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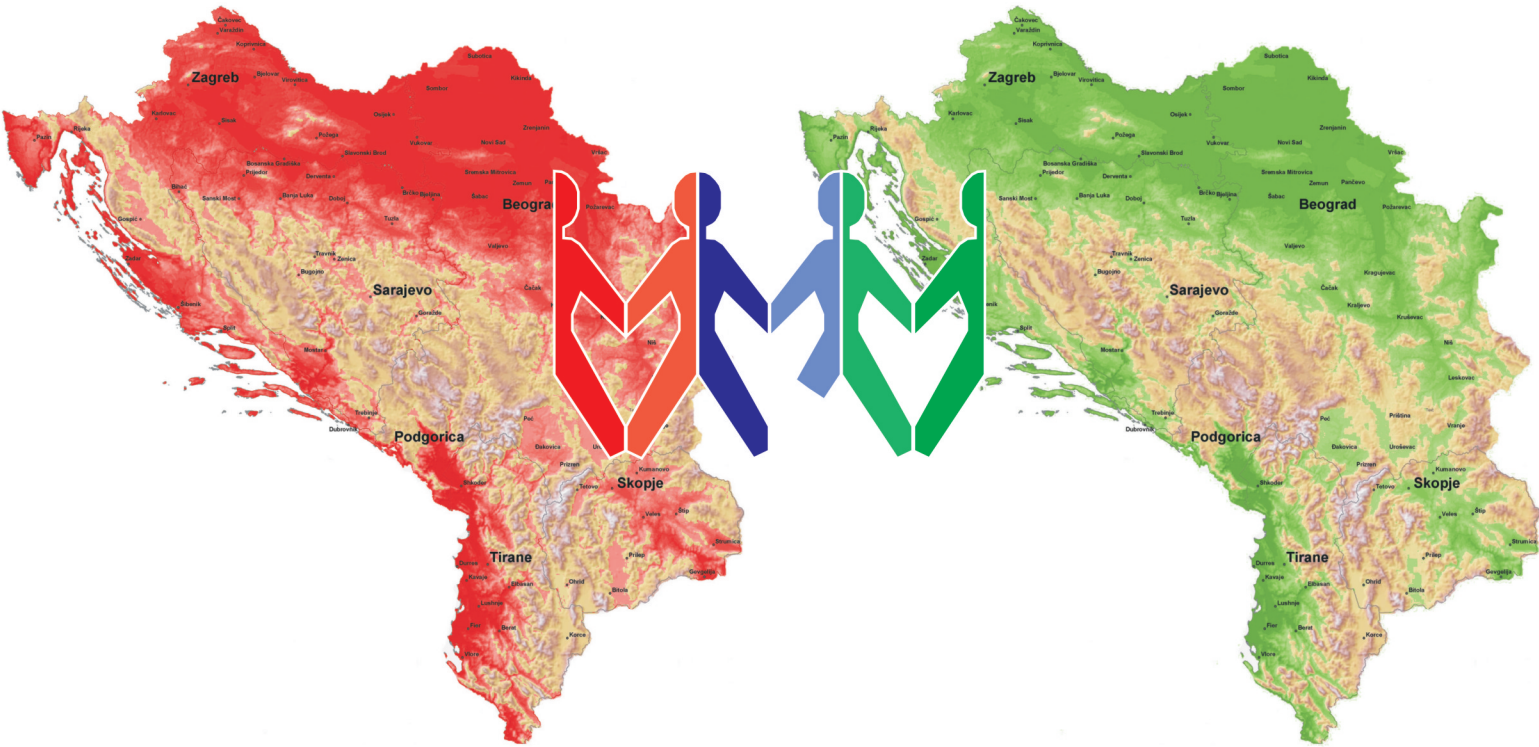
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A Step Closer



ITF ANNUAL REPORT 2005



International Trust Fund
for Demining and Mine Victims Assistance

FOREWORD

»Every step gets us closer to where we are going.«
Unknown proverb

I have chosen this proverb, which, in a figurative sense, can more than adequately be applied to Mine Action, to emphasise that mine problem and mine action activities are a process composed of steps which in the end bring us to the desired destination. In my opinion, we can say without fail that in the past we stepped on the right course and that efforts made by the ITF in cooperation with various stakeholders brought us to the point where the goal of SE Europe free from the impact of mines is already visible on horizon.

The journey towards SE Europe region free from the impact of mines unites various stakeholders – the mine affected communities and their mine action authorities, international and local donor communities, the implementing partners and agencies – in a harmonized cooperation towards a positive end. The mandate of raising and managing funds has been entrusted to the ITF, which proved to be a recognizable and trustworthy partner. In 2005, the ITF funded some 50% of the demining programme in Bosnia and Herzegovina, approximately 20% in Croatia, 75% in Albania and over 50% in Serbia and Montenegro (incl. Kosovo). The overall number of new mine victims is decreasing due to mine clearance and mine-risk education programmes. Those who survived are being reincorporated to normal life through physical rehabilitation and psycho-social and economic opportunity programmes supported by the ITF. Furthermore, 2005 was a successful year also due the 10.4% raise of funds implemented, representing USD 27.7 million. The ITF and its personnel are thus firmly and decisively dedicated to the cause of solving the mine problem in SEE region. However, donations received in 2005 decreased by 9% in comparison to 2004. I have to draw your attention to the fact that donors still play a vital role in mine action financing, contributing to the accomplishment of the aims set by mine affected countries of South-Eastern Europe.

Since the establishment of the ITF in 1998, the comprehension of mine action has been changing along the way: the mobilization of international donor community, emerging and consolidation of mine action centres in mine affected countries in SEE, the linking up of the centres within the South-Eastern Europe Mine Action Coordination Council, focusing on new mine action approaches and priorities (such as integrated mine action projects) etc. Apart from the security and humanitarian aims, mine action became integrated in reconstruction, development and confidence building projects, these activities being equally important as the purpose itself. The ITF managed to find balance along these lines, giving priority to activities that are aimed at saving human lives.

When looking at the past year, there is one event which has especially impressed me, namely the regional workshop in Tbilisi, Georgia, titled “Mine action as a confidence building measure”, organized by the ITF and hosted by the OSCE and Georgia. The workshop focused on the mine problem in the South Caucasus and Central Asian regions and contributed to the establishment of a proper environment for dialogue and cooperation among nations in these regions by gathering over 80 interested parties and the world’s leading mine-action authorities. The ITF thus added to the advancement of regional cooperation process in the field of mine action within the South Caucasus region, where distrust among nations is still present to a high degree and confidence building is rather neglected. Due to the expressed interests, the ITF plans to organize a similar workshop in Central Asia in 2006. The ITF is thus making small but important steps in contributing its share to addressing the mine problem in another mine affected region.

At the end, I would like to express appreciation for stakeholders’ contributions and their cooperation with the ITF. Only together and with greater pace and determination we can bring our journey towards SE Europe region free from the impact of mines to a close with fulfilled expectations and on schedule. In 2005, a step closer to this goal was made.

Mr. Vojislav Šuc
Chairman of ITF Managing Board



CONTENTS

INTRODUCTION

• YEAR 2005 IN FIGURES	1
• SIGNIFICANT EVENTS	2
• VISION, MISSION AND PRINCIPLES	3
• GENERAL INFORMATION ON ITF	4
• ORGANIZATIONAL SCHEME OF ITF	4
• ORGANIZATION OF ITF	5
• ITF MANAGING BOARD	6
• ITF BOARD OF ADVISORS	7
• RELATIONSHIP WITH STAKEHOLDERS	7

ACTIVITIES REPORT

• MANAGING DONATIONS	10
• DONOR REPORT 2005	11
• USE AND DISTRIBUTION OF DONATIONS	18
• ITF ADMINISTRATIVE AND PROJECTS COSTS	22
• SOUTH-EASTERN EUROPE	23
• ALBANIA	24
• BOSNIA AND HERZEGOVINA	29
• CROATIA	34
• SERBIA AND MONTENEGRO (INCL. KOSOVO)	37
• SOUTH CAUCASUS	41
• AZERBAIJAN	43
• GEORGIA	44
• SEE REGIONAL ACTIVITIES	46

MINE ACTION AND VALUE ADDED	51
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REPORT ON PROCEDURES AND CONTROLS FROM 1.1.2005 TO 31.12.2005	55
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STATUTORY ANNUAL STATEMENTS FOR THE FINANCIAL YEAR 2005	63
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YEAR 2005 IN FIGURES

Donations

- ITF raised USD 27,785,654.66 worth of donations in 2005.
- Contributions were received from 25 public donors (including 13 governments, the EU and UNDP, and many local authorities and government organizations) and 13 private donors (companies, foundations and organizations).

Beneficiary Countries

- In 2005 ITF supported programs in Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro (incl. the province of Kosovo) and in the South Caucasus.

Partners and Implementing Agencies

- ITF collaborated well with over 50 partners and implementing agencies involved in mine action – national Mine Action Centres, UN bodies, regional organizations, international and local NGOs and implementing agencies.

Mine- and UXO Clearance

- Over 12.15 million square meters were released through demining, technical survey and battle area clearance operations in the countries of SE Europe in 2005, which is 54 % more than in 2004.
- In the year 2005 ITF funded almost 50 % of demining programs in Bosnia and Herzegovina, 20 % in Croatia, 75% in Albania and over 50 % in Serbia and Montenegro (incl. Kosovo).

Mine Victims Assistance

- ITF supported 14 Mine Victims Assistance projects in 2005, thereby providing direct support to over 650 mine victims from SE Europe through rehabilitation, socio-physiological programs, sports and other activities, and socio-economic reintegration programs.

Mine Risk Education

- In 2005 ITF funded four Mine Risk Education projects: two projects included over 33,000 children and adults receiving MRE messages directly, while in another two mass media were used to spread MRE messages.

Training

- Nine rehabilitation experts from Bosnia and Herzegovina and 12 from Serbia and Montenegro attended a 5-day training course at the Slovenian Institute for Rehabilitation. The Institute also organized training for 30 rehabilitation workers and nurses in North Albania.
- ITF continued to support the training program for orthopedic technicians involving 5 students from SE Europe (3 from BH, 1 from Croatia and 1 from FRY Macedonia) at the University College for Health Studies in Ljubljana.
- 18 participants from countries in the South Caucasus successfully completed the Middle Management Training Course held in Tbilisi, Georgia.

Structure Support

- ITF supported Mine Action Centers in Albania, Bosnia and Herzegovina, and Azerbaijan so as to facilitate more efficient management of the mine problem in those countries.

Regional Activities

- Continued support and active involvement in the South-East Europe Mine Action Coordination Council.
- ITF organized a workshop Mine Action as a Confidence Building Measure in Tbilisi, Georgia.



SIGNIFICANT EVENTS

March

- Presentation of ITF's work at NATO TRUST and NAMSA in Luxembourg.
- Humanitarian event Night of a Thousand Dinners® held in Ljubljana, raising funds for two demining projects in Bosnia and Herzegovina.
- The Commander of the Civil Protection Corps of the Republic of Slovenia presents ITF with a Silver Decoration of the Civil Protection Corps.

April

- A delegation of EU parliamentarians visits the ITF Implementation Office in Bosnia and Herzegovina.
- Opening of the exhibition on the mine problem by ITF and photographer Arne Hodalič on the premises of the Slovenian Mission at OVSE in Vienna.
- ITF attends the Donor Briefing on the Mine Action Situation in Azerbaijan hosted by the Azerbaijan National Agency for Mine Action (ANAMA) and the United Nations Development Programme (UNDP).

May

- Mrs. Heather Mills McCartney and Sir Paul McCartney visit the ITF premises to endorse the ideas promoted by NGO Adopt-a-Minefield.
- Presentation of demining operations and the mine problem in the region of South East Europe to the Science and Technology Committee of the NATO parliamentary assembly in Ljubljana.
- Visits of ITF premises at Ig, Slovenia, by US Senator George V. Voinovich in May, US Congressman James Oberstar in June, and US Senator Thomas Harkin in August.

June

- Brussels presentation of ITF's work at the Landmines Information Day – The European Parliament for a Mine-Free World.
- ITF co-finances the River Sava Conference on Demining Operations on the Banks and in the Channel of the Sava River held in Brčko, Bosnia and Herzegovina.
- ITF supports the Conference on the Prevention of Violence Against Children in the Regions Affected by Armed Conflict and Social Adversities held by the Foundation Together in Kranjska Gora, Slovenia.

August

- England's football legend Sir Bobby Charlton and Romanian tennis legend Ilie Nastase visit Sarajevo to endorse The Spirit of Soccer mine awareness program co-funded by ITF and the Laureus Sports Foundation.

September

- ITF representatives visit the Capitol Hill in Washington to thank four representatives of the American Congress and the Senate and present them with acknowledgement plaques for their continuous support to ITF.

October

- ITF holds a regional workshop Mine Action as a Confidence Building Measure hosted by Georgia and OSCE in Tbilisi, Georgia.

November

- Armin Köhli on the From Geneva to Zagreb Against Landmines bicycle tour stops in Ljubljana at the Slovenian Institute for Rehabilitation and later attends the Sixth Meeting of the States Parties to the Antipersonnel Mine Ban Convention held in Zagreb, Croatia.



VISION, MISSION AND PRINCIPLES

Vision

ITF strives to free the region of South Eastern Europe from impact of landmines and unexploded ordnance by the end of the year 2009, continue to play an active role and creatively contribute to eradication of mine problem worldwide.

Mission

ITF's mission is to raise and administer donations made by public and private donors for the funding of different mine action activities in South-East Europe and the world in order to address the needs of mine affected communities . Those activities include:

- Mine Clearance of mine affected areas, in accordance with the priorities set at the national level.
- Mine Victims Assistance programs ranging from physical to psycho-social rehabilitation.
- Mine Risk Education programs in line with international guidelines.
- Providing 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.
- Promoting and facilitating regional cooperation through joint projects and the South-East Europe Mine Action Coordination Council (SEEMACC).
- Assisting in the destruction of stockpiled anti-personnel mines and explosive remnants of war, when requested by national authorities.

However, since the far-reaching and long-term consequences of the mine problem in South-East Europe will continue for years to come and will not end by 2009 (referring primarily to Mine Victims Assistance and Mine Risk Education), ITF will remain committed to the cause also after 2009.

Principles

ITF's approach to the mine and unexploded ordnance problem is based on the following principles:

- Holistic approach to mine action activities, which enables affected countries and communities to effectively and efficiently confront and address the mine problem according to their needs.
- Regional approach involving interstate and regional mine action cooperation to enable the exchange of experience, information and know-how, as well as confidence building.
- Responsible approach by employing a bidding system, which enables quality- and cost-effective use of donations for best results in the affected communities in a transparent fashion.
- Sustainable approach by addressing humanitarian and safety concerns as well as reconstruction and development needs of affected communities through mine action activities.
- Community-centered approach enables working closely with the authorities responsible for mine action programs in order to ensure that help and assistance provided are in fact needed and that the programs being implemented are coordinated with the national plans.
- Partnership approach with mine affected countries, national governments, international and regional organizations, local and international non-government organizations, research centers and commercial enterprises to ensure mutual cooperation and communication, and consequently contribute to the overall effort of eradicating the landmine threat.
- Matching-Fund Mechanism for SE Europe whereby every dollar raised by ITF is matched by an additional dollar donated by the government of the United States. This effectively attracts other donors, especially local communities and national authorities in mine affected countries, and so enables better results of mine action in mine affected communities.



GENERAL INFORMATION ON ITF

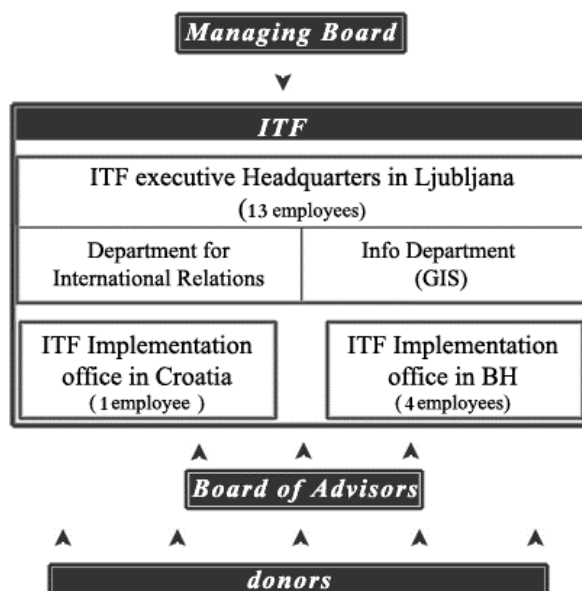
The International Trust Fund for Demining and Mine Victims Assistance (ITF) is a humanitarian, non-profit organization devoted to the eradication of landmines present in the region of South-East Europe and the world.

When first established by the Slovenian government in March 1998, ITF was to assist Bosnia and Herzegovina (BH) 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, it made good sense for ITF to spread its operations to include all other mine affected countries in SE Europe as well. ITF has been working in Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro. Moreover, ITF has also spread its activities to the South Caucasus, Cyprus and Central Asia.

ITF seeks to attract public and private donors for mine action related activities in SE Europe and the world, and administers and manages donations in accordance with the needs of mine affected communities and the interests of donors in order to achieve the common goal of freeing SE Europe and the world from the impact of mines.

ORGANIZATIONAL SCHEME OF ITF

ITF - STRUCTURE



ORGANIZATION OF ITF

ITF has Headquarters at Ig, Slovenia, and two permanent Implementation Offices in Sarajevo, Bosnia and Herzegovina, and in Sisak, Croatia, respectively.

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, on average twice a year for each project.

The two ITF implementation offices, which are locally based in BH and Croatia respectively, facilitate ITF operations in the mine contaminated countries and enable efficient coordination with the national Mine Action Centres achieve better results as well as ensure smooth implementation of ITF activities. The implementation offices evaluate mine clearance projects before they are put to tender, carry out on-site supervision during the actual mine clearance and liaise with local donors. They are also involved in the technical evaluation of tenders for demining projects executed by ITF.

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

Altogether, ITF employed 18 people in 2005: 13 in Slovenia, 4 in Bosnia and Herzegovina, and 1 in Croatia.

ITF Headquarters in Slovenia	ITF Office in Bosnia and Herzegovina	ITF Office in Croatia
Zabrv 12 1292 Ig Slovenia TEL: +386 1 479 6580 FAX: + 386 1 479 6590 E-MAIL: ljubljana@itf-fund.si	Tešanjaska 1/19, 71000 Sarajevo, Bosnia and Herzegovina TEL: +387 33 261 180 FAX:+387 33 261 182 E-MAIL: ITFIO-SA@BIH.NET.BA	Ante Kovačića 10, PP 8, 44 000 Sisak, Croatia TEL: +385 44 534 606 +385 98 295 675 FAX: +385 44 534 608 E-MAIL: ITF-FUND@ZG.HTNET.HR



ITF MANAGING BOARD

The ITF Managing Board has 9 members, as follows:

- Vojislav Šuc, representative of Slovenia, Chairman of the Managing Board
- Mustafa Alikadić, representative of Bosnia and Herzegovina
- Dragiša Mekić, representative of Bosnia and Herzegovina
- Darko Vidović, representative of Bosnia and Herzegovina
- Dijana Pleština, representative of Croatia
- Stanislav Vidovič, representative of Slovenia
- Zvezdana Veber - Hartman, representative of Slovenia
- Bojan Žmavc, representative of Slovenia
- Kory Golob, representative of Slovenia

The managing board is overseeing the work of the ITF and ensures that the activities are implemented in the transparent and effective manner.

In 2005 the Managing Board conducted two regular and one correspondent meeting. On 27th Session, 8. November 2005, the Managing Board adopted the resignation of Mr. Dorijan Maršič, Director of the ITF, and appointed Mr. Goran Gačnik, Deputy Director of ITF, as the new Director of ITF. Mr. Gačnik assumed his duties on 1. January 2006.

The Managing Board also approved and adopted the ITF Annual Report 2004 and Plan for 2005.



ITF BOARD OF ADVISORS

ITF's Board of Advisors (BoA) is actually the Board of Donors. It has 30 members, as follows:

- | | | |
|---------------------------|---|-------------------------------|
| 1. Austria | 12. Geneva International Center for Humanitarian Demining | 20. Red Cross of Slovenia |
| 2. Belgium | | 21. Qatar |
| 3. Bosnia and Herzegovina | | 22. Slovenia |
| 4. Canada | 13. Republic of Slovenia Rehabilitation Institute | 23. Slovak Republic |
| 5. Croatia | | 24. SPEM |
| 6. Croatia Without Mines | 14. Ireland | 25. Sweden |
| 7. Czech Republic | 15. Japan | 26. Switzerland |
| 8. Denmark | 16. Korea | 27. Survey Action Center |
| 9. European Union | 17. Kuwait | 28. UNDP |
| 10. France | 18. Luxembourg | 29. United Kingdom |
| 11. Germany | 19. Norway | 30. 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 draws attention to the matters, which are important to the donors, and to their desire and willingness to provide further assistance in relation to future humanitarian projects in Mine Action.

In 2005 the BoA conducted two regular meetings and was very much involved in the provision of guidance to ITF in respect of Mine Victims Assistance, mine clearance in SE Europe and other Mine Action related activities. BoA also approved the ITF Annual Report 2004 and Plan for 2005.

RELATIONSHIP WITH STAKEHOLDERS

The success of ITF's mine action activities depends on ensuring the participation and successful coordination of various stakeholders, whose interests are aligned with the common goal of making SE Europe and the world free from the impact of mines. For this reason, ITF has been working hard on developing and maintaining close as well as sound working relationships with beneficiary countries, the donor community, implementing partners and agencies, mine action environment and employees.

The introduction of a tendering system for mine action activities in SE Europe and resources for their implementation, quality of service, customized projects, efficient management of activities, reliability in business relations and a clearly defined vision are just some of the characteristics, which enable ITF to deliver a high level content to the stakeholders.

ITF KEY STAKEHOLDERS				
Beneficiary Countries	Donor Community	Partners and Implementing Agencies	Mine Action Environment	Employees



RELATIONSHIP WITH STAKEHOLDERS

BENEFICIARY COUNTRIES

SE Europe is one of the most heavily mined regions in the world. Mines and explosive remnants of war constitute one of the most significant problems for the international as well as local communities in these parts in terms of safety, humanitarian issues, the environment, economy and development. ITF's cooperation and coordination with local authorities in mine contaminated areas, national mine action authorities and governments of mine affected countries ensures that the needs of mine affected communities are properly addressed. Furthermore, ITF promotes regional cooperation by supporting the South-East Europe Mine Action Coordination Council and joint projects in the mine affected regions of SE Europe and the world.

In the year 2005 ITF supported programs in Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro (incl. the province of Kosovo) and in the South Caucasus.

DONOR COMMUNITY

The donor community, by their solidarity and willingness to help, contributes to the solution of the mine problem in mine contaminated countries of SE Europe and the world. The mandate for the raising and managing of funds has been entrusted to ITF, which has proven to be a reliable and trustworthy partner in fulfilling its obligations to the donors.

Since the inception of ITF, over 100 donors have made donations for ITF mine action activities. Almost half of the donations have come from public entities including 24 governments, EU and UNDP, and many local authorities; the other half have been contributed by private donors: non-government and humanitarian organizations, businesses and individuals. Some of them repeatedly make donations every year. In 2005 ITF had 38 donors (see Donor Report 2005, page 11).

Donors have seats on ITF's Board of Advisors where they set the guidelines for future humanitarian projects in SE Europe and the world and make proposals for mine action activities in the countries of their interest.

The Government of the United States has instituted the Matching Funds Mechanism for SE Europe whereby every dollar raised by ITF is matched by an additional dollar provided by the US Government, which enables double results in mine action projects.



RELATIONSHIP WITH STAKEHOLDERS

MINE ACTION ENVIRONMENT

ITF has been actively involved in the Mine Action Support Group, a UN mechanism for the coordination and monitoring of donor activities in relation to mine action.

In addition to following the Ottawa Convention process and regularly attending the Intersessional meetings in Geneva, in 2005 ITF also took part in the Sixth Meeting of the States Parties in Zagreb, Croatia.

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.

Furthermore, ITF has been working on the integration of mine action into the framework of other international organizations and associations whose work overlaps the mine problem e.g. the Organization for Security and Cooperation in Europe (OSCE).

ITF also follows mine action activities of the United States of America, the European Union, the Organization of American States and other entities.

EMPLOYEES

ITF has a small and flexible staff of 18. ITF is committed to ensuring all-round employee development, ongoing training and education, good working conditions, stimulation of individual capabilities and employee creativity in order to promote and facilitate team work and provide a positive environment conducive to sustainable long-term relationships and an adaptive organization.



MANAGING DONATIONS

- FINANCIAL MANAGEMENT AND INTERNAL CONTROL

ITF has established efficient internal controls regarding the financial management and administration of donations by putting into effect the following procedures:

- Donations Received Procedures to ensure all donations acquired are in fact received and accurately recorded.
- Matched Funding Procedures to ensure that all valid claims for matched funds are made and that no ineligible claims are submitted.
- Banking and Reconciliation Procedures to ensure safe custody of donors' funds received, by means of banking and reconciliation controls to prevent loss occasioned by error or fraud.
- Disbursement Procedures to ensure that all disbursements of donors' funds are actually made, that they are made only for such purposes as stipulated by the donors, and that the disbursements are accurately recorded.

The above procedures are also subject to regular external control.

Furthermore, in 2002 ITF introduced 'hedging' i.e. the policy of donations being transferred to implementing agencies in the same currency as they are received, so as to minimize losses arising from currency rate fluctuations.

- EXTERNAL AUDIT

ITF's accounts are subject to an external audit on an annual basis. The 2005 Auditors' Report is enclosed with this Annual Report in the section Financial Statement for ITF.

The accounts are audited in accordance with the International Auditing Standards. The audits are carried out by UHY Revizija in svetovanje d.o.o., a Slovenian audit firm, which is a member of the UHY international association of independent accounting and consultancy firms established and coordinated by Urbach Hacker Young International Limited, a UK company.



DONOR REPORT 2005

ITF raised USD 27,785,654.66 worth of donations in 2005. These funds were contributed by 25 public donors (including 13 governments, the EU and UNDP, and many local authorities and government organizations) and 13 private donors (companies, foundations and organizations). Although some donors from 2004 did not renew their donations in 2005, the overall number of donors increased to 38 in comparison with 34 in 2004. This speaks of ITF's efforts to attract new donors as well as retain the existing ones.

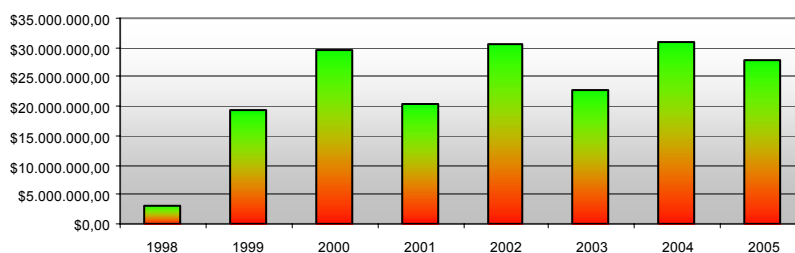
The total amount of donations raised in 2005 decreased by 9.7 % compared to 2004. A closer look reveals a 3.8 % decrease in private donations while public donations fell by 10 %. However, to a large extent the drop in public funding can be accounted for by the fact that some major donations in 2004 were made as a combined contribution for 2003 and 2004 (double donation) i.e. the donations by Bosnia and Herzegovina (USD 4.65 million) and the Stari Grad community (USD 0.48 million), which were received in 2004, were designated to also cover the cost of the activities already carried out in 2003.

Another concern expressed by ITF is a diminishing donor interest in supporting mine action activities in SE Europe, due to other, emerging humanitarian crises around the globe. Furthermore, it is necessary to mention that ever since ITF's inception, donations have been displaying a 2-year fluctuation pattern (see Chart 1). Being aware of this trend, ITF made additional efforts to minimize the decline of funds as previously recorded in 2001 and 2003.

The overall goal is to ensure a stable and continuous inflow of funds for mine action thus enabling the mine affected countries in SE Europe to be free from the impact of landmines in the designated timeframe.

Private donations accounted for 3.97 % of the total (see Chart 2) and basically remained at the level attained in 2004. That is a marked drop in comparison with 2003, when ITF succeeded in raising twice the amount of private donations made in 2004 and 2005 (see Chart 3). Raising private donations remains a challenge for ITF also in future with the aim being to increase the interest of the private sector in supporting mine action activities in the mine contaminated countries of SE Europe. ITF secured USD 9,920,000 in 2005 through the matching funds mechanism instituted by the government of the United States. Donations made by other donors amounted to USD 17,865,654.66. In order to secure sufficient funding for the mine contaminated countries in SE Europe to be free from the impact of mines by 2009, the donations should at the very least remain at the present level, and preferably higher than that.

Chart 1: ITF donations raised since 1998



DONOR REPORT 2005

Chart 2: ITF donation raised in 2005 by origin

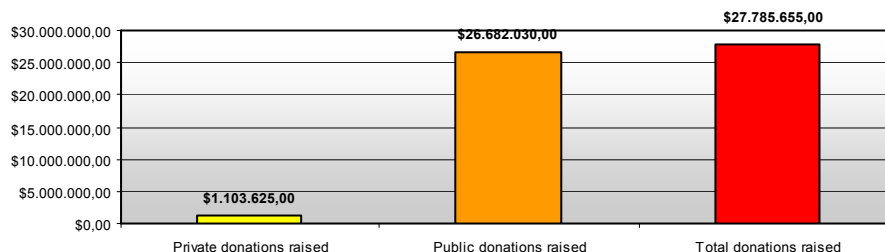
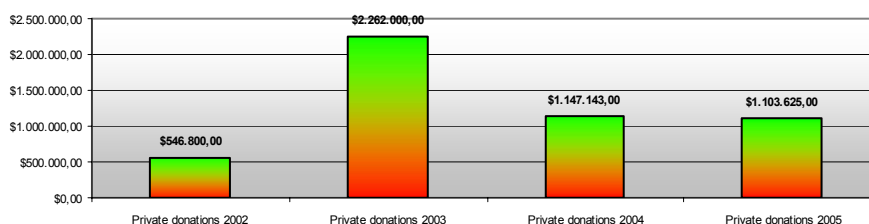


Chart 3: ITF private donation raised in period 2002-2005



Review of donations in 2005

Adopt-a-Minefield

Demining activities in Bosnia and Herzegovina and Croatia	233.325,55 USD
Demining activities in Bosnia and Herzegovina and Croatia	130.856,18 USD
Total	364.181,73 USD

Amway d.o.o.

Demining activities in Croatia	18.000,00 USD
Total	18.000,00 USD

Austria

Demining activities in Croatia	122.810,00 USD
Demining activities in Bosnia and Herzegovina	592.100,05 USD
Total	714.910,05 USD



DONOR REPORT 2005

BAGS Energotehnika

Demining activities in Bosnia and Herzegovina	3.098,16 USD
Total	3.098,16 USD

Bosansko-Podrinjski kanton Goražde

Demining activities in Bosnia and Herzegovina	15.862,84 USD
Total	15.862,84 USD

Bosnia and Herzegovina

Structure suport-Bosnia and Herzegovina	2.200.000,00 USD
Total	2.200.000,00 USD

Canada

Support of the Integrated MA Programme in BiH	713.439,87 USD
Total	713.439,87 USD

Canton Sarajevo - Ministry of Urban Planning and Environmental Protection

Demining activities in Bosnia and Herzegovina	94.187,65 USD
Total	94.187,65 USD

Community Stari grad

Demining activities in Bosnia and Herzegovina	209.087,72 USD
Total	209.087,72 USD

Community Vječe Vogošca

Demining activities in Bosnia and Herzegovina	6.255,64 USD
Total	6.255,64 USD

Czech Republic

Demining activities in Bosnia and Herzegovina	63.605,14 USD
Total	63.605,14 USD



DONOR REPORT 2005

DanChurchAid

Mine Clearance program in Albania	58.775,56 USD
Total	58.775,56 USD

Đurđa Otržan

Demining activities in Croatia	10.000,00 USD
Total	10.000,00 USD

EC Delegation in Croatia

Demining activities in Croatia	970.859,74 USD
Demining activities in Croatia	214.383,82 USD
Total	1.185.243,56 USD

Elektroprivreda HZ HB

Demining activities in Bosnia and Herzegovina	186.150,04 USD
Total	186.150,04 USD

European Agency for Reconstruction

Demining activities in Macedonia	10.001,09 USD
Total	10.001,09 USD

European Union

Support to regional cooperation in Mine Action	640.424,31 USD
GIS-for SEE region	22.018,71 USD
Total	662.443,02 USD

Foreign Affairs and International Trade, CANADA

Workshop in Tbilisi	35.146,82 USD
Total	35.146,82 USD



DONOR REPORT 2005

Foundation World Without Mines

Demining activities in Bosnia and Herzegovina	59.959,99 USD
Total	59.959,99 USD

France

Demining activities in Bosnia and Herzegovina	58.409,35 USD
Demining activities in Bosnia and Herzegovina	58.356,59 USD
Total	116.765,94 USD

Germany

Demining activities in Albania	487.625,28 USD
Demining activities in Bosnia and Herzegovina	2.035.580,38 USD
Demining activities in Serbia and Montenegro	181.154,99 USD
Demining activities in Serbia and Montenegro	545.219,98 USD
Total	3.249.580,63 USD

Korea

ITF activities in BiH and Croatia	30.000,00 USD
Total	30.000,00 USD

Maraska d.d.

Demining activities in Croatia	379.101,23 USD
Total	379.101,23 USD

Marshall Legacy Institute

Training of the MDD teams at MDDC in BiH	30.000,00 USD
Training-mine detection dog in Bosnia and Herzegovina	30.000,00 USD
Total	60.000,00 USD

Night of a Thousand Dinners

Night of a Thousand Dinners	36.201,06 USD
Total	36.201,06 USD



DONOR REPORT 2005

Norway

Demining activities in Bosna and Herzegovina	2.560.734,44 USD
Demining activities in Croatia	2.086.527,27 USD
Total	4.647.261,71 USD

Rehabilitation Institute RS

Mine Victims Assistance activities	3.246,10 USD
Total	3.246,10 USD

Roots of Peace

Demining activities in Croatia	100.000,00 USD
Total	100.000,00 USD

Rotary Club International Calvia

Rehabilitation of children landmine victims	3.670,80 USD
Total	3.670,80 USD

S.O.Subotica and MZ Palić

Demining activities in Serbia and Montenegro	6.000,00 USD
Total	6.000,00 USD

Slovenia

Support of ITF activities	493.441,95 USD
Activities in Caucasus	106.861,91 USD
Total	600.303,86 USD

Switzerland

Manual Mine Clearance in BiH by NPA	101.542,04 USD
Demining activities in Bosnia and Herzegovina	75.621,05 USD
Total	177.163,09 USD



DONOR REPORT 2005

The Department for International Development -DFID

Demining projects in Albania, Azerbaijan, BiH, SCG	1.064.510,26 USD
Total	1.064.510,26 USD

The Kingdom of the Netherlands

Workshop in Tbilisi	5.017,61 USD
Total	5.017,61 USD

United Nations Development Program in Bosnia and Herzegovina

Demining activities in Bosna and Herzegovina	304.449,51 USD
Demining activities in Bosnia and Herzegovina	55.000,00 USD
Demining activities in Bosnia and Herzegovina	403.921,17 USD
Total	763.370,68 USD

United States of America

Suport of Mine Action Activities	9.920.000,00 USD
Total	9.920.000,00 USD

VMA-Kukesi-Mine and Weapon Victims Association

Rehabilitation through Medical Treatment	10.565,00 USD
Rehabilitation in Albania	35,00 USD
Total	10.600,00 USD

Walnut Creek United Methodist Church

Demining activities in Bosnia and Herzegovina	2.512,81 USD
Total	2.512,81 USD

TOTAL AMOUNT OF DONATIONS RECEIVED IN 2005

27.785.654,66 USD

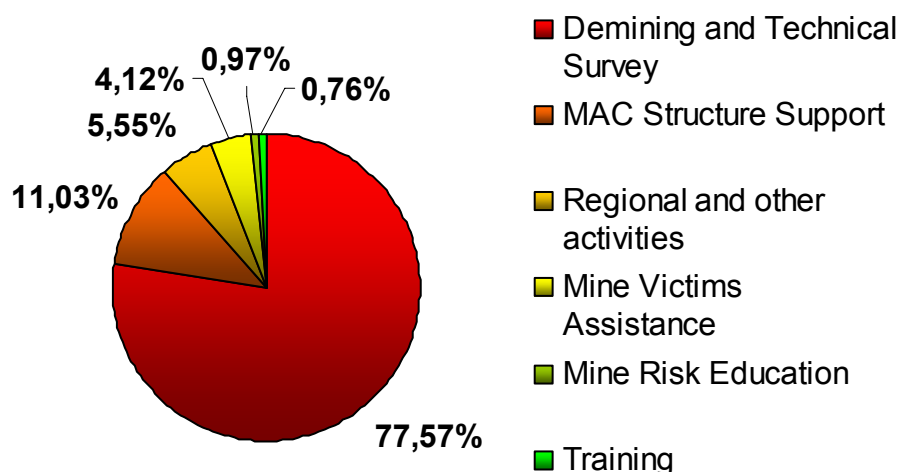


USE AND DISTRIBUTION OF DONATIONS

In 2005, USD 27,689,027.08 was spent on the following ITF mine action activities:

- USD 21,479,026.15 was spent on demining and technical survey (77.57 percent).
- USD 3,054,407.96 was spent on the local Mine Action structure support (11.03 percent).
- USD 1,536,399.19 was spent on regional and other activities (5.55 percent).
- USD 1,140,809.46 was spent on Mine Victims Assistance (4.12 percent).
- USD 268,773.00 was spent on Mine Risk Education programs (0.97 percent).
- USD 209,611.00 USD was spent on training (0.76 percent).

Chart 4: Distribution of funds by purpose in 2005



Overall, 2005 was the most successful year in terms of funds implementation since the inception of ITF with a 10.4 % increase in comparison with 2004.

There was an increase of expenditure in all ITF supported activities except in MAC Support and the Landmine Impact Survey project in BiH, the implementation of which had been successfully completed in 2004. However, high MAC Structure Support in 2004 can be attributed to the 'double donation' factor as already explained in the Donor Report (see page 11). Consequently, compared to previous years 2005 was a successful year in this respect as well. ITF supported Mine Action Centers in Albania, Bosnia and Herzegovina, and Azerbaijan.

ITF is pleased to report that support for Mine Victims Assistance rose by 59 % when compared to 2004; however, it still remains below the targeted 15% of all expenditure. ITF is striving to boost this element of mine action in the future as there are close to 7,500 mine victims in SE Europe and over 3,000 in the South Caucasus. In 2005, ITF supported Mine Victims Assistance in almost all affected countries in SE Europe as well as in the South Caucasus.

ITF succeeded in increasing the implementation funds earmarked for Mine- and UXO Clearance by 30 % thereby reaching USD 21.48 million, the biggest amount so far. Continuous and stable support to clearance activities will enable the region of SE Europe to be free from the impact of mines within the set timeframe. In 2005 ITF supported clearance activities in all countries in SE Europe except Macedonia.



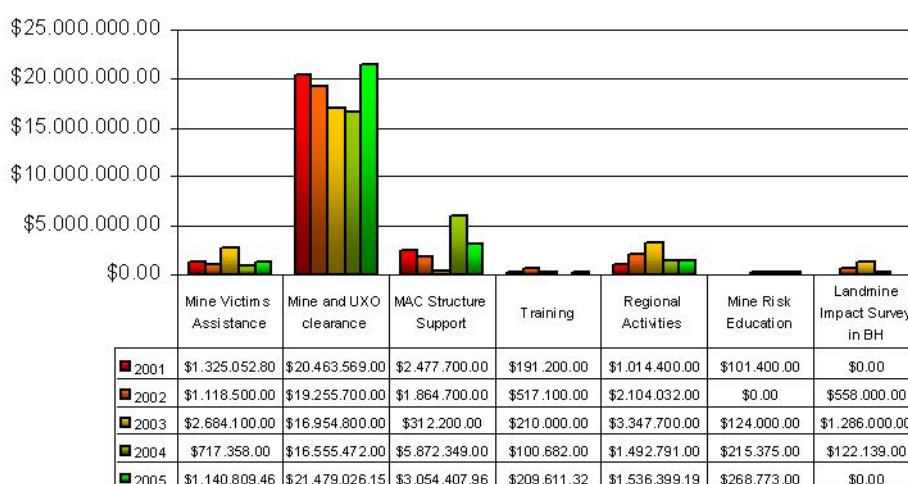
USE AND DISTRIBUTION OF DONATIONS

Implemented funds for training activities increased for over 100%, however total amount stays relatively low. ITF has been organizing trainings in mine action since 2001 and will in future focus its attention towards specific needs of mine action capabilities in SEE. Furthermore there has also been recognized the need for training in mine action in South Caucasus region.

The funds implemented for regional and other activities rose by 2.9 %. ITF will continue to support regional programs so as to enable a regional approach to the mine problem in SE Europe as well as elsewhere i.e. in the South Caucasus.

The funds implemented for Mine Risk Education have been steadily rising since 2003, reaching USD 0.27 million. ITF will increase its support to MRE programs in the future since MRE can be used effectively as an efficient preventive measure in the areas where clearance operations have been delayed or where the mine threat is not perceived as an immediate danger to the local population. Over

Chart 5: Comparison of funds allocation by purpose (in USD) in period 2001-2005



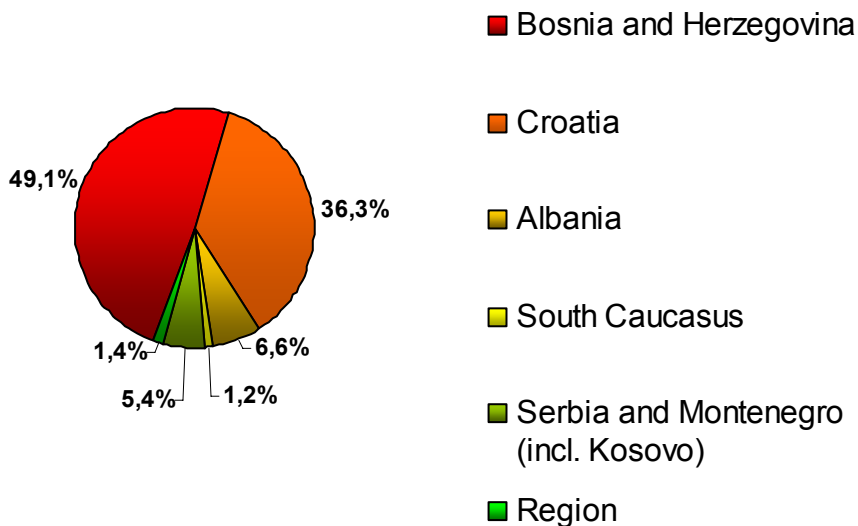
In 2005 the distribution of funds implemented (USD 27,689,027.08) by country/region was as follows:

- USD 13,594,457.66 was spent on mine action activities in Bosnia and Herzegovina (49.1 percent).
- USD 10,050,640.62 were spent on mine action activities in Croatia (36.3 percent).
- USD 1,816,173.84 was spent on mine action activities in Albania (6.6 percent).
- USD 1,490,104.39 was spent on mine action activities in Serbia and Montenegro (incl. Kosovo) (5.4 percent).
- USD 394,793.06 was spent on regional mine action activities in SE Europe (1.4 percent).
- USD 342,857.51 was spent on mine action activities in the South Caucasus (1.2 percent).



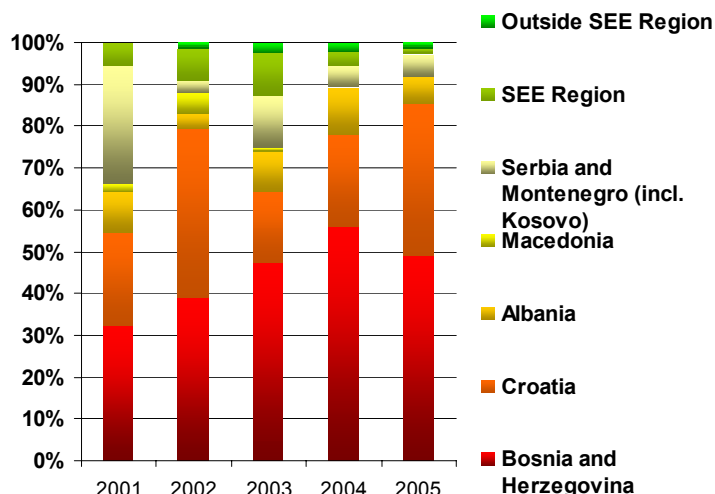
USE AND DISTRIBUTION OF DONATIONS

Chart 6: Use of donations by countries in year 2005



By using a country-based allocation of the implementation funds, ITF aims to meet the needs of mine contaminated countries in SE Europe and the South Caucasus in order to enable them to achieve the goals set in their national strategic plans. While Albania, FRY Macedonia, and Serbia and Montenegro (incl. Kosovo) could be freed from the impact of mines earlier, the most mine contaminated countries in SE Europe – Bosnia and Herzegovina and Croatia – remain the biggest challenge. For an overview of distribution of implemented funds by country/region in period 2001-2005 see Chart 7.

Chart 7: Distribution of implemented funds by country/region in period 2001-2005



USE AND DISTRIBUTION OF DONATIONS

There has been a 3.3 % decrease in the funds implemented in Bosnia and Herzegovina, mainly due to reasons already mentioned; nevertheless, mine action achievements in 2005 surpassed those of the previous years.

ITF had some difficulties with the implementation of funds in Croatia in 2004; consequently, the already reserved and contracted resources were carried over into 2005. As a result, the amount implemented in 2005 was almost double that in 2004.

In Albania there was a decrease of implemented funds by 35,7%, as many projects will continue in 2006 and as a consequence of a slight decrease of interest from donors. However, as in case of Bosnia and Herzegovina mine action achievements in 2005 in Albania surpassed those of previous years.

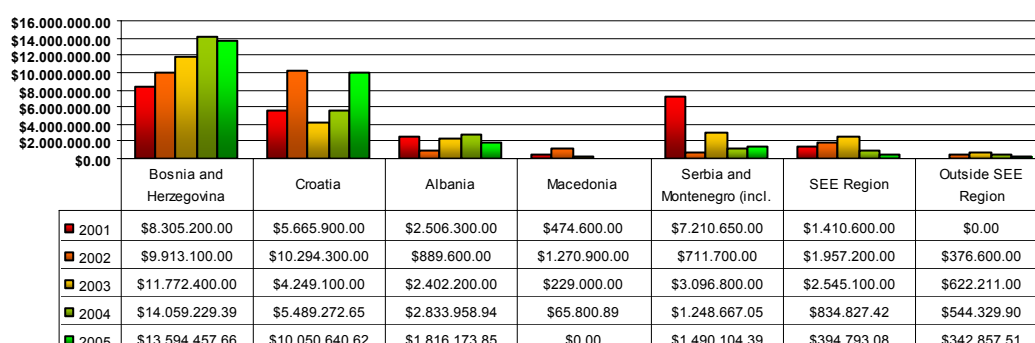
ITF's program in Macedonia had been concluded in 2004 although it can be resumed in case of renewed donor interest.

An almost 20 % increase in implemented funds was achieved in Serbia and Montenegro (incl. Kosovo) due to increased support of the donor community.

A decline in regional programs in SE Europe was also recorded as some of them had been successfully completed.

Overall, there has been a decrease in funds implemented outside SE Europe. That is mainly due to the completion of ITF's program in Cyprus, which ended in 2004. However, due to the new interest of donors in the South Caucasus program, the funds implemented in the South Caucasus rose by almost 18 %.

Chart 8: Distribution of implemented funds by country/region in period 2001-2005



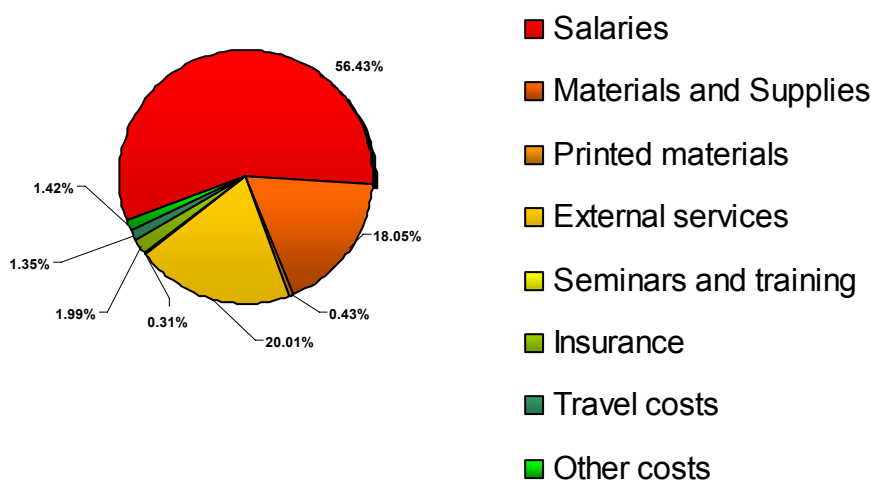
ITF ADMINISTRATIVE AND PROJECTS COSTS

The standard fee on which ITF operates is 3 percent of the funds raised. The fee is set to cover 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 HQ 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 additionally 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 9.

Chart 9: Distribution of shares of administration and project costs in 2005



SOUTH-EASTERN EUROPE



ALBANIA



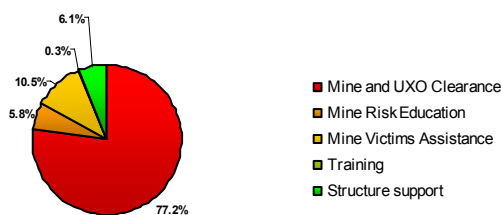
Problem:

- 3 km² of landmine/UXO contaminated areas in North-East Albania in beginning of 2006.
- Over 100,000 people live in mine affected communities.
- 272 mine/UXO casualties in North-East Albania since 1999: 34 killed and 238 injured.

Vision:

- Albania mine impact free by the end of 2006, while mine safe by the end of 2009.

Chart 10: Distribution of implemented funds by purpose in Albania in 2005



MINE AND UXO CLEARANCE



Demining and Battle Area Clearance (BAC) activities in 2005 in Albania were of the same scope as in 2004. They were executed by a single demining organization, DanChurchAid. Demining was carried out along the Albania/Serbia and Montenegro (Kosovo) border i.e. in the districts of Tropoje, Has and Kukes. Clearance activities in these areas are crucial to ensure at least minimum subsistence conditions for the people whose lives depend mostly on farming, herding and wood collection, which in some parts of the border region is still hindered by the presence of mines. Clearance activities also enable better border control of this area, where trafficking and other cross-border crimes take place by means of illegal border crossings. In 2005, DanChurchAid in Albania cleared 262,942 square meters of land, a significantly larger area than in the same period last year. During the demining operations 1,019 mines and 134 UXOs were found and destroyed. Released land will be used for agriculture and pasture purposes.

Donors for demining activities in Albania: DanChurchAid – private donors, Germany and the United States of America.



MINE VICTIMS ASSISTANCE

MVA activities funded through ITF take place in line with the priorities and directions of, and in cooperation with, the Albanian Mine Action Executive (AMAE), and they also follow the recommendations of the survey and assessment of the situation in relation to landmine survivors assistance in SE Europe carried out by Handicap International Belgium in 2003.

The following projects were being implemented in order to address the needs of Albanian landmine survivors:

- Community Based Social Services

The project started in October 2004 (and will conclude in May 2006). The overall objective of the Community Based Rehabilitation project is to improve access to community based social and medical services for mine survivors residing in the mine affected rural communities of the Kukes, Tropoje and Has districts in northeast Albania.

The project is designed to help local structures, through training and to provide direct social and medical services to 238 mine survivors (and indirectly to approximately 1,600 family members and other people with disabilities in the region).

Services to mine survivors are being provided by 30 nurses in 39 mine affected villages. Capacities in relation to the provision of prostheses maintenance to mine survivors have also been enhanced. In this respect, 29 mine survivors have been receiving ongoing physiotherapy, counseling and rehabilitation through the community based rehabilitation network, as well as the assistance of a physiotherapist and psychologist during field visits.

Additionally, 405 leaflets were distributed to mine survivors on physiotherapy exercises and prosthesis maintenance. At the Prostheses Support Center in the Kukes Regional Hospital, 19 amputees have had their prostheses repaired. A database of 238 rehabilitation survey forms was compiled, updated and processed.

The Project is being implemented by the Albanian NGO Mine and Weapons Victim Association.

- Socio-Economic Integration of Mine Victims II.

The implementation of the second phase of the project started in September 2005. During the first phase, from September 2003 to September 2004, beneficiaries received interest-free loans. Through this system of small household economies, cows as a basic resource were provided to recipients who also took part in the procurement process. The beneficiaries must return the interest-free loans within 2 years, thereby creating a revolving fund.



ALBANIA

The second year of the project is at the start-up phase. It targets another 30-40 mine survivors who will benefit by the project employing the same system. Families – the new potential recipients – have been contacted and interviewed. Their situations and readiness to participate in the project are being reassessed in order to obtain a short-list of eligible candidates. At the same time, necessary arrangements are being made with the local communities. Cows will be purchased and distributed to the selected beneficiaries in the early spring of 2006.

The project is being implemented by the Albanian NGO Mine and Weapons Victim Association.

- Triage and Rehabilitation of Landmine Survivors at the Institute for Rehabilitation in the Republic of Slovenia (IRRS)

The victims treated in Slovenia are triaged and selected 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, others are treated at the Tirana Orthopedic Institute.

In September 2005, a rehabilitation physician and prosthetic engineers from IRRS carried out a 3-day triage in Albania on approximately 100 mine/UXO amputees, who needed to be examined and triaged for potential future treatment. 18 mine survivors from Albania were selected and subsequently treated at IRRS in December 2005.

- Support to Landmine/UXO Survivors through Medical Treatment for the Sight Impaired

At the end of 2005 The Night of 1000 Dinners Support to Landmine/UXO Survivors project in Albania raised funds that will directly assist individual sight impaired mine/UXO survivors by providing them with the medical treatment they urgently require. The overall objective of this project is to facilitate the social and physical reintegration of sight impaired mine survivors into their communities.

The Albanian NGO Mine and Weapons Victim Association (VMA) and AMAE organized screening for 12 sight-impaired mine survivors at the private Russian IGLI Eye Clinic. Following the results of the triage, the sight impaired mine survivors will receive medical treatment at the IGLI clinic in Tirana.

Donors for MVA activities in Albania: Slovenian Institute for Rehabilitation, Mine and Weapon Victims Association—Kukes, The United States of America, Night of a Thousand Dinners (Albania).



ALBANIA

MINE RISK EDUCATION

The project Mine Risk Education in Northern Albania was implemented by the local NGO Mine and Weapons Victim Association from November 2004 to October 2005. Its key objective was to keep some 30,000 affected community members in 39 villages constantly informed about the threat of mines and unexploded ordnance, and to reduce mine accidents to a minimum, especially among children.

The project was instrumental in limiting the number of victims resulting from mines and unexploded ordnance by disseminating information to the population about the mine threat on a regular basis. The goal of decreasing the number of accidents resulting from mines and unexploded ordnance, by involving community human resources to keep the local population continually informed about the mine- and UXO threat, was successfully achieved as only one mine accident was recorded during the project implementation period.

The project was designed to prompt and encourage the people in mine infested areas to change their behavior, to make them aware that they are surrounded by mines and advise them how to survive and function in such an environment.

Schoolchildren have also been recruited to spread the message. They have been drawn to participate in MRE activities such as competitions, role-plays, drawings, etc. Locally based anti-mine committees as well as cultural societies/organizations in mine affected communities are also being involved.

ITF also funded the implementation of the Summer Camps Project for Children of Mine Victims in Mine Affected Communities. The purpose of the project was to alleviate the emotional pain of mine victims' children and to promote children rights through interactive participatory activities. The Albanian NGO Mine and Weapons Victim Association held summer camps for 325 children of mine survivors from June to September 2005.

Donor for MRE Activities in Albania: The United States of America.

2.2.1.4 TRAINING

Between September 19 and 23, 2005, Institute for Rehabilitation in the Republic of Slovenia organized **training for 30 rehabilitation workers and nurses in Kukës, Albania**. One of the main objectives of the exercise was to provide training to nurses in mine affected villages in the Kukës prefecture, in line with the Community-Based Rehabilitation principles, which should improve the quality and access to healthcare services for mine survivors residing in the Kukës region.

Donors for rehabilitation training program for Albania: The Republic of Slovenia.



ALBANIA

STRUCTURE SUPPORT



In order to ensure smooth implementation of the Mine Action program in Albania, support to the local structures is required. Accordingly, the Albanian Mine Action Executive (AMAE) have been given resources for the continued development and implementation of a sustainable program designed to free Albania from the impact of mines and UXOs by the end of 2006.

Efficient operation of the regional office can be achieved only by establishing effective Quality Assurance and Quality Control, performed by the Quality Management section of the AMAE regional office.

From November 2004 to September 2005, the donation helped maintain a strong focus on the planning and coordination of demining operations, ensured that all information was collected and entered into the IMSMA database and that the database was effectively used in operation planning; furthermore, it was instrumental in setting realistic priorities for mine action on the Albania/Serbia and Montenegro (Kosovo) border. Overall, the funds contributed towards the finalization of clearance and handover of the high- and medium impact minefields and battle area sites, scheduled for completion at the end of 2006.

- Quality Management Team Support

The end of 2005 marked the start of a four-month support to the AMAE Quality Management team. The goals of the project are to ensure that mine and unexploded ordnance clearance activities are carried out in a safe and efficient manner, that the area cleared is safe for the use by the community, and that once cleared the area is released back to the people for productive use. The support contributes to a better Quality Assurance and Quality Control of the AMAE Quality Management Team.

Donors for structure support in Albania: The Czech Republic, the United States of America.



BOSNIA AND HERZEGOVINA

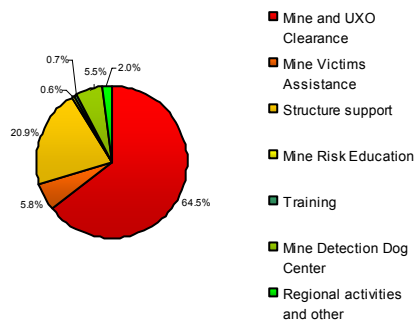
Problem:

- 2,089 km² of landmine/UXO suspected areas in 2005.
- 1,366 mine affected communities with 1,375,807 residents.
- 4,887 mine/UXO victims since 1992, of which almost 20% were killed.

Vision:

- Bosnia and Herzegovina mine impact free by the end of 2009.

Chart 11: Distribution of implemented funds by purpose in Bosnia and Herzegovina in 2005



MINE AND UXO CLEARANCE

By December 31, 2005, more than 2.24 million square meters had been demined in Bosnia and Herzegovina, which is satisfactory in comparison with previous years. Additional 14,700 square meters are under demining contracts, and works and services are currently in progress.

More than 2.79 million square meters of land were released through technical survey operations while another 113,000 square meters are under technical survey contracts.

ITF is especially proud of the fact that three Integrated Community Mine Action Plans were implemented or are currently being implemented in Bosnia and Herzegovina, encompassing a total surface area of 646,996 square meters.

20 tender procedures (12 for demining and 8 for technical survey) were executed by ITF in Bosnia and Herzegovina in 2005 through commercial companies and NGOs, including demining projects/priorities selected from the BiH priority list and in accordance with the Landmine Impact Survey report. The priorities have also been reviewed by ITF coordinators (in terms of post-clearance visibility) before being put to tender.



BOSNIA AND HERZEGOVINA

ITF also implemented the project funded by the Irish donation designated to support the Entity Armed Forces (through EUFOR) deployed in the mechanical ground preparation of more than 154,000 square meters of land. The Entity Armed Forces are following up with manual demining and monitoring. In addition, Norway and Switzerland funded the demining activities of the Norwegian People's Aid NGO.

ITF also continued the implementation of the Adopt-a-Minefield® program in Bosnia and Herzegovina (www.landmines.org). In 2005 more than 14 AAM sites were cleared in Bosnia and Herzegovina through this program.

Donors for demining activities in Bosnia and Herzegovina: Adopt-a-minefield®, Austria, Bosnia and Herzegovina, the Bosnia-Podrinje canton of Goražde, BAG Energotehnika, Canada, the Sarajevo canton – Ministry of Spatial Planning and Environment Protection, Czech Republic, Night of One Thousand Dinners®, the Stari grad community, Vogošća community, Elektroprivreda Mostar, the European Union, Germany, Norway, the Republic of France, Slovenia, Switzerland, the United Nations Development Program in Bosnia and Herzegovina, and the United States of America, Ireland, Korea, Foundation World Without Mines.

Chart 12: Distribution of implemented funds by purpose in Bosnia and Herzegovina in 2005

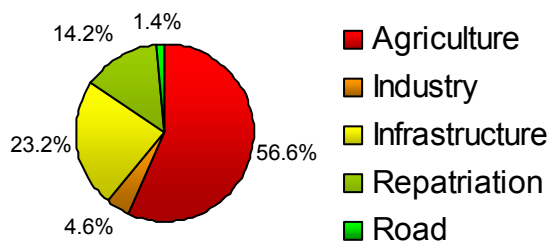
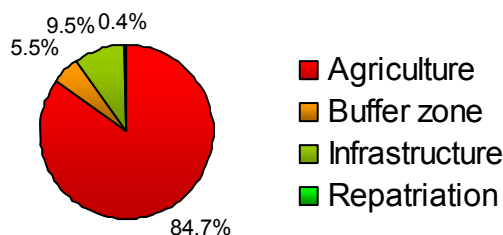


Chart 13: Land released through technical survey in BH in 2005 by purpose



MINE VICTIMS ASSISTANCE

In 2005, 14 landmine survivors from Bosnia and Herzegovina were treated at the Institute for Rehabilitation in the Republic of Slovenia (IRRS).

The Landmine Survivors Network Program in Bosnia and Herzegovina continued into 2005. LSN assisted survivors in their recovery, increased victim assistance support and changed the overall perception of persons with disabilities through awareness raising and community outreach. In the period January – December 2005, LSN interviewed 184 new survivors, made 5,761 home visits and 242 hospital visits. Network provided 182 direct assistance items in domain of health/social integration of survivors and 89 direct assistances in domain of economic integration. Survivors/recipients of direct assistance provided a total of 224 (142 in Health and 82 in Economic Opportunities) community services to other survivors and/or organizations of persons with disabilities. The donation for the LSN program was made by the United States of America.

In 2005, Adopt-a-minefield® UK continued the implementation of the Sustainable Professional Rehabilitation for Landmine Survivors in BiH program together with the Stop Mines NGO. The funding was provided by the United States of America. The project aims to address and meet the needs of landmine survivors in order to demonstrate significant client- and institutional sustainability. The project implementation plan for the period January – December 2005 involved the following:

- Collecting applications of all those interested in receiving credit.
- Analysis of applications for awarding credits (second group).
- Monitoring the implementation of awarded credits through contact with beneficiaries and field visits.

11 projects were funded from the second group of credit applicants, such as Supply of Barbeque Equipment, Supply of Parquet Polishing Machine, Supply of Breeding Heifer, Supply of BBQ Chicken and Food, and Supply of Optical Equipment.

From July 10 to December 31, 2005 the project **Sport – Psychological Rehabilitation of Mine Victims in Bosnia and Herzegovina** took place. The aim of the project was to improve the quality of life of civilian mine victims, and to offer new possibilities for their physical and mental integration in their social environment. Furthermore, the overall goal was to continue the process of education and complementary sports activities to change the rehabilitation approach of handicapped persons – civilian mine victims. By strengthening their psychophysical condition and encouraging them to become active in sports, we tried to help them get back to normal life. The individual goal for the mine victim was to experience diving and other water sports, which they might want to take up in the future. The donation for this program was provided to ITF by the United States Department of State. 33 mine victims from Bosnia and Herzegovina finished the sport rehabilitation treatment in the Boračko Lake area, Sarajevo, Lukavac, Banja Luka and Neum.

BOSNIA AND HERZEGOVINA



BOSNIA AND HERZEGOVINA



In September 2005 a contract was signed between ITF and the Faculty of Social Work, University of Ljubljana. In December 2005, the latter organized a three-day study excursion **for the first generation of students enrolled in Social Work Studies at the Faculty of Arts in Tuzla**, Bosnia and Herzegovina. The emphasis of the study excursion, which was attended by 27 students and 5 professor and co-workers from Bosnia and Herzegovina, was on fieldwork activities at various social and disability organizations and institutions in Slovenia.

In November 2005 ITF sponsored the handicapped sitting volleyball team Fantomi, which competed at the European Championship held in Elblog, Poland between November 8 and 13, 2005. Most of the team members were mine victims. Fantomi are the reigning European champions in sitting volleyball. The volleyball team members wore the USDoS and ITF logos on their sport shirts and also carried a large banner bearing the same logos.

Donor for MVA in Bosnia and Herzegovina: the United States of America, Norway, Coordinamenti Donne, Sebastjan Gorenc and Republic of Slovenia Institute for Rehabilitation.



MINE RISK EDUCATION

The **Spirit of Soccer** project started in Bosnia and Herzegovina in April 2003, and continued in 2004 and 2005. The project is being implemented by the UK NGO Spirit of Soccer. The aim of the program is to teach children, a very vulnerable group affected by landmines, about mine risks through playing soccer. Since the kick-off of the project in mid-March 2005, a total of 6.259 participants including players, coaches and parents have been exposed to SoS MRE messages. Moreover, since the inception of the scheme a total of 57 soccer clubs, education institutions and children organizations have received nearly 650 soccer balls by taking part in the Spirit of Soccer project. Other Spirit of Soccer results in 2005 included: over 12.500 comic books, more than 1.000 CDs, over 250 coaching manuals and more than 10.000 posters distributed



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

BOSNIA AND HERZEGOVINA

MINE DETECTION DOG CENTER IN KONJIC

Employing US funds, ITF continued to support the regional Mine Detection Dog Center in Konjic, BiH. In 2005, 2 groups of dogs (13 dogs in total) completed the training at the Mine Detection Dog Center in Konjic and were handed over to the Bosnian NGOs Provita, BH Demining and Stop Mines. Mine detection dogs from MDDC have been involved in demining activities in Albania, BiH and Serbia.



Apart from mine action activities in BiH, MDDC also trained 13 explosive detection dogs for the BiH police force. To promote mine awareness, MDDC made two presentations to employees of the US Embassy in Sarajevo and to BiH scouts. The Mine Detection Dog Center was actively involved in the process of amending standard operating procedures for MDD purposes. Furthermore, it also provided support for other programs, such as psychological rehabilitation of mine victims.

Donor for MDDC in Konjic, Bosnia and Herzegovina: the United States of America.

STRUCTURE SUPPORT

Based on signed annex to Second Memorandum of Understanding with Demining Commission in Bosnia and Herzegovina on financing of BH Demining Structure in 2004, support continued also in 2005. Funds were provided by the Government of Bosnia and Herzegovina and matched with US funds.

Donor for Structure support in Bosnia and Herzegovina: Bosnia and Herzegovina, Canada and the United States of America.

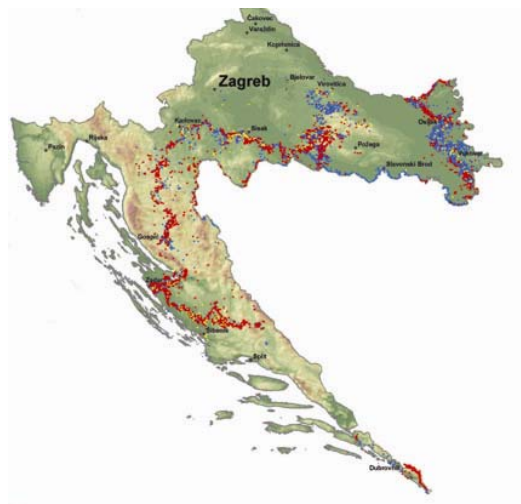
TRAINING

9 experts from Bosnia and Herzegovina rehabilitation centers underwent a special 5 day course in rehabilitation organized by the Republic of Slovenian Institute of Rehabilitation at its premises.

As part of the rehabilitation training program 3 student from Bosnia and Herzegovina enrolled in the prosthetics and orthotics technology course at the School of Health Studies, University of Ljubljana. Students will finish study program in academic year 2005/2006.

Donors for rehabilitation training program for Bosnia and Herzegovina: France and Slovenia.

CROATIA



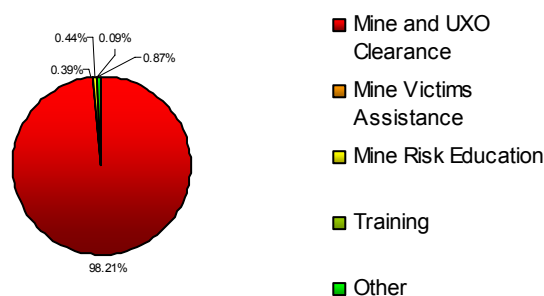
Problem:

- 1,174 km² of landmine/UXO suspected areas in 2005.
- Over 1,100,000 people live in mine affected communities.
- 1,810 mine/UXO victims since 1991, of which 25% of them were killed.

Vision:

- Croatia mine impact free by the end of 2009.

Chart 14: Distribution of implemented funds by purpose in Croatia in 2005



MINE AND UXO CLEARANCE



In 2005 the ITF implementation office in Croatia published 8 tenders in total (four open and four restricted tenders).

ITF implemented 21 demining and 13 technical survey projects, which enabled the release of 5.635.474 square meters of land - half was released through demining operations, while other half through technical survey. ITF thus managed to release from impact of mines for 75% more of land in comparison to 2004.

Two technical survey projects were due to poor weather conditions in winter months (November, December) only partly completed and will be finished in 2006.



Altogether 679 mines and 62 UXO were found and destroyed through demining operations, while another 8 mines and 23 UXO through technical survey operations.

The following demining companies were involved in demining and technical survey operations in Croatia: RUMITAL, TT-KA, DOK-ING Razminiranje, PIPER, MKA Deming, Dinamit, Heksogen, Tornado, Scanjack, Terrafirma, Mustela, Enigma, Reaseuro, DEMIN-KA, Avangard, Tehnoelektro and Deminer.

Donors for demining and technical survey in Croatia: Austrian Development Agency, Adopt-A-Minefield, AMWAY, Korea, Norway, Roots of Peace, EC Delegation in Zagreb, Maraska d.d., Rotary Club Wien Nordost, Slovenia and the United States of America.



Chart 15: Land released through demining in Croatia in 2005 by purpose

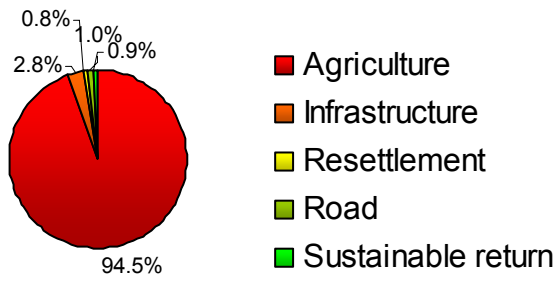
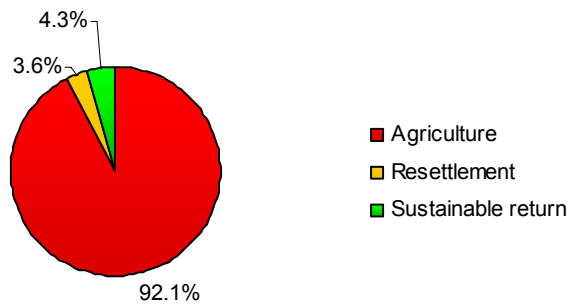


Chart 16: Land released through technical survey in Croatia in 2005 by purpose



CROATIA

MINE VICTIMS ASSISTANCE



Between January 1 and December 31, 1 landmine survivor from Croatia was treated at the Institute for Rehabilitation in the Republic of Slovenia.

In compliance with the project proposal submitted to the Norwegian Embassy, the US Embassy in Zagreb and ITF, the Croatian Mine Victims Association (CMVA) and Norwegian People's Aid (NPA) implemented the project Workshops for Young Landmine and UXO Survivors. The project was implemented at the Rovinj Orthopedic Hospital in from July 17 to July 31, 2005. This was the fifth workshop of this kind held for young landmine and UXO survivors at the same venue. 34 participants attended the workshop: ten from BiH and 24 from Croatia. The project was divided into 5 main workshops: Music, Photography, Sports, English Language and Journalism.



With funding through ITF a scholarship at Collage for Commerce in Croatia was provided for a girl, whose parents died in mine accident.

Donors for MVA in Croatia: Norway, the United States of America and Dijana Pleština, Slovenian Institute for Rehabilitation.

MINE RISK EDUCATION



Two parts of the project Bembo and Friends against Mines were funded through ITF (production of the movie Bembo and Friends, and a theatre play). The donations were provided to ITF by the US Department of State. The project is already underway with parts of the project to be implemented between October 2005 and June 2006.

The main character in the production is one of the most popular children TV characters in Croatia, Bembo, played by a famous Croatian artist. The play is an educational and entertaining blend of music, pantomime, dancing and drama. The audience (children and parents) gets actively involved during the show. The goal of the project is to raise mine awareness and promote safe behavior of the target group with the aim of preventing mine accidents.

Donors for MVA in Croatia: The United States of America.

TRAINING

As part of the rehabilitation training program 1 student from Croatia enrolled in the prosthetics and orthotics technology course at the School of Health Studies, University of Ljubljana. Student will finish study program in academic year 2005/2006.

Donors for rehabilitation training program in Croatia: France.

SERBIA AND MONTENEGRO (incl. KOSOVO)

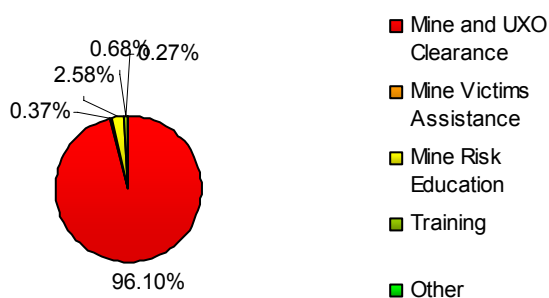
Problem in SCG (excl. Kosovo):

- 4.3 km² of minefields, 24 km² of cluster bomb suspected areas and 43 air-bomb locations according to the Belgrade MAC in beginning of 2006.
- Over 1.000.000 people living in contaminated areas.
- The number of mine victims among the refugee and IDPs population is not known.

Vision for SCG (excl. Kosovo):

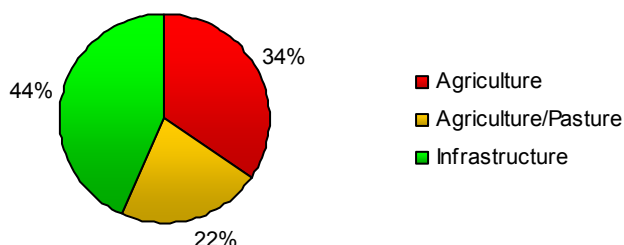
- All minefields cleared by the end of 2008.
- Mine safe by the end of 2014.

Chart 17: Distribution of implemented funds by purpose in Serbia and Montenegro (incl. Kosovo) in 2005



Four restricted tenders in total were executed in Serbia and Montenegro (including the province of Kosovo) in the 2005 reporting period; two were funded by Germany, one by the United States of America (USA) and one by the European Union (EU). Altogether 1,237,728 m² of land were released: 65.2 % through Battle Area Clearance and 34.8 % through demining. This means a significant, almost 100 % increase of released land in comparison with 2004. During the demining and BAC activities 637 mines and 275 UXOs were found and destroyed.

Chart 18: Land released through demining and BAC in SCG (incl. Kosovo) by purpose



SERBIA AND MONTENEGRO (incl. KOSOVO)

DEMINING AND BATTLE AREA CLEARANCE (BAC) ACTIVITIES IN SERBIA AND MONTENEGRO



Battle Area Clearance funded by the US was performed in the city of Niš (the industrial zone, the city hospital, the Duvanište residential area) and on the Kopaonik mountain (Bačište); 533,620 m² in total were cleared. The works were carried out by Me.De.Com from Bosnia and Herzegovina, and Dok-Ing from Croatia.



The demining works in the border area between Serbia (SCG) and Croatia in the Šid community were financed by Germany and EU, promoting a better regional cooperation and facilitating confidence building. Of five demining projects started in 2005, three are still in progress and will be concluded in the 2006 demining season, altogether 430,155 m² of land was released in this area in 2005. The following companies carried out the demining works: ROEHL from Germany, NGO STOP MINES, UXB-Balkans, NGO BH DEMINING from Bosnia and Herzegovina, and Enigma from Croatia.

Donors for demining activities in the Croatia/Serbia (SCG) border areas and BAC activities in Serbia (SCG): The European Union, Germany, the United States of America, SO Subotica and MZ Palić.

Technical Survey of Lake Palić



Technical surveying was carried out in October 2005 by PMC INŽENJERING from Serbia on a part of Lake Palić covering 12,000 square meters where the presence of unexploded ordnance was suspected. After the execution of works which included geomagnetic methodology and other surveying methods, and following the analysis of obtained data it was concluded that at the depth of 20 meters under the water surface in the surveyed area no evidence of unexploded ordnance was to be found.

Donor for TS Activities in Serbia (SCG): The United States of America.

TRAINING

12 experts from Serbia (Serbia and Montenegro) rehabilitation centers underwent a special 5 day course in rehabilitation organized by the Republic of Slovenian Institute of Rehabilitation at its premises.

Donors for rehabilitation training program in Serbia and Montenegro: Slovenia.

PROVINCE OF KOSOVO

Problem:

- According to the Landmine Monitor 2005 (reported by UNMIK), there were 44 dangerous areas requiring clearance and another 53 areas, which, while surface-cleared, may contain sub-surface hazards and require future clearance.
- The number of people living in contaminated areas is not known.
- 510 mine/UXO victims since 1999: 106 killed and 404 injured.

Vision:

UNMIK EOD Management Section objectives:

1. To clear all the remaining dangerous areas in Kosovo.
2. To hand over the remaining EOD response tasks to the national capacity.
3. To survey the remaining suspect and dangerous areas.
4. To create a National Mine Action Authority within a Kosovo government ministry.

DEMINING AND BATTLE AREA CLEARANCE ACTIVITIES

One restricted tender was implemented using German funds earmarked for battle area clearance in the province of Kosovo (Dulje Pass). From August to December 2005, in the district of Dulje Pass near the village of Blace, 273,953 square meters of land were cleared (BAC) in the course of four projects; 248 UXOs were found and destroyed. The works were performed by ROEHLL and Handicap International.

Donor for BAC activities in the province of Kosovo (SCG): Germany.



SERBIA AND MONTENEGRO (incl. KOSOVO)

PROVINCE OF KOSOVO

MINE RISK EDUCATION



The UNMIK Mine Risk Education Public Campaign program in Kosovo (SCG) started in October 2004 and concluded at the end of December 2005. The main aim of the project was to spread Mine Risk Education messages and raise mine awareness among the residents of Kosovo about the residual UXO and mine threat. Various sources of information and dissemination methods were used, specifically the electronic and printed media (TV spots, radio ads-messages, newspaper ads). Additionally, more conventional approaches were also used in the form of printed materials such as notebooks, folders and posters bearing MRE messages.

MRE activities through direct presentation in schools were being carried out by members of the Kosovo Protection Corps and the Red Cross of Kosovo. All the activities were monitored by the UNMIK EOD Management Section.

Donor for MRE Activities in Kosovo (SCG): The United States of America.

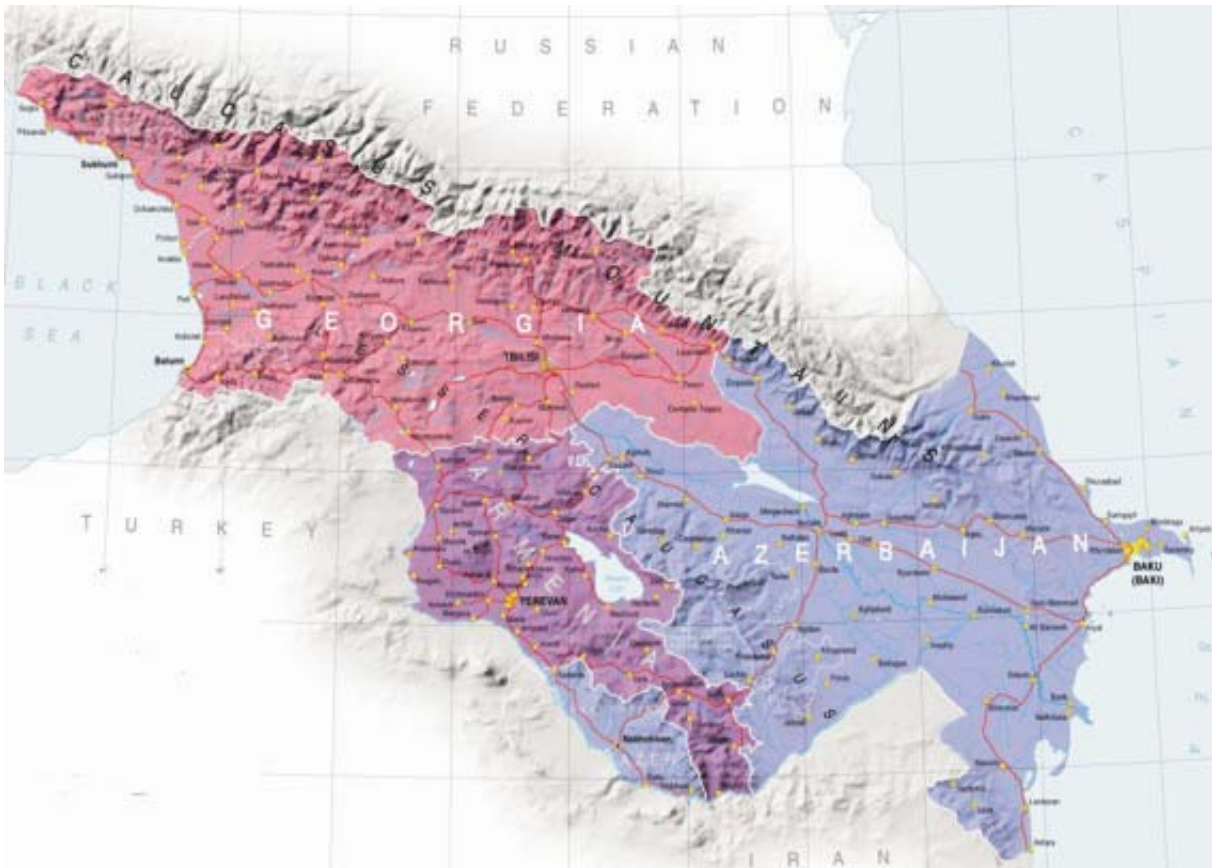
MINE VICTIMS ASSISTANCE



Between January 1 and December 31, 1 landmine survivor from Kosovo was treated at the Institute for Rehabilitation in the Republic of Slovenia.

Donor for MVA Activities in Kosovo (SCG): The United States of America and Rotary Club International Calvia.

SOUTH CAUCASUS



SOUTH CAUCASUS

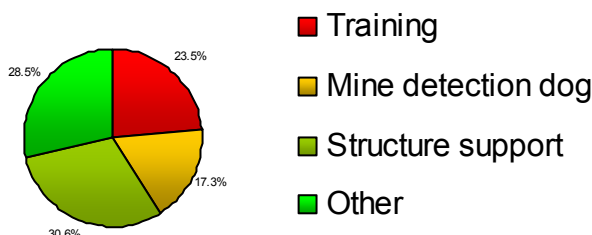
Problem:

- Mine affected communities along former front lines, which due to dynamic military activities in the past conflicts also face with a huge amount of UXO and abandoned munitions scattered around.
- Over 3.000 mine/UXO victims in South Caucasus region

Vision:

- Mine impact free South Caucasus region.

Chart 19: Distribution of implemented funds by purpose South Caucasus region in 2005



ASSESSMENT OF REHABILITATION CAPACITIES IN THE SOUTH CAUCASUS



Two experts from the Institute for Rehabilitation together with an ITF representative visited rehabilitation institutions in three countries in the South Caucasus (Armenia, Azerbaijan and Georgia) at the end of September 2005.

The purpose of the trip was to get an overview of the actual situation in relation to rehabilitation, and to identify the needs of each country in the region. A report was prepared for presentation at the Mine Action as a Confidence Building Measure workshop.



Key findings of the assessment trip were as follows: 1. Rehabilitation centers in the region are adequately equipped; 2. Rehabilitation centers in Armenia and Georgia have problems obtaining sufficient quantities of materials needed for the manufacture of prostheses; and 3. Medical staff involved in rehabilitation would benefit from additional training.

The above findings will serve as guidelines for ITF activities in relation to medical and rehabilitation capacities in the South Caucasus.

Donor for the rehabilitation capabilities assessment trip in the South Caucasus: Slovenia.

AZERBAIJAN

ITF has been supporting two Mine Action projects in Azerbaijan in cooperation with the Azerbaijan National Agency for Mine Action (ANAMA) to enable the development and implementation of an efficient and successful national mine action program in Azerbaijan. Both projects commenced on December 1, 2005 and are expected to be completed within one year.

The project Support to the ANAMA 10-Men Emergency Response Team and Ensuring Continued Operation Coordination and Control will enable ANAMA's continued rapid response to emergency mine/UXO clearance requests and ensure proper coordination and control of operating activities by the ANAMA Operations Department through its regional offices. Funds received for this project will also be used to support two regional offices and to procure subsurface UXO clearance equipment. The ERT team was deployed to the Agstafa and Agdam regions of Azerbaijan to support UXO clearance operations. In their first mission, the ERT team removed a 122-mm BM 21 rocket with a 300 meters killing range radius, located in the basement of a family house where a family had been living under this constant threat for the past 12 years.

The project Support to the Azerbaijan National Agency for Mine Action (ANAMA) 8-Man Training and Quality Assurance Team (TQAT) will allow ANAMA to monitor field operations and ensure that standards are maintained and followed. It will also enable additional training of field staff in a wide range of mine action technical skills. In a two-month period after the start of the project, the following progress has been achieved: 13 monitoring operations on 10 sites with 158 people in total to benefit from those field operations, which involve monitoring for agriculture needs or pasture; for the first time ever the ANAMA TQAT conducted an UXO Operator Course (Level 1) as part of the NATO/NAMSA/ANAMA project.

Donor for mine action activities in Azerbaijan: United Kingdom (DFID).



GEORGIA

UNDP/CRANFIELD MIDDLE MANAGEMENT TRAINING



An UNDP/Cranfield Middle Management Training course in mine action programs in the Caucasus was held in Tbilisi, Georgia. The Cranfield University (CU), Center for Management Development and Training at the Faculty of Economics in Ljubljana (CISEF) and the Georgian Technical University (GTU) were invited to develop and deliver local courses. The first three-week module was successfully delivered by GTU and CISEF in December 2004. The second module started on January 31, 2005 and finished on February 18, 2005 with the certificate awarding ceremony for the participants (6 weeks in total). The training was carried out on the premises of the Georgian Technical University in Tbilisi, Georgia. The course participants came from three South Caucasus countries, namely from Armenia (8), Azerbaijan (8) and Georgia (4). They acquired basic management skills as well as some operational knowledge in relation to mine action.



MMTC provides knowledge and skills for middle managers in national mine action programs in order to improve the effectiveness and success of demining activities. The course program covers the following subjects: 1. Personal professional development; 2. Management; 3. Actual problems in demining – discussions and presentations; 4. Gaining advanced skills in administration, project management, quality management and human resource management.

Donor for training activities in Georgia: The United States of America.



GEORGIA

WORKSHOP “MINE ACTION AS A CONFIDENCE BUILDING MEASURE”

On October 5-6, 2005 in Tbilisi, OSCE and Georgia hosted a regional workshop, Mine Action as a Confidence Building Measure, organized by the International Trust Fund for Demining and Mine Victims Assistance (ITF), and sponsored by Canada, the Netherlands and Slovenia.

The objective of the workshop was to give participants an overview of the mine problem in the South Caucasus and Central Asia to enable an open exchange of information on the issues of landmines and the promotion of successful models of regional cooperation for the countries in the South Caucasus and Central Asia, in order to foster confidence building among nations as well as examine the possibility of accession of non-signatory states in the respective regions to the Landmine Ban Treaty.

The workshop was attended by 80 military and diplomatic representatives from the countries in the South Caucasus, Central Asia and Europe as well as the European Commission, the Organization for Security and Cooperation in Europe (OSCE), the International Committee of the Red Cross (ICRC), the International Campaign to Ban Landmines (ICBL), the Geneva International Center for Humanitarian Demining (GICHD), Geneva Call, Landmine Survivors Network (LSN), the Slovenian Institute for Rehabilitation, and various local embassies and NGOs.

The workshop was a positive step forward towards creating a favorable environment for dialogue among nations in the regions of the South Caucasus and Central Asia as potential for cooperation was identified as follows:

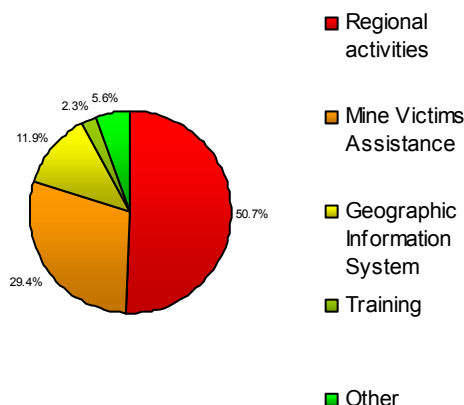
- Continued joint training;
- Cooperation in relation to Mine Victims Assistance;
- All participating countries from both regions were encouraged to announce a moratorium on the use of anti-personnel landmines and to voluntarily submit reports on the landmine situation in accordance with Article 7 of the Ottawa Convention;
- Marking of all known minefields;
- The mine problem in Nagorno-Karabakh should be part of the peace negotiations process; and
- An initiative to carry out a similar workshop for the region of Central Asia.

Donors for the workshop in Georgia: Canada, The Kingdom of Netherlands, Slovenia, Georgia and OSCE.



SEE REGIONAL ACTIVITIES

Chart 20: Distribution of implemented funds by purpose SEE region in 2005



SOUTH-EASTERN EUROPE MINE ACTION COORDINATION COUNCIL



Regional approach is a vital dimension of ITF's activities. We believe regional co-operation to be necessary as this region could address many of the issues more efficiently and also more cost-effectively, if the countries in the region would help each other towards their common goal of mine-free land. The exchange of experience and information, excellence and know-how in the field of mine action are crucial in achieving their objectives, not to mention the process of confidence building through mine action activities in the long run.

For this reason the agreement to establish the South-East Europe Mine Action Coordination Council (SEEMACC) was signed by the directors of Mine Action Centers of Albania, Bosnia and Herzegovina, Croatia and ITF on November 30, 2000. In December 2001 Serbia and Montenegro, and in February 2002 Azerbaijan also officially joined SEEMACC. In 2003 the UNMIK/EOD Management Section as well as the regional MDD Center in Bosnia and Herzegovina and the Centre for Testing, Development and Training Ltd. in Croatia also acquired observer status at SEEMACC.

In 2005 two SEEMACC meetings took place: the first was held at Ig, Slovenia on March 30, 2005 and the second one in Bijela, Montenegro (Serbia and Montenegro) on October 13, 2005. The next SEEMACC meeting will be held in Šibenik, Croatia in the spring of 2006.

The highlights of 2005 were as follows:

The new SEEMACC Rules of Procedure were adopted;

- SEEMACC members and observers should prepare joint project proposals on the three-boarder area, which should include all MACs and Regional Centers;
- The US Department of State will continue to support SEEMACC in 2006.

All the minutes of SEEMACC meetings are available at www.seemining.org.

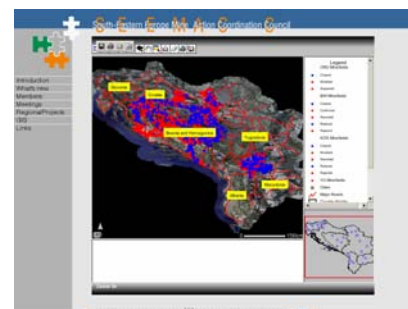
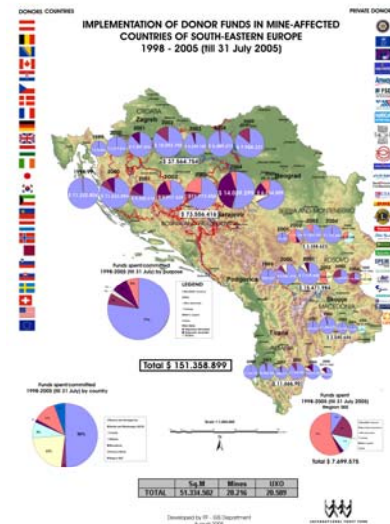
Donor for SEEMACC activities: The United States of America.

SEE REGIONAL ACTIVITIES

GEOGRAPHIC INFORMATION SYSTEM FOR SOUTH-EAST EUROPE

The focus of the Geographic Information System for South-East Europe (GIS) related activities between January 1, 2005 and December 31, 2005 was on current business:

- Preparation of up-to-date maps of minefields and posters (Implementation of Donor Funds in Mine Affected Countries of South-East Europe)
- Maintenance of the GIS web server and the GIS license.
- Development of an Extendable Mark-up Language (XML) for information related to mine action activities is an ongoing IT support project at GICHD. XML technology should make it easier to transfer data between existing (IMSMA) and future mine action information systems. The pilot project was implemented in the region of South-East Europe, coordinated and financed through ITF using US funds. Drawing on the assistance of GICHD and SEEMACC members, ITF will integrate the results of the maXML project into regular information exchanges. This will reduce costs, time and resources required to exchange data between the members of the mine action community. The first and the second phase of the maXML project have already been completed (maXML Registry and the maXML Pilot Project: Regional Exchange of Mine Action Information). ITF has already prepared the final, third phase of the project, IMSMA System Integration and maXML Data Exchange in Bosnia and Herzegovina, which is currently being implemented.
- Information Exchange for SE Europe (minefields, demining projects and information on mine incidents) in is also in progress. ITF has already received the data from Serbia and Montenegro and prepared it for uploading onto the website. At the time of writing, ITF is still waiting to receive the data for 2005 from Bosnia and Herzegovina, the province of Kosovo (SCG), Albania and Croatia. Each repetition of the information exchange leads to more and more harmonized (mutually consistent) information. It is envisaged that all MACs in the region will participate in the sharing of information and that the final product will feature a complete regional coverage of harmonized information on mined areas, suspected areas as well as non-suspected areas and background information (ground cover, topography and demography). The results of the information exchange can be viewed at www.see-demining.org.



Donor for GIS activities: The United States of America.



SEE REGIONAL ACTIVITIES

CONFERENCE ON THE PREVENTION OF VIOLENCE AGAINST CHILDREN IN REGIONS AFFECTED BY ARMED CONFLICT AND SOCIAL ADVERSITIES

ITF supported the conference Prevention of Violence against Children in Regions Affected by Armed Conflict and Social Adversities, which was held from June 16 to 19, 2005 in Kranjska Gora, Slovenia and was implemented by the Together Foundation, a Slovenian humanitarian, non-profit organization.

At the conference, apart from the introduction lectures, a number of models of good practice on the prevention of violence against children and on providing assistance to children were presented. This prompted the exchange of experiences and ideas on new approaches for the prevention of violence against children. Particularly important was the presentation of the European Council program of prevention of violence against children. In the aftermath, the representative of the European Council and the Together Foundation agreed to start an international project on the prevention of violence against children in the countries of the Western Balkans.

The conference was attended by 109 participants from 15 regions and countries, where the Together Foundation has been implementing their programs, as well as by representatives of the European Council. Representatives came from South-East Europe (Bosnia and Herzegovina, Serbia and Montenegro (incl. the province of Kosovo), FRY Macedonia), the Russian Federation (North Ossetia - Alania, Ingushetia, Chechenia), Iraq and from other European countries (Austria, Belgium, Finland, France, Croatia, Luxembourg, the Netherlands, UK and Slovenia).

Donor: Slovenia



SEE REGIONAL ACTIVITIES

ITF PUBLICATIONS AND WEBSITE

In 2005 informing the public and donors on ITF activities and on the problem of landmines in the region of SE Europe and the world was carried out on different levels, from media releases to ITF publications and updates of the ITF website.

The humanitarian aspects of ITF activities are often the subject of public and media attention. There were over 170 ITF appearances made in the Slovenian media and over 80 ITF appearances in the Croatian media in 2005.

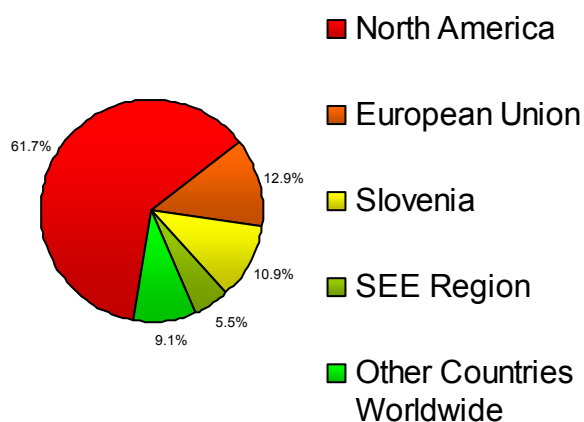
In 2005 ITF published the following two publications: 1. Annual Report 2004, in February 2005; and 2. Intermediate Report 2005, in October 2005. All ITF publications are available at the ITF website at <http://www.itf-fund.si/>.

ITF maintains a website to enable all interested stakeholders as well as the public at large to access ITF information on mine action operations and activities. The ITF website features the following main pages: 1. Presentation, 2. Activities, 3. Donors, 4. Help!, 5. News and 6. Links.

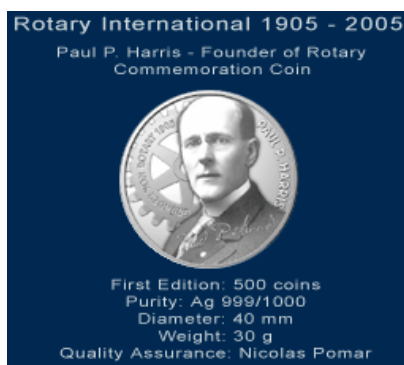
The ITF website is updated on a weekly basis and enables the viewing of all demining projects implemented with different donor funds. Astonishingly over 539,000 visits of the ITF website were recorded in 2005, which indicates enormous interest of public and professionals in mine problem in general and ITF activities in particular. Visits were recorded from over 120 countries worldwide



Chart 21: Distribution of visits of ITF web page by region/country



SEE REGIONAL ACTIVITIES



100Y COIN PROJECT

In commemoration of 100 years of Rotary International and in the spirit of its work – providing humanitarian services, encouraging high ethical standards in all vocations, and promoting goodwill and peace in the world – the Rotary Clubs of Balearic Islands initiated the 100Y Coin Project.

Silver memory coins commemorating the centenary of Rotary International will be issued. The proceeds from coin sales will help children landmine victims. This project is an initiative of the Rotary Clubs of the Balearic Islands working with the International Trust Fund for Demining and Mine Victims Assistance, under the patronage of Wolfgang Petrich, President of the Nairobi Summit on a Mine-Free World. The coins will retail at 50.00 euro, and each sale will attract a US donation in the same amount, in accordance with the ITF matching system. The project is currently on stand-by.

The project will be run in cooperation with ITF where funds raised will go towards mine victims assistance projects in South-East Europe. By supporting this humanitarian gesture ITF is appealing to companies and organizations as well as individuals to help children mine victims to return to normal lives.

Donor: Rotary Clubs of the Balearic Island



TRAINING

As part of the rehabilitation training program 1 student from Macedonia enrolled in the prosthetics and orthotics technology course at the School of Health Studies, University of Ljubljana. Student will finish study program in academic year 2005/2006.

Donors for rehabilitation training program for Macedonia: France and Slovenia.



TECHNICAL SURVEY OF AGRICULTURAL LAND IN THE ZADAR HINTERLAND, CROATIA

Maraska, a Croatian fruit-growing and processing company, was granted a 23-year lease by the Croatian government on mine suspected farming lands in the Zadar hinterland. These lands are highly suitable for plantation growing of the Maraska cherry. The origins of the Maraska cherry can be traced back to the 16th century, while the production of the famous Maraska cherry liqueur has an over 100 years old tradition. During the war in the 1990s the majority of the cherry plantations were destroyed. As a result, there was a significant drop in the production output, which decreased by 50–80 times compared to prewar years.

Maraska was willing to invest in technical survey activities through ITF to clear the land of mines and once again enable the growing of the Maraska cherry. This would create economic and employment opportunities for returnees and local residents. ITF supported this private initiative and convinced the US Matching Fund to double Maraska's donation. Over 632,000 m² of lands in Zemunik Donji were cleared using the funds donated by Maraska. The total cost of demining was € 594,591. In 2006, another 632,000 m² of land in same area will be demined for the same amount provided by other ITF donors. It is estimated that the technical survey cost and production investment will be recouped within nine years.

15 returnees/IDPs and local residents are expected to get permanent jobs growing the Maraska cherry. Another 40 workers will be included in the production process at the Maraska plant on a seasonal basis. In years to come, Maraska is planning to employ another eight families from the region (Zemunik Donji) in the production process as sub-contractors.

Essentially, the reintroduction of plantation growing of the Maraska cherry will change the long-term economic and social fabric of the Zadar hinterland, in particular in the community of Zemunik Donji.



DEMINING OF AGRICULTURAL
LAND OF THE GAVRILOVIĆ MEAT
PROCESSING INDUSTRY,
CROATIA

In the period August 2002 – May 2003, 1,204,000 square meters of agricultural land owned by the Gavrilović meat processing industry in Petrinja were cleared. In the course of the demining, 306 UXOs were removed and destroyed. The total cost of the clearance works was € 889,650.90. The funds were provided by the EC delegation in Croatia (CARDS program) and the US Matching Fund.



The project was part of a much broader agenda involving demining of houses and dwelling areas where displaced persons and refugees used to live and till the land. The idea behind the project was to establish conditions for the safe return of refugees and to gradually create the environment for new jobs and provide a source of steady income for the returnees.

A detailed plan for the area – once the land has been cleared – provides not just for the proposed use of agricultural land but also for the repatriation of IDPs and their employment.

The land cleared in phase one was put to use by Gavrilović directly; in 2003, barley was sowed on 300,000 square meters of land, while in 2004 another 700,000 square meters of demined land was sowed with maize. The crops were used for cattle fodder.



The second phase provides for subcontract-based employment (outsourcing) for the cultivation and harvesting of Gavrilović owned demined land, and for cattle- and hog breeding. In this phase, repatriated families would be employed as follows: 50 subcontractors in 2003/2004, and another 50-60 subcontractors in subsequent years (by February 2005, 52 families had returned to the Banija district).

Furthermore, Gavrilović is planning on directly employing a certain number of workers from repatriated families at the Gavrilović meat processing plant.

MINE VICTIMS ASSISTANCE IN BOSNIA AND HERZEGOVINA: DEVELOPMENT OF A CARPENTRY SMALL BUSINESS

When an innocent civilian steps on a mine, he does not only lose his health and present capabilities but also his opportunities in life, and often finds himself deprived of normal existence. The latter also includes the ability to fully participate in the society and to ensure one's economic self-reliance. In Bosnia and Herzegovina, ITF has been supporting the Landmine Survivors Network (LSN) Economic Opportunity Program designed to enable mine survivors' return to normal life. That is being achieved by focusing on the individual capabilities of surviving landmine victims, on building up their capacities and supporting their efforts to compete in the mainstream marketplace, and thus reject the negative perception of people with disabilities. The overall aim of the Program is to help the victims achieve long-term financial stability and regain their self-esteem. To illustrate how the Economic Opportunity Program works in practice, let us take a look at a case study: the development of a carpentry small business.



A mine survivor in mid-forties with a partially amputated foot lodged an application with LSN in October 2005 for direct assistance for the development of a small business. Internally displaced during the war, he now lives in his own house with his wife and three children. Although he receives government support as a civilian victim of war, he occasionally, with the help of his children, also does carpentry work. Recognizing the increasing demand for his services and being motivated to work, boosted by long-standing work experience and the support of his family, he was prepared to invest and expand his business. LSN approved his application and helped the entrepreneur – mine victim survivor to develop a business plan; furthermore, LSN provided direct support in the acquisition of assets needed for startup and business expansion. He had already fulfilled the basic conditions (premises, carpentry equipment and tools, a drilling machine and a carpentry table), however, to develop the business further he needed a \$2,500 combined carpentry machine with toolkit. LSN granted him direct assistance in the amount of \$1,500 and the bank loaned him the remaining \$1,000. According to the business plan, the profit realized in the first year of the expanded business would almost double the cost of investment, which would be enough for the repayment of the bank loan. However, he will not need to repay the LSN direct assistance grant; instead, will be obliged to help other mine survivors by providing services in his field of expertise, in his case carpentry work, in the equivalent value of the direct assistance received. This way, he will become part of the system of mutual help provided by landmine survivors to one other.



By supporting this program, ITF has been instrumental in improving the standard of living of landmine survivors and making it possible for them to once again provide for their families while also making a contribution to their communities at large. The funds for this program have been provided by the United States of America.

MINE RISK EDUCATION IN NORTH-EASTERN ALBANIA



The overall goal of humanitarian mine action activities is to reduce and eventually put an end to mine/UXO victims. While mine clearance activities are oriented towards removing the cause, mine risk education can be thought of as a preventive measure. Both are mutually coordinated and integrated together with other mine action activities. However, due to frequent delays and protracted or inexpedient mine clearing activities, mine risk education remains the only alternative mean of saving lives and preserving the health of the population.

Since 2003, ITF has been supporting the project Mine Risk Education in North-Eastern Albania (NE Albania), which is being implemented by the Albanian NGO Mine and Weapons Victim Association. The main purpose of the project has been to keep some 30,000 affected community members in 39 villages continuously informed about mine- and UXO related dangers and to reduce mine incidents to a minimum, in particular among the children. Close to 90 % of the targeted mine affected population received mine risk education (MRE) messages directly by periodically attending MRE sessions, receiving manuals and materials about mine danger etc.. Very positive results have been achieved, as there were no mine victims in 2004 and only one in 2005 in respected area. This is quite astonishing considering that the cost of MRE for each direct MRE recipient is only \$3,10. That makes MRE programs fully justified, in particular when considering the level of income in the region (GDP per capita in NE Albania) and the costs of mine victim rehabilitation. For example, every new mine victim means a loss of income, which in NE Albania, a predominantly agricultural economy, translates into approximately \$1,000 – over 300 times more than the investment in the MRE program per capita in the target region. Furthermore, even if the mine victim in question manages to keep a job and generate income, the latter is not sufficient to cover the costs of rehabilitation. And since rehabilitation costs are of cyclical nature, that means a lifetime burden for the victim's family and the government.



From this perspective, the MRE program in NE Albania has been demonstrating excellent value where the benefits far exceed the costs: not only has it been effective in saving lives and preserving health but has also made a significant contribution to the economic prosperity and social security of mine threatened regions in NE Albania. The funds for this program have been provided by the United States of America.



**REPORT ON PROCEDURES AND
CONTROLS FROM 1.1.2005 TO
31.12.2005**



REPORT BY THE REPORTING ACCOUNTANTS TO THE DIRECTOR OF THE INTERNATIONAL TRUST FUND FOR DEMINING AND MINE VICTIMS ASSISTANCE ("THE FUND")

In order that you may comply with article 5.5 of the Trust Fund Administrative Agreement between the Fund and the United States Government acting through the Department of State, Bureau of Political - Military Affairs, Office of Humanitarian Demining Programs (the "Donor") you have asked us to report on the report you have prepared on the performance of the procedures and controls used by the Fund in administering trust funds.

Your report, dated 15 February 2006, which covers the period 1 January 2005 to 31 December 2005 is referred to as "the Report by the director".

We have performed the procedures described below solely to prepare this report to assist your donors in evaluating your assertions regarding the performance of procedures and controls used by Fund in administering trust funds.

Use of this report

This report is intended solely for the use of the director of the Fund and the Managing Board and Board of Advisors. Without giving rise to any liability or duty to them on our part, it is also for the information of the Donor and its auditors and other donors. The attention of the Donor and other donors to the Fund and their auditors is drawn to the engagement letter dated 13 February 2006 which includes the limitations of liability, a copy of which is appended at attachment 2.

Scope

This report covers solely the trust fund administration operations of the Fund carried out in its offices located at Ig and its implementation offices as described in the Report by the director and does not extend to any other operations of the Fund.

Respective responsibilities of the director and reporting accountants

Your responsibilities as director are set out in the attached engagement letter and on page 1 of the Report by the director. It is our responsibility to form an independent opinion, based on the work we have carried out, and to report our opinion to you as director of the Fund.

Basis of opinion

Our review was conducted in accordance with the framework for reporting set out in FRAG 21/94 (revised) issued by the Institute of Chartered Accountants in England and Wales. Our work was based upon obtaining an understanding of the control procedures in operation by enquiry of management and review of documents supplied to us. Our work included tests of certain specific control procedures, as set out in attachment 1 to our report, to determine whether they operated as described.

We have not performed an assessment of the adequacy or completeness of the control objectives in relation to the risks they are designed to address nor have we assessed whether the control procedures achieve the control objectives, which were set, and consequently express no opinion on the director's assertion on the effectiveness of performance of the procedures and controls used by the Fund in administering the trust funds. Our opinion relates solely to the control procedures, which we tested, and not to any others.



Our tests did not include tests of transactions in respect of any particular donor. They were restricted to the procedures of the Fund's trust fund administration carried out at the specified offices and their relevance to any individual donor is dependent on their interaction with the particular procedures and other circumstances of that donor.

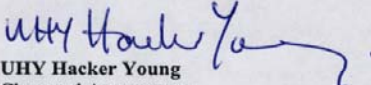
Control procedures designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such procedures cannot guarantee protection against fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, this opinion is based on historical information and the projection of any information or conclusions in the Report by the director to any future periods would be inappropriate because of the risk that systems and control procedures may become inadequate as a result of changes in conditions or because the degree of compliance with the procedures may deteriorate.

Opinion

Based on the above, in our opinion:

1. the Report by the director, except for the assertion regarding the performance of the procedures and controls, on which we express no opinion, describes fairly the control procedures in place as at 31 December 2005; and
2. the specific control procedures that we tested as set out in attachment 1 to this report operated as described in the period from 1 January 2005 to 31 December 2005.

Yours faithfully



UHY Hacker Young
Chartered Accountants
St Alphage House
2 Fore Street
London EC2Y 5DH

20 February 2006

Attachments:

1. Tests performed by the reporting accountants.
2. Reporting accountants' engagement letter dated 13 February 2006.



Tests performed by the Reporting Accountants

Attachment 1

Section A – Donations received procedures

- A 1 Inspected a sample of bank receipt acknowledgements signed by the director and tested evidence of validation against donor agreements: *No exceptions*
- A 2 Checked sample of receipts to entry in individual donor accounts and checked sample of disbursements from individual donor accounts to supporting documentation: *No exceptions*
- A 3 Checked two of the monthly reconciliations between the donors' subledger and the general ledger restricted funds accounts: *No exceptions*
- A 4 Checked eight reconciliations of the donor funds balances maintained by ITF staff with the records maintained by the bookkeepers and agreed a sample of transactions recorded in both records: *No exceptions*

Section B - Matched funding procedures

- B 1 Inspected a sample of claims made to US Government and agreed details of related donor receipts with supporting evidence: *No exceptions*

Section C – Banking and reconciliation procedures

- C 1 By inspection checked use of NLB and Raiffeissen Krekova Banka d.d. during the period in accordance with the bank mandates: *No exceptions*
- C 2 Inspected the reconciliation of all bank accounts on two dates: *No exceptions*

Section D – Disbursement procedures

- D 1 Inspected a sample of evaluation committee reports awarding contracts to confirm individuals involved: *No exceptions*
- D 2 Inspected a sample of disbursements and checked documentation to support payments including invoices, quality control confirmations and mine action centre certificates and evidence of checking and approval procedures recorded by appropriate signature on the liquidation sheet: *No exceptions*
- D 3 Inspected a sample of invoices and approval signatures for payments for victim rehabilitation: *No exceptions*
- D 4 Inspected a sample of copy disbursement orders and forms 1450 and checked signatures and related supporting documentation: *No exceptions*
- D 5 Inspected a sample of reports to donors and checked details of donations and disbursements reported to the accounting records: *No exceptions*



February 13, 2006

Mr. Goran Gačnik
International Trust Fund
lg 212
1293 Ig
Slovenia

UHY Revizija in svetovanje d.o.o.
Vurnikova ulica 2
1000 Ljubljana, Slovenija

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Dear Mr. Gačnik,

REPORTING ACCOUNTANTS ENGAGEMENT LETTER TO THE INTERNATIONAL TRUST FUND FOR DEMINING AND MINE VICTIMS ASSISTANCE ("THE FUND")

The purpose of this letter is to set out the basis on which we are to act as reporting accountants in order to report on the director's report on the performance of the procedures and controls during the year ended 31 December 2005 used by the Fund in administering trust funds. We are writing to set out the respective areas of responsibility of management and of ourselves, our understanding of the work to be performed and the terms and conditions under which we will perform such work.

Engagement summary

Under the terms of this engagement letter UHY Hacker Young, St. Alphage House, 2 Fore Street, London EC2Y 5DH (Hacker Young) with UHY Revizija in svetovanje d.o.o., Vurnikova ulica 2, 1000 Ljubljana (UHY d.o.o.), on the basis of mutual agreement, is appointed to report on director's report on the performance of the procedures and controls used by the Fund in administering trust funds, as required under article 5.5. of the Trust Fund Administrative Agreement concluded between the Fund and the United States Government.

Our report will be issued in the English language.

Respective responsibilities of the director and reporting accountants

The responsibility for safeguarding the assets of the Fund, the maintenance of adequate internal controls and the prevention of fraud, error and non-compliance with law or regulations rests with you.

As director of the above Fund, you are responsible for establishing and maintaining effective internal controls ensuring that administration of trust funds is performed in accordance with criteria defined in the Trust Fund Administrative Agreement concluded between the Fund and US Government. In particular you are responsible for:

- (a) the design, implementation and maintenance of control procedures that provide adequate levels of protection of funds received from donors, of the use of those funds in accordance with donors' requirements and of records to ensure that all transactions are properly recorded;
- (b) the definition of adequate levels of protection in terms of control objectives and for ensuring that these objectives are achieved by the control procedures in place.
- (c) the preparation of a report where you will describe the control objectives and the related control procedures and you will present your assertion regarding the performance of the

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št. transakcijskega računa / Bank account: Abanka Vipava d.d., 05100-8011974836
št. registrskega vložka / No of Court registration: 1/41215/00 pri Okrožnem sodišču v Ljubljani
št. vpisa v register revizijskih družb / No of registration at the Slovenian institute of Auditors: RD-A-073/05

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procedures and controls used by the Fund in administering trust funds, and you will retain sole responsibility for your report.

It is our responsibility to form an independent opinion on whether you have fairly described the control procedures and whether the specific control procedures which we tested operated as described, and to report to you. We shall not report on any opinions or assertions by you on the effectiveness of your control objectives and procedures.

You agree to give us access, as and when required, to such information and explanations which we consider necessary to complete our report and that such information and explanations will not be misleading and that we can rely on them.

Scope of the work

The work we shall perform will be conducted in accordance with the framework set out in technical release, Audit 4/97 (FRAG 21/94 (revised)), issued by the Institute of Chartered Accountants in England and Wales. Our work will include enquiries of appropriate management and personnel, together with tests of certain specific control procedures, which will be set out in the attachment to our report.

We shall not be responsible for a review of changes to control procedures beyond the period reported upon or for the identification of changes that have not been disclosed by management to us.

Use of report

Our report will be addressed to you as director of the Fund and will be available to the Managing Board and Board of Advisors. We understand that you wish to make the report available to United States Government, Department of State, Bureau of Political Military Affairs Office of Humanitarian Demining Programs and its auditors, and we consent to the report being provided to them but on the basis the full report is issued and it is without liability to them on our part. Our report will be for the purpose of reporting to you on the tests we have carried out in specific control procedures and may not be relied upon for any other purpose. You agree not to use our report, or references to it, in material disseminated to the general public without our express written permission. In any case where marketing literature is prepared which will refer either to us or our report, you will seek our consent to those references in advance and we reserve the right to refuse.

Limitations of work

Control procedures designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such procedures cannot guarantee protection against fraudulent collusion especially on the part of those holding positions of authority or trust. Our work is not designed to, and therefore can not be relied upon to disclose any such irregularities or fraud which may exist. Furthermore, our opinion will be based on historical information and the projection of any information or conclusions, contained in our opinion or the attached report, to any future periods is subject to the risk that changes in procedures or circumstances may alter their validity. We shall not assess whether the control procedures achieve the control objectives, which were set.

Additional reports to management

In addition to our report, described above, we shall report to the Managing Board in writing following the completion of our work on any weaknesses in the Fund's systems or other business matters which come to our notice during the course of our work and which, in our view, require management's attention.



No such report may be provided to a third party without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the Managing Board of the Fund in mind and that we accept no duty or responsibility to any other party.

Our review of internal financial control systems is only performed to the extent required to express an opinion on the directors' report on the performance of the procedures and controls used by the Fund in administering trust funds and therefore our comments on these systems will not necessarily address all possible improvements which might be suggested as a result of a more extensive special examination.

Fees

Our fees are computed on the basis of the time spent on your affairs by our partners and staff and on the levels of skill and responsibility involved. Our fees are dealt with in a separate letter.

Timing

We expect that our final report will be issued in mid-February 2006.

The exact timing of our work will be mutually agreed upon.

Applicable law and liability limitation

In no event shall UHY Hacker Young, its partners, or employees be liable for any loss damage, cost or expense arising in any way from (or in connection with) fraudulent acts or omissions, misrepresentation or wilful default on the part of International Trust Fund for Demining and Mine Victims Assistance, its directors, employees or agents.

Any liability of UHY Hacker Young, its Partners and staff from actions found against us to pay damages for losses arising as a direct result of breach of contract or negligence on our part in respect of services provided in connection with or arising out of the engagement set out in this letter (or any variation of addition thereto), whether in contract, negligence or otherwise shall in no circumstances exceed two (2) times the amount paid in respect of fees charged for this engagement: such amount including all legal and other costs which we may incur in defending any actions against us.

Any oral opinions (unless confirmed by a partner of the firm in writing), reports and any draft reports which may be given in the course of our work will not constitute definitive opinions and conclusions. Unless otherwise indicated, these will be contained solely in our final written product. This agreement may only be amended in writing under sanction of nullity.

Matters not covered in this agreement are governed by Slovene Civil Law. All disputes and controversies arising out of, or in connection with, this agreement, which we fail to settle amicably shall be submitted by either party to the Arbitration Court at the Slovene Chamber of Commerce and Industry for final settlement. The Arbitration Court shall proceed in accordance with its rules. The decision and award of the arbitrators shall be final and binding and non-appealable, and shall be enforceable in any court of competent jurisdiction.

Confidentiality and Independence

We require strict adherence by the members of our staff to the ethical rules of our firm. As such, in all aspects of our practice, the firm and its employees maintain a strict standard of confidentiality as regards information obtained during the conduct of professional assignments. Furthermore the firm and its employees maintain independence of interest and mental attitude in their relationships with client personnel.

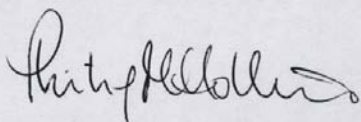
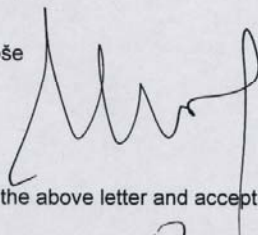


Acknowledgement and acceptance

We shall be obliged if you will confirm in writing your agreement to the terms of this letter by signing one copy in the space provided and returning it to us.

Yours faithfully,

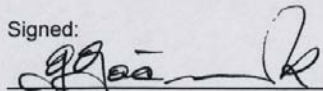
Matjaž Trebše
Partner
UHY d.o.o.



Philip M. Hollins
Partner
UHY Hacker Young

I have read the above letter and accept the terms and conditions set out therein.

Signed:


Goran Gadnik

13 February 2006
Date

for and on behalf of:
International Trust Fund for Demining and
Mine Victims Assistance



CONTENTS

	Page
1. Auditor's Report	1
2. Balance Sheet as at 31 December 2005	2
3. Profit and Loss Statement for the Financial Year 2005	3
4. Cash Flow Statement for the Financial Year 2005	4
5. General Information and Summary of Accounting Policies	5



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

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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 31 December 2005, the related Profit and Loss Statement and the Cash Flow Statement for the Financial Year 2005. These financial statements in accordance with International Financial Reporting Standards 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 31 December 2005 and the results of its operations and its cash flows for the financial year 2005, in accordance with International Financial Reporting Standards.

UHY Revizija in svetovanje d.o.o.

Certified Auditor
Matjaž Trebše



Ljubljana, 17 February 2006

matična številka / No.: 2060167
ID za DDV / VAT No: S162702670
št. transakcijskega računa / Bank account: Abanka Vipava d.d., 05100-8011974836
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1

2. BALANCE SHEET as at 31 December 2005

		2005	000 SIT 2004
ASSETS (A+B+C)	Note	3.216.393	2.895.634
A. LONG-TERM ASSETS (I+II+III)		58.748	81.398
I. INTANGIBLE ASSETS	1	2.464	3.588
II. TANGIBLE FIXED ASSETS	2	56.284	77.810
III. LONG-TERM FINANCIAL ASSETS		0	0
B. CURRENT ASSETS (I+II+III+IV)		3.157.645	2.814.236
I. INVENTORIES		0	0
II. SHORT TERM RECEIVABLES	3	58.145	69.552
1. Accounts receivable		240	0
2. Sundry debtors		57.905	69.552
III. SHORT-TERM FINANCIAL ASSETS	4	1.427.467	2.218.245
IV. CASH AND BANK	5	1.671.602	526.406
C. PREPAID EXPENSES		431	33
TOTAL LIABILITIES AND NET ASSETS (A+B+C+D)		3.216.393	2.895.634
A. UNRESTRICTED NET ASSETS	6	43.844	8.160
B. PERMANENTLY RESTRICTED NET ASSETS	7	2.970.647	2.753.804
C. TEMPORARILY RESTRICTED NET ASSETS	8	45.019	62.322
D. SHORT TERM LIABILITIES FROM OPERATING ACTIVITIES		156.883	71.348
1. Accounts payable	9	145.637	60.779
2. Accrued salaries		9.012	8.135
3. Sundry creditors		2.234	2.434



3. PROFIT AND LOSS STATEMENT for the Financial Year 2005

	Note	2005	000 SIT 2004
+ A. Revenues / Donations	10	5.496.043	5.005.892
+ B. Income from financing	11	537.755	571.050
+ C. Extraordinary income		1.095	1.257
= D. Total revenues		6.034.893	5.578.199
- E. Costs of materials and services	12	5.338.975	4.866.299
- F. Labour expenses	13	120.950	121.534
- G. Depreciation		25.577	44.430
- H. Provisions for current assets		0	1.544
- I. Other expenses	14	407	320
- J. Costs of financing	15	512.233	578.527
- K. Extraordinary expenses		1.432	2.401
= L. Total Expenses		5.999.574	5.615.055
= M. Surplus/loss before taxation		35.319	(36.856)
- N. Corporate income tax		0	0
= O. Net surplus (loss) after taxation	16	35.319	(36.856)



4. CASH FLOW STATEMENT for the Financial Year 2005

	000 SIT
Cash at the beginning of the year	526.406
+ Revenues	6.034.893
- Expenses (less depreciation cost and cost of long-term provisions)	(5.973.997)
- Corporate tax and distributions of profit	0
= Net cash flow from operating activities before adjustments	587.302
- Decrease in current liabilities and deferred income	85.534
- Increase in accounts receivable and prepaid expenses	11.009
+ Decrease in inventories	0
= Adjusted net cash flow from operating activities	683.845
+ Net decrease in intangible fixed assets	37
+ Net decrease in tangible fixed assets	(2.964)
+ Net decrease in short-term financial assets	790.778
= Net cash flow from operating and financing activities	1.471.696
+ Increase in restricted net assets	199.906
= Cash at year end	1.671.602



5. GENERAL INFORMATION

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. ZML-326/98 dated 22 July 1998. The International Trust Fund was entered in the Register of Foundations.

The headquarters of the International Trust Fund is located at Ig, Slovenia, and its implementation offices in Bosnia and Herzegovina and Croatia. The Fund has a staff of 14 at its Ig headquarters, 4 in its office in Bosnia and Herzegovina and 1 in its office in 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 31 December 2005:

Vojislav Šuc, Chairman,
Mustafa Alikadić, member,
Kory Golob, member,
Dijana Pleština, member,
Dragiša Mekić, member,
Zvezdana Veber Hartman, member,
Darko Vidović, member,
Stanislav Vidovič, member,
Bojan Žmavc, member,

The Advisory Board includes representatives of donors and founders of the International Trust Fund.

The statutory Annual Statement of the International Trust Fund for Demining and Mine Victims Assistance, Ig, for the year 2005 was prepared in accordance with International Financial Reporting Standards.

The financial year is equal to the calendar year.

5.1. SUMMARY OF ACCOUNTING POLICIES AND PRACTICES

The financial statements for the financial year 2005 comply with the International Financial Reporting Standards and basic accounting conventions i.e. considering the occurrence of business events, ongoing concern and fair and true presentation.

The policies and practices the Management applies in preparing and presenting financial statements are in compliance with the above stated basis whereas certain accounting policies are optional and the management decides independently to apply one of available variants. The summary of general accounting policies and practices applied by the company in reference to valuing separate items as follows:

- The intangible and tangible fixed assets are at the beginning valued at their purchase value. The purchase value consists of purchase price, import and irredeemable purchase duties and costs needed to put them into use. The tangible fixed assets are individually depreciated pursuant to straight-line method.



- The quantity units of inventories of material and merchandise are initially valued at their actual purchase price, which includes buying prices, import and other irredeemable duties and direct purchase costs. The purchase price is decreased for given discounts. The inventories of materials and merchandise are written down, if the book value exceeds the higher of market or net realisable value.
- The receivables are initially shown as amounts based on relevant documents and assumption that they will be paid. The receivables are written down, if their book value exceeds their fair or realisable value. The receivables are revalued by reversal of writedowns if their fair or realisable value exceeds their book value. The receivables in foreign currencies are in the financial statements stated at the mid exchange rate of the Bank of Slovenia for individual currency as at the balance date. The exchange rate differences represent regular financial income or regular financial expenses.
- The short-term investments in equity and debt securities of other companies or state are initially valued at their purchase value whereas the short-term loans are valued at paid amounts. The revaluation of short-term financial investments presents the change of their book value and occurs as a revaluation due to improvement of assets, impairment of assets or reversal of impairment. The information on fair value and main characteristics of individual short-term financial investment shall be disclosed.
- The short-term deferrals include debtors and other assets and liabilities presumed to occur within one year and the occurrence of which is possible and the size reliably estimated. The deferred charges include current deferred costs or current deferred expenses and current uncharged revenues, which are shown separately and broken down into more significant ones. The short-term accruals and deferred income include short-term accrued costs and deferred income shown separately and broken down into more significant ones.
- The unrestricted net assets consist of the founding capital, retained earnings, revaluation of the capital and net surplus/loss of the year.
- 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 are 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 long and short-term debts are shown liabilities with reference to financing of the Trust Fund's assets. The debts are financial liabilities, if lenders are lending the company money, or operating, if suppliers are sending to the Trust Fund inputs for performing its services. The financial debts present granted credits based on loan agreement, investment agreement or issued securities. The operating debts are supplier borrowings for purchased goods or services, debts for financial leases, short-term liabilities owed to staff, financiers and to the state. The long-term debts have to be paid back or settled within the term of over one year and the short-term debts within one year. The revaluation of the long and short-term financial investments presents the change of their book value and occurs as impairment of assets or improvement of debts. The information on fair value or main characteristics of individual debt shall be disclosed.
- The revenues are broken down into operating revenues, financial income and extraordinary income. Operating revenues and financial income are reckoned as regular revenues. The operating revenues present the utilization of permanently restricted net assets, fixed percentage of donated funds, granted for covering the Trusts Fund's administrative and operating costs, revenues from utilization of temporarily restricted net assets for covering the amortization and depreciation of fixed assets and other revenues. The financial income arises from long and short-term financial investments and receivables. The financial income consists of interest and exchange rate differences. The extraordinary



revenues consist of irregular items that mark influence on the increase of regular results in the respective business year.

- The expenses are sorted into operating expenses, financial expenses and extraordinary expenses. Operating expenses and financial expenses present regular expenses. The operating expenses equal the costs of the period. The revaluating operating expenses (writedowns) occur in reference to tangible fixed assets, intangible long-term assets and current assets due to their impairment. The financial expenses present the expenses for financing and expenses for investing. The extraordinary expenses consist of irregular items that mark influence on the decrease of regular results in the respective financial year.



5.2. NOTES TO THE ACCOUNTS

The notes relate to annual statements for 2005 unless otherwise specified in the text.

1. Intangible Assets	In 000 SIT	2005 2.464	2004 3.588
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The intangibles consist of leasehold improvements (1.125 thousands SIT) and other intangibles (1.339 thousand SIT).

The depreciation of leasehold improvements was calculated as to expected service life of the improvements. Other intangibles were amortized on individual basis using the straight-line method. The amortization rate at 20% was applied to amortise other intangibles.

Donated intangibles equalled 1.119 thousand SIT.

The amortization cost of donated intangibles (593 thousand SIT) debit temporarily restricted net assets (Note 8).

Changes in Intangibles in 2005:

Item	In 000 SIT		
	Intangibles owned	Donated intangibles	Total
1. Purchase value			
Balance as at 1 January 2005	6.706	77.815	84.521
Increase – new purchases	0	0	0
Increase – other	339	2.885	3.224
Decrease – sales, disposals	(0)	(0)	(0)
Balance as at 31 December 2005	7.045	80.700	87.745
2. Accumulation depreciation			
Balance as at 1 January 2005	(4.821)	(76.112)	(80.933)
Increase – depreciation	(495)	(593)	(1.088)
Increase – lease rental charges	(0)	(0)	(0)
Increase – other	(384)	(2.876)	(3.260)
Decrease – sales, disposals	0	0	0
Balance as at 31 December 2005	(5.700)	(79.581)	(85.281)
3. Book value			
Balance as at 1 January 2005	1.885	1.703	3.588
Balance as at 31 December 2005	1.345	1.119	2.464

2. Tangible Fixed Assets	In 000 SIT	2005 56.284	2004 77.810
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Fixed assets are shown with their book value. The base value for depreciation equals the acquisition cost.

The depreciation rates applied for separate types of tangible fixed assets:

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

Changes in Fixed Assets in 2005:

Item	In 000 SIT		
	Equipment owned	Donated equipment	Total
1. Purchase value			
Balance as at 1 January 2005	40.926	137.415	178.341
Increase – new purchases	78	2.087	2.165
Increase – other	4.398	1.164	5.562
Decrease	(1.100)	(762)	(1.862)
Balance as at 31 December 2005	44.302	139.904	184.206
2. Accumulated depreciation			
Balance as at 1 January 2005	(23.735)	(76.796)	(100.531)
Increase – depreciation	(5.164)	(19.325)	(24.489)
Increase – other	(3.837)	(557)	(4.394)
Decrease	833	659	1.492
Balance as at 31 December 2005	(31.903)	(96.019)	(127.922)
3. Book value			
Balance as at 1 January 2005	17.191	60.619	77.810
Balance as at 31 December 2005	12.399	43.885	56.284

3. Short term receivables	In 000 SIT	2005 58.145	2004 69.552
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This item comprises advances (511 thousand SIT), other down-payments (60 thousand SIT), receivables from donors for (52.950 thousand SIT) and receivables for bank deposits interests (2.940 SIT), advance payments for travelling expenses (223 thousands SIT), accounts receivables (240 thousand SIT) and other (1.221 thousand SIT).

4. Short-term Financial Assets	In 000 SIT	2005 1.427.467	2004 2.218.245
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This item comprises short-term deposits with the domestic bank:

- 6.000.000 US \$ i.e. 1.214.578 thousands SIT bearing interests at 3,49% p.a.,
- 700.000 EUR i.e. 167.703 thousands SIT bearing interests at rate 1,97% p.a.,
- 45.186 thousands SIT bearing interests at 3,7% p.a..

All deposits have the maturity in January 2006.

5. Cash and Bank	In 000 SIT	2005 1.671.602	2004 526.406
Petty Cash		5.271	2.689
Slovene Tolar accounts		18.697	24.014
Foreign currency accounts		1.647.634	499.703



INTERNATIONAL TRUST FUND

6. Unrestricted Net Assets	In 000 SIT	2005 43.844	2004 8.160
Founding capital		1.000	1.000
Retained earnings		7.160	44.016
Adjustment		365	0
Net Result for the Year		35.319	(36.856)

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

Summary of Changes in Unrestricted Net Assets:

Item	In 000 SIT			
	Founding capital	Retained earnings	Net result for the year	Total
Balance as at 31.12.2004	1.000	44.016	(36.856)	8.160
Increase	0	0	35.319	35.319
Decrease	(0)	(36.491)	36.856	365
Balance as at 31 December 2005	1.000	7.525	35.319	43.844

7. Permanently Restricted Net Assets	In 000 SIT	2005 2.970.647	2004 2.753.804
Donations for demining and mine victims rehabilitation and other specific purposes		2.970.244	2.753.744
Deferrals		60	60
Other		343	0

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

	Donations (cash)	Donated advances	Total
Balance as at 31 December 2004	2.753.744	60	2.753.804
Donations received	5.360.208	0	5.360.208
Donations returned	-25.720	0	-25.720
Interest credited	48.968	0	48.968
Use of donations	-5.326.074	0	-5.326.074
- Demining	-4.138.118	0	-4.138.118
- Rehabilitation	-771.730	0	-771.730
- Mine victims assistance	-256.008	0	-256.008
- Training	-39.438	0	-39.438
- Financing of the Trust Fund	-77.400	0	-77.400
- Other	-41.293	0	-41.293
- Purchase of intangibles and fixed assets	-2.087	0	-2.087
Trust Fund's Revenues	-147.274	0	-147.274
Other	-1.117	0	-1.117
Exchange rate differences	321.383	0	321.383
Changes in balance of donors pledging for activities temporarily financed by the Trust Fund	-13.874	0	-13.874
Balance as at 31 December 2005	2.970.244	60	2.970.304



Summary of Changes in Permanently Restricted Net Assets in 2005 (in 000 SIT):

Donor	Opening balance	Donations received	Revenues	Dimming	Rehabilitation	Minor Victims assistance	Other	Training of the Trust fund	Donations returned	Interest credited	Reallocation	Loan of bank guarantees	Conference	Exchange rates	Donor pledge/commitment of donor	Total
ADRIATIK-NEBEDEL	75.859	69.145	(1.022)	(80.377)	0	0	0	0	0	2.008	0	0	0	12.024	0	77.737
AMWAY	0	3.589	0	0	0	0	0	0	0	0	0	0	0	53	0	3.642
AUSTRIA	242.964	143.745	(4.312)	(179.681)	0	0	0	0	(5.864)	2.898	0	0	0	(15)	0	199.994
BAGS ENERGETHIKA	0	613	(18)	(594)	0	0	0	0	0	0	0	0	0	(11)	0	0
BELGIUM	33	0	0	0	0	0	0	0	0	0	0	0	0	5	0	38
BH MAC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOSANSKO - PODRINSKI KANTON GORAZDE	0	3.082	(92)	(2.970)	0	0	0	0	0	0	0	0	0	0	0	118
COORDINAMENTI DOMNE	2.031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CROATIA WITHOUT MINES	173	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.194
CZE REPUBLIC	0	11.795	(352)	(11.443)	0	0	0	0	0	0	0	0	0	26	0	199
DAN CHURCH	32.026	11.215	(336)	(43.969)	(2.755)	0	0	0	0	0	0	0	0	767	0	0
DAN CHURCH	2.938	0	0	0	0	963	0	(179)	0	0	0	0	0	1	0	0
DUBIA OTRZAN	0	1.835	(55)	0	0	0	0	0	0	37	0	0	0	185	0	1.795
ELEKTROPRIVEDA - HERCEG BOSNE	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
ELEKTROPRIVEDA - IZ HB MOSTAR	888	35.937	(1.078)	(35.131)	0	0	0	0	0	0	0	0	0	5	0	621
EUROPEAN AGENCY FOR RECONSTRUCTION	271	0	0	0	0	0	0	0	0	0	0	0	0	0	0	271
EUROPEAN AGENCY FOR RECONSTRUCTION - A	51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51
EUROPEAN AGENCY FOR RECONSTRUCTION - B	330.383	19.987	(5.44)	(146.021)	0	0	0	0	0	0	0	0	0	(7)	0	0
EUROPEAN AGENCY FOR RECONSTRUCTION - EC LAUREE	45.088	128.993	(3.805)	(47.948)	0	0	0	0	0	0	0	0	0	(19)	0	120.569
EUROPEAN UNION - 2003 - A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EUROPEAN UNION - 2003 - B	0	41.559	(929)	0	0	0	0	0	0	0	3.275	0	0	29	0	43.934
EUROPEAN UNION - B: EC ZAGREB	0	4.295	(129)	0	0	0	0	0	0	0	7.093	0	0	8	0	11.267
EUROPEAN UNION 3 - GS (REGION)	19.520	0	0	0	0	0	0	0	0	0	(10.368)	0	0	(14)	0	12.363
EUROPEAN UNION 4-INTERESTS	0	5.984	(194)	0	0	0	0	0	0	0	0	0	0	0	0	0
FOREIGN AFFAIRS AND INTERNATIONAL TRADE - CANADA	0	11.978	(359)	(16.223)	0	0	0	0	(1.088)	0	0	0	0	1	0	0
FRANCE	8.227	22.981	(689)	(22.263)	0	0	0	(8.137)	0	0	0	0	0	119	0	5.396
FRANCE	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
FRANCE - CARE UNLIMITED	2.523	0	0	(2.720)	0	0	0	0	0	0	0	0	0	176	0	3
FRANCE - CARE UNLIMITED	4.340	6.640	(199)	0	0	(1.198)	(2.834)	0	0	0	0	0	0	0	0	6.769
FRANCE - CARE UNLIMITED	29.442	0	0	(22.423)	0	(1.209)	0	0	(1.375)	0	0	419	0	1	628	2
IRELAND	352	0	0	0	0	0	0	0	0	0	0	0	0	(1)	0	6.052
INSTITUTE FOR REHABILITATION, REPUBLIC OF SLOVENIA	230	13.830	0	0	(131.852)	0	0	0	0	0	0	0	0	0	0	252
JAGLAND SLETINJ ARHITEKTI (Arhitekti)	4.126	0	0	0	0	0	0	0	0	0	0	0	0	0	0	276
KOREA	0	6.107	(5.496)	0	0	0	0	0	0	0	0	0	0	0	0	608
KOREA CLUB ZRINSKIVAC	0	73.701	(2.210)	(71.675)	0	0	0	0	0	0	0	0	0	185	0	0
MARSKA	0	11.639	(349)	0	0	0	0	0	0	0	0	0	0	0	0	0
MARSHALL LEGACY INSTITUTE	0	438.849	(13.164)	0	(426.532)	0	0	(11.290)	0	0	0	0	0	847	0	0
MINISTRY OF FINANCE-BIH	1.189	18.374	(550)	(1.189)	(17.824)	0	0	0	0	0	0	0	0	0	0	3.007
MINISTRY OF URBAN PLANNING - CANTON SARAJEVO	12.707	0	0	0	0	0	0	0	(9.700)	0	0	0	0	0	0	0
MOBITEL d.d.	1.195	0	0	0	0	0	0	0	(7.539)	0	0	0	0	0	0	0
GERMANY	11.636	647.017	(19.410)	(57.395)	0	0	548	0	0	0	0	0	0	19	0	54.970
NORWAY	5.794	864.779	(4.304)	(855.331)	0	(1.292)	0	0	0	0	0	0	0	354	0	0
NORWAY	35.673	42.871	(1.287)	(37.570)	0	0	0	0	0	0	0	0	0	(18)	0	39.665
COMMUNITY STATE GRAB	0	1.225	(37)	(1.188)	0	0	0	0	0	0	0	0	0	0	0	0
COMMUNITY STATE GRAB	0	21.000	(630)	0	0	0	(2.417)	0	0	0	0	0	(1.555)	0	0	6.647
MINISTRY OF FOREIGN AFFAIRS SLOVENIA	22.043	0	0	0	0	0	(10.056)	(5.052)	0	0	0	0	0	0	0	3.882
DEFENSE SLOVENIA	0	89.700	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MINISTRY OF FOREIGN AFFAIRS, MINISTRY OF HEALTH, MINISTRY OF DEFENSE SLOVENIA 7.2005	48	19.539	(586)	(16.789)	0	0	(3.856)	0	0	0	0	0	0	642	0	22.373
ROTARY CLUB INTERNATIONAL CALVA	0	718	(22)	0	0	697	0	0	0	0	0	0	0	0	0	2.905
ROTARY CLUB INTERNATIONAL CALVA	19.141	0	0	(19.132)	0	0	0	0	0	0	0	0	0	0	0	0
S.O. SUBOTICA and IZ PALC	0	1.169	(35)	(1.137)	0	0	0	0	0	0	0	0	0	0	0	0
SEBASTIAN GORENC	29	0	0	0	0	(29)	0	0	0	0	0	0	0	0	0	0
SWEDEN	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8
SWITZERLAND	447	33.631	(1.009)	(33.619)	0	0	0	0	0	0	0	0	0	(5)	0	445
THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID) - UK	0	2.12.286	(6.369)	0	(21.161)	0	0	0	0	0	0	0	0	(2.681)	0	182.075

INTERNATIONAL TRUST FUND

Donor	Opening balance	Donations received	Revenues	Donating	Rehabilitation	Mine Victims assistance	Other	Training of the Trust fund	Donations interest returned	Reallocation	Evacuation of bank guarantees	Conference	Exchange of bank guarantees	Donor pledge/commitment of donors	Total
THE KINGDOM OF THE NETHERLANDS	0	1,007	(28)	0	0	0	0	0	(158)	0	0	(821)	0	0	0
UK	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LINOP	11,139	146,546	(3,852)	(69,772)	0	0	0	0	0	0	0	0	0	272	84,333
VMA-Kikos - VINE AND WEAPON VICTIMS ASSOCIATION	0	2,127	(64)	0	0	0	0	0	0	0	0	0	0	46	0
WALNUT CREEK	1	509	(19)	0	0	(2,109)	0	0	0	0	0	0	0	0	495
USA - 10 - ALBANIA	1,248	0	0	0	0	0	0	0	0	0	0	0	0	182	1,430
USA - 10 - BH	15,781	0	0	(915)	(15,388)	0	0	0	0	0	0	0	0	0	0
USA - 10 - CROATIA	113,648	0	0	(116,672)	0	0	0	0	0	0	0	0	0	522	0
USA - 10 - MACEDONIA	452	0	0	0	0	0	0	0	0	0	0	0	0	4,824	0
USA - 10 - SERBIA	113,648	0	0	(915)	0	0	0	0	0	0	0	0	0	4,824	0
USA - 10 - BOSNIA AND HERZEGOVINA	53	0	0	(915)	0	(43,670)	461	0	0	0	0	0	0	4,364	13,696
USA - 10 - SERBIA AND MONTENEGRO	37,004	0	0	0	(7,488)	(15,011)	(2,955)	0	0	0	0	0	0	3,321	0
USA - 10 - ZAKAVAZ	72,994	0	0	0	0	(7,313)	0	(14,298)	0	0	0	0	0	10,385	76,046
USA - 10 - ZAKAVAZ	14,581	0	0	0	0	0	0	0	0	0	0	0	0	735	1,018
USA - 10Z004 - ALBANIA	128,764	0	0	(97,092)	(18,604)	(12,073)	0	0	0	0	0	0	0	12,654	13,649
USA - 10Z004 - BOSNIA AND HERZEGOVINA	528,381	0	0	(241,877)	(127,011)	0	0	0	0	0	0	0	0	64,668	224,161
USA - 10Z004 - CROATIA	350,649	0	0	(376,375)	0	0	0	0	0	0	0	0	0	25,728	0
USA - 10Z004 - REGION	35,249	0	0	0	0	0	(2,782)	0	0	0	0	0	0	5,170	0
USA - 10Z004 - REHABILITATION	245,601	0	0	0	0	(155,873)	(659)	(482)	0	0	0	0	0	28,800	116,967
USA - 10Z004 - SERBIA AND MONTENEGRO	154,332	0	0	(83,218)	0	0	(735)	0	0	0	0	0	0	5,170	37,637
USA - 10Z005 - BOSNIA AND HERZEGOVINA	0	187,936	(6,928)	(132,214)	0	0	0	0	0	0	0	0	0	11,445	163,476
USA - 10Z005 - CROATIA	0	657,600	(33,366)	(32,974)	0	0	0	0	0	0	0	0	0	37,996	530,016
USA - 10Z005 - REGION	0	455,254	(15,934)	(29,406)	0	(4,457)	0	0	0	0	0	0	0	24,935	192,092
USA - 10Z005 - REHABILITATION	0	79,175	(2,771)	0	0	(10,272)	0	0	0	0	0	0	0	17,015	80,972
USA - 10Z005 - SERBIA AND MONTENEGRO	0	296,905	(10,392)	(66,065)	0	0	0	0	0	0	0	0	0	9,438	293,256
USA - 14 - BOSNIA AND HERZEGOVINA	19,806	0	0	(19,647)	0	0	0	0	0	0	0	0	0	1,907	134,381
USA - 14 - CROATIA	45,309	0	0	(33,541)	0	0	0	0	0	0	0	0	0	4,366	2,066
USA - 14 - REGION	17,141	0	0	0	0	0	0	0	0	0	0	0	0	1,120	16,334
USA - 14 - SERBIA AND MONTENEGRO	8,407	0	0	(33,268)	0	0	(3,068)	0	0	0	0	0	0	2,981	19,935
USA - BH - 2	30,270	0	0	0	0	0	0	0	0	0	0	0	0	661	0
USA - BH - 1	8,949	0	0	0	(3,165)	0	0	0	0	0	0	0	0	2,989	0
USA - MH - 1	43,014	0	0	0	0	0	(574)	0	0	0	0	0	0	930	6,140
USA - INTERESTS	8,034	0	0	0	0	0	(1,550)	0	0	0	0	(290)	0	7,274	89,343
USA - UNILATERAL	7,536	0	0	0	0	0	0	0	0	0	0	0	0	1,194	9,228
USA - US Technical Assistance	0	0	0	0	0	0	0	0	0	0	0	0	0	1,120	8,656
Total	2,751,748	3,360,208	(147,274)	(4,138,118)	(771,730)	(956,030)	(36,517)	(19,438)	(25,732)	419	0	(8,399)	321,383	(13,874)	2,970,244

The donation balances were presented according to the mid exchange rate of the Bank of Slovenia in effect as at 31 December 2005.

INTERNATIONAL TRUST FUND

8. Temporarily Restricted Net Assets	In 000 SIT	2005 45.019	2004 62.322
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Summary of Movements in Temporary Restricted Net Assets in 2005:

	In 000 SIT	Total
Balance as at 31 December 2004	62.322	
Donation received	2.238	
Differences (disposals, sales, reconciliation)		
- Depreciation	(19.918)	
- Disposals	(103)	
- Reconciliation	480	
Balance as at 31 December 2005	45.019	

9. Accounts payable	In 000 SIT	2005 145.637	2004 60.779
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Accounts payable to domestic vendors	29.406	8.904
Accounts payable to foreign vendors	116.231	51.875

10. Revenues / Donations	In 000 SIT	2005 5.496.043	2004 5.005.892
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Utilization of permanently restricted net assets – main activities of fund	5.326.074	4.797.246
Operating revenues, fixed percentage of donated funds	147.274	161.586
Depreciation/amortisation of donated assets	19.918	42.337
Other revenues	2.777	4.723

Other revenues of the Trust Fund consist of sales of tender documentation (2.540 thousand SIT) and other (237 thousand SIT).

11. Income from Financing	In 000 SIT	2005 537.755	2004 571.050
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Exchange rate gains	482.146	539.162
Interest received	55.590	31.888
Others	19	0

12. Costs of Materials and Services	In 000 SIT	2005 5.338.975	2004 4.866.299
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Materials	10.947	18.703
Services	5.328.028	4.847.596

The total of costs debits permanently restricted net assets in amount 5.282.958 thousand SIT.



Cost of services consist of: lease rental charges (9.022 thousand SIT), maintenance costs (594 thousand SIT), production services (de-mining, rehabilitation, others) (5.227.067 thousand SIT), reimbursement of travelling expenses to employees (30.220 thousand SIT), costs of professional fees (21.326 thousand SIT), insurance costs (6.682 thousand SIT), cost of marketing, advertising, fairs (9.071 thousand SIT) and other services (24.046 thousand SIT).

		2005	2004
13. Labour Expenses	In 000 SIT	120.950	121.534
Payroll expenses		87.918	90.544
Social security contributions and benefits		12.505	13.971
Other labour costs		20.527	17.019

Payroll expenses consist of payments to employees of the Trust Fund's Headquarters (74.137 thousand SIT) and payments to employees of implementation offices (13.781 thousand SIT).

Social security contributions and benefits include pension fund payments in the amount of 2.385 thousand SIT.

Other labour costs consist of payroll tax (6.515 thousand SIT), employee travel and meal costs reimbursement (9.063 thousand SIT), extra vacation payment (2.602 thousand SIT), and other (2.347 thousand SIT).

Labour costs in the amount of 43.116 thousand SIT debit permanently restricted net assets.

		2005	2004
14. Other Expenses	In 000 SIT	407	320

Other expenses, in the amount of 203 thousand SIT, debit permanently restricted net assets.

		2005	2004
15. Costs of Financing	In 000 SIT	512.233	578.527

This item consists of exchange rate losses (463.265 thousand SIT) and interest costs (48.968 thousand SIT).

The Trust Fund increased its permanently restricted net assets for the amount of interest (48.968 thousand SIT) on donated funds, pursuant to underlying agreements with individual donors (Note 7).

		2005	2004
16. Allocation of Operating Results for the Year	In 000 SIT		
Retained earnings as at 1 January		7.160	44.016
Operating surplus (loss)		35.319	(36.856)
Reconciliation		365	0
Retained earnings as at 31 December		42.844	7.160

17. Potential Liabilities

The Trust Fund is the defendant in two lawsuits at the Ljubljana and Belgrade court of law. Both claims amount to total of 67 millions SIT. The ultimate outcome of the lawsuits cannot presently be determined, and no provision for any liability that may result has been made in the financial statements for the year 2005.

18. Post-Balance Sheet Events

In the period since the balance sheet date to the date of this report no events that would take effect on the fair view of the financial statements for the year 2005 have occurred.

Managing Director:

Goran Gačnik



lg, 17 February 2006





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