

ITF ANNUAL REPORT 2002



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INTERNATIONAL TRUST FUND
for Demining and Mine Victims Assistance

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INTRODUCTION

INTRODUCTION

VISION

MISSION

MINE AND UXO THREAT IN SOUTH-EAST EUROPE

SOCIO-ECONOMIC AND SECURITY IMPACT OF LANDMINES IN SOUTH-EAST EUROPE

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-social rehabilitation and reintegration. However, as BiH was not the only country in the region affected by landmines (see Mine and UXO threat in SE Europe), it was only fair to spread its operations to 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. ITF is thus practicing holistic

approach to landmine and UXO problem, and at the same time trying to meet the needs of the mine-affected communities in the field.

ITF is thus working very closely with the national governments and mine action centers of the mine affected countries to guarantee that the donation is helpful and useful also for the end-users, i.e. 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 national set priorities.
- 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 capacities 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-Eastern Europe Mine Action Coordination Council (SEEMACC).

All with the aim to eliminate the effect of mine contamination in the mine-affected countries of South-East Europe by 2010.



MINE AND UXO THREAT IN SE EUROPE

It is estimated that more than 2 million mines and other unexploded ordnances have been left in the ground as a deadly legacy of the recent conflicts in the region of SEE. Albania, Bosnia and Herzegovina, Croatia, Macedonia and Serbia and Montenegro and have been dealing with this problem on a daily basis. It is impossible for people to lead normal lives under such circumstances. They are afraid to work in the fields, afraid of going to work, to school, to church. Every single step in the suspected area can result in a tragedy.

Albania

Mines in Albania are present along the Kosovo (Serbia nad Montenegro) / Albanian border in the northern Albania from Shistavec in the south to Tropoje in the north. The mine-contaminated strip is 120 km long and mines have been laid up to 400 meters into Albania. Initial surveys estimated 15.1 square kilometers of mine-contaminated land. So far, 6.5 square kilometers of territory have been released after the completion of Level I and Level II surveys. 15 % of all estimated mine-contaminated area has already been cleared.

Bosnia and Herzegovina

The mine suspected area in Bosnia and Herzegovina amounts to 2,130.6 square kilometers or 4.2 % of the country's territory. Estimates suggest that there are 18,600 minefields with 670,000 of mines and 650,000 UXOs. So far, 39,051,392 square meters of mine suspected area has been cleared.

Croatia

1,700 square kilometers of land is suspected of being mined, which represents 3 % of the total territory of Croatia. 170 square kilometers are expected to be minefields, other nuisance mines or suspected areas. So far, 15 % of the total mine suspected area has been cleared.

Macedonia

21 square kilometers of Macedonian land is suspected of mine-contamination, mainly with UXOs, which represents 0.07% of the country's territory. Mines are expected to be found along the border with Kosovo (Serbia and Montenegro). So far, 17 % of the contaminated area has been cleared. It is expected that Macedonia will be declared free of impact of mines and UXOs by the end of 2003.

Serbia and Montenegro

Serbia - According to the data provided by the Mine Action Center Belgrade, 44 square kilometers of land is contaminated with mines and UXOs (cluster munition), which represents 0.05% of the total Serbian territory. 40 sites are contaminated with app. 60 air bombs and high caliber projectiles. None have been cleared yet.

Montenegro - The minefields in Montenegro are situated in the area along the border with Croatia. UXOs are expected to be found in the waters along the Montenegro coast. Exact data has yet to be determined.

SOCIO-ECONOMIC AND SECURITY IMPACT OF LANDMINES IN SE EUROPE

Mines represent by far one of the most significant security, humanitarian, environmental, economic and development problems of the international community. Areas covered with mines have direct and indirect impact on a community, manifested in a huge number of civilian casualties, the population's health, losses in livestock, arable land, supplies, production and trade, constant fear and threat, resumption of animosity, distrust and intolerance.

MANAGING BOARD

BOARD OF ADVISORS

DONORS

RELATIONS WITH OTHER ORGANIZATIONS

HUMAN RESOURCES

MANAGING BOARD

The ITF Managing Board has 9 members, however at the end of 2002 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 Board lost two of its members in 2002 to illness: Ignac Golob, State Secretary at the Ministry of Foreign Affairs of Slovenia, and Bojan Ušeničnik, State Undersecretary at the Ministry of Defense of Slovenia.

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

In 2002 the Managing Board conducted two regular meetings and one correspondence session. It also extended the four-year term to ITF Director General Jernej Cimperšek by another year.

The Managing Board also approved and adopted the ITF Annual Report 2001, Plan for 2002 and a four-year report on ITF's activities.

BOARD OF ADVISORS

ITF's Board of Advisors (BoA) is the board of donors to the ITF. It has 27 members as follows in the table on the right.

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 that are important to the donors, and to their wishes and inclinations in relation to providing further assistance for future humanitarian projects. In 2002 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 2001 and Plan for 2002.

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

DONORS

In addition to the BoA forum ITF also maintains a direct, more personal relationship with each donor. In 2002, 15 countries, EU and the European Agency for Reconstruction in Skopje as well as 10 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 and that the programme fits into the wider development programme.

RELATIONS WITH OTHER AGENCIES

Aware that Mine-Action is a field that requires a broad participation and coordination of different stakeholders, ITF is cooperating with all of them ranging from mine-affected communities, mine action centers, national governments of mine-affected countries, implementing agencies, donors and international community.

During the year cooperation with agencies involved in Mine Action (especially in the region of SEE), whether the members of the UN system or other international organizations, regional organizations or NGOs improved substantially.

ITF in September 2002 became a member (through Slovenia) in the Mine Action Support Group, the UN mechanism for coordination and overview of the donor activities for Mine Action. In the field of UNDP/Cranfield Training courses, ITF is actively involved with UNDP Mine Action Team, as well as with UNOPS mine action team in the project of Adopt-a-minefield that ITF is implementing in Bosnia and Croatia. ITF is also participating in the States Parties meeting of the Ottawa convention. ►

◀ In the regional level ITF was the initiator and is actively involved in the meetings of South-Eastern Europe Mine Action Coordination Council (SEEMACC) and the Reay Group in the framework of the Stability pact for South-Eastern Europe.

In the field of management training ITF cooperated with the Cranfield University and the Center for Management Development and Training (CISEF) at the Faculty of Economics in Ljubljana University.

The cooperation was also established with Survey Action Center that

started to implement the Landmine Impact Survey in Bosnia and Herzegovina.

The NGOs that ITF worked with in this year included: Danish Church Aid, Handicap International, Landmine Monitor, Norwegian People's Aid, Swiss Foundation For Mine Action, Vietnam Veterans For America Foundation, Stop Mines, BH Demining, Pro Vita, Ug Zom and Akcija protiv mina.

HUMAN RESOURCES

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 23 people.

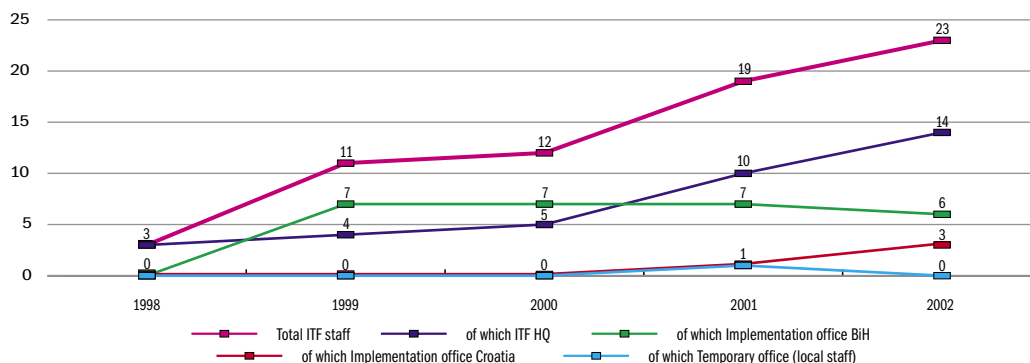
The ITF Headquarters is responsible for the coordination of all activities, as well as for the financial management of donations. In addition, the Headquarters manages contracts and the awarding of contracts, carries out project reporting and evaluation, and organizes workshops, conferences and meetings.

The ITF Headquarters also performs monitoring and evaluation of operations in the field at least twice a year for each project. 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 administration staff is hired locally if required. Such a Temporary Office was opened in Skopje in 2001. A Temporary Office will most probably also be needed in Serbia and Montenegro as well as in the Caucasus in 2003.

The growth of ITF staff is presented in the chart below.



FUNDRAISING

FINANCIAL MANAGEMENT AND INTERNAL CONTROL

EXTERNAL AUDIT

DONATIONS

USE OF DONATIONS IN 2002

ITF ADMINISTRATIVE AND PROJECT COSTS

FINANCIAL MANAGEMENT AND INTERNAL CONTROL PROCEDURES

In 2002 ITF strengthened its internal control procedures regarding the financial management and administration of donations. A control compliance log was introduced for the purposes of increased transparency and visibility. In addition, changes were made to the financial system, which has resulted in improved reporting to donors and better data analysis.

Financial risk management was further developed in 2002. Hedging was introduced through the policy of donations being transferred to implementing agencies in the same currency as they are received in order to minimize losses created by currency rate fluctuations.

EXTERNAL AUDIT

ITF's accounts are subject to an external audit on an annual basis. The 2002 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

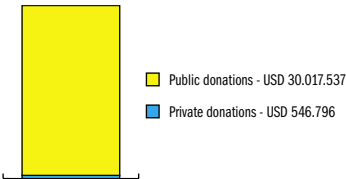
ITF raised USD 30,564,333.00 worth of donations in 2002. These funds were contributed by 15 countries, EU and European Agency for Recontruction in Skopje, and 10 different private donors and organizations. Out of the funds raised, USD 14 million were contributed to ITF via the matching funds mechanism provided by the government of the United States.

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

One problem that ITF identified in 2002 was that we did not attract any new public donors except of the generous in-kind contribution of the Slovak Republic in form of BOŽENA-4 demining machine for CROMAC. This will definitely have to be remedied in the future. The number of private donors could also be increased.

Attracting new donors is an important issue as there are indications of donor fatigue setting in when it comes to SE Europe. This is the reality that we have to fight, in particular as two countries in the region i.e. Bosnia and Herzegovina and Croatia will continue to face the mine problem at least until 2010, and even then they won't be entirely free

Public vs. Private Donations



from the impact of mines - even if the funding were maintained at today's levels.

While 2002 was a successful year for ITF in terms of funds raised, we will have to maintain this target in the future years if our vision of making SE Europe free fromthe impact of mines by 2010 is to become a reality.

The donors that made contributions in 2002 are shown in the table below. 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.

Donor	2002
Adopt-a-Minefield®	\$421,338.12
Austria	\$44,878.50
Bank Austria	\$1,353.43
Bosnia and Herzegovina	\$1,117,980.08
Canada	\$814,476.70
Coordinamenti Donne	\$13,028.60
Community Center Sarajevo	\$168,012.36
Community Hadžići	\$23,801.84
Croatia	\$3,155,518.94
Croatia Without Mines	\$83,305.78
Czech Republic	\$50,000.00
Dijana Pleština	\$6,158.70
European Union	\$1,767,952.82
EC Delegation in Croatia	\$1,171,069.45
European Agency for Reconstruction in Skopje	\$687,319.10
France	\$44,995.50
Germany	\$500,000.00
Global Care Unlimited	\$5,000.00
Liechtenstein	\$12,061.36
Luxembourg	\$102,209.99
Norway	\$3,578,690.80
Nova Ljubljanska Banka	\$6,837.25
Roots of Peace	\$500.00
Slovenia	\$362,533.91
Slovak Republic	in-kind
Sweden	\$372,448.50
Switzerland	\$439,406.70
USA - Matching Fund	\$14,000,000.00
USA - Unilateral	\$1,603,398.00
'Night of the 1000 Dinners'	\$9,697.31
Total	\$30,564,333.74

USE OF DONATIONS IN 2002

In 2002, USD 25,418,121 was allocated to various ITF activities as follows:

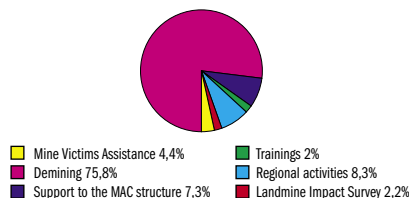
- USD 1,118,539 was spent on Mine Victims Assistance activities (4.4 percent).
- USD 19,255,686 was spent on demining and battle area clearance (75.8 percent).
- USD 1,864,690 was spent on the local Mine Action structure support (7.3 percent).
- USD 2,104,032 was spent on regional activities (8.3 percent).
- USD 517,120 was spent on regional training (2 percent).
- USD 558,053.09 was spent on the Landmine Impact Survey (2.2 percent).

As evident from the above figures, Mine Victims Assistance programs are still grossly under-funded. The 4.4 percent of donations spent on MVA is well below the required level for the region (see also OPERATIONAL OVERVIEW - Mine Victims Assistance). The changes in funds allocation in comparison to 2001 are presented in the chart on the right.

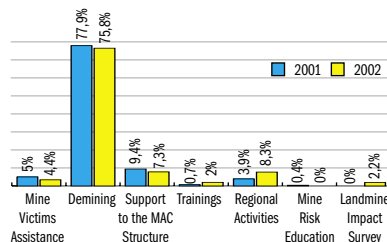
The use of funds per country is shown in the chart on the right. 39 percent of the funds was spent in Bosnia and Herzegovina, 40.5 percent in Croatia, 3.5 percent in Albania, 5 percent in Macedonia, 2.8 percent in Serbia and Montenegro and 7.7 percent was allocated to regional activities in SE Europe.

Altogether 1.5 percent of the funds (376,018 USD) was spent outside the region i.e. on the UNDP/Cranfield Middle Management Course in Pakistan (for Afghanistan) and the purchase of demining equipment for Armenia.

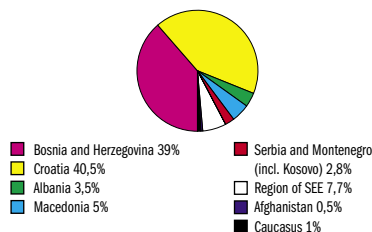
Use of the funds in 2002 by purpose



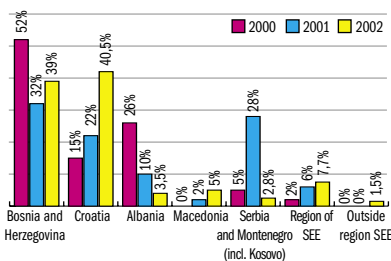
Use of the funds in 2001/2002



Distribution of funds by country



Use of funds by country 2000-2002



ITF ADMINISTRATION AND PROJECT COSTS

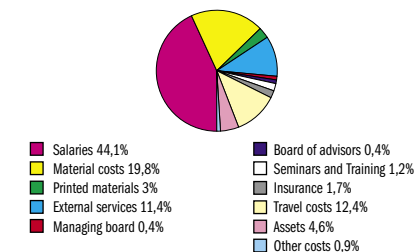
The standard fee on which ITF operates is 3 percent of the funds raised. The fee covers all ITF costs associated with individual donations i.e. the tender process, awarding of contracts, contract monitoring and supervision, and project evaluation and reporting. (Please refer to OPERATIONAL OVERVIEW - Monitoring and Evaluation for more details.)

The administration and project costs covered by the fee also include the operating expenses of the ITF HQ at Ig and Implementation Offices in Croatia and Bosnia and Herzegovina, monitoring visits of ITF staff in the field, conferences, seminars, ITF publications and similar.

The fee 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.

Use of ITF a&p costs in 2002



OPERATIONAL OVERVIEW

DEMINING AND BATTLE AREA CLEARANCE

MONITORING AND EVALUATION

MINE VICTIMS ASSISTANCE

TRAINING

REGIONAL ACTIVITIES IN SE EUROPE

CONFERENCES, MEETINGS AND OTHER EVENTS

PUBLICATIONS

DEMINING AND BATTLE AREA CLEARANCE

ITF was involved in mine- and battle area clearance on a larger or smaller scale in all mine-affected countries in SE Europe. In 2002 this included Albania, Bosnia and Herzegovina, Croatia, Macedonia and Serbia and Montenegro. The demining programs were being carried out by various partners: NGOs, commercial companies and local trained capacities. All the demining work involved the projects from the priority lists of

respective mine-affected countries while also taking into account (if required) 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 directly.

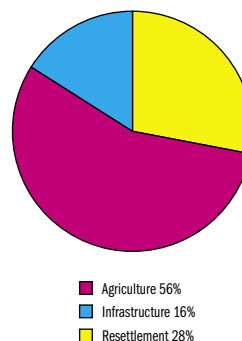
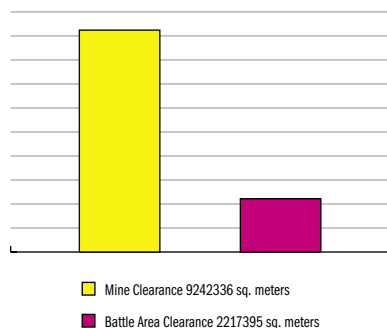
Prioritization is still an issue in all of the mine-affected countries in the region; however, we are confident that the Landmine Impact Survey in BiH that started in November 2002 and is being implemented by Handicap International will improve matters in Bosnia and Herzegovina. Freeway as a strategic planning tool developed by Cranfield University could also be used to improve planning efficiency throughout SE Europe. In 2002 altogether 11.4 million ►

◀ square meters of land was cleared in the region of SEE. Out of that number 2,2 million were cleared through the battle area clearance (591 UXO and 11 mines found) and 9,2 million were cleared through demining. Battle area clearance was executed in Macedonia and Albania, where in Bosnia and Herzegovina, Croatia and partly Albania demining activities took place. The end-use of the demined/BAC

areas was different ranging from resettlement and reconstruction purposes (demining of the houses, yards and areas in the vicinity of populated areas), agriculture (fields, pastures, grazing lands) and infrastructure (railways, roads, water basins and canals, power- and pipe-lines). On approximately 1/3 of the projects ITF also conducted a post-clearance visit of sites to determine whether the cleared areas were post-clearance

used as predicted in the priority lists. Due to the 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 on the area. The inspections and assessments are carried out by the ITF Implementation Offices.

End use of demined land in region of SEE in 2002



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.

Once a project has been given a top-priority status - these evaluations have to be made to ensure that the scarce resources available are utilized in the best way possible - in

2002 ITF also started to carry out post-clearance inspections of demined sites - usually 3-6 months after the clearance has been completed. ITF inspected approximately one third of all sites in Bosnia and Herzegovina in 2002. In addition to the descriptive method, ITF is now also using the EU Long-term Indicator Performance forms. During the inspections, photographs of the sites are also taken.

If requested by the donor, ITF may also employ a monitoring and quality assurance 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 2002 ITF employed two monitoring and quality assurance firms; both were selected by tender.

MINE VICTIMS ASSISTANCE

Institute for Rehabilitation in Ljubljana

In 2002, 111 mine victims were rehabilitated at the Rehabilitation Institute of the Republic of Slovenia (83 from Bosnia and Herzegovina, 21 from Albania and 7 from Macedonia). Since 1998, 600 mine victims have been rehabilitated at the Institute (501 from BiH, 40 from Serbia and Montenegro, 52 from Albania and 7 from Macedonia).

As part of the rehabilitation training program, 3 specialists from BiH (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 College for Health Studies at University of Ljubljana (4 from BiH, 1 from Macedonia, 1 from Croatia and 1 from Kosovo (Serbia and Montenegro)). Their studies are being funded from the French and US donations to ITF.

Since 1998, 278 specialists have completed their rehabilitation training (268 from BiH, 2 from Kosovo (Serbia and Montenegro), 7 from Albania and 1 from Macedonia).

Other Mine Victims Assistance Programs

In 2002, ITF also funded the Landmine Survivors Network Program in Bosnia and Herzegovina. This program is essential as it provides mine victims with direct assistance as well as with much needed visits and counseling.

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 about landmine victims in the Balkans to be carried out. The preliminary results of the study will be presented at the May Intersessionals in Geneva. It is important to identify the gaps and aid status in relation to MVA in order to make improvements and provide more effective assistance to landmine survivors in the future. ITF was also helping to raise funds for the Psycho-social clinic in Rovinj for children victims of landmines.

Mine Victims Assistance Workshop

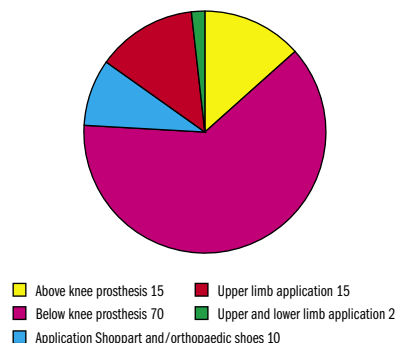
The workshop Assistance to Landmine Survivors and Victims in South-Eastern Europe: Defining Strategies for Success was held on July 1-2, 2002 at the Training Center for Civil Protection and Disaster Relief at Ig, Slovenia. The workshop was organized by ITF in conjunction with James Madison University. More than 45 representatives from the donor community, NGOs, government institutions and health organizations attended, which was crucial for a positive exchange of views and enabled the identification of possible ways of providing assistance in the future. The objectives of the workshop were as follows:

- Assess the current situation and regional capacities in relation to the provision of survivor- and victim assistance in the SEE.
- Identify gaps in the current services and available resources.
- Facilitate a discussion of proposed strategies for the coordination of initiatives in relation to survivor- and victim assistance at the regional level.

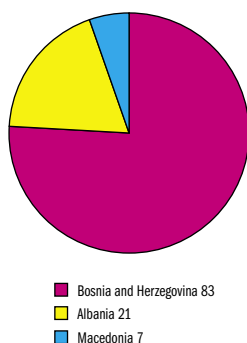
The workshop also identified a need for a proper assessment to be carried out in relation to the MVA program and coordination of assistance provided to landmine survivors on a local, and perhaps also on the regional level. The full proceedings of the workshop are available on the ITF Website at www.itf-fund.si.

ITF is also planning to hold a coordination meeting of the Ministries of Health from the mine-affected countries of the region in April 2003.

Rehabilitation received in IRRS in 2002



Origin of patients in IRRS in 2002



CAPACITY BUILDING THROUGH TRAINING

ITF has identified training in different aspects of Mine Action as one of the priorities for successful demining in SE Europe. Apart from the training of rehabilitation specialists mentioned earlier in this report, ITF used the donations of US, EU and Slovenia to finance the following training courses:

1. UNDP/Cranfield Senior Management Course

From January 21 to March 1, 2002 a management training course for senior managers of Mine Action programs, who are based in SE Europe, took place at the Training Center for Civil Protection and Disaster Relief at Ig, Slovenia. The course was funded by ITF with the donation of the United States of America. The additional importance of the training lies in the fact it was the first regionally conducted course in the series of the UNDP Mine Action Senior Management Training programs. The participants attending the course were senior managers from Albania (1), Bosnia and Herzegovina (4), Croatia (4), Macedonia (1), Serbia and Montenegro (2), Kosovo (Serbia and Montenegro) (2), Azerbaijan (1) and ITF (1).

The training was carried out by the Center for Management Development and Training (CISEF) at the Faculty of Economics, University of Ljubljana.

2. UNDP/Cranfield Middle Management Course

The first part of the UNDP/Cranfield Middle Management Training Course took place from December 9 to December 20, 2002, executed also by CISEF. The training was carried out at the Faculty of Economics in Ljubljana, Slovenia, and was attended by 18 middle managers from BiH (6), Croatia (3), Kosovo (Serbia and Montenegro) (2), Montenegro (Serbia and Montenegro) (1), Serbia (Serbia and Montenegro) (2), Macedonia (1) and ITF (3). The second part of the training took place from January 20 to February 7, 2003.

3. EOD Training in Slovenia

The courses were executed in the Training Center for Civil Protection and Disaster Relief in Ig, in the framework of the Slovenian Ministry of Defense. 16 participants from Macedonia (12 Macedonians, 2 Albanians) attended the course in Ljubljana in March 2002. The second course that was organized in October 2002 for Serbian and Croatian deminers was terminated after 10 days because of the unfortunate accident in the classroom when one attendee of the course was fatally injured by an explosive device. The investigation on the accident is being conducted by the Ministry of Defense of Slovenia, that was also running the course and is not yet concluded.



4. Underwater EOD Training Course

The Underwater EOD Training Course was attended by 10 experts from Slovenia, Serbia and Montenegro, Bosnia and Herzegovina, and Croatia. The theoretical part of the training was carried out at the Training Center for Civil Protection and Disaster Relief, Ig, while the practical part was completed at the Regional Underwater Demining Center in Bijela, Montenegro (Serbia and Montenegro).

5. Train and Equip

ITF also carried out a Train and Equip training program in Macedonia and Serbia (Serbia and Montenegro). Course details can be found in the section ITF Activities by Country. In Albania ITF also provided monitoring and QA training for the employees of the AMAE regional office.

REGIONAL ACTIVITIES IN SE EUROPE

SEEMACC

In 2002 the activities of the South-Eastern Europe Mine Action Council (SEEMACC) gained in importance. ITF firmly believes that regional cooperation can add value to the efficiency and cost-effectiveness of Mine Action operations as well as contribute to post-conflict political rehabilitation. Three regular SEEMACC meetings were held in addition to one correspondence session and one brainstorming session. The following regular SEEMACC meetings were held in 2002:

- Fifth Meeting of SEEMACC at Ig, Slovenia, 14 February 2002.
- Sixth Meeting of SEEMACC in Sisak, Croatia, 7 May 2002.
- Seventh Meeting of SEEMACC in Bijela, Montenegro (Serbia and Montenegro), 24 September 2002.



The most important conclusions of the SEEMACC meetings and sessions in 2002 are as follows:

- The SEEMACC Website was established at www.see-demining.org. ITF is responsible for the site set-up and maintenance.
- Chief Editor, the Editorial Board and Technical Editor of the SEEMACC Newsletter were elected. The first issue of the SEEMACC Newsletter was published on the SEEMACC Website. ITF is seeking funds for the printed version of the Newsletter (the funding proposal was presented at the 9th Meeting of the ITF Board of Advisors).
- Reciprocal accreditation and recognition of mechanical demining equipment between Bosnia and Herzegovina on one side and Croatia on the other was implemented.
- An expert committee for the testing of demining machines will be set-up from the representatives of each SEEMACC member.
- The Regional Center for Underwater Demining (RCUD) in Bijela, Montenegro (Serbia and Montenegro) was established.
- SEEMACC expressed its support to the establishing of the Mine Detection Dog Center for SE Europe in BH.
- The Azerbaijan National Agency for Mine Action (ANAMA) was admitted as a full SEEMACC member on February 14, 2002.
- The Republic of Macedonia was invited to join SEEMACC as a full member.
- All SEEMACC members expressed their support to the maXML pilot project and agreed to take active part in the implementation of the project, and to provide the necessary access to their Mine Action Information Systems. (The Memorandum of Understanding for the maXML Pilot Project: Regional Exchange of Mine Action Information between CROMAC, BHMAL and ITF was signed in January 2003.)
- Damir Goršeta, MSc. was appointed as SEEMACC Advisor & Coordinator under Article 6 of the Agreement on the Establishing of SEEMACC.
- At the Brainstorming Session SEEMACC members reviewed and unanimously adopted the SEEMACC Mine Action Plan prepared by Damir Goršeta.
- The draft version of SEEMACC Regulations was distributed to all members for review and comments by the next meeting.

REGIONAL ACTIVITIES IN SE EUROPE

Geographic Information System for SE Europe

One of the most important activities of ITF in cooperation with the regional MACs is the development of a Geographic Information System for SE Europe.

ITF implemented the project “Geographic Information System for Mine Action in South-East Europe” that was developed by the European Commission and funded by the European Union. The project, whose implementation was subject to ongoing scientific guidance and monitoring of the Joint Research Centre (JRC), was completed in December 2002. This implementation by ITF had a dual purpose: first, to reinforce regionally coordinated capacity building, and second, to attract the matching donation pledged by the US to ITF for every third party donor’s contribution, thereby doubling the funds available for Mine Action in

the Balkans. In this specific case, such co-funding was also accompanied by a US scientific and technical contribution to a high performance GIS. The objective of the project was to establish detailed high-resolution maps that would include information supplied via satellites, a secure Geographical Information System (GIS) including identification of mined areas, socio-economic conditions, security status and priorities of individual regions, provide relevant training and create a regional network of local experts. This model of a regional approach to effective cooperation contributed in the agreement establishing the South-East Europe Mine Action Coordination Council (SEEMACC). After the project completion the regional network of local experts (Work Group[N5]) will continue to work under the SEEMACC umbrella.

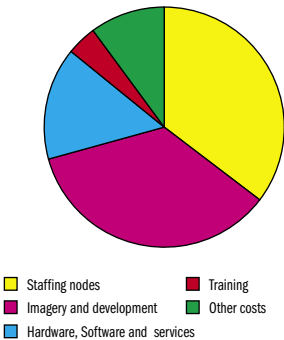
The project has made a significant contribution to the development of Geographic Information Infrastructure for this region as it included:

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

The core elements of the project are as follows:

- Equipment (H/W and S/W for GIS and Image Processing).
- Staffing - the nodes of the distributed Information System.
- Training - IT, GIS and Image Processing techniques applicable to Mine Action.
- Imagery and map development for Mine Action Centers in the region.

Costs by areas (EU funds)



Costs by areas (US funds)

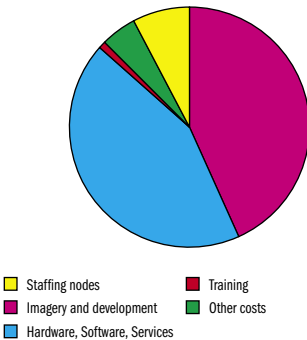


Fig 2. Mosaic of Landsat 7 imagery developed for low-resolution coverage of the entire region (courtesy of Earthsat Inc.).

Equipment

The Work Group first carried out a needs analysis of the Mine Action Centers requirements in terms of hardware and software for GIS and image processing. This led to the development of suitable equipment guidelines for the region, which was subsequently followed by outfitting the MACs (or upgrading their existing resources). The purchase of the equipment was carried out via tenders and centralized purchases. The 'centralized purchase' approach is very cost effective and also results in fewer maintenance and support problems. The same guidelines were used for new Mine Action Centers as they come on board (e.g. in Serbia and Montenegro), and will be updated as required.

Staffing

Provision of staff support to the MACs in applying GIS and Image Processing techniques in their work. Specifically, staff support was provided in Bosnia Herzegovina, Croatia, Albania, Serbia and Montenegro and at ITF.

Imagery and Map Development

In the course of several meetings it became apparent that a multi-resolution approach to mapping was necessary in order to satisfy a diverse range of requirements for Mine Action involving different mapping scales. The requirements ranged from Regional Planning (scale of approx.

1:100,000), through tactical needs (scale of approx. 1:25,000), to detailed mapping and monitoring of mine clearance operations in the field (scale of 1:5,000). For low-resolution coverage of the entire region, ortho-rectified Landsat 7 imagery, land cover classification and change detection for 1990 - 2000 was used. On top of this coverage we put basic vector layers found in ESRI ArcEurope BaseMap and information on minefields, surveys, incidents and background information acquired through regular regional information exchanges. The final step was to put everything on the Internet using the ArcIMS server at www.see-demining.org.

The multi-resolution approach that is currently being implemented therefore includes:

- Low-resolution coverage of the whole region with orthorectified Landsat 7 imagery, land cover classification, change detection for 1990 - 2000 and basic vector layers (completed);
- Medium-resolution, IRS PAN/LISS imagery coverage (completed) and GIS vector maps for Albania (in progress);
- High-resolution aerial ortho-photography for priority areas defined by BHMIC and CROMAC (in progress);
- A comparison between Aerial photography and satellite imagery for high-resolution work on a test area in Croatia (in progress).

Training

In 2002 ITF organized two training courses in Information Technology, GIS and Image Processing adapted for MAC needs. These specific training programs were designed to improve the capabilities of Mine Action Centers in relation to GIS, GPS, geodesy, aerial ortho-photography, remote sensing, and in particular in the use of maps and imagery for the provision of useful GIS data to be incorporated into MACs' working processes, planning, implementation and monitoring of Mine Action programs. Both training courses were held at the International Trust Fund, at the Civil Protection Training Centre at Ig, Ljubljana. The training, which included a substantial share of practical, hands-on exercises, was jointly designed by the Work Group, ITF, the Joint Research Centre, experts from James Madison University and local institutions and private companies. Exercises were carried out using sample data for the region and the methods that will be used in incorporating GIS, digital maps and imagery into the ongoing work of the Mine Action Centers. Fifteen and fourteen participants from mine-affected countries took part in the first and second training course respectively. It was noteworthy that the lectures and demonstration sessions were also given by the Bosnia and Herzegovina Mine Action Center, which shows that it is possible for the MACs themselves to make an active contribution to joint training, sharing of experiences, and raising the level of knowledge across the region.

CONFERENCES, MEETINGS AND OTHER EVENTS

In addition to the meetings of the ITF Board of Advisors and a workshop on Mine Victims Assistance in SE Europe, ITF also organized the second Slovenian Night of a Thousand Dinners™.

The Night of a Thousand Dinners™ is organized all over the world with the purpose of bringing together caring citizens, business leaders, diplomats and celebrities to increase the awareness of the landmine problem and raise funds for the elimination of their consequences. The first Dinner held in Slovenia took place on November 30, 2001 and was jointly organized by ITF, Rotary Club Maribor Grad and Lions Club Istra Ankaran under the sponsorship of Adopt-a-Minefield®. The proceeds of the first Dinner raised by

Dinner tickets and voluntary contributions exceeded 2 million Slovenian tolar and were spent on the demining of a minefield in the Čista Velika village in Croatia.

The 2002 Night of a Thousand Dinners™ was again held at the Maxim restaurant in Ljubljana. More than 80 people attended. The Dinner was hosted by H.E. Mr. Ron Halpin, Ambassador, Embassy of Canada and H.E. Mr. Paul Koller, Ambassador, Embassy of Switzerland. The honorable speakers at the Dinner were Dr. Dimitrij Rupel, Minister of Foreign Affairs of the Republic of Slovenia; H.E. Mr. Daut Gumeni, Ambassador, Embassy of Albania; H.E. Mr. Johnny Young, Ambassador, Embassy of USA, who stressed the importance of private donations for hu-

manitarian demining and also asked all private donors to make generous contributions to the cause. With the voluntary contributions of the Dinner participants more than SIT 2 million were raised. The proceeds went for the rehabilitation of Fllanxa Murra, a 13-year old girl from Albania. Fllanxa is a mine victim and has lost both her legs in addition to receiving a wound to her hand. Her rehabilitation will be carried out at the Institute for Rehabilitation of the Republic of Slovenia, and will enable her to increase her mobility and help her adjust so she can live her life as normally as possible.

Once again it was demonstrated that every contribution, however small, can make a difference.

PUBLICATIONS

The following publications were published by ITF in 2002:

- Annual Report 2001.
- Three issues of the Trust Bulletin, with the August edition also featuring a 4-year summary of ITF activities.
- The Catalogue of Mechanical Demining Equipment in SE Europe.
- ITF Intermediate Report.

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



OVERVIEW OF THE ITF ACTIVITIES BY COUNTRY

ALBANIA

BOSNIA AND HERZEGOVINA

CROATIA

MACEDONIA

SERBIA AND MONTENEGRO

ARMENIA

AZERBAIJAN

GEORGIA

AFGHANISTAN

ALBANIA

The mine-contaminated area runs some 120 kilometers along the border, from Shishtavec in the south to an area north of Tropoje, extending up to 400 meters deep into Albania. Since 1999 there have been 197 mine accidents in which 211 persons were injured and 25 killed. The continuous presence of mines and UXOs not only poses a physical threat to the population, but also prevents them of using the land, which is of vital importance to the population in the area that is predominantly agricultural in nature. Nearly 120,000 people, who are mostly living in abject poverty and whose livelihoods depend on farming, herding, gathering firewood, cutting grass for winter feed and other subsistence activities, and who also obtain essential supplies from across the border, are profoundly affected by the presence of mines and UXOs. A grave consequence of the mine threat is the added difficulty of patrolling this part of the border where trafficking and other crimes involving illegal border crossings take place on a daily basis. It should be noted that none of this has been the doing of the Albanian people, which is also one of the reasons why the international community should assist them. As the problem is fairly limited in scope (not in impact), Albania could be free from the impact of mines and UXOs within a couple of years if the sufficient funding is provided.

Demining

ITF funded two projects in Albania with the donations of the United States of America, Switzerland, Luxembourg and Liechtenstein. The two projects were implemented by Danish Church Aid and the Swiss Federation for Mine Clearance.

The Swiss Federation for Mine Clearance started their work in April 2002. By the end of November 2002 they succeeded in clearing 104,576 square meters in total (75,496 sq. meters by BAC and 29,081 sq. meters by demining). In the process, 480 UXOs and 491 mines were found.

ITF started its cooperation with the Danish Church Aid (DCA) in September 2002 and provided them with funds for three months of operation for four teams i.e. until the end of November. In the two months of demining and surveying DCA removed 1,588 mines and demined an area of 24,136 sq. meters. An additional 6,000,000 square meters of land was surveyed and subsequently released back to the local population.

Mine clearance in these areas is needed mainly to ensure basic living conditions for the local population as the mines prevent herding and wood collection.

Mine Victims Assistance

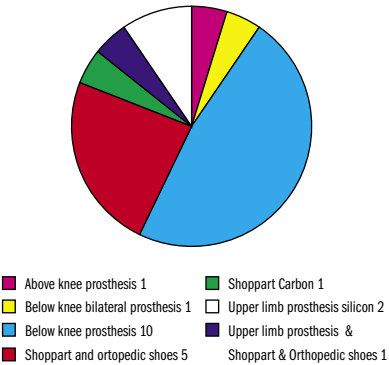
ITF also carried out the rehabilitation of 21 Albanian mine victims at the Institute for Rehabilitation of Slovenia. Another 30 victims have been triaged and were brought to Slovenia in the beginning of 2003.

Structure Support

With the EU donation ITF also provided support to the AMAE regional office in Kukes, which carried out the monitoring and quality control of the executed works.

Donor countries: European Union, Luxembourg, Liechtenstein, Switzerland and the United States of America

Rehabilitation provided in IRRS for Albanian patients



BOSNIA AND HERZEGOVINA

Demining

In 2002, demining contracts were awarded for 118 projects covering the total area of 3.4 million square meters. 110 of the projects have already been completed with another 8 to be carried out in 2003. 2.8 million square meters of land was cleared. This is below the target of 3.5 million square meters, mainly as there was some delay and uncertainty regarding the future of ITF's tendering procedures in BiH on account of new regulations being introduced. This matter has since been resolved which has enabled ITF to resume the tendering process. In the course of demining 1,047 mines and 574 UXOs were found. The demining was executed by commercial companies and NGOs.

Commercial Demining

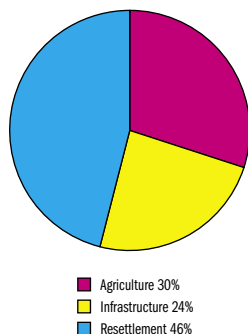
A total area of 1,704,210 square meters was cleared of mines through commercial demining in 2002. Six tenders were issued for the award of demining works through open tender. 13 demining companies were awarded the work.

NGO Demining

NGOs succeeded in demining 1,134,384 square meters of land in Bosnia and Herzegovina in 2002. In addition the activities of NGO NPA were supported by Norwegian donation to the ITF. The demining was performed by seven different NGOs: APM, NPA, Pro Vita, Stop Mines, BH Demining, UG ZOM and PROMAK.

Donors for demining: Adopt-a-Minefield, Canada, Community Center Sarajevo, Community Hadžići, Czech Republic, European Union, Elektroprivreda Mostar, Germany, Global Care Unlimited, Korea, Sweden, Norway, Nova Ljubljanska Bank, Switzerland, United Kingdom, United States of America.

End use of the demined land in Bosnia and Herzegovina



Mine Victims Assistance

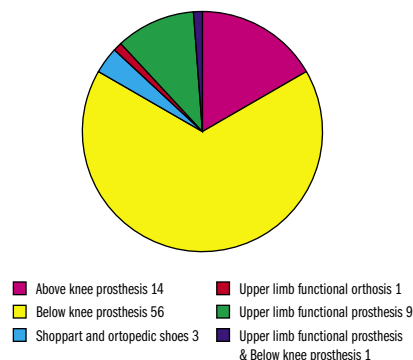
In 2002 in Bosnia and Herzegovina ITF financed the Landmine Survivors Network MVA programs. With the funds from the US donation ITF also financed an EdaS study on the status and needs of MVA in Bosnia and Herzegovina. In addition, EdaS will continue its work in relation to the new prosthetic technology in 2003.

Rehabilitation at the Institute for Rehabilitation in Slovenia

In 2002, 83 mine victims from Bosnia and Herzegovina were treated at the Slovenian Rehabilitation Institute. Details of the treatment are shown in the chart below.

Donors for MVA: Austria, Canada, Denmark, Norway, Slovenia, United States of America.

Rehabilitation provided by IRRS for BiH patients

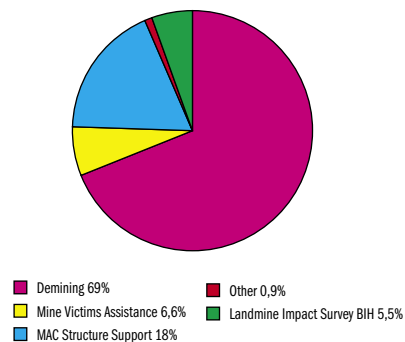


Support to the Demining Structure

In 2002, the BiH government made provision in the Budget for the funding of BHMAL for the very first time. The Protocol on the co-financing of the MAC structure in Bosnia and Herzegovina was signed between the BH Ministry of Civil Affairs and Communications and the ITF on June 18, 2002. In the Protocol it was agreed that the Council of Ministers of BH - Ministry of Civil Affairs and Communication will provide ITF with 2,514,483 KM for the salaries of BHMAL staff until the end of the year 2002. By the end of 2002 BH thus contributed USD 1,117,980 that also attracted a matching US donation. The funds will be spent on demining related activities in Bosnia and Herzegovina. Two other donors - Sweden and Canada - also provided funding for BHMAL through the UNDP Trust Fund.

Donors: Bosnia and Herzegovina, Canada, Sweden.

Use of funds by purpose in BiH in 2002



CROATIA

83 different demining projects were completed by ITF in Croatia in 2002. As a result, more than 6.35 million square meters of land was cleared in Croatia, which was more than planned. Through the ITF supported mine clearance, more than 2,200 mines and 880 UXOs were found.

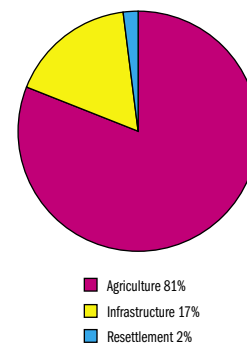
The demining was carried out by commercial demining companies (there are more than 30 in Croatia). The contracts were awarded mostly via open tender. The tendering process was conducted by ITF in conjunction with CROMAC. On half of the projects ITF also employed monitoring companies to ensure constant supervision of the executed works.

The Norwegian donation was also used to finance the work of NPA that was conducting mine clearance and survey works in the Zadar County.

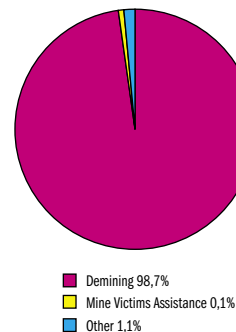
Apart from demining, some funds were also earmarked for Mine Victims Programs in Croatia.

Donors: Croatia, Croatia Without Mines, Bank Austria, EC Delegation in Croatia, Lions Club Zrinjevac, Nova Ljubljanska Bank, European Union, Norway, Roots of Peace, United States of America.

End use of the demined land in Croatia



Use of funds by purpose in Croatia in 2002



MACEDONIA

ITF started mine- and battle area clearance (BAC) in Macedonia in the fall of 2001; the training of Macedonian teams began in April 2002. By July 4, 2002, when Bosnian NGO teams left Macedonia, more than 3.5 million square meters of territory had been cleared and checked including more than 3,000 houses and other structures. In 2002 alone the Bosnian NGOs cleared 1.7 million square meters of land, which included more than 300 houses and other structures.

Alongside BAC conducted by the NGO teams from Bosnia and Herzegovina, ITF also funded the training of the Macedonian Civil Protection BAC and demining teams, which was ITF's most important activity in Macedonia in 2002. More than 40 people successfully completed the training (creating 5 eight-man teams) that started in April and finished on July 17, 2002. The teams were trained in demining, battle area clearance, explosive ordnance disposal and demolition.

Macedonian Civil Protection BAC/ Demining Teams officially started BAC on September 30, 2002. Three 8-man teams were working in the Kumanovo region, fully outfitted with protective personal equipment and mine detectors (donated by the US Department of State) and five ambulance vehicles (donated by EAR, Skopje). The teams were supervised by the Stop Mines supervisors. The work (priorities) was coordinated by the UN Mine Action Office in Skopje and the Macedonian government.



Donors: European Agency for Reconstruction in Skopje, United States of America, Slovenia.

Table: Mine clearance performed by Bosnian NGO teams

Team	Area checked and cleared (m ²)	Houses	Other objects	AP Mine	AT Mine	UXOs
B1 (BH Demining)	599,695	113	123			18
P1 (ProVita)	588,511	180	175		1	13
S1 (Stop Mines)	591,893	211	155	8		25
Total	1,780,099	504	453	8	1	56

Table: BAC/Demining results of Macedonian Civil Protection Teams:

Team	Location	Area Checked and Cleared (m ²)	Mines	UXOs
MKT 1	OPAJE - SLUPČANE	113,929	1	16
MKT 2	GURUBNICA	117,202	0	7
MKT 3	VAKSINCE - SLUPČANE	130,641	4	18
TOTAL		361,772	5	41

SERBIA AND MONTENEGRO

SERBIA

Establishing of YUMAC

On February 14, 2002 the Government of the Federal Republic of Yugoslavia officially established the Yugoslav Mine Action Center, now called MAC Belgrade. The MAC Belgrade office is located at 31 Vojvode Toze, Belgrade. Between June and September 2002, ITF supplied MAC Belgrade with furniture and a vehicle, using the donation of the European Union, and with computer equipment, using the donation of the US Department of State.

Locating and Disposal of Big Aerial Bombs

From April 1 to 6, 2002, a team of Slovenian and American EOD experts for the disposal of unexploded ordnance went to Serbia and Montenegro. Their mission was to help Serbia in locating unexploded bombs on its territory. Unexploded bombs and other unexploded ordnance - the legacy of the NATO air strikes in the spring of 1999 - still present a hazard in Serbia and Montenegro. Four locations with priority status were identified: the Belgrade city center, Batajnica, Zvezdara and Avala. A good example proving that locating these bombs is a difficult job is the case of a 500 kg heavy bomb at Avala that was located at the depth of 17 meters below the surface. The disposal of bombs located in Belgrade will start in the beginning of 2003.

Technical Survey of Croatian/Serbian Border

A general technical survey was funded by ITF and implemented by Croatian and Serbian experts from August 8 to September 15, 2002, in order to assess the mine situation in the northern sector of the approximate border between Serbia and Montenegro and Croatia. The overall mine suspected area is estimated at approximately 10 square kilometers.

Train and Equip Program

From October 14, to December 9, 2002, BAC/Demining/Quality Control Training for 28 participants selected by MAC Belgrade was conducted in Adaševci, Serbia (Serbia and Montenegro). The Training was funded from the donation made by the European Union. The participants were also equipped with the necessary demining equipment (vests, helmets) from the US donation. In the beginning of 2003 mine detectors will be purchased with the funds from the EU donation.

Start of BAC in Serbia and Montenegro

A contract for battle area clearance of the Niš airport was signed between ITF and the Stop Mines NGO on December 24 (funded by the Czech Republic and US Department of State). The works have been scheduled for the beginning of 2003.

MONTENEGRO

The Regional Center for Underwater Demining was officially established on September 24, 2002 in Bijela, Montenegro (Serbia and Montenegro). ITF has contributed funds for the renovation of the Center complex as well as computer and diving equipment.

From September 16 to 22, 2002, the first part of the Underwater EOD Training was held at the Training Center for Civil Protection and Disaster Relief at Ig, Slovenia.

The second part of the EOD Training was carried out at RCUD from September 24 to October 2, 2002 in Bijela, Montenegro (Serbia and Montenegro). The course was attended by 10 diving experts from Bosnia and Herzegovina, Croatia and Serbia and Montenegro.

The third phase of the technical survey along the Montenegrin-Croatian border was carried out from December 9 to 20, 2002. (The first phase was completed in November 2001 and the second phase in September 2002.) The purpose of the survey is to identify existing minefields and resulting demining projects. The demining on the Montenegrin side of the border is supposed to start in the beginning of 2003.

KOSOVO (Serbia and Montenegro)

Since the province of Kosovo (Serbia and Montenegro) had been declared cleared of all known minefields at the end of 2001, the scope of ITF's operations in the country was fairly limited. ITF used the US donation to finance the Mine Risk Education Program executed by VVAF, and the supervision of the Kosovo Protection Corps (KPC) by Handicap International. KPC are responsible for the clearing of dangerous battle areas.

Donor countries: *European Union, Czech Republic, Luxembourg, Slovenia, United States of America.*



AZERBAIJAN

The ITF Managing and Advisory Boards approved the proposed expansion to the Caucasus in 2001 and in the beginning of 2002 on the condition that the main focus of ITF will remain on the region of SE Europe. The expansion to the Caucasus would thus involve Azerbaijan, Armenia and Georgia. In the beginning of 2002 talks concerning ITF's activities in Azerbaijan intensified. Because of ITF's experience and the exchange of information provided by SEEMACC, Azerbaijan decided to join this forum in February 2002. The first official visit of ITF to Azerbaijan took place in September 2002, when the Administrative Agreement on Cooperation between ANAMA (the Azerbaijan National Agency for Mine Action) and ITF was also signed. The scope of mine contamination in Azerbaijan is substantial, especially in the Nagorno Karabakh region, which is under Armenian control. By ANAMA estimates, more than 60 million square meters of land is contaminated including 64 villages in 11 districts.

AFGHANISTAN

In 2002 ITF used some funds from the US and Slovenian donations to finance a 6-week UNDP/Cranfield Middle Management Course in Pakistan for 20 Afgani deminers. ITF is not planning to undertake any activities in Afghanistan in 2003, subject to donors wish.

ARMENIA

Armenia too is facing a substantial mine problem as a legacy of the Nagorno Karabakh conflict. It is estimated that app. 900 kilometers along the border with Azerbaijan have been mined. ITF paid an official visit to Armenia in July 2002. In October 2002 ITF also attended the OSCE conference in Erevan where talks were held in relation to the Red Bridge project (the border between Armenia, Azerbaijan and Georgia). Using funds from the US donation, ITF also purchased a demining machine that will be shipped to Armenia in the beginning of 2003.

GEORGIA

An official ITF visit to Georgia is planned for April 2003.

It needs to be stressed that the expansion of ITF operations to the Caucasus is and will be subject to the following conditions:

- Availability of donor funds.
- Desire and willingness for cooperation by the recipient countries.
- Security issues.
- Availability of material and human resources of ITF.

2002 was a good year for ITF, not only in terms of fundraising, where ITF succeeded in obtaining donations in excess of USD 30 million, but also on the national, regional and international level.

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 Interessionals and the annual meetings of the states parties to the Ottawa Convention.

While ITF achieved its objectives in relation to demining projects carried out in 2002, the donations for Mine Victims Assistance were still below the level that could be deemed satisfactory. Demining and battle area clearance activities were

being successfully carried out in Albania, Bosnia and Herzegovina, Croatia and Macedonia; in addition, the work also started in Serbia and Montenegro.

But it is also important to look ahead. There are countries in the region that will continue to require assistance in relation to their demining problem for a period of more than five years. At the current level of donations for demining activities in the region of SEE, the two countries most affected by mines (Bosnia and Herzegovina, and Croatia) will not be free of the impact of mines by 2010. This means that we will have to work even harder to combat the donor fatigue that is setting in in SE Europe.

On the other hand, national capacity building is proving increasingly important. In five to ten years it will be left to these countries to fight the residue of the mine and UXO problem by themselves (as was the case in the province of Kosovo (Serbia and Montenegro)). For this reason it is imperative that we keep our focus firmly on the building of national capacities by training and education.

In the future ITF will of course continue to be actively involved in this area primarily by providing different types of training in relation to Mine Action. We will stay committed to our vision of clearing the region of landmines by 2010. In order to achieve this goal, we will however need the support of all stakeholders.

STATUTORY ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2002

The International Trust Fund
for Demining and Mine Victims Assistance

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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, 2002, the related Profit and Loss Account and Cash Flow Statement for the financial year 2002. These financial statements are the responsibility of the company's management. It is our responsibility to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with the International Auditing Standards. The Standards require that we plan and perform our audit to obtain reasonable assurance of whether the financial statements are free of material misstatements. An audit includes examining on a test basis and evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing of accounting principles used and significant estimates made by the management as well as the evaluation of the overall financial statements 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 as at December 31, 2002 and the results of its operations and cash flows for the financial year 2002 in conformity with the International Accounting Standards.

Constata UHY d.o.o.

Certified Auditor
 Sebastijan Gurenci

Ljubljana, February 7, 2003

auditors' audit: 12/03/03
 auditors' audit: 12/03/03
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 4. International Trust Fund for Demining and Mine Victims Assistance, Ig
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 5. International Trust Fund for Demining and Mine Victims Assistance, Ig

2. BALANCE SHEET as at December 31, 2002

Notes		2002	2001
ASSETS (A+B)		3.420.789	2.120.024
A. LONG-TERM ASSETS (I+II+III)		161.089	125.363
I. Intangible assets	1	39.137	44.927
II. Tangible fixed assets	2	121.952	80.436
III. Long-term financial assets		0	0
B. CURRENT ASSETS (I+II+III+IV+C)		3.259.700	1.994.661
I. Inventories		347	0
II. Receivables from operating activities		39.055	4.958
a) Long – term receivables from Operating Activities		0	0
b) Short – term receivables from Operating Activities		39.055	4.958
1. Accounts receivables		0	23
2. Sundry debtors	3	39.055	4.935
III. Short-term financial assets	4	2.929.313	1.701.484
IV. Cash and bank	5	243.525	272.646
C. PREPAID EXPENSES	6	47.460	15.573
TOTAL LIABILITIES AND NET ASSETS (A+B+C+D+E+F)		3.420.789	2.120.024
A. Unrestricted Net Assets	7	110.947	62.131
B. Permanently Restricted Net Assets	8	2.744.519	1.843.016
C. Temporarily Restricted Net Assets	9	131.244	95.712
D. Liabilities from Operating Activities		434.079	118.503
1. Long-term Liabilities from Operating Activities		0	0
2. Accounts payable	10	420.616	110.432
3. Accrued salaries		8.461	6.478
4. Sundry creditors		5.002	1.593
E. Liabilities from Financing		0	0
F. Deferred Income		0	662

3. PROFIT AND LOSS ACCOUNT for the financial year 2002

	Notes	2002	2001
+ A. Revenues / Donations	11	6.317.674	6.413.409
+ B. Income from financing	12	678.116	386.793
+ C. Extraordinary income		2.541	4.518
= D. Total revenues		6.998.331	6.804.720
- E. Costs of materials and services	13	6.153.390	6.323.850
- F. Labour expenses	14	111.623	84.320
- G. Depreciation	15	38.255	10.116
- H. Provisions for current assets		0	0
- I. Other expenses		560	559
- J. Costs of financing	16	642.729	428.789
- K. Extraordinary expenses	17	2.958	13.129
= L. Total Expenses		6.949.515	6.860.763
= M. Surplus/loss before taxation		48.816	(56.043)
- N. Corporate income tax		(0)	(0)
= O. Net surplus (loss) after taxation	18	48.816	(56.043)

4. STATEMENT OF CASH FLOWS for the financial year 2002

	SIT 000 2002
Cash at the beginning of the year	272.646
+ Revenues	6.998.331
- Expenses (less depreciation cost and cost of long-term provisions)	(6.911.260)
- Corporate tax and distributions of profit	0
= Net cash flow from operating activities before adjustments	359.717
+ Increase in Liabilities from operating activities and deferred income	314.914
- Increase in Receivables from Operating Activities and prepaid expenses	(65.984)
- Increase in inventories	(347)
= Adjusted net cash flow from operating activities	608.300
- Net increase in intangible fixed assets	(6.494)
- Net increase in tangible fixed assets	(67.487)
- Net increase in short-term financial assets	(1.227.829)
= Net cash flow from operating and financing activities	(693.510)
+ Increase in restricted net assets	937.035
= Cash at yearend	243.525

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 approval no. ZML-326/98 dated July 22, 1998. The International Trust Fund was entered in the Register of Foundations.

The International Trust Fund has its headquarters located in Ig and its implementation offices in Bosnia and Herzegovina, Croatia and Macedonia. The Fund employs 13 persons at its headquarters and 9 persons in its offices in Bosnia and Herzegovina, Croatia and Macedonia.

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, 2002:

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

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

The statutory Annual Accounts of the International Trust Fund for Demining and Mine Victims Assistance, Ig, for the year 2002 are prepared in accordance with the International Accounting Standards.

The following accounting policies have been 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 current at balance date. Unrealised exchange rate gains/losses are presented in the P/L account 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 current at 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 ACCOUNTS

The notes relate to annual accounts for 2002 unless otherwise specified in the text.

		2002	2001
1. Intangible assets	SIT 000	39.137	44.927
1. Long-term deferred cost		10.867	16.998
2. Other intangibles		28.270	27.929

Long-term deferred costs as at December 31, 2002 consist of donated four-year rent (10.867 thousand SIT).

Other intangibles consists of investments in rented premises (headquarters of the Trust Fund) (25.265 thousand SIT) and other intangibles (3.005 thousand SIT).

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

Donated intangibles amount to 36.549 thousand SIT.

The amortisation cost of donated intangibles (11.375 thousand SIT) and cost of donated rent (6.132 thousand SIT) are debited to the temporarily restricted net assets.

Changes in intangibles in the year 2002:

Item	Intangibles owned	Donated intangibles	Donated intangibles in progress	Total
1. Purchase value				
Balance as at 1.1.2002	5.258	49.454	16.071	70.783
Increase - new purchases	1.291	27.152	1.482	29.925
Decrease - sales, disposals	0	0	(17.553)	(17.553)
Reconciliation	301	3	0	304
Balance as at 31.12.2002	6.850	76.609	0	83.459
2. Accumulation depreciation				
Balance as at 1.1.2002	3.303	22.553	0	25.856
Increase - amortisation	909	11.375	0	12.284
Increase - costs of rent	0	6.132	0	6.132
Decrease - sales, disposals	0	0	0	0
Reconciliation	50	0	0	50
Balance as at 31.12.2002	4.262	40.060	0	44.322
3. Book value				
Balance as at 1.1.2002	1.955	26.901	16.071	44.927
Balance as at 31.12.2002	2.588	36.549	0	39.137

		2002	2001
2. Tangible fixed assets	SIT 000	121.952	80.436

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 the donated equipment (94.695 thousand SIT). The depreciation cost of donated equipment in the amount of 18.656 thousand SIT are debited to the temporarily restricted net assets.

Changes in fixed assets in the year 2002:

in 000 SIT				
Item	Equipment owned	Donated Equipment	Donated equipment in progress	Total
1. Purchase value				
Balance as at 1.1.2002	41.378	31.732	24.197	97.307
Increase – new purchases	9.054	85.061	8.328	102.443
Increase – inv. taking surplus	0	0	0	0
Decrease	(3.649)	(152)	(32.525)	(36.326)
Reconciliation	131	(1.023)	0	(892)
Balance as at 31.12.2002	46.914	115.618	0	162.532
2. Accumulated depreciation				
Balance as at 1.1.2002	13.682	3.189	0	16.871
Increase – depreciation	7.315	18.656	0	25.971
Decrease	(1.356)	(9)	0	(1.365)
Reconciliation	16	(913)	0	(897)
Balance as at 31.12.2002	19.657	20.923	0	40.580
3. Book value				
Balance as at 1.1.2002	27.696	28.543	24.197	80.436
Balance as at 31.12.2002	27.257	94.695	0	121.952

		2002	2001
3. Sundry debtors	SIT 000	39.055	4.935

This item comprises advances (30.253 thousand SIT), donor pledge for 3.455 thousand SIT, claim against humanitarian program contractor in the amount of 1.985 thousand SIT, interests from deposited financial assets (3.209 thousand SIT) and other (153 thousand SIT).

The advances in the amount of 1.610 thousand SIT are donor funds insuring the debt of customs duties arising from the transfer of the donated equipment.

		2002	2001
4. Short-term financial assets	SIT 000	2.929.313	1.701.484

This item comprises short-term deposits with two domestic banks in foreign currencies (USD and EUR), bearing interest at the annual rate of 1,10% to 2,79%, and maturity date in January 2003.

		2002	2001
5. Cash and Bank	SIT 000	243.525	272.646
1. Petty Cash		3.470	3.235
2. Cash in bank		240.055	269.411
2.1. Tolar accounts		35.926	7.441
2.2. Foreign currency account		202.652	261.521
2.3. Foreign currency account outside the country		1.477	449

		2002	2001
6. Prepaid Expenses	SIT 000	47.460	15.573

The balance presents prepaid costs of demining for which the Trust Fund has not yet received a donation.

		2002	2001
7. Unrestricted Net Assets	SIT 000	110.947	62.131
I. Founding capital		1.000	1.000
II. Retained earnings		61.131	117.174
III. Net Result for the Year		48.816	(56.043)

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.

The Summary of changes in the Unrestricted Net Assets:

Item	In thousands of SIT			
	Founding capital	Retained Earnings	Net result for the year	Total
Balance as at 31.12.2001	1.000	117.174	(56.043)	62.131
Increase	0	(56.043)	48.816	(7.227)
Decrease	0	0	56.043	56.043
Balance as at 31.12.2002	1.000	61.131	48.816	110.947

		2002	2001
8. Permanently Restricted			
Net Assets	SIT 000	2.744.519	1.843.016
1. Donations for demining and mine victims rehabilitation and other specific purposes		2.742.562	1.843.016
2. Donated goods		347	0
3. Donated advances		1.610	0

The Summary of Changes in Permanently Restricted Net Assets (in 000 SIT):

	Donations (cash)	Donated goods	Donated advances	Total
Balance as at 31.12.2001	1.843.016	0	0	1.843.016
Donation received	7.514.834	113.091	1.610	7.629.535
Donations returned	(5.898)	0	0	(5.898)
Interest credited	50.661	0	0	50.661
Use of donations				
- demining	(4.518.136)	(0)	(0)	(4.518.136)
- rehabilitation	(134.907)	(0)	(0)	(134.907)
- structure	(444.906)	(0)	(0)	(444.906)
- region	(186.582)	(0)	(0)	(186.582)
- education	(329.111)	(0)	(0)	(329.111)
- equipment	(142.286)	(0)	(0)	(142.286)
- other	(56.162)	(112.744)	(0)	(168.906)
- Survey	(132.405)	(0)	(0)	(132.405)
- purchase of intangibles and fixed assets	(53.897)	(0)	(0)	(53.897)
Transfer to advances	(1.610)	(0)	(0)	(1.610)
Transfer to donated goods	(65.604)	(0)	(0)	(65.604)
Revenues of Trust Fund	(219.365)	(0)	(0)	(219.365)
Exchange rate differences	(375.080)	(0)	(0)	(375.080)
Balance as at 31.12.2002	2.742.562	347	1.610	2.744.519

The Summary of the 2002 changes in Permanently Restricted Net Assets (in 000 SIT):

Donor_Currency of received donation	Opening balance	Donation received	Revenues	Demining	StructureRehabilitation	Other	Interest Reallocation credited	Interest Encashment of Exchange returnedbank guaranteesgains/losses	Total			
ADOPT-A-MINEFIELD / EUR	215	0	0	0	0	0	8	0	1.755			
ADOPT-A-MINEFIELD / USD	19.589	98.846	(1.548)	(63.256)	0	0	884	0	(4.693)	49.822		
AUSTRIA / EUR	7	0	0	0	0	8	0	0	10.058	10.073		
AUSTRIA / SIT	0	0	0	0	0	0	0	0	0	0		
BELGIUM / USD	46	0	0	0	0	0	1	0	(6)	41		
BOSNIA AND HERZEGOVINA/MINISTRY OF FINANCE / EUR	0	259.274	(7.778)	0	(251.558)	0	0	0	0	62	0	
COORDINAMENTI DONNE / EUR	0	2.984	(90)	0	0	0	0	0	0	10	2.904	
CROATIA WITHOUT MINES / USD	246	21.292	(639)	(18.980)	0	0	0	0	0	(1.702)	217	
CZECH REPUBLIC / USD	8.658	12.118	(364)	(15.850)	0	0	0	0	0	(1.579)	2.983	
DENMARK / DKK	12.057	0	0	0	0	(12.199)	0	111	0	187	156	
ELEKTROPRIVREDA MOSTAR / EUR	8.292	0	0	(8.367)	0	0	0	0	0	75	0	
EUROPEAN AGENCY FOR RECONSTRUCTION - A / EUR	0	11.436	(343)	(1.853)	(12.716)	0	3.455	0	0	21	0	
EUROPEAN AGENCY FOR RECONSTRUCTION / EUR	0	148.973	(3.962)	(64.385)	0	(80.335)	0	0	0	(291)	0	
EUROPEAN UNION 2002 / EUR	0	448.747	(13.462)	(385.771)	(3.357)	0	(27.805)	5.292	0	564	7.890	32.098
EC DELEGATION IN CRO / EUR	0	273.524	(8.206)	(116.332)	0	0	0	0	0	2.065	151.051	
EUROPEAN UNION 2000 / EUR	193.248	2.383	0	(42.323)	0	0	(111.850)	0	0	4.503	45.961	
EUROPEAN UNION - INTEREST / EUR	11.373	0	0	0	0	0	4.412	0	(7.985)	0	398	8.198
FRANCE / EUR	262	10.212	(306)	0	0	(2.598)	(2.394)	112	0	0	132	5.420
GLOBAL CARE UNLIMITED / USD	5	1.238	(37)	(1.138)	0	0	0	5	0	0	(70)	3
DIJANA PLEŠTINA / EUR	2.007	1.556	(47)	0	0	(477)	(1.567)	10	0	0	82	1.564
CROATIA / USD	28.353	788.833	(23.665)	(730.047)	0	0	(890)	3.268	0	0	(21.107)	44.745
CROATIA / MINISTRY OF FINANCE / USD	0	3.062	(92)	0	0	(2.800)	0	0	0	0	(170)	0
INSTITUTE FOR REHABILITATION / SIT	972	0	0	0	0	(972)	0	0	0	0	0	0
IRELAND / USD	164	0	0	0	0	0	0	3	0	0	(20)	147
CANADA / CAD	89.693	191.915	(5.064)	(94.284)	(106.327)	(18.447)	(13.571)	0	0	0	(2.380)	41.535
COMMISSION FOR DEMINING / EUR	3.810	0	0	0	0	0	0	0	0	0	153	3.963
KOREA / USD	7.303	0	0	(6.720)	0	0	0	0	0	0	(583)	0
LIECHTENSTEIN / CHF	0	2.991	(90)	(3.020)	0	0	0	0	0	0	119	0
LIONS CLUB ZRINJEVAC / EUR	549	0	0	0	0	0	(557)	0	0	0	8	0
LUXEMBOURG / EUR	9.972	23.000	(690)	(21.160)	0	0	0	0	0	0	170	11.292
CITY OF SARAJEVO / EUR	210	40.236	(1.207)	(38.605)	0	0	0	0	0	0	106	740
MINISTRY OF FINANCE / SIT	0	15.000	(450)	0	0	(8.550)	0	0	0	0	0	6.000
SLOVENIAN MINISTRY OF DEFENCE / SIT	111	25.000	(750)	0	0	0	(14.740)	0	0	0	0	9.621
SLOVENIAN MINISTRY OF HEALTH / SIT	64	25.000	(750)	0	0	(23.844)	(470)	0	0	0	0	0
SLOVENIAN MINISTRY OF FOREIGN AFFAIRS / SIT	6.097	25.000	(750)	0	0	0	(25.648)	0	0	0	0	4.699
GERMANY / EUR	7.266	0	0	0	0	0	0	0	0	0	291	7.557
GERMANY / USD	0	115.925	(3.478)	(4.489)	0	0	0	0	0	0	(5.160)	102.798
NORWAY / NOK	0	890.590	(5.878)	(881.772)	0	(2.987)	0	0	0	0	47	0
NORWAY / USD	0	22.686	(681)	0	0	0	0	0	0	0	(561)	21.444
MUNICIPALITY OF HADŽIČI / EUR	0	5.783	(173)	(5.642)	0	0	0	4	0	0	32	4
ROOTS OF PEACE / USD	7.341	114	(3)	(7.402)	0	0	0	0	0	0	10	60
SWEDEN / EUR	22.508	0	0	(23.032)	0	0	0	389	0	0	560	425
SWEDEN / SIT	0	96.038	(1.801)	(23.044)	(70.948)	0	0	1.240	0	0	0	1.485
SWITZERLAND / CHF	9.998	70.590	(2.118)	(78.223)	0	0	0	0	0	0	201	448
SWITZERLAND / EUR	0	39.919	(599)	(39.320)	0	0	0	0	0	0	0	0
SWITZERLAND / USD	12	0	0	0	0	0	0	0	0	0	(2)	10
UK / GBP	88.254	0	0	(81.944)	0	0	0	1.465	0	0	(1.259)	6.516
UK / USD	21.989	0	0	0	0	0	0	341	0	0	(2.638)	19.692
WALNUT CREEK / USD	2	0	0	0	0	0	0	0	0	0	0	2
USA - 14 / USD	6.466	3.434.207	(120.198)	(1.102.160)	0	(62.041)	(216.309)	0	0	0	(264.435)	1.675.530
USA - 28 / USD	932.359	0	0	(424.541)	0	0	(274.478)	0	0	0	(40.073)	193.267
USA - BIH-2 / USD	0	331.671	(11.608)	0	0	0	(132.405)	0	0	0	(33.694)	153.964
USA - LOCAL NGO / USD	61	0	0	0	0	0	(57)	0	0	0	(4)	0
USA - MDD / USD	2.193	0	0	0	0	0	(1.417)	0	0	0	(188)	588
USA - ML / USD	0	70.764	(2.477)	0	0	0	0	0	0	0	(3.562)	64.725
USA - INTEREST / USD	19.717	0	0	0	0	0	(27.351)	33.114	0	0	(1.477)	24.003
USA -UNILATERAL / USD	319.892	0	0	(231.033)	0	0	(37.671)	0	0	0	(16.960)	34.228
DONORS OF HUMANITARY DINNER	1.655	3.927	(61)	(3.443)	0	0	(1.596)	2	0	0	344	828
Total	1.843.016	7.514.834	(219.365)	(4.518.136)	(444.906)	(134.907)	(967.656)	50.661	0	(7.985)	2.087	(375.081)

The balance of donations are presented according to the middle exchange rate of the Bank of Slovenia current at December 31, 2002.

	2002	2001	
9. Temporarily Restricted			
Net Assets	SIT 000	131.244	95.712
1. Donated intangibles		36.549	42.972
2. Donated fixed assets		94.695	52.740

The Summary of the 2002 movements in Temporary Restricted Net Assets:

	in 000 SIT		
	Donated intangibles	Donated fixed assets	Total
Balance as at 31.12.2001	42.972	52.740	95.712
Donation received	11.081	60.864	71.945
Differences (disposals, sales, reconciliation)	3	(253)	(250)
- Depreciation	(11.375)	(18.656)	(30.031)
- Costs of donated rent	(6.132)	(0)	(6.132)
Balance as at 31.12.2002	36.549	94.695	131.244

		2002	2001
10. Accounts payable	SIT 000	420.616	110.432
1. Accounts payable to domestic vendors		19.260	37.629
2. Accounts payable to foreign vendors		401.356	72.803

The accounts payable to domestic (12.757 thousand SIT) and foreign suppliers (401.293 TSIT) debit the permanently restricted net assets.

	2002	2001	
11. Revenues / Donations	SIT 000	6.317.674	6.413.409
1. Utilisation of permanently restricted net assets – main activities of fund	6.057.239	6.179.635	
2. Operating revenues, fixed percentage of donated funds	219.365	141.327	
3. Depreciation of donated fixed assets	18.656	2.021	
4. Utilisation of costs of donated intangible assets	17.507	7.834	
5. Utilisation of permanently restricted net assets – other costs of Trust Funds activities	0	57.692	
6. Utilisation of permanently restricted net assets – administrative costs	0	18.595	
7. Other revenues	4.907	6.305	

Other revenues of the Trust Fund consist of sales of tender documentation (3.199 thousand SIT), revenues from rent (638 thousand SIT) and other (1.070 thousand SIT).

	2002	2001	
12. Income from financing	SIT 000	678.116	386.793
1. Exchange rate gains		617.258	352.262
2. Interest received		60.858	34.531

	2002	2001	
13. Costs of materials and services	SIT 000	6.153.390	6.323.850
1. Cost of goods sold		112.439	46.561
2. Materials		26.457	11.235
3. Services		6.014.494	6.266.054

The following costs debited the permanently restricted net assets: cost of goods sold (112.439 thousand SIT), materials (14.258 thousand SIT) and cost of services (5.911.429 thousand SIT).

	2002	2001	
14. Labour expenses	SIT 000	111.623	84.320
1. Payroll expenses		86.788	64.491
2. Social contributions		10.733	7.156
3. Other labour costs		14.102	12.673

Payroll expenses and social contributions consist of payments to employees of the Trust Fund's headquarters (66.266 thousand SIT) and payments to employees of the Implementation Offices (20.522 thousand SIT).

Other labour costs consist of payroll tax (5.809 thousand SIT), refund of travel costs (3.015 thousand SIT), refund of costs of meals (2.287 thousand SIT), holiday pay (2.248 thousand SIT) and other (743 thousand SIT).

The labour expenses in the amount of 18.484 thousand SIT debited the permanently restricted net assets.

		2002	2001
15. Depreciation	SIT 000	38.255	10.116
1. Depreciation of donated fixed assets		30.031	3.723
2. Other depreciation costs		8.224	6.393

		2002	2001
16. Costs of financing	SIT 000	642.729	428.789

This item consists of realised and unrealised exchange rate losses (591.984 thousand SIT) and interest expenses (50.745 thousand SIT).

The Trust Fund increased its permanently restricted net assets for the amount of interest (50.745 thousand SIT) received on donated funds pursuant to the underlying agreements with individual donors.

		2002	2001
17. Extraordinary expenses	SIT 000	2.958	13.129

This item consists of loss from disposed/sold fixed assets (1.721 thousand SIT) and other (1.237 thousand SIT).

18. Allocation of operating results for the year	SIT 000
Retained earnings as at January 1, 2002	61.131
2002 operating surplus	48.816
Retained earnings as at December 31, 2002	109.947

19. Post balance-sheet events

In the period since the issue of financial statements to the date of this report no events that would have taken effect on the fair view of the financial statements for the year 2002 occurred.

Ig, February 7, 2003

Managing Director:
Jernej Cimperšek

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

Thank you!