

ITF ANNUAL REPORT 2003

January 2004

STORY

ABOUT

HUMAN

KIND

(1998 - 2010).



INTERNATIONAL TRUST FUND
for Demining and Mine Victims Assistance

FOREWORD

The year 2003 underlined the continuity in the valuable contribution of ITF to demining and victims assistance in South-East Europe. ITF received unanimous and deep appreciation by the entire donors' community for its excellent performance record.

In 2003, ITF facilitated the clearance of nearly 8 million square meters from mines and UXO in Albania, Bosnia and Herzegovina, Croatia, Macedonia and Serbia and Montenegro, always in close co-operation with international and local authorities.

ITF has also succeeded in raising more than 23 million USD in new funds. Increased funding came from 13 governments, the EU (including EC Delegation in Croatia and the European Reconstruction Agency), Adopt-A-Minefield, UNDP BH, and 20 other companies, organisations, communities and individuals. This underlines the partnership effort between governments, NGOs, business and local communities in both donor and recipient countries in demining activities.

Many of the activities relating to the mine victims assistance highlight the human dimension of work of ITF and the crucial importance of risk education projects. There is no doubt that, through increased awareness programmes, many of the accidents that continue to occur, especially among children, could be avoided.

INTRODUCTION

The International Trust Fund for Demining and Mine Victims Assistance (ITF) is a humanitarian, non-profit organization devoted to the eradication of landmines in the region of South-East Europe and the world.

When first established by the Slovenian government in March 1998, ITF was to assist Bosnia and Herzegovina in solving its landmine problem, and help surviving landmine victims with physical and socio-economic rehabilitation. However, as BH was not the only country in the region affected by landmines (see Mine-contamination in the countries of ITF operations), it made good sense for ITF to spread its operations to include all other mine-affected countries in SE Europe as well. Presently, ITF is working in Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro.

ITF seeks to attract public and private donors for Mine Action related activities in SE Europe including mine clearance, landmine survivors assistance, mine risk education and training. While ITF has adopted a holistic approach to the landmine and UXO problem, we are, however, also striving to meet the needs of mine-affected communities on the ground level.

ITF has been working very closely with the national governments and Mine Action Centers of the mine-affected countries, so as to ensure that donated funds are spent on providing useful help to the local population.

VISION

It is ITF's vision to make the entire region of South-East Europe free from the impact of mines and unexploded ordnances by 2010.

MISSION

ITF raises funds and administers the donations, made by public and private donors, for the funding of various Mine Action activities, including:

- Mine clearance of mine-affected areas, in accordance with the priorities set at the national level.
- Mine Victims Assistance programs ranging from physical to psychological and social rehabilitation.
- Mine Risk Education Programs in line with the international guidelines.
- Provision of support to national Mine Action bodies overseeing mine-clearance activities, in cooperation and coordination with various UN bodies and agencies.
- Mine Action related training for the region.
- Promotion and furthering of regional cooperation via joint projects and the South-East Europe Mine Action Coordination Council (SEEMACC).

Our overall aim however is to eliminate the threat of mines and resulting consequences in the mine-affected countries of South-East Europe by 2010.

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**ITF
MANAGEMENT AND
ORGANIZATION**

MANAGING BOARD	10
BOARD OF ADVISORS	10
DONORS	10
RELATIONS WITH OTHER ORGANIZATIONS	11
HUMAN RESOURCES	11



I.

Demining and Battle Area Clearance.

MANAGING BOARD

The ITF Managing Board has 9 members, however at the end of 2003 only seven positions were filled. The current members of the ITF Managing Board are as follows:

- **Mustafa Alikadić**, representative of Bosnia and Herzegovina, member.
- **Dijana Pleština**, representative of Croatia, member.
- **Dragiša Stanković**, representative of Bosnia and Herzegovina, member.
- **Zvezdana Veber- Hartman**, representative of Slovenia, member.
- **Vojislav Šuc**, representative of Slovenia, Chairman.
- **Darko Vidović**, representative of Bosnia and Herzegovina, member.
- **Bojan Žmavc**, representative of Slovenia, member.

The Managing Board oversees the work of ITF and ensures transparency and efficiency of the Fund's operations.

In 2003 the Managing Board conducted three regular meetings and one extraordinary session, as well as one correspondence session. Because of the deadlock the Managing Board was unable to reach the decision on the extension of the term of ITF Director General **Jernej Cimperšek**, who is now performing this role as Acting Director.

The Managing Board also approved and adopted the ITF Annual Report 2002 and Plan for 2003.

BOARD OF ADVISORS

ITF's Board of Advisors (BoA) is actually the Board of Donors. It has 28 members, namely:

1. Austria
2. Belgium
3. Bosnia and Herzegovina
4. Canada
5. Croatia
6. *Croatia Without Mines*
7. Czech Republic
8. Denmark
9. European Union
10. France
11. Germany
12. *Rehabilitation Institute of Slovenia*
13. Ireland
14. Japan
15. Korea
16. Kuwait
17. Luxembourg
18. Norway
19. *Red Cross of Slovenia*
20. Qatar
21. Slovenia
22. Slovak Republic
23. *SPEM*
24. Sweden
25. Switzerland
26. *UNDP*
27. United Kingdom
28. United States of America.

BoA is a very important forum, particularly in terms of its advisory role in determining ITF's activities and future orientation. BoA thus draws attention to the matters which are important to the donors, and to their wishes and inclinations in relation to providing further assistance for future humanitarian projects.

In 2003 BoA was very much involved in providing guidance to ITF in relation to Mine Victims Assistance, mine clearance in SE Europe and other Mine Action related activities. BoA also approved the ITF Annual Report 2002 and Plan for 2003.

DONORS

In addition to the BoA forum ITF also maintains a direct, more personal relationship with each individual donor. In 2003, 12 countries, EU and the European Agency for Reconstruction in Skopje, as well as 20 private donors made donations to ITF.

Direct contact with donors is very important as this makes it possible for ITF to tailor individual projects to donor requirements, while still ensuring that the needs of recipient countries and mine-affected communities are met.

RELATIONS WITH OTHER AGENCIES

The success of Mine Action depends on ensuring the participation and coordination of various stakeholders. For this reason, ITF has worked hard on developing and maintaining close working relationships with all parties involved, including mine-affected communities, Mine Action Centers, the national governments of mine-affected countries, implementing agencies and the local population.

In 2003 ITF collaborated well with other agencies involved in Mine action: members of the UN system, other international organizations, regional organizations and NGOs.

ITF is an active member of the Mine Action Support Group, a UN mechanism for the coordination and monitoring of donor activities in relation to Mine Action.

ITF and the UNDP Mine Action Team have joined forces in the organization of UNDP/Cranfield training courses. Also, ITF has been working together with the UNOPS Mine Action Team on the Adopt-A-Minefield project that is being implemented by ITF in Bosnia and Herzegovina, and Croatia.

ITF also attended the Intersessionals in Geneva and the meeting of states parties to the Ottawa Convention in Bangkok.

At the regional level, ITF initiated the formation of the South-East Europe Mine Action Coordination Council (SEEMACC) and has been playing an active role in the SEEMACC meetings and the Reay Group, in the context of the Stability Pact for South-Eastern Europe.

In 2003 ITF also worked together with the following NGOs: DanChurchAid, Handicap International, Handicap Belgium and Landmine Monitor, Norwegian People's Aid, Spirit of Soccer, the Swiss Federation for Mine Action, Survey Action Center, and the Vietnam Veterans for America Foundation.

HUMAN RESOURCES

The ITF Headquarters are responsible for the coordination of all ITF activities, as well as for the financial management of donations. In addition, Headquarters manage contracts and the awarding of contracts, carry out project reporting and evaluation, and organize workshops, conferences and meetings.

The ITF Headquarters also perform monitoring and evaluation of operations in the field at least twice a year for each project.

In addition to its headquarters at Ig, Slovenia, ITF has also got two permanent Implementation Offices, one in Bosnia and Herzegovina, and the other in Croatia. Altogether, ITF employs 20 people.

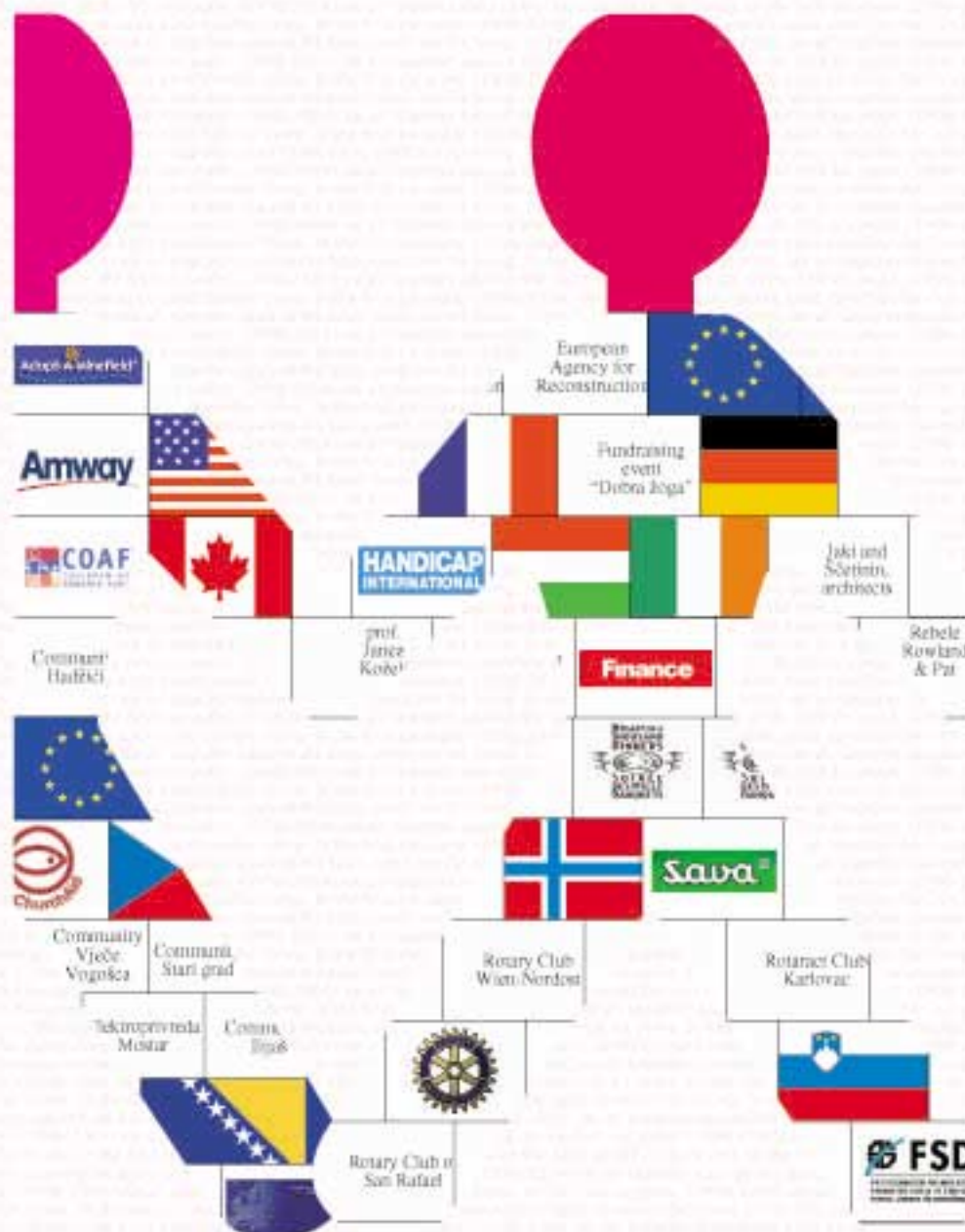
Regular checks and evaluation are also carried out by the ITF Implementation Offices in Bosnia and Herzegovina, and Croatia. The Implementation Offices are thus responsible for the evaluation of demining projects before they are put to tender, as well as for on-site supervision while the demining is taking place.

The Implementation Offices are also involved in the technical evaluation of tenders for demining projects executed by ITF.

Subject to requirements ITF may also open a Temporary Office. Typically, a Temporary Office is managed by a member of the existing ITF technical staff while clerical staff is hired locally if/as required.

FUNDRAISING

FINANCIAL MANAGEMENT AND INTERNAL CONTROL	14
EXTERNAL AUDIT	14
DONATIONS	14
ALLOCATION OF DONATIONS IN 2003	20
ITF ADMINISTRATIVE AND PROJECT COSTS	23



I.

Monitoring and Evaluation.

FINANCIAL MANAGEMENT AND INTERNAL CONTROL

In 2003 ITF financial and management control was being executed along the same lines as in 2002. ITF has now established efficient internal control procedures regarding the financial management and administration of donations.

Hedging, which was introduced in 2002 i.e. the policy of donations being transferred to implementing agencies in the same currency as they are received, generally resulted in the minimization of losses arising from currency rate fluctuations.

EXTERNAL AUDIT

ITF's accounts are subject to an external audit on an annual basis. The 2003 Auditors' Report is enclosed to this Annual Report.

The accounts are audited in accordance with the International Auditing Standards. The audits are carried out by Constantia UHY, a Slovenian audit firm and an independent member of the Urbach Hacker Young International auditors group.

DONATIONS

ITF raised USD 22.9 million worth of donations in 2003. These funds were contributed by 12 countries, EU and EAR in Skopje, and 20 different private donors and organizations.

Out of the funds raised, USD 10 million were contributed to ITF via the matching funds mechanism instituted by the government of the United States.

It is noteworthy that all of the donors in 2003 were 'returning donors', meaning that they had made donations to ITF before.

Attracting new donors is an important issue and we are hoping that we will be able to find new donors in the future years, in order to secure sufficient funding at the level required, if mine-contaminated countries in the region of SE Europe are to be free of the impact of mines by the year 2010.

Significant progress was made in 2003 in fundraising from private donors. As can be seen from the chart on the right, in 2003 the contributions made by private donors accounted for 988 % of all donations to ITF compared to 1.7 % in 2002. In actual amounts private donations rose to USD 1.7 million in 2003, which represents an increase of four times in comparison with the year before. This is definitely an important sign and a matter that ITF will have to pursue even more aggressively in the coming years.

Chart: Private vs. public donations

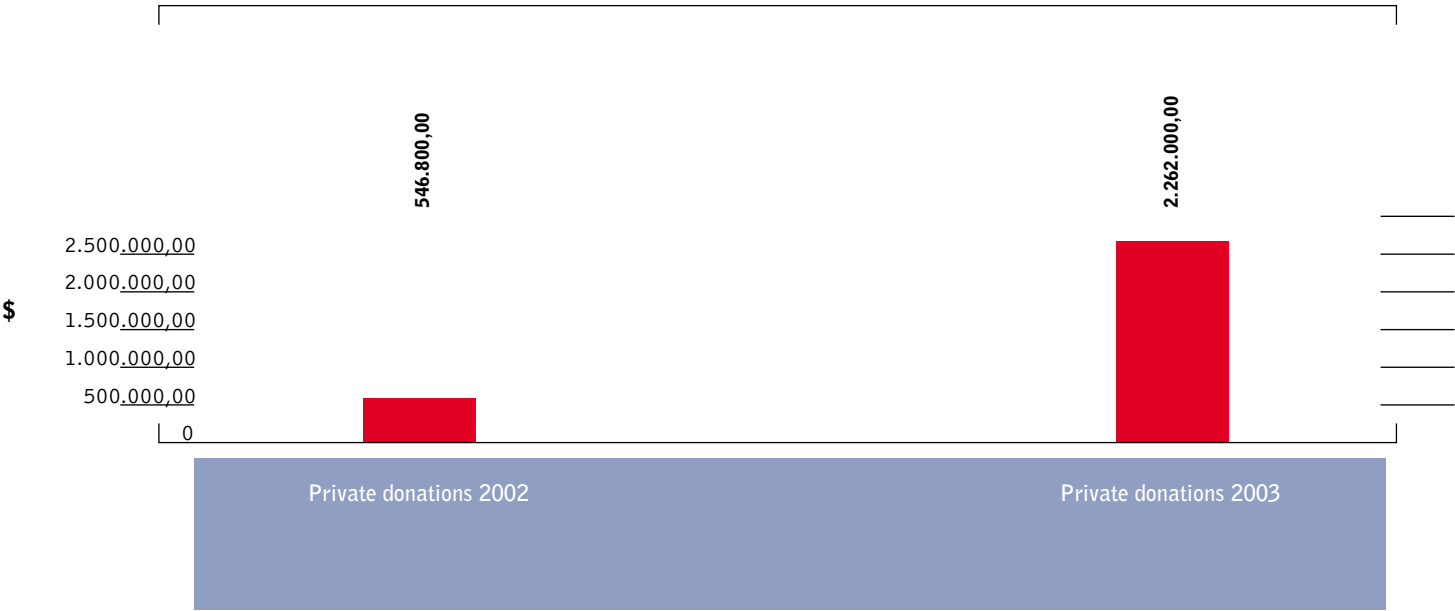
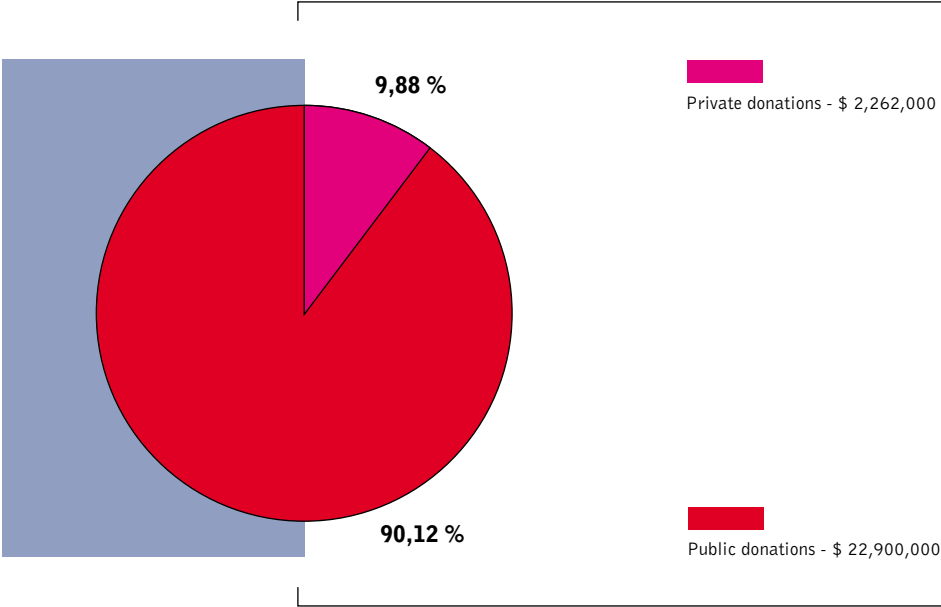


Chart: Public vs. private donations in 2002 and 2003

DONATIONS
IN 2003

	2003	USD
Adopt-A-Minefield	Demining activities on Adopt-A-minefield	134.504,95
	Demining activities on Adopt-A-minefield	109.598,56
	Demining activities on Adopt-A-minefield	39.441,70
	Demining activities on Adopt-A-minefield sites in Bosnia and Herzegovina and Croatia	112.203,19
		395.748,40
Amway d.o.o.	Demining of "Žrnovnica" project in Croatia	15.000,00
		15.000,00
Bosnia and Herzegovina	Support for the BHMACH structure	96.633,03
		96.633,03
Canada	Mine Action Activities	283.668,98
	Survey on Landmine Victims in the region of SEE	10.000,00
	Landmine Impact Survey in Bosnia and Herzegovina	160.845,54
		454.514,52
Children of Armenia Fund	Training of 6 MDD teams for Armenian demining program	100.000,00
		100.000,00
Community Center Sarajevo, BH	Demining activities in Bosnia and Herzegovina	255.490,05
		255.490,05
Community Hadžići	Demining activities in Bosnia and Herzegovina	15.890,55
		15.890,55
Community Ilijaš	Demining activities in Bosnia and Herzegovina	10.892,56
		10.892,56
Community Stari grad	Demining activities in Bosnia and Herzegovina	48.395,26
		48.395,26
Community Vječe Vogošća	Demining activities in Bosnia and Herzegovina	11.693,25
		11.693,25
Czech Republic	Demining activities	50.000,00
		50.000,00
DanChurchAid	Demining activities	207.541,16
		207.541,16
Džana Pleština	Mine Action Activities in Croatia	13.359,09
		13.359,09

DONATIONS
IN 2003

	2003	USD
EC Delegation in Croatia	Demining activities in Croatia	690.624,49
		690.624,49
Elektroprivreda Mostar	Demining activities in BiH	239.953,26
		239.953,26
European Agency for Reconstruction	Support of the local BAC team	82.194,51
		82.194,51
European Union	Landmine Impact Survey in Bosnia and Herzegovina	637.822,29
	Support to regional co-operation in Mine Action in South East Europe Countries-Clearance of the borderline projects	1.133.556,00
	GIS for SEE region	114.729,99
		1.886.108,28
France	Support of the supervision and training of the Kosovo Protection Corps (Serbia and Montenegro)	92.088,51
		92.088,51
Fundraising event "Dobra žoga"	Rehabilitation of Landmine Victims	58.685,52
		58.685,52
Germany	Demining activities in Albania	325.829,99
	Demining activities in Bosnia and Herzegovina	731.698,12
	Demining activities in Serbia and Montenegro	415.752,68
		1.473.280,79
Handicap International	Mine Victims assistance activities	411.468,85
	Mine Victims Assistance activities	199.975,00
		611.443,85
Hungary	Mine Victims Assistance in Afghanistan	31.000,00
		31.000,00
Ireland	Demining activities in Bosnia and Herzegovina	132.455,77
		132.455,77
Jaki and Ščetinin, architects	Demining and Mine Victims Assistance programs in Bosnia and Herzegovina	907,33
		907,33
Newspaper "Finance"	Demining activities in Bosnia and Herzegovina	2.581,58
		2.581,58

DONATIONS
IN 2003

	2003	USD
Night of a Thousand Dinners	Rehabilitation at the Institute for Rehabilitation	683,78
		683,78
Norway	Demining activities	4.357.361,00
		4.357.361,00
prof. Janez Koželj	Demining and Mine Victims Assistance programs in Bosnia and Herzegovina	446,87
		446,87
Rebele Rowland & Pat	Demining activities in BiH	1.000,00
		1.000,00
Rotaract Club Karlovac	Support of demining activities in municipality Karlovac	2.788,06
		2.788,06
Rotary Club Ljubljana-Emona	Rehabilitation of the landmine victims at the Rehabilitation Institute of the Republic of Slovenia	98.898,70
		98.898,70
Rotary Club of San Rafael	Demining activities in Croatia	41.351,00
		41.351,00
Rotary Club Wien-Nordost	Demining activities in county of Karlovac	256.258,49
		256.258,49
Sava d.d., Slovenia	"Night of a Thousand Dinners 2003/2004"	1.864,65
		1.864,65
Slovenia	Support of ITF activities	365.404,16
	Capacity building in Iraq	15.624,28
	Mine Action Activities in Afghanistan	52.443,67
		433.472,11

DONATIONS
IN 2003

	2003	USD
Sweden	Support of demining activities and BHMACH structure through UNDP	232.099,28
		232.099,28
Swiss Federation for Mine Action	Support of demining activities	138.346,00
		138.346,00
Switzerland	Support of demining activities	143.533,18
		143.533,18
United Nations Development Program In Bosnia and Herzegovina	Demining activities in Srebrenica area	105.000,00
		105.000,00
United States of America	Support of Mine Action Activities	10.000.000,00
		10.000.000,00
United States Tennis Association, Inc	Demining of the agricultural area Gornje Mekuše in Croatia	25.000,00
		25.000,00
USARDSG-UK (Bled Workshop)	Organization of Bled Workshop	35.200,00
		35.200,00
Vietnam Veterans of America Foundation	Mine Victims Assistance Programme in Kosovo	49.973,00
		49.973,00
	TOTAL	22.900.106,09

For a better overview the donations are listed in US Dollars. Originally they were received in different currencies as can be seen from the auditors' report.

ALLOCATION OF DONATIONS IN 2003

In 2003, USD 24,918,700 was spent on various ITF activities as follows:

- USD 2,684,100 was spent on Mine Victims Assistance activities (10.8 %).
- USD 16,954,800 was spent on demining and Battle Area Clearance (68 %).
- USD 312.200 was spent on the local Mine Action structure support (1.3 %).
- USD 3,334,700 was spent on regional activities (13.4 %).
- USD 210,000 was spent on regional training (0,8 %).
- USD 124,000 was spent on mine risk education programs (0.5 %).
- USD 1,286,000 was spent on the Landmine Impact Survey (5.2 %).

As evident from the above figures, ITF succeeded in increasing the share of funding for Mine Victims Assistance programs in comparison with other programs. 10.8 % of the funds were used for MVA programs, which is still below 15 %, but nevertheless a substantial improvement on the previous year (see also OPERATIONAL OVERVIEW – Mine Victims Assistance).

The changes in funds allocation in comparison to years 2001 and 2002 are presented in the chart below.

Funds Allocation in 2003 by purpose - Total USD 24.9 Million

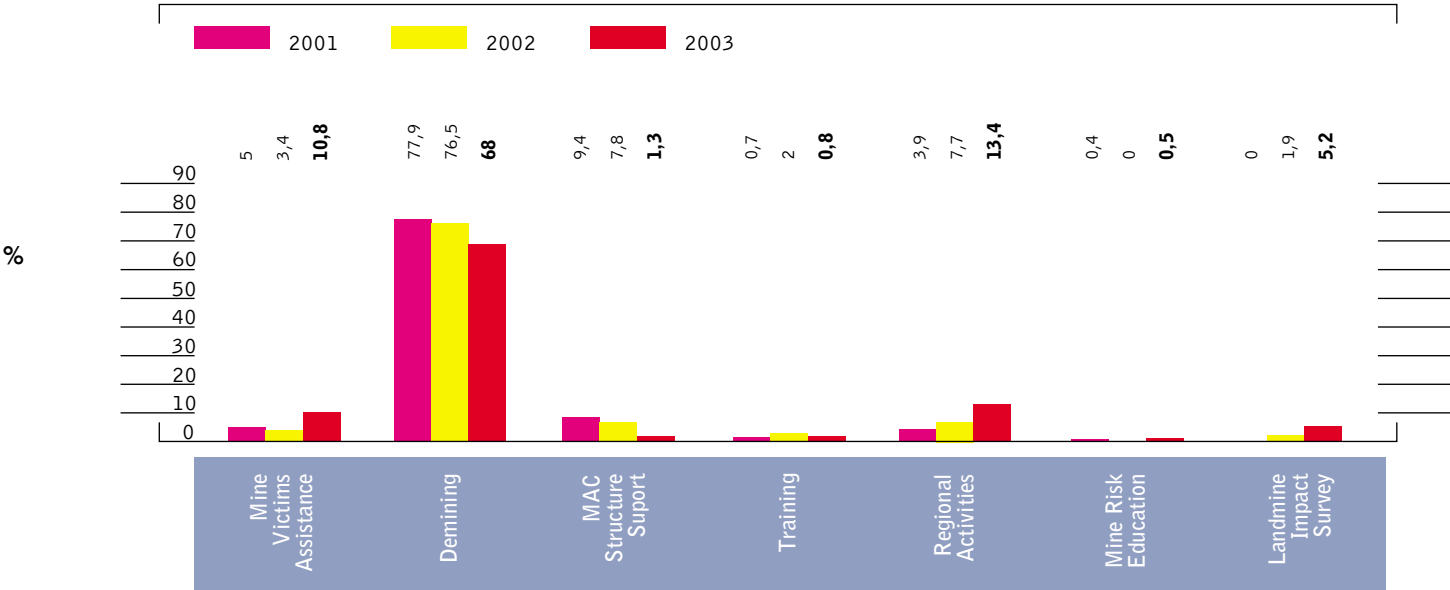
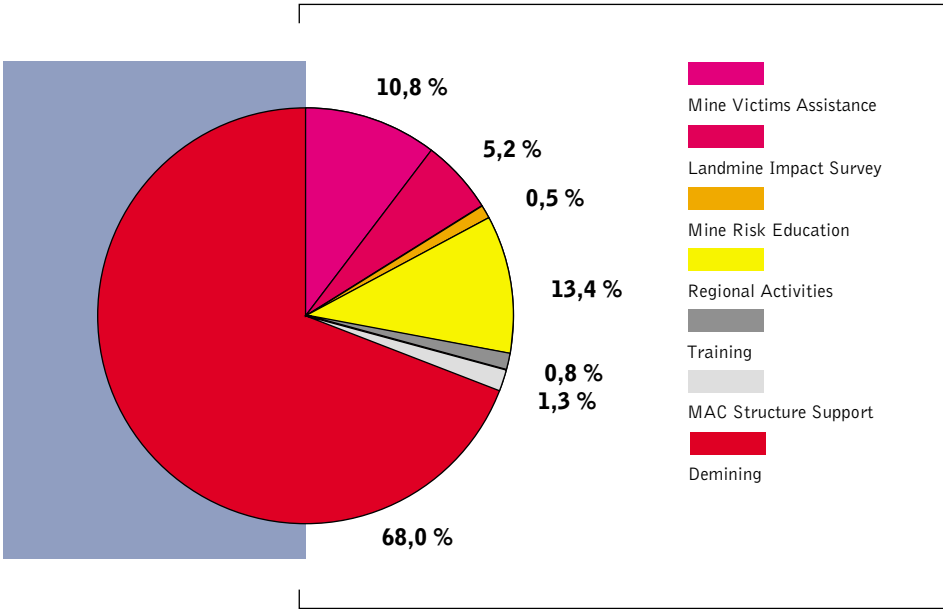


Chart: Comparison of funds allocation by purpose (%)

Distribution of Funds by Country

The use of funds per country is shown in the chart to the right.

47 percent of the funds was spent in Bosnia and Herzegovina, 17 percent in Croatia, 10 percent in Albania, 1 percent in Macedonia, 12 percent in Serbia and Montenegro while 10 percent was allocated to regional activities in SE Europe.

Altogether 2.5 percent of the funds were spent outside the region i.e. 0.1 percent on the MVA program in Afghanistan and 24 percent on activities in Armenia and Azerbaijan.

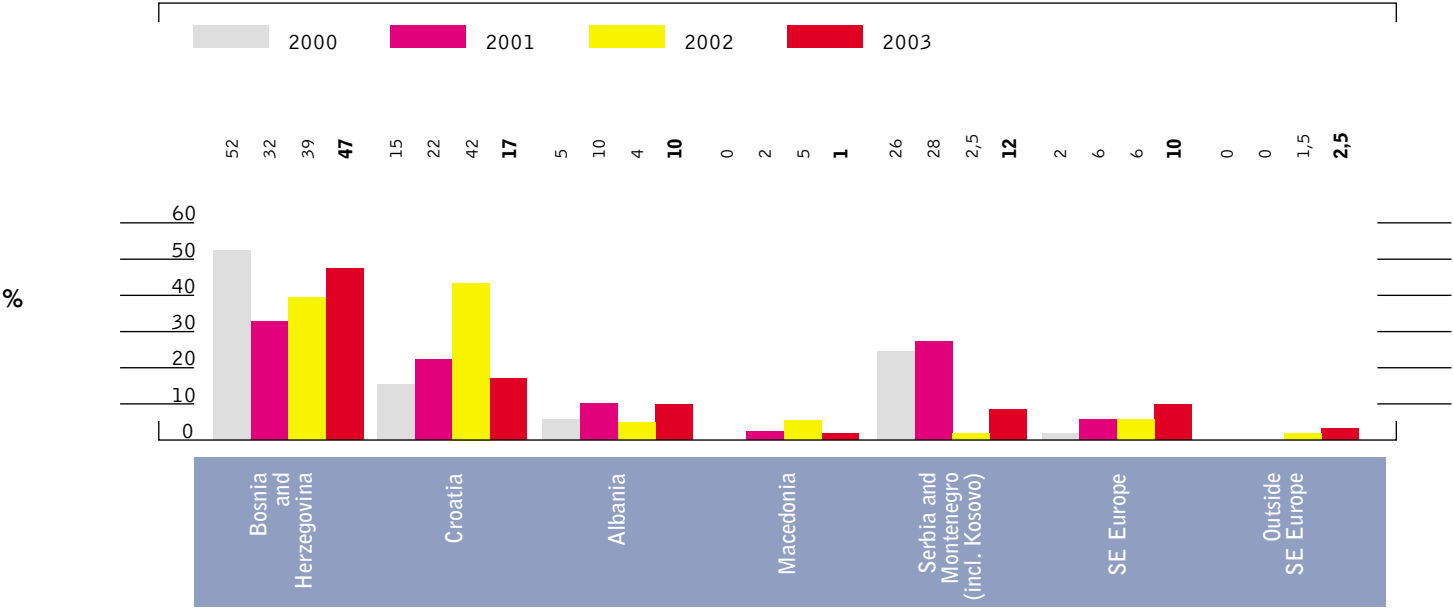
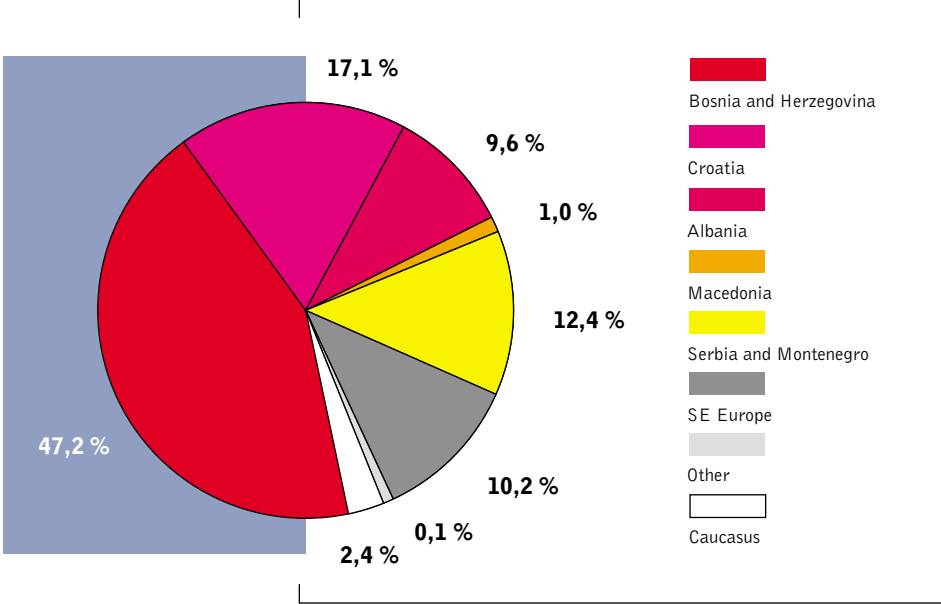


Chart: Comparison – use of funds by country (%)

Chart: Comparison of funds allocation by purpose (in USD)

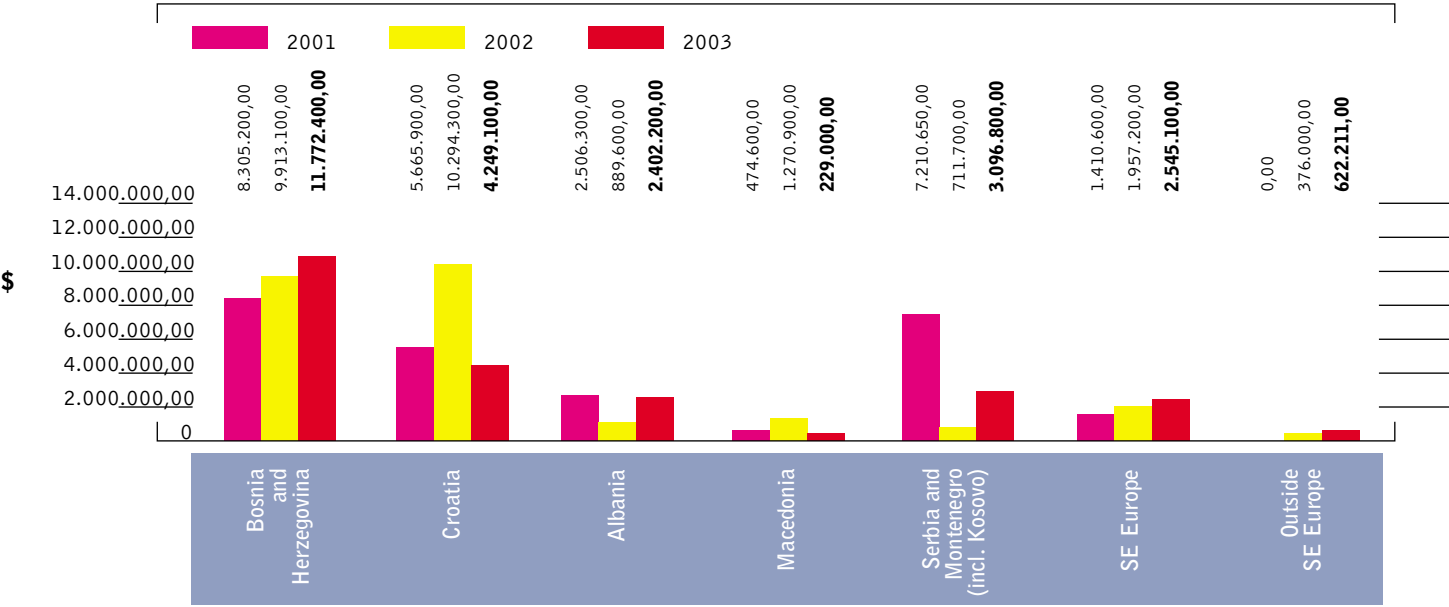
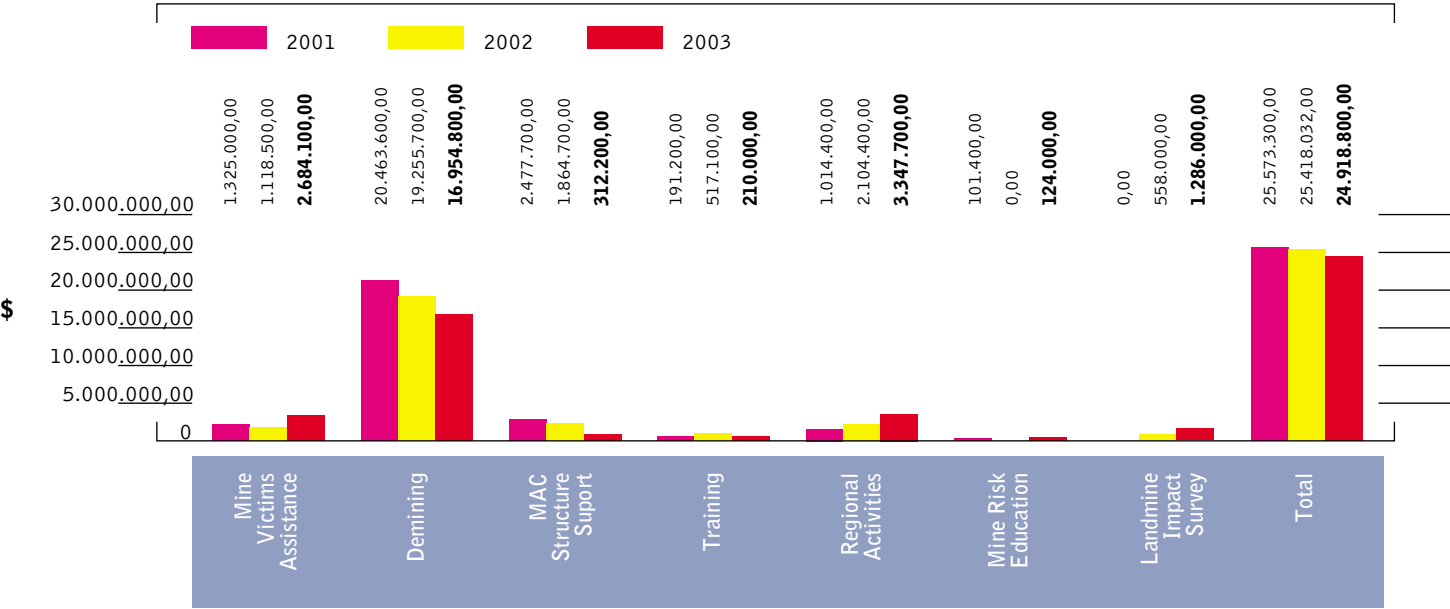


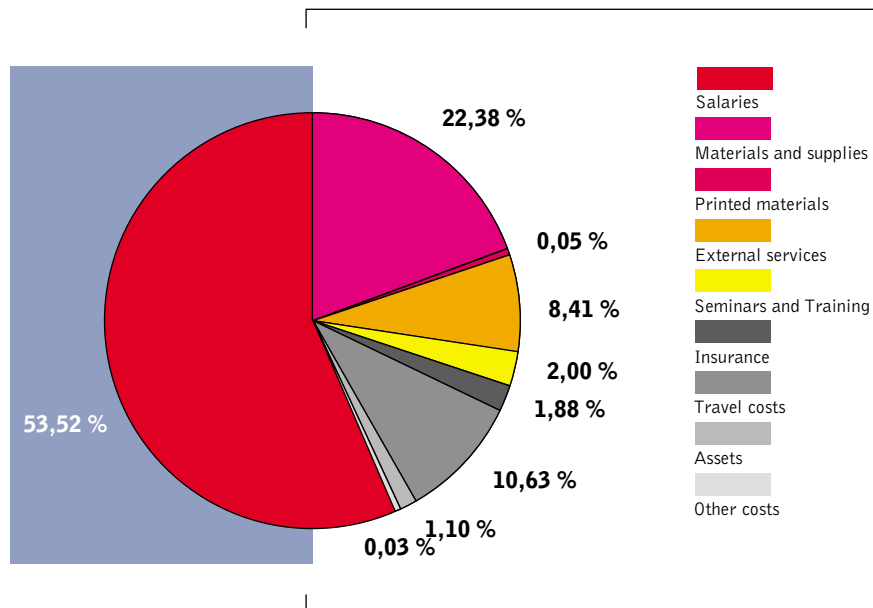
Chart: Use of funds by country through the years (in USD)

ITF ADMINISTRATION AND PROJECT COSTS

The standard fee on which ITF operates is 3 % of the funds raised. The fee covers all ITF costs associated with individual donations, i.e. the tender process, awarding of contracts, contract monitoring and supervision, project evaluation and reporting. The administration and project costs covered by the fee also include the operating expenses of the ITF Headquarters at Ig and Implementation Offices in Croatia, and Bosnia and Herzegovina, monitoring visits by ITF staff in the field, conferences, seminars, ITF publications and similar.

The fee also covers the organization of meetings of the Board of Advisors, as well as all generated reports and related materials.

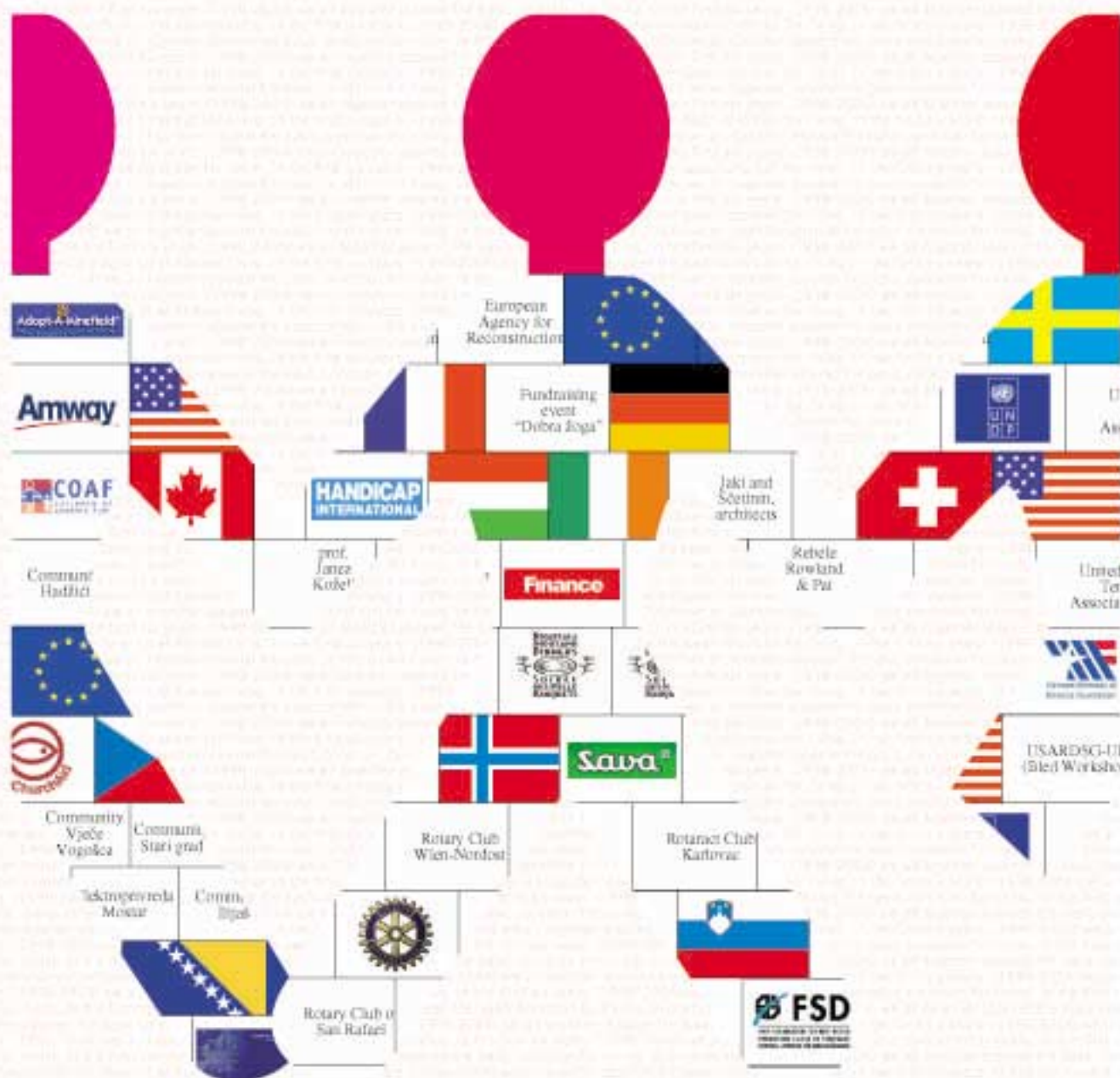
The overview of the administration and project costs is presented in the chart below.



ITF A & P COSTS IN 2003

OPERATIONAL OVERVIEW

MINE- AND BATTLE AREA CLEARANCE	26
MONITORING AND EVALUATION	27
MINE VICTIMS ASSISTANCE	27
TRAINING	28
REGIONAL ACTIVITIES IN SE EUROPE	29
- SEEMACC	29
- GIS	30
PUBLICATIONS	32
ITF WEB SITE	33



III.

Mine Victims Assistance.

MINE- AND BATTLE AREA CLEARANCE

Donors funded demining and Battle Area Clearance activities through ITF on a larger or smaller scale in all mine-affected countries in SE Europe. In 2003 this included Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and Macedonia. ITF also started, albeit on a smaller scale, to support demining activities in Armenia and Azerbaijan. Demining projects were being carried out by various partners: NGOs, commercial companies and local organizations.

All demining work involved the projects on the priority lists of respective mine-affected countries while also taking into account any donor preferences and requests.

Demining contracts were still predominantly awarded on the basis of open local (regional) tenders. Some contracts for the execution of demining works, however, were awarded through the restricted tender procedure. If explicitly requested by the donor, ITF can also employ the implementing agency without going to tender.

Prioritization is still an issue in all of the mine-affected countries in the region; however, the Landmine Impact Survey in Bosnia and Herzegovina concluded the field work in October 2003 and the final report will be issued by May 2004. The results of the Survey will no doubt enable better use of scarce resources available for demining in Bosnia and Herzegovina.

In 2003, 79 million square meters of land altogether were demined or cleared through Battle Area Clearance in the region of SE Europe.

ITF Demining Results

	Country	Cleared	Mines	UXO	m ²	Purpose
	Bosnia and Herzegovina	92	1,005	538	3,599,266	
	Croatia	20	168	40	1,690,952	
	Albania	16	1,737	112	347,149	
	Macedonia	15	4	521	735,133	
	Serbia and Montenegro	8	1,608	461	1,565,673	
	TOTAL	151	4,522	1,672	7,938,173	
	Legend:	 Agriculture	 Infrastructure	 Resettlement	 Repatriation	

This included 700,000 square meters of territory cleared through Battle Area Clearance in Macedonia (521 UXO and 4 mines were found) and 72 million square meters cleared through demining in Bosnia and Herzegovina, Croatia and partly Albania.

The nature of actual demined/BAC areas varied and included land and structures designated for resettlement and reconstruction (demining of houses, yards and places in the vicinity of populated areas), farming land (fields, pastures, grazing areas) and infrastructure (railways, roads, power lines and pipelines).

Due to lack of resources for demining (the available amount falls short of the required funds in all mine-affected countries in SE Europe), thorough inspections of sites prior to clearance are required. This allows us to determine the socio-economic impact of mine clearance in the area. The inspections and assessments are carried out by the ITF Implementation Offices.

MONITORING AND EVALUATION

Prior to clearance, demining sites are inspected by ITF IO staff to determine the priority rating of a given area in terms of demining. Relevant assessment and other reports must be written, taking into account various factors.

If requested by the donor, ITF may also employ a monitoring firm to oversee and monitor the work of the demining company on a daily basis, thus ensuring that the removal of mines is carried out in accordance with the applicable standards and safety requirements. In 2003 ITF employed two monitoring firms; both were selected by tender.

After clearance post-clearance evaluations are also randomly carried out to check if the sites are used as planned before the clearance.

MINE VICTIMS ASSISTANCE

Support of the Mine Victims Assistance programs in 2003 was two-fold; on one hand the victims were treated at the Slovenian Institute of Rehabilitation, especially those who could not receive proper treatment in their own respective countries; on the other hand ITF also supported the local MVA programs of individual countries. We acknowledge and advocate the fact that rehabilitation is a holistic process involving more than just medical treatment and physical rehabilitation. The rehabilitation should thus also include psychological rehabilitation, vocational therapy and socio-economic integration of landmine survivors.

Institute for Rehabilitation in Ljubljana:

In 2003, 105 mine victims were rehabilitated at the Institute for Rehabilitation of the Republic of Slovenia (66 from Bosnia and Herzegovina, 33 from Albania and 6 from Kosovo). Since 1998, all together 832 mine victims have been rehabilitated (567 from BH, 45 from Kosovo (SCG), 85 from Albania, 1 from Montenegro (SCG) and 7 from Macedonia).

As part of the rehabilitation training program, 3 specialists from BH (1 physician and 2 physiotherapists) successfully completed their training in prosthetics and orthotics. 6 students enrolled in the prosthetics and orthotics technology course at the School of Health Studies, University of Ljubljana (4 from BH, 1 from Macedonia, 1 from Croatia and 1 from Kosovo (SCG)). Their studies are being funded from the French and US donations to ITF.

Since 1998, 283 specialists have completed their rehabilitation training – 12 of them in 2003.

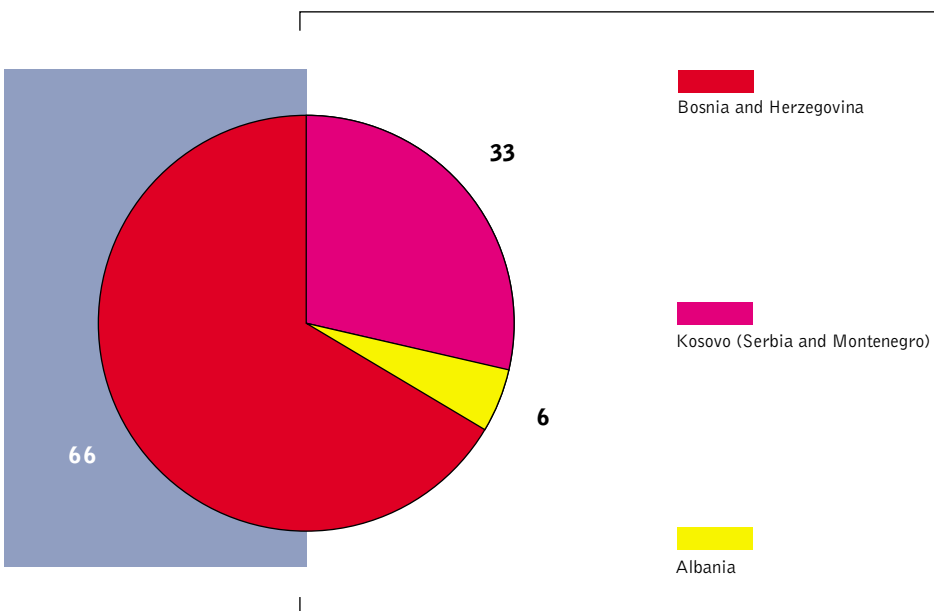


Chart: Origin of patients in 2003

Other Mine Victims Assistance Programs

In 2003, the US also provided funds to ITF for the Landmine Survivors Network Program in Bosnia and Herzegovina. This program is vital as it provides mine victims with direct assistance as well as with much needed visits and counseling.

In 2003 Norway and the United States, together with VVAF private donors, funded the VVAF Sports for Life program implemented in Kosovo. The program will have to close in 2004 due to the lack of funding. Using the funds donated by the US, ITF also financed the EdaS study on possible improvements and identification of gaps in Bosnia and Herzegovina.

In December 2002 ITF signed an agreement for a study on landmine victims in the Balkans to be carried out. The results of the study were presented at the May Intersessionals in Geneva and the final report was presented at the meeting of states parties to the Ottawa Convention in Bangkok. The study is important as it identifies the gaps in the programs designed to provide support to landmine survivors. There are several key issues/challenges identified in the study, which should be addressed to ensure that the growing number of mine survivors receive adequate and appropriate assistance. These include:

- Facilitating access to the relevant health care and rehabilitation facilities.
- Affordability of appropriate health care and rehabilitation.
- Improving and upgrading of facilities for rehabilitation and psycho-social support.
- Creating opportunities for employment and income generation.
- Capacity building and ongoing training of health care practitioners, including doctors, nurses, physiotherapists and orthopedic technicians.
- Raising awareness on the rights and needs of persons with disabilities.
- Establishing an effective social welfare system and legislation to protect the rights of all persons with disabilities, including mine victims.
- Obtaining sufficient funding to support programs, and coordination of donor support.
- Supporting local NGOs and agencies to ensure sustainability of programs.

Donors for MVA:

Austria, Canada, Humanitarian event “Dobra žoga”, Handicap International, Hungary, Luxembourg, “Night of a Thousand Dinners”, Norway, Rotary Club International (Vienna), Slovenia, The United States of America

TRAINING

ITF believes that capacity building is crucial for mine-affected countries of South East Europe to be able to cope with the landmine problem more effectively.

ITF thus organizes and funds several training courses based on the existing needs identified in the mine-affected countries in the region. The following training was organized by ITF in 2003:

- In relation to mine victims rehabilitation, training and seminars on technical assistance are organized by the Slovenian Institute for Rehabilitation.

A training course for 6 orthopedic technicians (3 from BiH, 1 from Macedonia, 1 from Croatia and 1 from SCG (Kosovo)) at the College for Health Studies, University of Ljubljana, was held for a second year in a row. (This is a three-year course study program; the students are obliged to return to their countries after successful completion of their studies.)

The fact that this type of training is not provided anywhere else in SE Europe while qualified people of this profile are sorely lacking in the region, makes giving the opportunity to these people even more important. The development of local structures and capabilities is crucial for the country to assume ownership of the problem and provide its people with long-term solutions.

- UNDP Middle Management Training

Management training is very important as the success of Mine Action to a great extent depends on sound management skills of the people who run it. UNDP in partnership with Cranfield University (UK), have initiated a series of management training courses for the national managers of Mine Action programs.

A Middle Management Training course was held in Ljubljana, Slovenia in December 2002 and February 2003 (6 weeks in total). The course participants came from five SEE countries, as follows: Macedonia (1), Serbia and Montenegro (5), Bosnia and Herzegovina (5), Croatia (4) and Slovenia (3). They acquired basic management skills, as well as some operational knowledge in relation to Mine Action. The training was carried out at the premises of the Faculty of Economics, University of Ljubljana.

Geographic Information System for SE Europe in 2003

One of the most important activities of ITF in cooperation with MACs in SE Europe was the development and maintenance of the regional Geographic Information System.

While the project Geographic Information System for Mine Action in South-East Europe, which had been initiated by the European Commission and funded by the European Community and the US Department of State, officially ended in December 2002, in 2003 ITF completed the implementation of remaining tasks in accordance with the agreement and prepared final reports. The aim of the project was to provide high-definition maps including information derived from satellite transmitted data, establish a reliable Geographic Information System (GIS) including the identification of minefields and mine-contaminated areas along with their socio-economic conditions, security issues and priorities, and to provide relevant training and a regional network of local experts.

This model of a regional approach to effective cooperation resulted in an agreement to establish the South-East Europe Mine Action Coordination Council. Once the project was completed, the regional network of local experts (Working Group) has continued to work under the SEEMACC umbrella as a GIS sub-group.

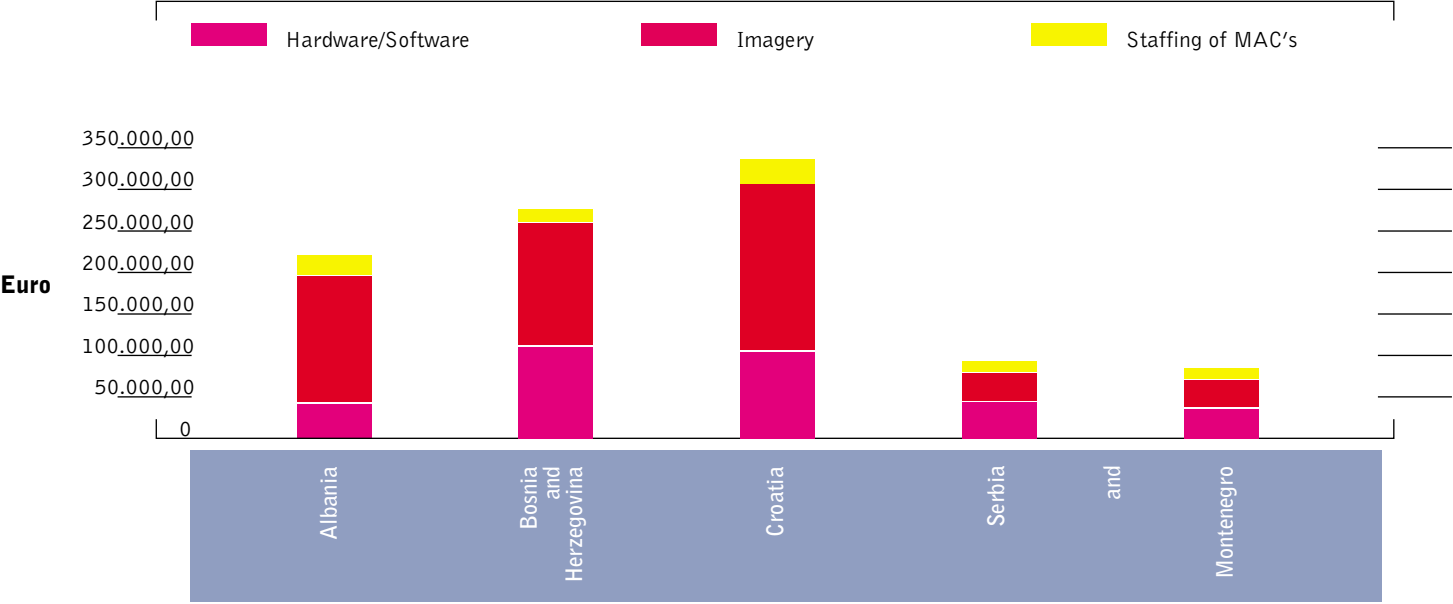
The project has played a vital role in the construction of Geographic Information Infrastructure for Mine Action in SE Europe since it included:

- the development of an Internet based information distribution system, and
- a multi-resolution approach to the development of geo-referenced imagery and vector data for the region.

As far as we are aware, this system is the only operational regional GIS system.

The focus of GIS related activities in 2003 was on:

- staffing – the nodes of the Information Distribution System,
- imagery and map development for Mine Action Centers in the region, and
- preparation of the final reports and presentation of results.



Donations to the beneficiary (1,03 million Euro)

These activities have been summarized below, as follows:

Staffing

In 2003 ITF continued to provide staff support to MACs in relation to GIS implementation. Specifically, staff support was provided in Albania (AMAE), Serbia and Montenegro (MAC Belgrade and RCUD) and at ITF

Imagery and Map development

It became apparent that a multi-resolution approach to the mapping of mined areas was needed in order to satisfy the diverse range of requirements of Mine Action for different mapping scales. The requirements ranged from regional planning (1:100,000) through tactical planning (1:25,000) to detailed mapping and monitoring of mine clearance operations in the field (1:5,000). It was also found that the European Union Satellite Centre (EUSC) had already developed extensive digital map coverage for Kosovo, Montenegro (Serbia and Montenegro) and Macedonia. EUSC donated those products to the demining community in SE Europe. It was decided that, rather than duplicate the work of the EUSC, the project should continue to 'fill in' the data for other countries in the region at medium resolution. Albania was identified as the next country to be covered by medium resolution data. For medium resolution coverage of Albania we used ortho-rectified IRS PAN/LISS 6m resolution imagery and vector coverage, the specification of which had been developed by EUSC. On top of this coverage we put information acquired through the regular regional information exchanges. The last step was posting the Albanian coverage on the Internet via the ArcIMS server at www.see-demining.org. The multi-resolution approach implemented or donated in 2003 therefore included:

- Medium resolution, IRS PAN/LISS imagery coverage maps and GIS vector maps for Albania, Macedonia, Montenegro and Kosovo (both Serbia and Montenegro);
- High resolution, Ikonos imagery, 1m resolution of selected areas for Montenegro, Kosovo (both Serbia and Montenegro) and Macedonia;
- High Resolution Aerial orthophotos for the priority areas identified by BHMAL and CROMAC;
- A comparison between aerial photogrammetry and rectified satellite imagery for high resolution work on a test area in Croatia.

Final Reports and Presentations

ITF prepared and presented a report and final results to the donors. In addition ITF also made a presentation of the project results to the international GIS community. As a result, ITF received a 'Special Achievement in GIS' award by the Environmental Systems Research Institute (ESRI).



Medium Resolution Coverage - Albania

PUBLICATIONS

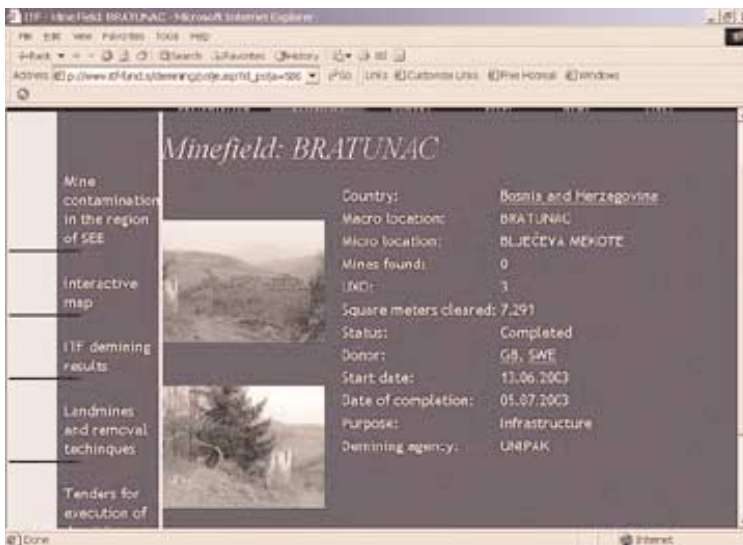


Informing the public of ITF's activities and of the problems of landmines in the region of SE Europe was being implemented on different levels, from media releases to ITF publications and updating of the ITF website.

In 2003 ITF issued the following publications:

- Annual Report 2002 (March 2003);
- ITF, SEEMACC and GIS brochures (March 2003);
- one issue of the TRUST bulletin (June 2003) in printed form and one electronic issue of TRUST (December 2003).

The above publications can be obtained on the ITF website at www.itf-fund.si or the SEEMACC website at www.see-demining.org.

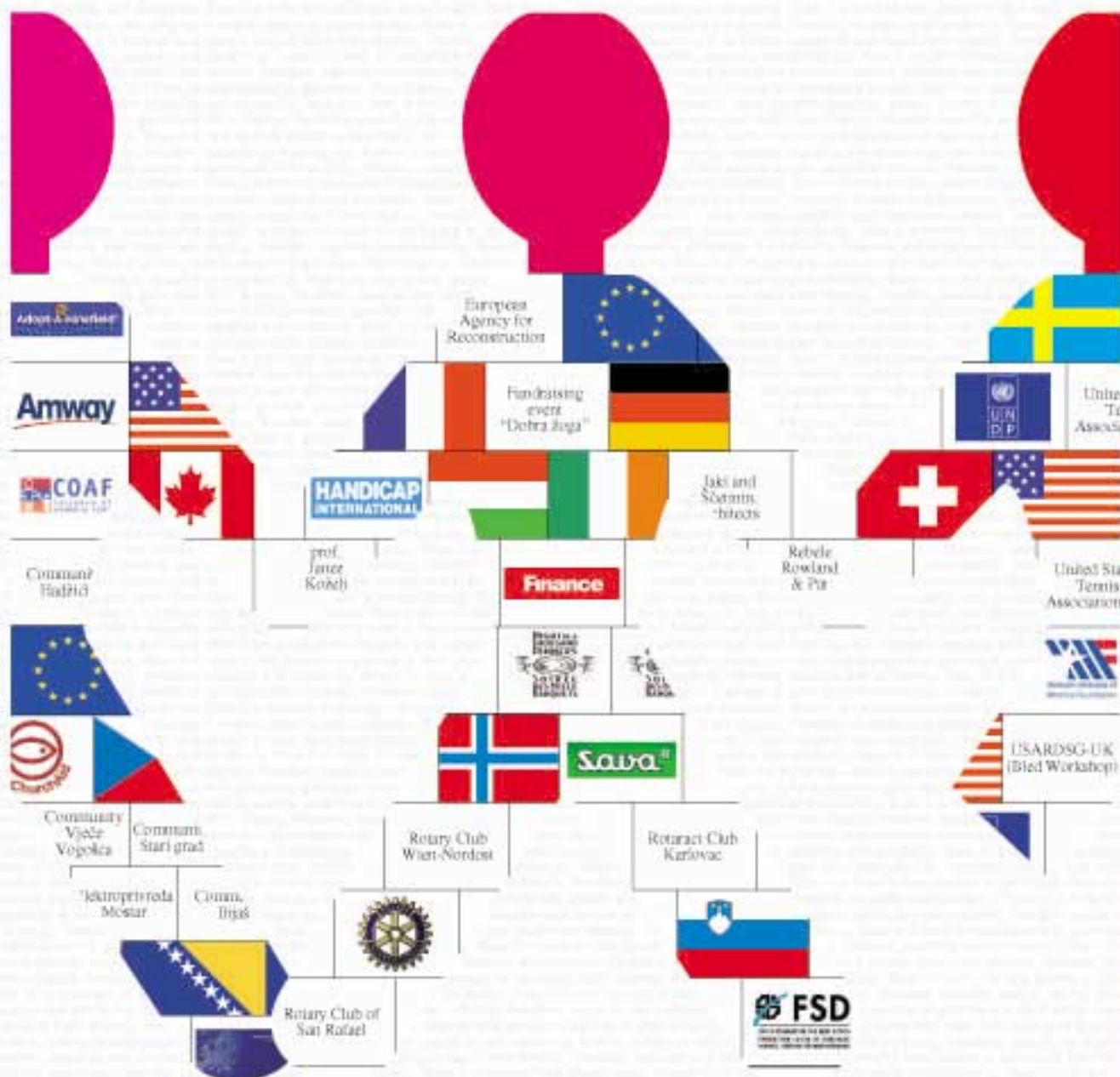


A new ITF website was launched in May 2003: www.itf-fund.si. The purpose of the site is to enable all interested stakeholders to access information on ITF operations and activities. The website features the following main pages:

- 1.) Presentation;
- 2.) Activities,
- 3.) Donors,
- 4.) Help;
- 5.) News and
- 6.) Links.

New ITF website enables the viewing of all demining projects implemented with different donors' funds

ALBANIA	36
BOSNIA AND HERZEGOVINA	40
CROATIA	45
MACEDONIA	47
SERBIA AND MONTENEGRO	48
ARMENIA	51
AZERBAIJAN	52
AFGHANISTAN	53



IV.

**Dignity.
Freedom.**



ALBANIA

At the beginning of the year USD 2.3 million were pledged or available for the execution of demining and Mine Victims Assistance activities in Albania. By the end of 2003 more than USD 2.55 million were secured for demining, Mine Victims Assistance and Mine Risk Education activities in Albania for 2003 (USD 24 million of which have been spent). The United States of America also donated an M1 demining machine to the Albanian Mine Action Executive. In August 2003 a tender was called for demining works in 2003 and 2004 for which additional funding in the amount of EUR 375,000 was provided by the European Union.

Demining Activities

Demining and Battle Area Clearance activities in Albania were being carried out by two demining organizations in 2003: Swiss Foundation for Mine Action (BAC and demining) and DanChurchAid (demining). Demining was executed along the Albanian/Kosovo (Serbia and Montenegro) border, i.e. in the regions of Tropoje, Has and Kukes. Clearance activities in these regions are crucial to ensure at least the basic subsistence conditions for the locals whose lives depend mostly on farming, herding and wood collection, which is now hindered by the presence of mines. Clearance activities also enable better patrolling of the border where trafficking and other illegal activities involving illegal border crossings take place. Both organizations also carry out technical surveying so that suspect land can be released to the owners. In 2003 the two organizations between them cleared 347,149 square meters of land (locating 1,737 mines and 112 UXOs in the process), and released more than 1,000,000 square meters of land back to the local population through area reduction. 154,094 square meters of land were cleared by Battle Area Clearance activities and 175,182 square meters by demining, while mechanical preparation of additional 17,873 square meters of land was carried out by means of the donated M1 flail machine.

Donors for demining activities in Albania: DanChurchAid – private donors, Czech Republic, the European Union, Germany, Luxembourg, Night of a Thousand Dinners, Swiss Foundation for Mine Action – private donors, and the United States of America.

Mine Victims Assistance

Donations to ITF for Albania are spent in accordance with the priorities set by the Albanian Mine Action Executive while also following the recommendations of the study Landmine Survivors Assistance in SE Europe conducted by Handicap International Belgium*.

In relation to Mine Victims Assistance the following needs of Albanian landmine survivors are being addressed:

- Socio-economic integration of mine victims

The agreement for the implementation of the project was signed in September 2003 with Mine and Weapon Victims Association, an Albanian NGO, for the period of one year in which more than 40 families of landmine survivors will be included into the micro-loan scheme and will be provided with cattle or beehives, based on the assessment made by the same organization. The allocation of this type of in-kind assistance is planned for the beginning of 2004. The funding has been provided by the United States Department of State.

* The study was completed in June 2003 and the final report of the study is available at the ITF website www.itf-fund.si. The funds for the study were provided by the governments of Canada (DFAIT) and the United States of America.

Cattle breeding and beehives in Northern Albania



- Rehabilitation of landmine survivors at the Institute for Rehabilitation in Slovenia (IRRS) and training of rehabilitation experts

The victims treated in Slovenia are triaged and chosen together with the doctors of IRRS, Albanian Red Cross, ICRC in Albania, and AMAE. Only victims with upper-limb amputations and difficult lower limb amputations are treated at IRRS. For sustainability reasons other victims are treated at the Tirana Orthopedic Institute. Precisely for this reason – sustainability and development of national capacities and resources – IRRS will also train rehabilitation experts from Albania in upper-limb prosthetics and physiotherapy. Two experts already attended a rehabilitation training course at IRRS in November 2003. In 2003, 29 mine victims were rehabilitated at IRRS.

The funds for the rehabilitation at IRRS and training of rehabilitation experts were provided by the governments of Luxembourg, the United States of America and donations made at the Night of a Thousand Dinners™ organized by ITF

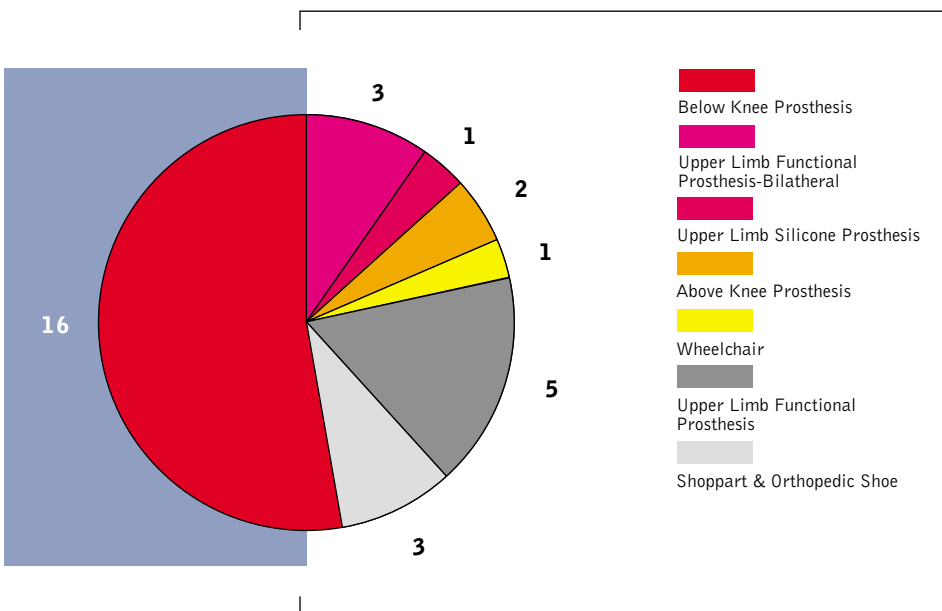


Chart: Treatment received by Albanian landmine survivors at IRRS

Surgery and supply/storage room at the Kukes hospital



- Procurement of surgical equipment for the Kukes hospital

Kukes is a regional hospital for the mine-affected districts in Northern Albania and has no surgical capacity for the treatment of heavy injuries. Survivors of mine accidents thus have to be transported across the border to Kosovo (SCG). The new equipment will enable the treatment of landmine victims and other amputee cases at the Kukes hospital. The procurement procedure will be concluded in early 2004. A 'refreshment' training course has already been organized for two surgeons and one anesthetist at the Maribor hospital in Slovenia. The funding was provided by the United States of America.

Donors for MVA activities in Albania: Luxembourg, Night of a Thousand Dinners™, the United States of America.

Mine Risk Education

The agreement for the implementation of the project was signed in September 2003 with the Albanian NGO Mine and Weapon Victims Association for the period of 8 months.

Training

In 2003 ITF financed a training course in the use of the donated MLJ flail machine. The training took place in Northern Albania where the FSD NGO staff was trained by two experts of ME.DE.COM (the company which had sold the machine).

From November 3 – 17, 2003, three doctors from the Regional Civil Hospital in Kukes, Northern Albania, attended a refreshment surgical training course at the Maribor hospital, Slovenia. The course covered basic surgery, trauma, anesthesiology, as well as in plastic and orthopedic surgery. Such training is vital for a more effective and successful treatment of mine victims at the hospital in Kukes.



Even the most basic orthopedic tools for surgery (plates, nails) are scarce and have to be re-used

MRE activities in Albania



Evaluation of the Program in Albania

The level at which the program in Albania was being implemented in 2003 was acceptable. Cooperation with the local authorities, especially with the Albanian Mine Action Executive responsible for Mine Action in Albania, was satisfactory. Due to the anticipated lack of funding in the near future, greater involvement and support of government bodies to Mine Action in Albania would be appreciated (especially for the funding of salaries for the local AMAE staff).

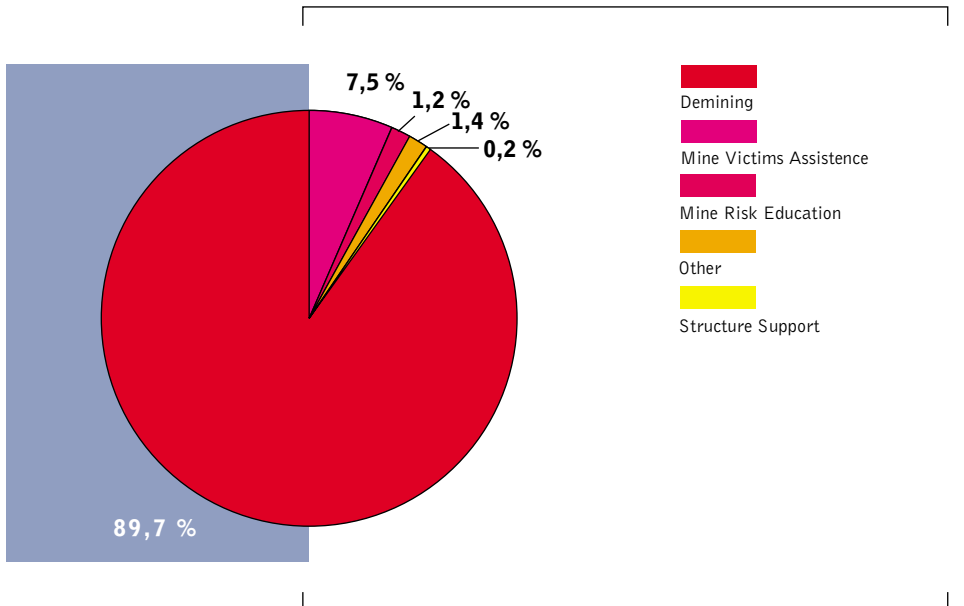


Chart: Distribution of funds in Albania, by purpose

BOSNIA AND HERZEGOVINA

Demining Activities

In 2003 demining contracts were awarded for 92 sites. There were 63 contracts signed with demining companies. Works and services were completed on 86 micro-locations. In total, over 3.5 million square meters of surface area was cleared with 1,001 mines and 531 UXO found, which was above the plan.

There were ten restricted and three open tender procedures for the implementation of demining projects. Nine NGOs and 13 commercial companies were selected for the execution of these works and services.

ITF in 2003 also received a donation for the support of the Entity Armed Forces through SFOR (the donation was made by Ireland in August). The funds will be used for mechanical ground preparation of more than 280,000 square meters of land. Once that has been completed, EAF will carry out manual demining and monitoring. The tender for mechanical ground preparation works will be called as soon as priorities have been identified by SFOR.

In addition, Norway and Switzerland provided funding for the activities of the Norwegian People's Aid NGO.

ITF continued the implementation of the Adopt-A-Minefield® program in Bosnia and Herzegovina (www.landmines.org) for the third year. In 2003 more than 10 AAM sites were cleared in Bosnia and Herzegovina through this program.

In 2003 a total area of 1,728,833 square meters was cleared of mines by commercial demining organizations and 1,870,433 square meters in total were cleared of mines by NGOs.

Donors for demining activities in Bosnia and Herzegovina: Adopt-A-Minefield®, Bosnia and Herzegovina, Canada, Community Center Sarajevo, Community Hadžići, Community Iljaš, Community Novi Grad, Community Stari grad, Community Vogošća, Coordinamenti Donne, Czech Republic, Elektroprivreda Mostar, the European Union, Germany, Norway, the Finance newspaper, Rowland & Pat Rebele, Sweden, Switzerland, United Kingdom, the United Nations Development Program in Bosnia and Herzegovina, and the United States of America.



Site Šamac (ITF 060/03 - USA) and site Bihać Airport (ITF 050/02 - GER)

Site Mostar Bišće polje (ITF 001/03 - USA)

In 2003, United States made donations to ITF for the implementation of Landmine Survivors MVA programs in Bosnia and Herzegovina. Adopt-A-Minefield® UK has been implementing the program of developing a 'High Quality – Low Cost' limb system to be distributed to the local rehabilitation centers. The funding was provided by the United States of America.

Donors for MVA activities in Bosnia and Herzegovina: Austria, a humanitarian fund-raising event 'Dobra žoga' Canada, Rotary Club International (Vienna) and the United States of America.



MRE Activities in Bosnia and Herzegovina



Mine Risk Education

In April the project Spirit of Soccer got underway in Bosnia and Herzegovina, implemented by the UK Spirit of Soccer NGO. The aim of the program is to teach children – a very vulnerable group affected by landmines – about mine risks through playing football. More than 3,800 children and their coaches and teachers have already received mine risk education through this program in Bosnia and Herzegovina. The program will continue until April 2004.

Donors for MRE in Bosnia and Herzegovina: the United States of America.

Training

There were two training courses organized for participants from Bosnia and Herzegovina. Five participants from BH attended a Middle Management Course conducted by CISEF and two participants took part in special PR training carried out by SPEM/ITE.

Structure Support

There were three Memorandums of Understanding (MoU) signed with the Demining Commission in Bosnia and Herzegovina.

The first MoU concerns monitoring regulations in Bosnia and Herzegovina. The second MoU relates to the financing of the demining support structure in BH. Matching funds will be used for the financing of MDDC in Konjic. The third MoU regards future cooperation with the Demining Commission in relation to tendering procedures.

Other Activities

A regional Mine Detection Dog Center in Bosnia and Herzegovina was established with the aim of providing Mine Detection Dog resources for South-East Europe.

Donors for the MDD Center: the United States of America.

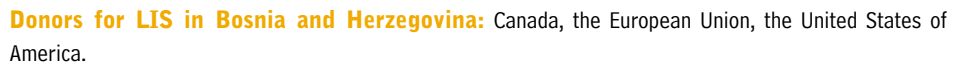


MDD Center in August 2003

Official opening on October 14, 2003

ITF ANNUAL REPORT 2003

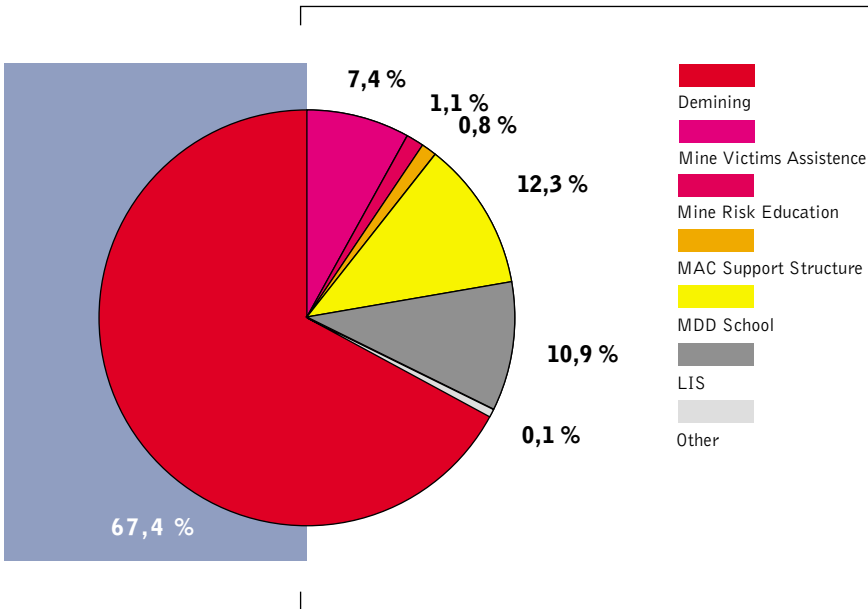
Handicap International started the LIS implementation for Bosnia and Herzegovina (BH) in October 2002. The survey, which was implemented in accordance with international standards, will be used for the purpose of minimizing the impact of landmines on BH communities. LIS was conducted during 2003 and was completed in December 2003. The final report should be issued by SAC in May 2004. The initial results show that all in all 1,366 communities with total population of 1,375,807 have been affected by mines in Bosnia and Herzegovina. Out of these 1,366 communities 11 % have been categorized as highly-affected and 51 % as medium-affected. Once the final report has been issued, ITF will use the report to ensure that the activities with the highest impact are given priority in order to make the best possible use of the scarce resources available for demining.



43

STORY ABOUT HUMAN KIND

Chart: Use of funds in Bosnia and Herzegovina, by purpose



CROATIA

ITF's plan for 2003 was to demine and clear approximately 2 million square meters of mine-affected territory in Croatia; approximately 85 % of the plan was implemented. This falling short of the target was due to a delay in the tendering process for the projects financed from the US funds; also, the ITF office in Sisak had occasional problems with CROMAC's lack of expediency in the assigning of projects. This slowed down the tendering process and consequently postponed the start of the demining works.

Funding was also received from Norway for the work of the Norwegian People's Aid NGO in Croatia. A portion of the US matching funds was also used for the purpose of technical surveying carried out by NPA in Croatia.

Demining Activities

The first public tender in Croatia in 2003 was published on February 26, 2003 comprising of two (2) projects financed from the EU funds earmarked for the CARDS program, and five (5) projects financed from the US matching funds. The demining works on the first project started on April 4, 2003 at the Hrvatska Kostajnica water-collector site.

Altogether five Calls for Tenders were made in 2003 (4 open tenders and 1 restricted tender). On the five tenders called in 2003, 20 projects were commissioned and approximately more than 1,500,000 square meters of land had been demined and cleared by the end of December. During the demining works 66 anti-personnel mines and 39 anti-tank mines were found and destroyed. Three projects have been suspended on account of inclement weather and will continue in 2004. The size of the total area involved is about 200,000 square meters.

Donors for demining in Croatia: Adopt-A-Minefield®, AMWAY, Croatia, the European Union, the EC Delegation in Zagreb, Norway, the United States Tennis Association and the United States of America.

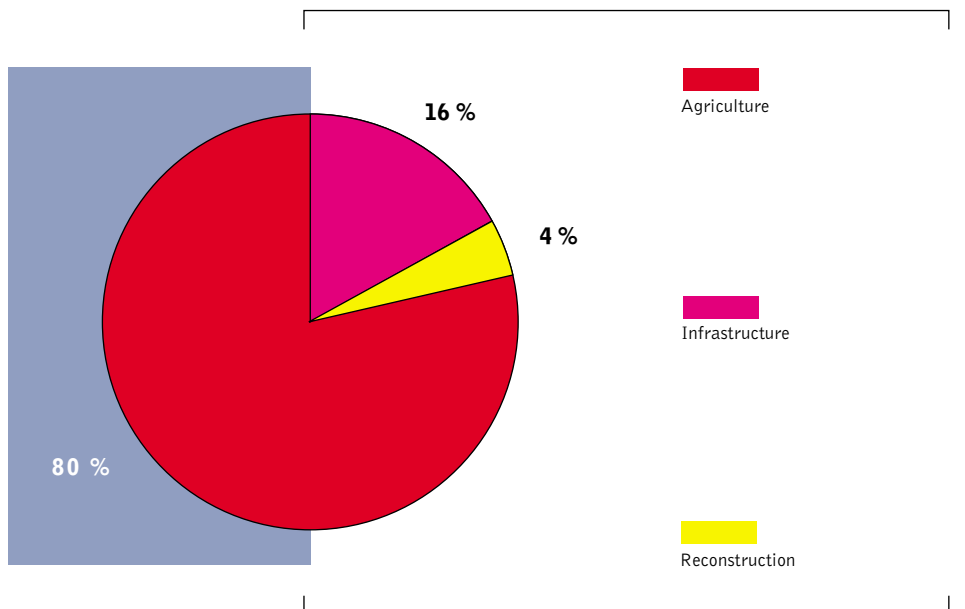


Chart: Demining results by purpose

Demining in Žrnovnica took place 100 meters from the elementary school



Mine Victims Assistance

The program of summer holidays at the Rovinj rehabilitation resort for children landmine survivors was funded by the USA in July 2003.

In addition, the US provided funds to ITF for the implementation of the Croatian Mine Victims Association program in 2003. Funds donated to ITF by Dijana Pleština were also spent on MVA initiatives.

Donors for MVA in Croatia: Dijana Pleština, the United States of America.

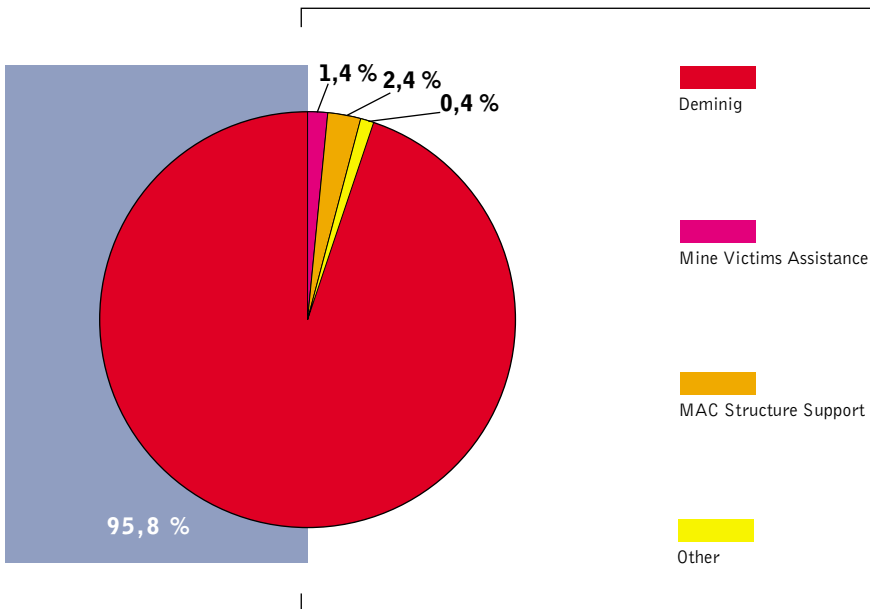


Chart: Use of funds in Croatia, by purpose

MACEDONIA

Battle Area Clearance

Battle Area Clearance funded through ITF was being carried out by the Macedonian Civil Protection BAC and demining teams, which had been trained and equipped in 2002.

At first the operations of the Macedonian teams were being overseen by the UN Mine Action Office in Macedonia, which however closed down at the end of June 2003; consequently, as of July 2003, the responsibility has been handed over to the Macedonian government. The works were thus suspended in July/August to allow time for the reorganization of the Ministry of Defense of Macedonia, and resumed in September 2003. By the beginning of 2004 at the latest the Macedonian CP BAC teams should have cleared all of the contaminated land from the 2001 conflict in Macedonia and should be in a position to assume full ownership of the program themselves.



Donors for BAC activities in Macedonia:

The European Agency for Reconstruction in Skopje, the United Kingdom and the United States of America.

BAC clearance in Macedonia

SERBIA AND MONTENEGRO (including the province of Kosovo)

Demining and Battle Area Clearance

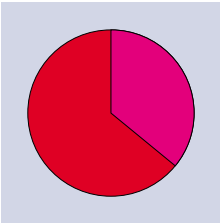
In March 2003 Battle Area Clearance of the Niš airport (Phase One) started, executed by the Bosnian Stop Mines NGO. 542,000 square meters of land were cleared by 21 May 2003. In June 2003 the second phase of BAC of the Niš airport started with additional 290,000 square meters being cleared. Altogether 91 UXO have been removed from the airport.

The demining of the Montenegrin/Croatian border started in May 2003 on two locations and was completed by the end of June (before the start of the tourist season). 247,000 square meters in total were demined, with 90 mines found.

In June 2003 the tender for the demining of Croatian/Serbian border on the Serbian side was called for the projects funded from the EU donation to ITF and in August 2003 a tender was issued for the demining of locations in the same area funded by the German donation. The works financed by Germany got underway in September 2003, whereas the works on the three demining projects financed by EU commenced in October 2003. In total 485,320 square meters were cleared in the Community of Šid with 1,518 mines and 365 UXO found and destroyed.

The end of July 2003 marked the start of excavation and removal of big aerial bombs – a legacy of the NATO air strikes – on five locations in Belgrade. On September 30, 2003 the program was put on hold to reconsider the feasibility of these activities as the bombs are supposed to be buried more than 10 meters deep.

Demining carried out in Serbia and Montenegro in 2003:

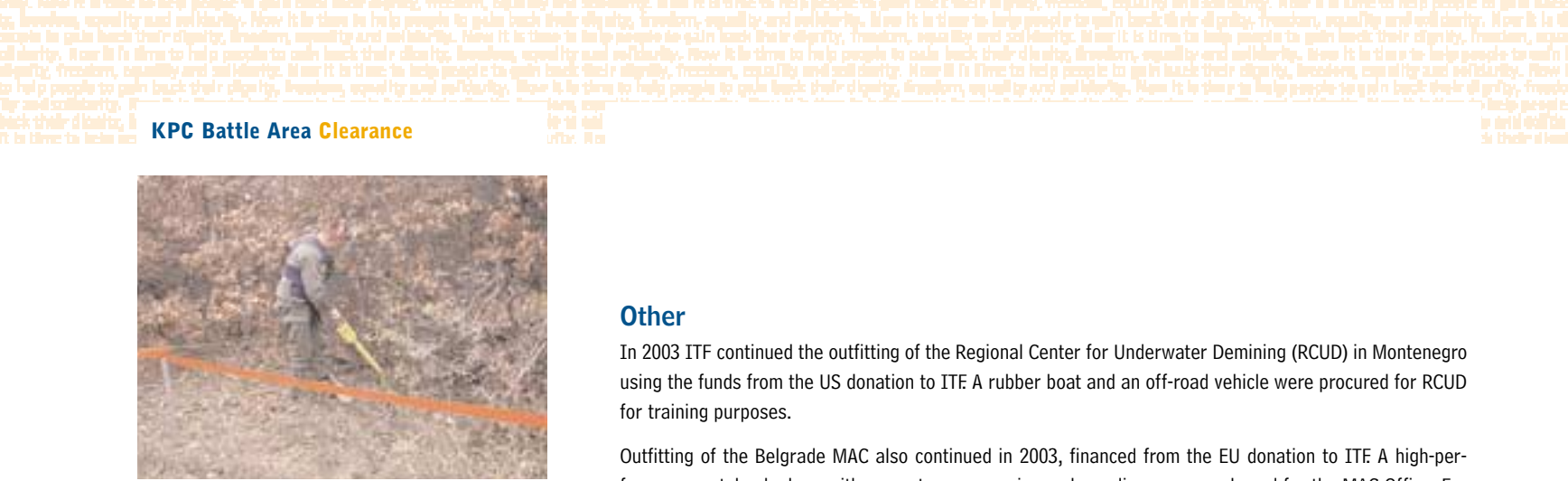
	Serbia and Montenegro	Number	Mines	UXO	m ²	Purpose
	Agriculture	3	1,467	0	385,000	
	Infrastructure	5	141	461	1,180,493	
	TOTAL	8	1,608	461	1,565,493	



BAC at the Niš airport

Donors for BAC and demining activities in Serbia and Montenegro: Czech Republic, the European Union, Germany and the United States of America.

KPC Battle Area Clearance



KPC Battle Area Clearance

KPC Battle Area Clearance



A photograph showing a person in a field, likely a deminer, working with a yellow tool near a red line, illustrating the KPC Battle Area Clearance activity.

KPC Battle Area Clearance

Other

In 2003 ITF continued the outfitting of the Regional Center for Underwater Demining (RCUD) in Montenegro using the funds from the US donation to ITF A rubber boat and an off-road vehicle were procured for RCUD for training purposes.

Outfitting of the Belgrade MAC also continued in 2003, financed from the EU donation to ITF A high-performance notebook along with computer accessories and supplies were purchased for the MAC Office. For the local BAC teams eight metal detectors for mine detection, eight for UXO detection and two bomb locators were purchased via open (local) tender.

Two participants from Serbia, one from Montenegro and two from the province of Kosovo attended the UNDP Mine Action Middle Management Course held in Ljubljana at the end of 2002 and the beginning of 2003. The participants of the course acquired basic management skills as well as some operational knowledge in Mine Action. The training was executed at the Faculty of Economics, University of Ljubljana.

In August 2003 ITF organized a one-week training course in integrated communication for one employee of the Belgrade MAC and one employee from RCUD, financed from the US-donated funds. The participants of the course obtained the basic knowledge in relation to tendering procedures, writing of project proposals, and relations with donors. Certain parts of the course were presented by ITF and supported by examples of actual experience in the field, while SPEM lectured on PR approach and successful presentation, including the marketing of Mine Action. The training was carried out on the premises of the Training Center for Civil Protection and Disaster Relief at Ig, Slovenia.

Province of Kosovo

KPC Battle Area Clearance

Other

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Province of Kosovo

The United States of America and France provided funding for the implementation of the supervision and additional training of the Kosovo Protection Corps Battle Area Clearance teams. The funds were designated for the Phoenix II and Phoenix III projects.

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Rehabilitation at IRRS

In 2003 five victims from the province of Kosovo underwent rehabilitation at IRRS.

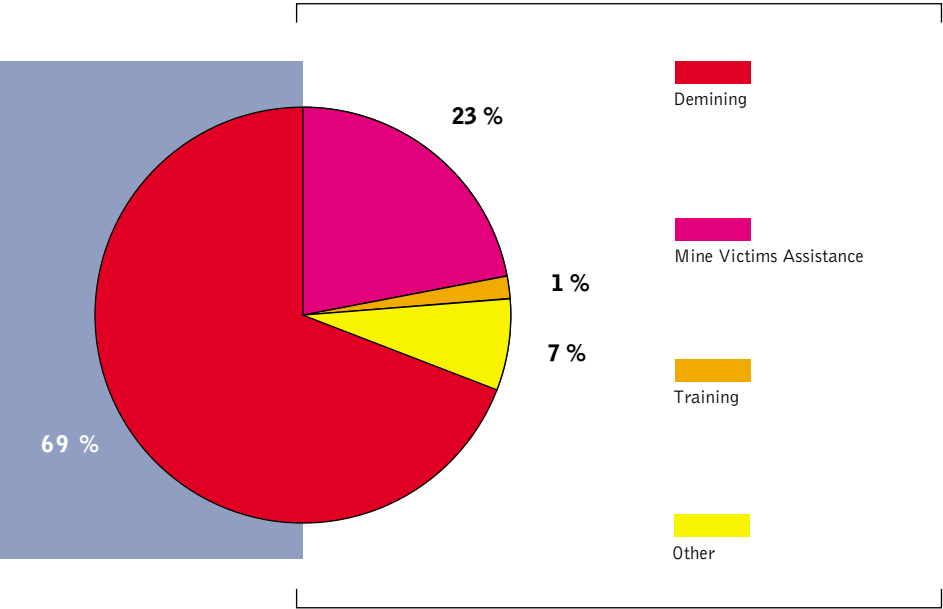
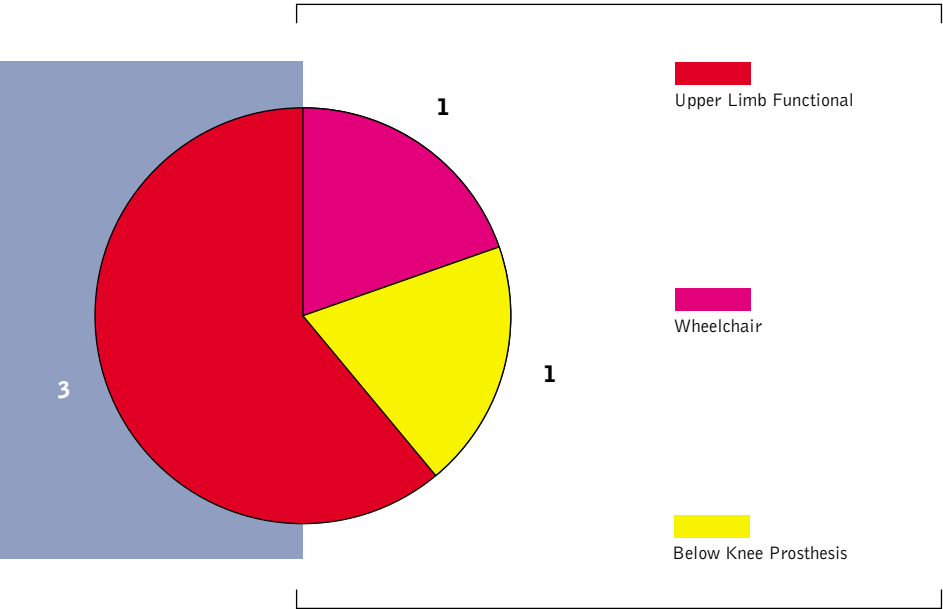
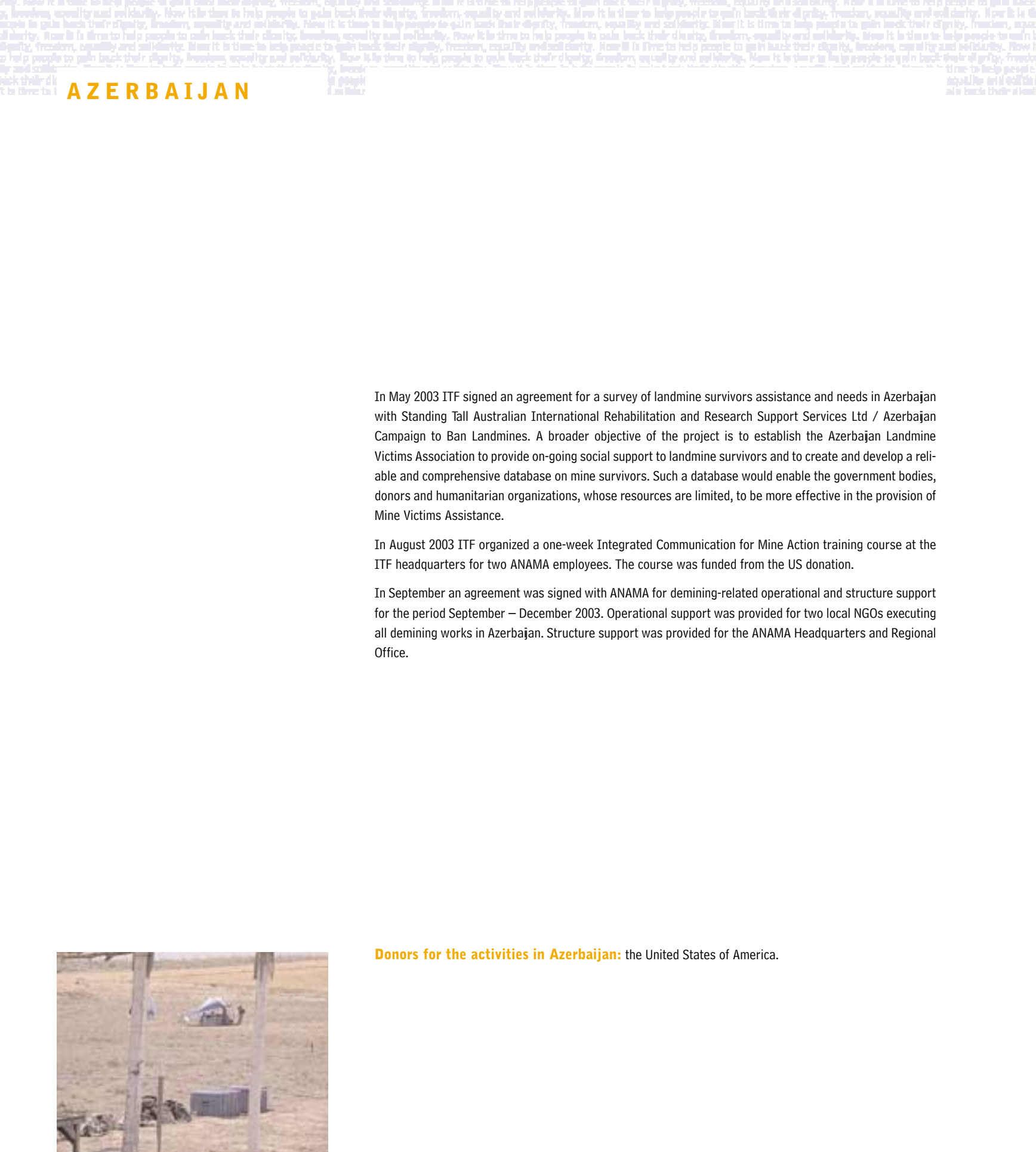
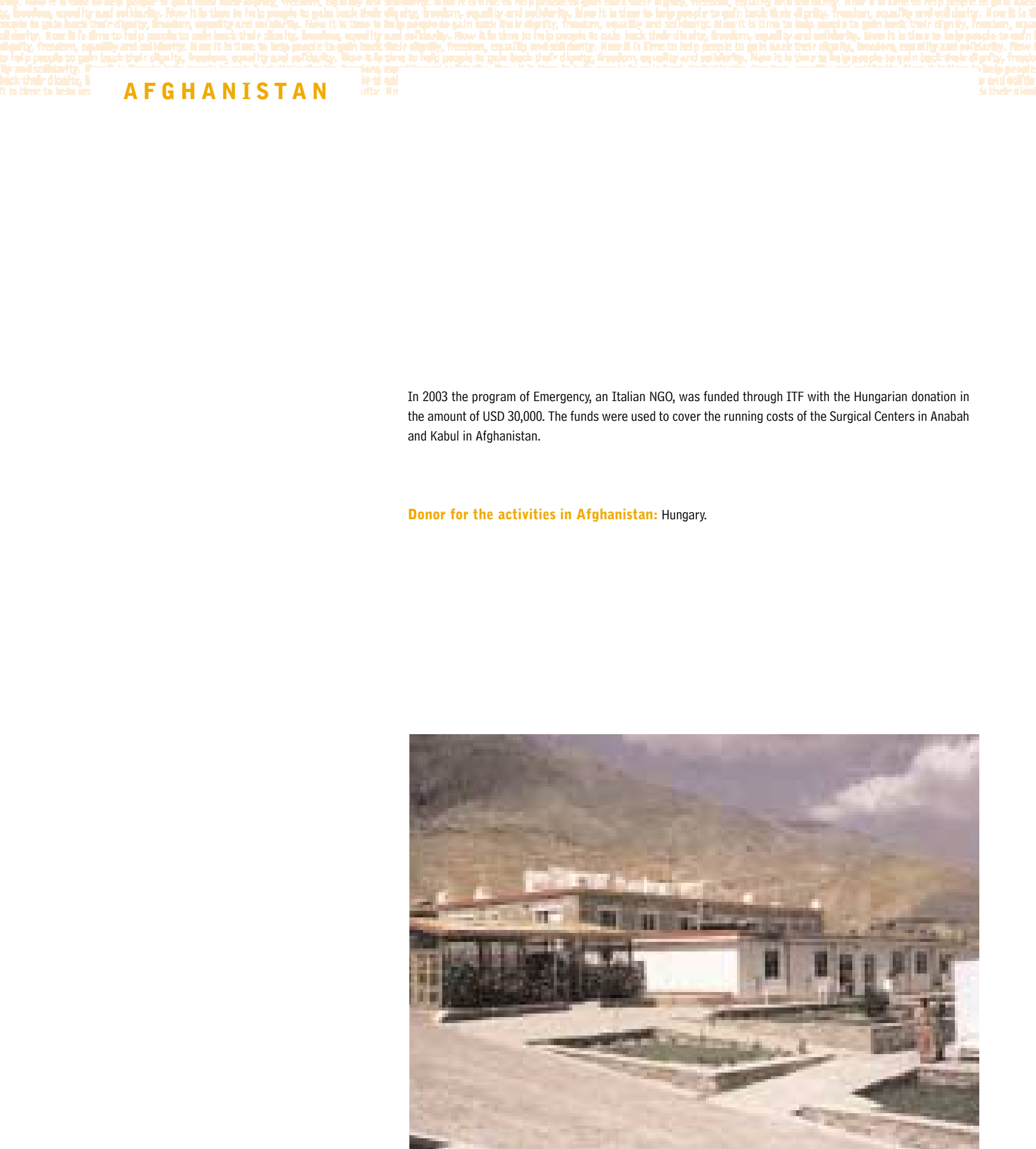


Chart: Use of the funds for Serbia and Montenegro, by purpose

A Z E R B A I J A N

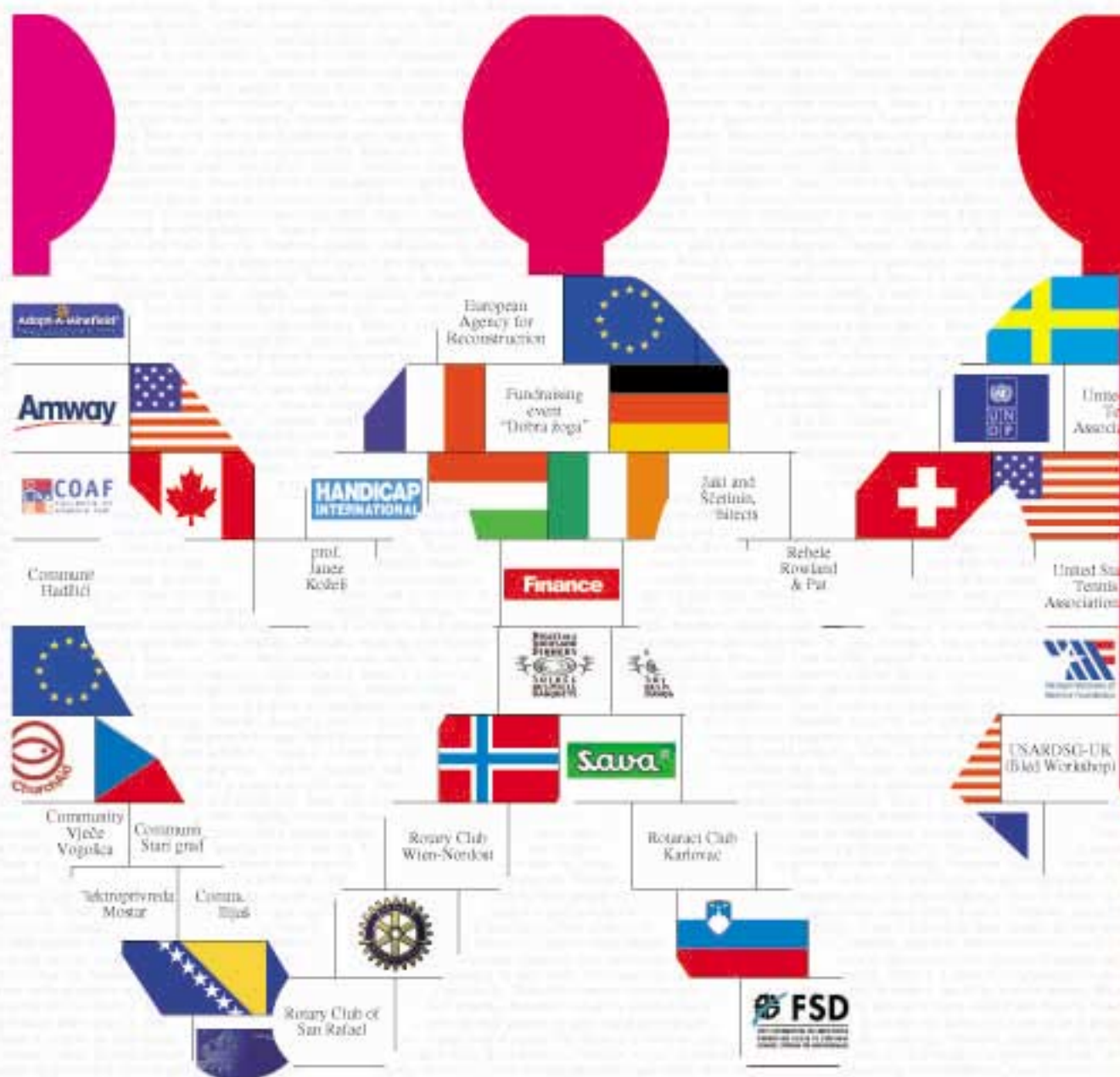
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AFGHANISTAN

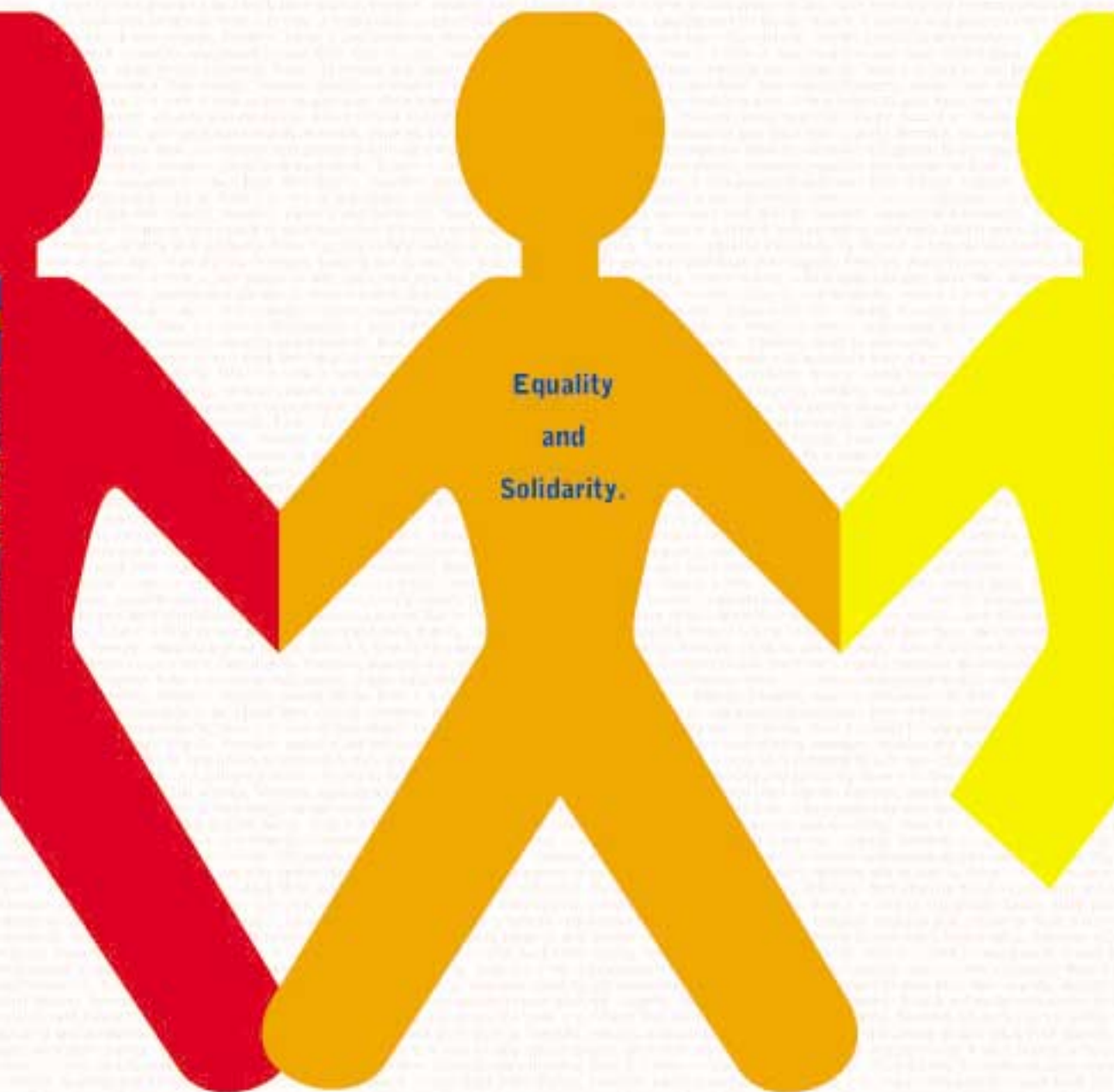
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In 2003 the program of Emergency, an Italian NGO, was funded through ITF with the Hungarian donation in the amount of USD 30,000. The funds were used to cover the running costs of the Surgical Centers in Anabah and Kabul in Afghanistan.

CONCLUSIONS



V.



CONCLUSIONS

2003 was a successful year for ITF, not only in terms of fundraising, where ITF succeeded in obtaining donations in excess of USD 22 million, but also in terms of project implementation as well as raising awareness of mine-related issues.

ITF further strengthened its relationships with various national bodies and organizations directly, as well as through the forum of regional cooperation in Mine Action in SE Europe, i.e. the South-East Europe Mine Action Coordination Council. We were also actively involved in addressing Mine Action issues on a global level via the Mine Action Support Group, the Intersessionals and the annual meeting of the states parties to the Ottawa Convention.

There are two things in particular which should be highlighted as major achievements in 2003. One is the fact that for the first time ever ITF succeeded in raising more than 10 % of its donations designated for Mine Victims Assistance programs. Although still below the desired benchmark of 15 %, this figure represents a significant improvement from the 3 % donated for Mine Victims Assistance programs in 2002. ITF will however continue to actively promote Mine Victims Assistance in the future.

The second important thing is that this year private donations accounted for almost 10 % of all donations raised in 2003, which is four times as much as in the previous year. We strongly believe that we must continue to attract private donors, possibly on an even larger scale, as public/private partnerships can provide an additional impetus in helping us to solve the mine problem faster.

In relation to demining and Battle Area Clearance, ITF achieved the objectives set in the beginning of 2003 with the sole exception of Croatia where the expected level of clearance remained below target due to logistic setbacks in the implementation of the projects funded by the US. Demining and Battle Area Clearance activities were successfully carried out in Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro.

A great deal was also achieved in terms of capacity building, especially in the management of the MAC structures, as well as in relation to rehabilitation. Our commitment and active involvement in this area will also continue in the future, primarily by providing different types of Mine Action related training.

On behalf of the people we would like to thank all donors, Mine Action Centers, relevant authorities in the mine-contaminated countries and implementing agencies who have been working with us towards our common goal.

Thank you!

CONT



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To the Managing Board of
the International Trust Fund for Demining and
Mine Victims Assistance
Ig
Slovenia

1. AUDITOR'S REPORT

We have audited the accompanying Balance Sheet of the International Trust Fund for Demining and Mine Victims Assistance, Ig, as at December 31, 2003, the related Profit and Loss Statement and the Cash Flow Statement for the financial year 2003. These financial statements are the responsibility of the Trust Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the International Trust Fund for Demining and Mine Victims Assistance, Ig, as at December 31, 2003 and the results of its operations and its cash flows for the financial year 2003, in accordance with International Accounting Standards.

Constantia UHY d.o.o.

Certified Auditor
Sebastian Gorenc

Ljubljana, February 13, 2004

matična številka: 1233940
davčna številka: 51961016
B. matični/kupniški račun: NLB a.d., 02010-0050887815
matični/kupniški številka: 24 000 000/00 5/1
B. registrirani matični: 1/30471/00 pri Okrajnem
sodstvu v Ljubljani
B. upravičeni matični: 1/30471/00 pri Okrajnem
sodstvu v Ljubljani

Dragan Martincovič
poslovni svetnik
B. poslovalni račun
B. poslovalni račun
B. poslovalni račun

Barbara Nosić
poslovni svetnik
B. poslovalni račun
B. poslovalni račun
B. poslovalni račun

mag. Matjaž Trnka
poslovni svetnik
B. poslovalni račun
B. poslovalni račun
B. poslovalni račun

Franci Žgajnar
poslovni svetnik
B. poslovalni račun
B. poslovalni račun
B. poslovalni račun

mag. Sebastian Gorenc
poslovni svetnik
B. poslovalni račun
B. poslovalni račun
B. poslovalni račun

2. BALANCE SHEET

as at December 31, 2003

		in 000 SIT		
		Note	2003	2002
ASSETS (A+B+C)			2.409.902	3.420.789
A. LONG-TERM ASSETS (I+II+III)			130.535	161.089
I. Intangible assets	1	17.958	39.137	
II. Tangible fixed assets	2	112.577	121.952	
III. Long-term financial assets		0	0	
B. CURRENT ASSETS (I+II+III+IV+C)			2.279.367	3.259.700
I. Inventories		0	347	
II. Receivables from operating activities		109.692	39.055	
a) Long – term receivables from Operating Activities		0	0	
b) Short – term receivables from Operating Activities		109.692	39.055	
1. Accounts receivable		127	0	
2. Sundry debtors	3	109.565	39.055	
III. Short-term financial assets	4	1.576.324	2.929.313	
IV. Cash and bank	5	593.351	243.525	
C. DEFERRED EXPENSES			0	47.460
TOTAL LIABILITIES AND NET ASSETS (A+B+C+D+E+F)			2.409.902	3.420.789
A. UNRESTRICTED NET ASSETS	6	45.016	110.947	
B. PERMANENTLY RESTRICTED NET ASSETS	7	2.009.529	2.744.519	
C. TEMPORARILY RESTRICTED NET ASSETS	8	108.951	131.244	
D. LIABILITIES FROM OPERATING ACTIVITIES		246.406	434.079	
1. Long-term Liabilities from Operating Activities		0	0	
2. Accounts payable	9	235.782	420.616	
3. Accrued salaries		7.896	8.461	
4. Sundry creditors		2.728	5.002	
E. LIABILITIES FROM FINANCING		0	0	
F. DEFERRED INCOME		0	0	

3. PROFIT AND LOSS STATEMENT for the financial year 2003

in 000 SIT			
	Note	2003	2002
+ A. Revenues / Donations	10	5.334.459	6.317.674
+ B. Income from financing	11	528.336	678.116
+ C. Extraordinary income		706	2.541
= D. Total revenues		5.863.501	6.998.331
- E. Costs of material and services	12	5.234.451	6.153.390
- F. Labour expenses	13	132.949	111.623
- G. Depreciation	14	50.169	38.255
- H. Provisions for current assets		0	0
- I. Other expenses	15	412	560
- J. Costs of financing	16	510.662	642.729
- K. Extraordinary expenses		789	2.958
= L. Total Expenses		5.929.432	6.949.515
= M. Surplus/loss before taxation		(65.931)	48.816
- N. Corporate income tax		(0)	(0)
= O. Net surplus (loss) after taxation	17	(65.931)	48.816

4. CASH FLOW STATEMENT for the financial year 2003

	in 000 SIT
	2003
Cash at the beginning of the year	243.525
+ Revenues	5.863.501
- Expenses (less depreciation cost and cost of long-term provisions)	5.879.263
- Corporate tax and distribution of profit	0
= Net cash flow from operating activities before adjustments	227.763
- Decrease in current liabilities and deferred income	187.673
- Increase in accounts receivable and deferred expenses	23.177
+ Decrease in inventories	347
= Adjusted net cash flow from operating activities	17.260
+ Net decrease in intangible fixed assets	6.132
- Net increase in tangible fixed assets	25.747
+ Net decrease in short-term financial assets	1.352.989
= Net cash flow from operating and financing activities	1.350.634
- Decrease in restricted net assets	757.283
= Cash at year end	593.351

5. GENERAL INFORMATION AND SUMMARY OF ACCOUNTING POLICIES

The International Trust Fund for Demining and Mine Victims Assistance was founded by the Republic of Slovenia, as such represented by the Slovene Government, on July 21, 1998. The establishment of the International Trust Fund was approved by the Minister of Foreign Affairs under the approval No. ZML326/98 dated July 22, 1998. The International Trust Fund was entered in the Register of Foundations.

The International Trust Fund has its headquarters located at Ig and its implementation offices in Bosnia and Herzegovina and Croatia. The Fund employs 15 persons at its headquarters and 5 persons in its offices in Bosnia and Herzegovina and Croatia.

The main activities of the International Trust Fund:

- Organising the removal and disposal of mines and other unexploded ordnance;
- Organising assistance and rehabilitation of mine victims.

The bodies of the International Trust Fund:

- Managing Board,
- Board of Advisors,
- Director,
- Honouree Board.

The members of the Managing Board as at December 31, 2003:

- **Vojislav Šuc**, Chairman
- **Zvezdana Veber Hartman**, member,
- **Dijana Pleština**, member,
- **Mustafa Alikadić**, member,
- **Bojan Žmavc**, member,
- **Darko Vidović**, member,
- **Dragiša Stanković**, member.

The members of the Advisory Board include the representatives of donors and the representatives of the founder of the International Trust Fund.

The statutory Annual Statement of the International Trust Fund for Demining and Mine Victims Assistance, Ig, for the year 2003 was prepared in accordance with the International Accounting Standards.

The following accounting policies were applied:

- Fixed assets and intangibles are depreciated using the straight-line method.
- Accounts receivable/payable, nominated in foreign currency, are translated at the middle exchange rate of the Bank of Slovenia in effect at the balance date. Unrealized exchange rate gains/losses are presented in the P/L statement under income from/costs of financing.
- Other assets/liabilities are stated at historical cost unless underlying agreements specify their revaluation.
- Donations for specific purposes are presented as the permanently restricted net assets. Foreign donations are translated at the middle exchange rate of the Bank of Slovenia in effect at the balance date. Donations were used for covering the costs of activities, for which they were granted.
- Temporarily restricted net assets present the value of donated intangibles and fixed assets and are used for covering the depreciation cost of donated intangible and tangible fixed assets.

The business year is equal to the calendar year.

5.1. NOTES
TO ANNUAL
STATEMENTS

	in 000 SIT	
	2003	2002
1. Intangible assets	17.958	39.137
Long-term deferred costs	4.734	10.867
Other intangibles	13.224	28.270

Long-term deferred costs as at December 31, 2003 consist of a donated four-year rent (4.734 thousand SIT).

Other intangibles consist of investments in rented premises (headquarters of the Trust Fund) (11.606 thousand SIT) and other intangibles (1.618 thousand SIT).

The depreciation rate for investments in rented premises is computed in reference to the expected service life of investments in rented premises, to reflect free use of premises till the end of the year 2004. Other intangibles were amortized on a case-per-case basis using the straight-line method. The amortization rate of 20% was used for amortization of other intangibles.

Donated intangibles amount to 16.340 thousand SIT.

The amortization cost of donated intangibles (14.077 thousand SIT) and the cost of donated rent (6.132 thousand SIT) are debited to the temporarily restricted net assets (note 8).

Changes in intangibles in the year 2003:

in 000 SIT			
Item	Intangibles owned	Donated intangibles	Total
1. Purchase value			
Balance as at 1.1.2003	6.850	76.609	83.459
Increase – new purchases	0	0	0
Decrease – sales, disposals	0	0	0
Balance as at 31.12.2003	6.850	76.609	83.459
2. Accumulation depreciation			
Balance as at 1.1.2003	(4.262)	(40.060)	(44.322)
Increase – depreciation	(970)	(14.077)	(15.047)
Increase – costs of rent	(0)	(6.132)	(6.132)
Decrease – sales, disposals	0	0	0
Balance as at 31.12.2003	(5.232)	(60.269)	(65.501)
3. Book value			
Balance as at 1.1.2003	2.588	36.549	39.137
Balance as at 31.12.2003	1.618	16.340	17.958

in 000 SIT		
	2003	2002
2. Tangible fixed assets	112.577	121.952

Fixed assets are shown at their book value. The base value for depreciation is equal to the acquisition cost.

The depreciation rates used for individual types of tangible fixed assets were as follows:

	%
- Other equipment	10,00 – 50,00
- Computers and computer equipment	33,00
- Office equipment	12,50
- Vehicles	15,50

Tangible fixed assets include donated equipment (92.611 thousand SIT). The depreciation cost of donated equipment in the amount of 28.155 thousand SIT is debited to the temporarily restricted net assets (note 8).

Changes in fixed assets in the year 2003:

in 000 SIT			
Item	Equipment owned	Donated equipment	Total
1. Purchase value			
Balance as at 1.1.2003	46.914	115.618	162.532
Increase – new purchases	2.236	33.014	35.250
Decrease	(8.710)	(10.061)	(18.771)
Balance as at 31.12.2003	40.440	138.571	179.011
2. Accumulation depreciation			
Balance as at 1.1.2003	19.657	20.923	40.580
Increase – depreciation	6.967	28.155	35.122
Decrease	(6.150)	(3.118)	(9.268)
Balance as at 31.12.2003	20.474	45.960	66.434
3. Book value			
Balance as at 1.1.2003	27.257	94.695	121.952
Balance as at 31.12.2003	19.966	92.611	112.577
in 000 SIT			
	2003	2002	
3. Sundry debtors	109.565	39.055	

This item comprises advances (10465 thousand SIT), donor pledge for 97963 thousand SIT (note 7) and other (1.137 thousand SIT).

The advances in the amount of 1.695 thousand SIT are donor funds insuring the debt of customs duties arising from the transfer of the donated equipment.

	in 000 SIT	
	2003	2002

4. Short-term financial assets

1.576.3242.929.313

This item comprises short-term deposits at the domestic bank in foreign currency (USD), bearing the interest at the annual rate of 0,93 %, maturing in January 2004, and the interests from deposited assets (971 thousand SIT). The fair value of short-term financial assets equals its book value as at balance sheet date.

	in 000 SIT	
	2003	2002

5. Cash and Bank

593.351243.525

Petty Cash	3.494	3.470
Cash in bank	589.857	240.055
Tolar accounts	23.610	35.926
Foreign currency accounts	562.154	202.652
Foreign currency accounts outside the country	4.093	1.477

	in 000 SIT	
	2003	2002

6. Unrestricted Net Assets

45.016110.947

Founding capital	1.000	1.000
Retained earnings	109.947	61.131
Net Result for the Year	(65.931)	48.816

The founding capital of 1.000 thousand SIT was transferred to the International Trust Fund for Demining and Mine Victims Assistance on July 22, 1998, when the Ministry of Foreign Affairs approved the Founding Act.

Summary of changes in Unrestricted Net Assets:

	in 000 SIT			
Item	Founding capital	Retained Earnings	Net result for the year	Total
Balance as at 31.12.2002	1.000	61.131	48.816	110.947
Increase	0	48.816	(65.931)	(17.115)
Decrease	0	0	(48.816)	(48.816)
Balance as at 31.12.2003	1.000	109.947	(65.931)	45.016

	in 000 SIT	
	2003	2002
7. Permanently Restricted Net Assets	2.009.529	2.744.519
Donations for demining and mine victims rehabilitation and other specific purposes	2.007.834	2.742.562
Donated goods	0	347
Donated advances	1.695	1.610

Summary of Changes in Permanently Restricted Net Assets:

	in 000 SIT			
Item	Donations (cash)	Donated goods	Donated advances	Total
Balance as at 31.12.2002	2.742.562	347	1.610	2.744.519
Donations received	4.728.689		85	4.728.774
Donations returned	(13.737)			(13.737)
Interest credited	22.971			22.971
Use of donations				
- Demining	(3.532.829)			(3.532.829)
- Rehabilitation	(147.659)			(147.659)
- Structure	(79.742)			(79.742)
- Region	(48.235)			(48.235)
- Mine victims assistance	(265.092)			(265.092)
- Other	(1.082.793)	(347)		(1.083.140)
- Purchase of intangibles and fixed assets	(33.014)			(33.014)
Revenues of Trust Fund	(126.161)			(126.161)
Exchange rate differences	(255.089)			(255.089)
Donors pledge	97.963			97.963
Balance as at 31.12.2003	2.007.834	0	1.695	2.009.529\$

Summary of 2003 changes in Permanently
Restricted Net Assets (in 000 SIT):

ADOPT-A-MINEFIELD
AMWAY D.O.O.
AUSTRIA
BELGIUM
BOSNIA AND HERZEGOVINA
CANADA CIDA
CANADA DFAIT
CHILDREN OF ARMENIA FUND
COMMISION FOR DEMINING IN BIH
COMMUNITY CENTER SARAJEVO
COMMUNITY HADŽIČI
COMMUNITY ILIJAŠ
COMMUNITY NOVI GRAD
COMMUNITY STARI GRAD
COMMUNITY VOGOŠČA
COORDINAMENTI DONNE CGIL-CISL-UIL
CROATIA
CROATIA WITHOUT MINES
CZECH REPUBLIC
DANCHURCHAD
DENMARK
DIJANA PLEŠTINA
EC DELEGATION IN ZAGREB
ELEKTROPRIVREDA HERCEG BOSNE
EUROPEAN AGENCY FOR RECONSTRUCTION IN SKOPJE
EUROPEAN UNION - 2003 "BORDERLINE"
EUROPEAN UNION - 2003 "LIS"
EUROPEAN UNION – GIS
EUROPEAN UNION - INTERESTS
EUROPEAN UNION 2002
FRANCE
FUNDRAISING EVENT "DOBRA ŽOGA"
GERMANY
GLOBAL CARE UNLIMITED
HANDICAP INTERNATIONAL
HUNGARY
IRELAND
JAKI AND ŠČETININ, ARCHITECTS
LIONS CLUB ZRINJEVAC
LUXEMBOURG
NEWSPAPER FINANCE
NIGHT OF A THOUSAND DINNERS
NORWAY
NOVA LJUBLJANSKA BANKA D.D.
ROOTS OF PEACE
ROTARACT CLUB KARLOVAC
ROTARY CLUB WEIN- NORDOST
ROTARY CLUB LJUBLJANA-EMONA
ROTARY CLUB OF SAN RAFAEL
ROWLAND K. REBELE
SLOVENIA
SWEDEN
SWISS FOUNDATION FOR MINE ACTION CENTER
SWITZERLAND
UNDP BIH
UNITED KINGDOM
UNITED STATES TENNIS ASSOCIATION
USA - 10 MILLION USD
USA - 14 MILLION USD
USA – ARMENIA
USA - BIH "LIS"
USA - BLED WORKSHOP
USA – INTERESTS
USA – MDD
USA - US TECHNICAL ASSISTANCE
USA –UNILATERAL MACEDONIA
VVAF
WALNUT CREEK
TOTAL

Opening balance	Donation received	Revenues	Demining	Structure	Rehabilitation	Region	Other	Mine Victims Assistance	Interest credited	Reallocation	Donations returned	Exchange gains/	Donors	
51.576	81.528	(1.177)	(68.035)	0	0	0	0	0	426	0	0	(9.709)	0	54.609
0	3.101	(93)	(3.162)	0	0	0	0	0	0	0	0	154	0	0
10.073	0	0	0	0	0	0	0	(10.168)	0	0	0	95	0	0
41	0	0	0	0	0	0	0	0	0	0	0	(6)	0	35
0	21.090	(633)	0	(20.454)	0	0	0	0	0	0	0	(3)	0	0
41.535	92.120	(2.337)	(61.806)	(23.619)	0	0	(30.388)	(10.868)	0	0	(4.001)	3.414	0	4.050
0	2.128	(64)	(2.122)	0	0	0	0	0	0	0	0	58	0	0
0	20.415	(612)	(19.992)	0	0	0	0	0	0	0	0	189	0	0
3.963	0	0	0	0	0	0	0	0	0	0	0	110	0	4.073
740	53.711	(1.611)	(53.192)	0	0	0	0	0	0	0	0	352	0	0
4	3.024	(91)	0	0	0	0	0	0	0	0	0	2	0	2.939
0	2.360	(71)	(2.327)	0	0	0	0	0	0	0	0	38	0	0
0	842	(25)	(819)	0	0	0	0	0	0	0	0	2	0	0
0	9.452	(284)	(9.299)	0	0	0	0	0	0	0	0	131	0	0
0	2.397	(72)	(400)	0	0	0	0	0	0	0	0	22	0	1.947
2.904	0	0	(2.935)	0	0	0	0	0	0	0	0	31	0	0
44.745	0	0	(9.034)	0	0	0	0	0	285	0	0	(5.291)	0	30.705
217	0	0	0	0	0	0	0	0	0	0	0	(31)	0	186
2.983	10.365	(311)	(11.938)	0	0	0	0	0	0	0	0	(247)	0	852
0	44.945	(1.348)	(43.695)	0	0	0	0	0	0	0	0	98	0	0
156	0	0	0	0	0	0	0	0	0	0	(156)	0	0	0
1.564	2.754	(83)	(1.873)	0	0	0	0	0	45	0	0	73	0	2.480
151.051	141.393	(4.242)	(113.934)	0	0	0	(517)	0	0	0	0	3.503	0	177.254
0	48.680	(1.460)	(36.954)	0	0	0	0	0	0	0	0	165	0	10.431
0	19.282	(510)	(4.149)	(11.129)	0	0	0	0	0	0	0	(178)	0	3.316
0	227.731	(6.832)	(165.978)	0	0	0	0	0	0	0	0	2.525	0	57.446
0	128.138	(3.844)	0	0	0	0	(171.843)	0	0	0	0	(2.013)	49.562	0
45.961	23.510	(705)	0	0	0	(27.831)	(52.351)	0	0	0	0	292	11.124	0
8.198	0	0	0	0	0	0	0	0	4.226	0	0	229	0	12.653
32.098	0	0	(53.219)	0	0	0	(15.541)	0	0	0	0	(615)	37.277	0
5.420	19.496	(585)	(18.961)	0	0	0	(4.901)	(587)	84	0	0	118	0	84
0	11.703	(351)	0	0	(7.135)	0	0	(1.297)	0	0	0	0	0	2.920
110.355	317.090	(9.513)	(375.413)	0	0	0	0	0	0	0	(7.620)	(7.127)	0	27.772
3	0	0	0	0	0	0	0	0	0	0	0	(1)	0	2
0	121.206	(3.636)	0	0	0	0	0	(81.635)	0	0	0	798	0	36.733
0	6.706	(201)	0	0	0	0	0	(6.365)	0	0	0	(140)	0	0
147	27.142	(814)	0	0	0	0	0	0	0	0	0	157	0	26.632
0	260	(8)	0	0	0	0	0	0	0	0	0	0	0	252
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.292	0	0	0	0	0	0	0	(11.367)	0	0	0	75	0	0
0	566	(17)	(549)	0	0	0	0	0	0	0	0	0	0	0
826	505	(11)	0	0	(968)	0	(9)	0	0	0	0	1	0	344
21.444	936.313	(4.635)	(927.042)	0	0	0	0	(20.825)	0	0	0	(870)	0	4.385
2	0	0	0	0	0	0	0	0	0	0	0	0	0	2
60	0	0	0	0	0	0	0	0	0	0	0	(9)	0	51
0	544	(16)	0	0	0	0	0	0	0	0	0	0	0	528
0	50.755	(1.523)	0	0	0	0	0	0	0	0	0	130	0	49.362
0	21.190	(636)	(3.437)	0	(17.117)	0	0	0	0	0	0	0	0	0
0	8.469	(254)	0	0	0	0	0	0	0	0	0	(619)	0	7.596
0	205	(6)	(187)	0	0	0	0	0	0	0	0	(12)	0	0
20.320	88.100	(2.643)	0	0	(13.465)	0	(63.439)	0	0	0	0	(1)	0	28.872
1.910	49.828	(1.121)	(24.875)	(24.540)	0	0	0	0	289	0	(1.960)	477	0	8
0	29.792	(894)	(28.855)	0	0	0	0	0	0	0	0	(43)	0	0
458	31.487	(945)	(24.521)	0	0	0	0	0	0	0	0	(258)	0	6.221
0	22.714	(681)	(20.823)	0	0	0	0	0	0	0	0	(1.210)	0	0
26.208	0	0	(24.687)	0	0	0	(1)	0	184	0	0	(1.698)	0	6
0	5.038	(151)	(4.970)	0	0	0	0	0	0	0	0	83	0	0
193.266	2.022.910	(70.802)	(722.934)	0	(22.031)	(20.404)	(266.883)	(86.280)	0	(17.557)	0	(53.916)	0	955.369
1.669.989	0	0	(651.039)	0	(86.943)	0	(409.553)	(35.700)	0	583	0	(152.386)	0	334.951
64.725	0	0	(11.713)	0	0	0	(771)	0	0	0	0	(8.607)	0	43.634
153.964	0	0	0	0	0	0	(71.550)	0	0	0	0	(13.983)	0	68.431
0	7.255	0	0	0	0	0	(6.423)	0	0	0	0	(247)	0	585
24.003	0	0	0	0	0	0	(9.234)	0	17.432	0	0	(4.369)	0	27.832
588	0	0	0	0	0	0	(504)	0	0	0	0	(84)	0	0
5.542	0	0	0	0	0	0	(11.829)	0	0	17.557	0	(1.935)	0	9.335
34.229	0	0	(17.815)	0	0	0	(70)	0	0	(583)	0	(2.811)	0	12.950
0	10.449	(313)	(10.145)	0	0	0	0	0	0	0	0	9	0	0
2	0	0	0	0	0	0	0	0	0	0	0	(1)	0	1
2.742.562	4.728.689	(126.161)	(3.532.829)	(79.742)	(147.659)	(48.235)	(1.115.807)	(265.092)	22.971	0	(13.737)	(255.089)	97.963	2.007.834

The balances of donations are presented according to the middle exchange rate of the Bank of Slovenia in effect at December 31, 2003.

	in 000 SIT	
	2003	2002
8. Temporarily Restricted Net Assets	108.951	131.244
Donated intangibles	16.340	36.549
Donated fixed assets	92.611	94.695

Summary of 2003 movements in Temporarily Restricted Net Assets:

	in 000 SIT		
Item	Donated intangibles	Donated fixed assets	Total
Balance as at 31.12.2002	36.549	94.695	131.244
Donations received	0	33.014	33.014
Differences (disposals, sales, reconciliation)	(0)	(6.943)	(6.943)
- Depreciation	(14.077)	(28.155)	(42.232)
- Costs of donated rent	(6.132)	(0)	(6.132)
Balance as at 31.12.2003	16.340	92.611	108.951

	in 000 SIT	
	2003	2002
9. Accounts Payable	235.782	420.616
Accounts payable to domestic vendors	3.839	19.260
Accounts payable to foreign vendors	231.943	401.356

The accounts payable to domestic (3458 thousand SIT) and foreign suppliers (231.943 thousand SIT) debit permanently restricted net assets.

	in 000 SIT	
	2003	2002
10. Revenues / Donations	5.334.459	6.317.647
Utilization of permanently restricted net assets – main activities of fund	5.156.69	6.057.239
Operating revenues, fixed percentage of donated funds	126.161	219.365
Depreciation of donated fixed assets	28.155	18.656
Utilization of costs of donated intangible assets	20.209	17.507
Other revenues	3.237	4.907

Other revenues of the Trust Fund consist of sales of tender documentation (1.314 thousand SIT) and other (1.923 thousand SIT).

	in 000 SIT	
	2003	2002
11. Income from financing	528.336	674.116
Exchange rate gains	501.584	617.258
Interest received	26.752	60.858

	in 000 SIT	
	2003	2002
12. Costs of material and services	5.234.451	6.153.390
Cost of goods sold	36.085	112.439
Materials	38.791	26.457
Services	5.159.575	6.014.494

The following costs debited permanently restricted net assets: cost of goods sold (36.085 thousand SIT), materials (27045 thousand SIT) and cost of services (5.072.846 thousand SIT).

	in 000 SIT	
	2003	2002
13. Labour expenses	132.949	111.623
Payroll expenses	100.323	86.788
Social contributions	16.246	10.733
Other labour costs	16.380	14.102

Payroll expenses consist of payments to employees of the Trust Fund's headquarters (82.514 thousand SIT) and payments to employees of the Implementation Offices (17.809 thousand SIT).

Other labour costs consist of payroll tax (7364 thousand SIT), refund of travel costs (3.061 thousand SIT), refund of costs of meals (3.115 thousand SIT), holiday pay (2433 thousand SIT) and other (407 thousand SIT).

Labour expenses in the amount of 26.524 thousand SIT debited permanently restricted net assets.

	in 000 SIT	
	2003	2002
14. Depreciation	50.169	38.255
Depreciation of donated tangible fixed assets and intangible assets	42.232	30.031
Other depreciation costs	7.937	8.224

	in 000 SIT	
	2003	2002
15. Other expenses	412	560

Other expenses in the amount of 329 thousand SIT debited permanently restricted net assets.

	in 000 SIT	
	2003	2002
16. Costs of financing	510.662	642.729

This item consists of realized and unrealized exchange rate losses (487691 thousand SIT) and interest expenses (22.971 thousand SIT).

The Trust Fund increased its permanently restricted net assets for the amount of interest (22.971 thousand SIT) received on donated funds, pursuant to underlying agreements with individual donors (note 7).

	in 000 SIT	
	2003	2002
17. Allocation of operating results for the year		
Retained earnings as at January 1,	109.947	61.131
Operating surplus (loss)	(65.931)	48.816
Retained earnings as at December 31	44.016	109.947

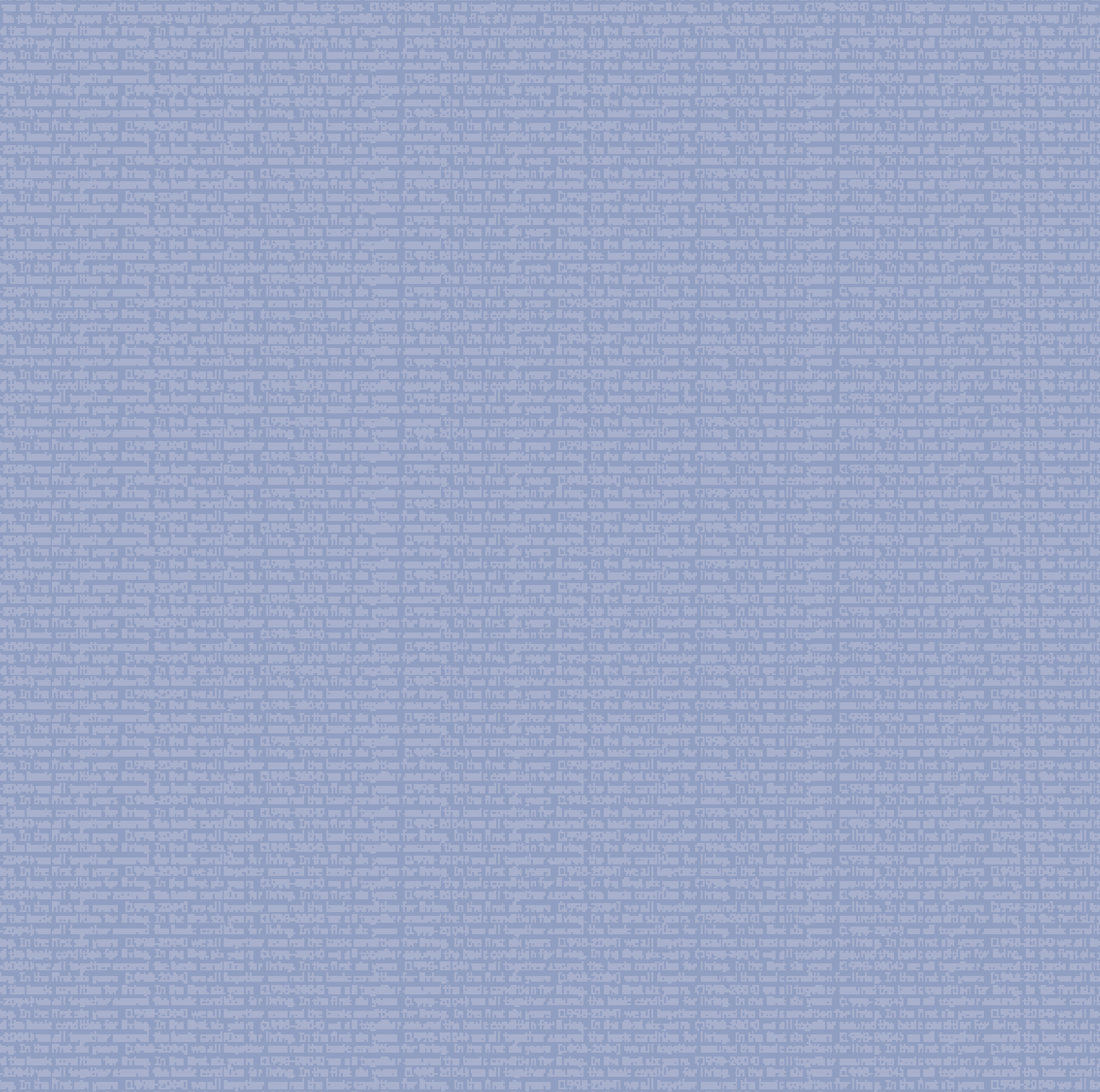
18. Post-balance sheet events

In the period since the issue of the financial statements to the date of this report no events that would take effect on the fair view of the financial statements for the year 2003 have occurred.

Managing Director: **Jernej Cimperšek**



Ig, February 13, 2004



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