the Board of Trustees is three years. The Board of Trustees makes strategic decisions of principle which are to be implemented by the Foundation's Board of Directors. It advises, supports and supervises the Board of Trustees and must in particular ensure that the Board of Trustees ensures the permanent and sustainable fulfilment of the Foundation's purpose.

In the reporting year 2022, the appointed members of the Board of Trustees were:

- Christoph Rauh (Chairman)
- Michael Wehinger (Vice-Chairman)
- Eric Yemdaogo Tiaré

#### Advisory Board

The Board of Trustees may establish an Advisory Board by resolution. The establishment of the advisory board is optional. No advisory board was established in the year under review.

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## 2. Tax circumstances

The Foundation is registered with the tax office Frankfurt am Main III under the tax number 45 255 53082. For the statutes in the version of 8 June 2021, there is a notice pursuant to Sec. 60a para. 1 AO on the separate determination of compliance with the statutory requirements pursuant to Sec. 51, 59, 60 and 61 AO dated 15 September 2022.

Accordingly, the Foundation promotes the charitable purpose of development cooperation.

The Foundation is entitled to issue donation receipts in accordance with the officially prescribed form for donations made to it for use for these purposes.

# General Engagement Terms

for

## Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

DokID:

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

#### 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

#### 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

#### 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

#### 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

#### 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

#### 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

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