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## ITF Enhancing Human Security Annual Report 2004

ITF Enhancing Human Security  
*ITF*

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# Be Free.

To Heal the Wounds of Earth and Soul.  
*To Be. To be Safe. To be Free.*



**ITF ANNUAL REPORT 2004**



**INTERNATIONAL TRUST FUND**  
*for Demining and Mine Victims Assistance*



## **ITF ANNUAL REPORT 2004**

January 2005



**INTERNATIONAL TRUST FUND**  
*for Demining and Mine Victims Assistance*

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**CONTENTS**



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

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

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

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

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

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

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

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



<b>INTRODUCTION</b>
ITF ANNUAL REPORT 2004 / 5

**Mine and UXO Threat in SE Europe** It is estimated that more than 1.6 million mines and other unexploded ordnances have been left in the ground as a deadly legacy of the recent conflicts in the Balkans. Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and Macedonia have been dealing with this problem on a daily basis. It is impossible for people to lead normal lives under such circumstances. They are afraid to work in the fields, afraid of going to work, to school, to church. Every single step in the suspected area can result in a tragedy.

### **ALBANIA**

Mines in Albania are present along the Kosovo (SCG) / Albanian border in the northern Albania from Shistavec in the south to Tropoje in the north. The mine-contaminated strip is 120 km long and mines have been laid up to 400 meters into the Albanian territory. Initial surveys estimated 15.1 square kilometers of mine-contaminated land.

### **BOSNIA AND HERZEGOVINA**

The mine suspected area in Bosnia and Herzegovina amounts to 2,089 square kilometers or 4.2 % of the country's territory. Estimates suggest that there are 18,600 minefields with app. 1 million mines and 300,000 UXO.

### **CROATIA**

1.174 square kilometers of land is suspected of being mined, which represents 3 % of the total territory of Croatia. 170 square kilometers are expected to be minefields, other nuisance mines or suspect areas.

### **MACEDONIA**

21 square kilometers of Macedonian land is suspected of mine- and UXO contamination, mainly with UXO, which represents 0.07% of the country's territory. Mines are expected to be found along the border with Kosovo (Serbia and Montenegro).

### **SERBIA AND MONTENEGRO**

*Serbia.* – According to the data provided by the Mine Action Center in Belgrade, 39 square kilometers of land have been contaminated with mines and UXO (clusters bombs) representing 0.04% of the total Serbian (SCG) territory. 40 sites have been contaminated with app. 60 air bombs and high caliber projectiles.

*Montenegro.* – It is believed that minefields in Montenegro have been laid along the border with Albania. UXO are expected to be found in the waters along the Montenegro coast.

## **INTRODUCTION**



## Socio-economic and Security Impact of Landmines in SE Europe

Mines represent one of the most significant problems for the international community in terms of safety, humanitarian issues, the environment, economy and development. Mine-contaminated areas have a direct as well as an indirect impact on the resident population. This is manifest as a huge number of civilian casualties, resumption of animosity, distrust and intolerance, and generally poor health of the population as a result of people being exposed to constant danger and living their days in perpetual fear.

In the region of SEE Mine Action is already in the consolidation phase, which means that Mine Action activities have to be linked to development and poverty reduction strategies in the respective countries in order to make the best possible use of the scarce financial resources available.

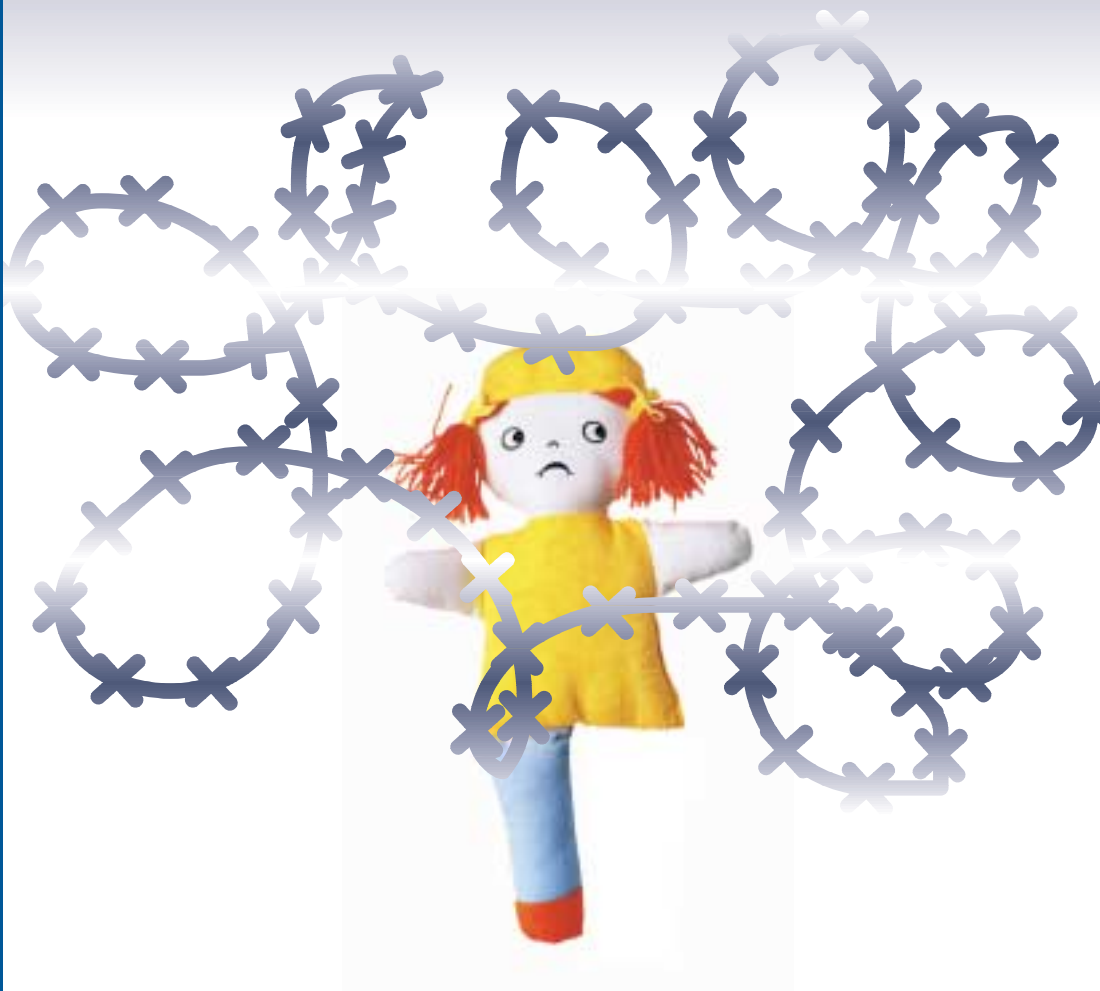


**INTRODUCTION**



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*To Heal the Wounds of Earth.*

Managing Board.....

Board of Advisors.....

Donors.....

Relations with other Organisations .....

Human Resources.....

**I.  
ITF  
MANAGEMENT  
AND  
ORGANISATION**



## Managing Board

### **The ITF Managing Board has 9 members, as follows:**

- Mustafa Alikadić, representative of Bosnia and Herzegovina, member.
- Matjaž Kovačič, representative of Slovenia, member.
- Dijana Pleština, representative of Croatia, member.
- Dragiša Mekić, representative of Bosnia and Herzegovina, member.
- Zvezdana Veber- Hartman, representative of Slovenia, member.
- Vojislav Šuc, representative of Slovenia, Chairman.
- Darko Vidović, representative of Bosnia and Herzegovina, member.
- Bojan Žmavc, representative of Slovenia, member.
- Maja Žužek, representative of Slovenia, member.

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

In 2004 the Managing Board conducted three regular meetings. The Managing Board appointed, at its 23rd Session on July 15, 2004, Mr. Dorijan Maršič as the new Director of ITF. Mr. Maršič assumed his duties on October 3, 2004.

The Managing Board also approved and adopted the ITF Annual Report 2003 and Plan for 2004.

### **I. ITF MANAGEMENT AND ORGANISATION**



## 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<br>for Humanitarian Demining | 22. Slovenia                  |
| 2. Belgium                | 13. Rehabilitation Institute of Slovenia                     | 23. Slovak Republic           |
| 3. Bosnia and Herzegovina | 14. Ireland  | 24. SPEM                      |
| 4. Canada                 | 15. Japan  | 25. Sweden                    |
| 5. Croatia                | 16. Korea  | 26. Switzerland               |
| 6. Croatia Without Mines  | 17. Kuwait   | 27. Survey Action Center      |
| 7. Czech Republic         | 18. Luxembourg   | 28. UNDP                      |
| 8. Denmark                | 19. Norway   | 29. United Kingdom            |
| 9. European Union         | 20. Red Cross of Slovenia                                    | 30. United States of America. |
| 10. France                | 21. Qatar  |                               |
| 11. Germany               |  |                               |

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 2004, BoA 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 2003 and Plan for 2004.

**Donors** In addition to the BoA forum ITF also maintains a direct, more personal relationship with each individual donor. In 2004, 11 countries, the EU as well as 17 private donors made donations to ITF.

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

**I.  
ITF  
MANAGEMENT  
AND  
ORGANISATION**



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

In 2004 ITF collaborated well with other agencies involved in Mine Action: members of the UN system, other international organizations, regional organizations and NGOs.

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.

ITF and the UNDP Mine Action Team have joined forces in the organization of UNDP/Cranfield training courses. Also, ITF has been working together with the UNOPS Mine Action Team on the Adopt-a-Minefield project that is being implemented by ITF in Bosnia and Herzegovina and Croatia. ITF also attended the Intersessionals in Geneva and the first review conference of the Ottawa Convention in Nairobi.

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

In 2004 ITF also worked together with the following NGOs: DanChurchAid, Handicap International, Handicap Belgium and Landmine Monitor, Landmine Survivors Network, Mine and Weapons Victims Association, Norwegian People's Aid, Spirit of Soccer and Survey Action Center.

**I.  
ITF  
MANAGEMENT  
AND  
ORGANISATION**



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

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

In addition to its headquarters at Ig, Slovenia, ITF has also got two permanent Implementation Offices, one in Bosnia and Herzegovina, and the other in Croatia. Altogether, ITF employs 19 people.

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

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

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

**I.  
ITF  
MANAGEMENT  
AND  
ORGANISATION**





*To Heal the  
Wounds of Soul.*

Financial Management and Internal Control.....

External Audit.....

Donations.....

Allocation of Donations in 2004.....

ITF Administrative and Project Costs.....

## II. FUNDRAISING





**Financial Management and Internal Control** In 2004, ITF financial and management control was being executed along the same lines as in 2003. ITF has now established efficient internal control procedures regarding the financial management and administration of donations.

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

**External Audit** ITF's accounts are subject to an external audit on an annual basis. The 2004 Auditors' Report is enclosed with this Annual Report.

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

**Donations** ITF raised USD 30.7 million worth of donations in 2004. These funds were contributed by 11 countries, the EU and 17 different private donors and organizations.

From the funds raised, USD 9,941,000 were contributed to ITF via the matching funds mechanism instituted by the government of the United States.

It is noteworthy that all of the donor countries in 2004 were 'returning donors', meaning that they had made donations to ITF before.

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

There was a slight drop in 2004 in fundraising from private donors. As can be seen from the chart below, in 2004 the contributions made by private donors accounted for 4 percent of all donations to ITF compared to 9.88 percent in 2003. This is definitely an important warning sign and a matter that ITF will have to address with even more vigor in the future.

**II.  
FUNDRAISING**



# Donor report 2004

	2004	USD
<b>Adopt-a-Minefield</b>	Demining activities on Adopt-a-minefield sites in Bosnia and Herzegovina and Croatia	49.256,22 USD
	Demining activities on Adopt-a-minefield sites in Croatia	111.650,00 USD
	Demining activities on Adopt-a-minefield sites in Croatia	103.923,92 USD
	Demining activities on Adopt-a-minefield sites in Bosnia and Herzegovina	117.296,78 USD
		<b>382.126,92 USD</b>
<b>Arne Hodalić</b>	In-kind donation - photo promotion of mine action in SEE	0,00 USD
		<b>0,00 USD</b>
<b>Austria</b>	Demining activities in Bosnia and Herzegovina	436.405,54 USD
	Demining activities in Municipality Karlovac	447.636,74 USD
	Demining activities in Vukovar/Srijem County	476.105,11 USD
	Demining activities in BiH/Unsko-Sanska region	379.422,47 USD
		<b>1.739.569,86 USD</b>
<b>BH MAC "Prijatelji protiv mina"</b>	Demining activities in Bosnia and Herzegovina	8.183,22 USD
		<b>8.183,22 USD</b>
<b>Bosnia and Herzegovina</b>	Support for the BHMIC structure	2.200.000,00 USD
	Support for the BHMIC structure	2.450.000,00 USD
		<b>4.650.000,00 USD</b>
<b>Canada</b>	Demining activities in Cyprus	250.000,00 USD
	Support of the AMAE structure	149.577,59 USD
	Support of the Integrated Mine Action Programme in Bosnia and Herzegovina	1.148.396,65 USD
		<b>1.547.974,24 USD</b>
<b>Canton Sarajevo - Ministry of Urban Planning and Environmental Protection</b>	Demining activities in Bosnia and Herzegovina	31.216,20 USD
	Demining activities in Bosnia and Herzegovina	6.321,61 USD
		<b>37.537,81 USD</b>
<b>Community Novi grad Sarajevo</b>	Demining activities in Bosnia and Herzegovina	31.620,86 USD
		<b>31.620,86 USD</b>
<b>Community Stari grad</b>	Demining activities in Bosnia and Herzegovina	228.827,85 USD
	Demining activities in Bosnia and Herzegovina	199.756,59 USD
		<b>428.584,44 USD</b>
<b>Community Vječe Vogošća</b>	Demining activities in Bosnia and Herzegovina	12.267,94 USD
		<b>12.267,94 USD</b>

## II. FUNDRAISING



	<b>2004</b>	<b>USD</b>
<b>Coordinametni Donne</b>	Mine Victims Assistance activities in SEE	12.504,68 USD
		<b>12.504,68 USD</b>
<b>Czech Republic</b>	Demining activities in Albania	50.000,00 USD
		<b>50.000,00 USD</b>
<b>DanChurchAid</b>	Demining activities in Albania	385.677,42 USD
	Demining activities in Albania	189.631,69 USD
		<b>575.309,11 USD</b>
<b>Dean Haas</b>	Rehabilitation of the landmine victims at the Rehabilitation Institute of the Republic of Slovenia	51,33 USD
		<b>51,33 USD</b>
<b>Dijana Pleština</b>	Mine Action Activities in Croatia	2.332,53 USD
		<b>2.332,53 USD</b>
<b>EC Delegation in Croatia</b>	Demining activities in Croatia	1.210.017,09 USD
		<b>1.210.017,09 USD</b>
<b>Elektroprivreda Mostar</b>	Demining activities in Bosnia and Herzegovina	25.134,00 USD
		<b>25.134,00 USD</b>
<b>European Union</b>	Landmine Impact Survey in Bosnia and Herzegovina	217.424,71 USD
	Support to regional co-operation in Mine Action in South East Europe Countries-Clearance of the borderline projects	1.260.497,18 USD
	Cross-border demining	201.286,87 USD
		<b>1.679.208,76 USD</b>
<b>France</b>	Capacity building through training for orthopaedic technicians at the Health Faculty in Ljubljana	46.277,01 USD
		<b>46.277,01 USD</b>
<b>Germany</b>	Demining activities in Serbia and Montenegro	739.394,93 USD
	Demining activities in BiH	1.336.475,07 USD
	Demining activities in BiH	25.877,20 USD
	Demining activities in BiH	247.879,95 USD
	Demining activities in Albania	371.819,93 USD
		<b>2.721.447,08 USD</b>
<b>Ireland</b>	Demining activities in Bosnia and Herzegovina	154.726,10 USD
		<b>154.726,10 USD</b>
<b>Marshall Legacy Institute</b>	Training of the MDD teams at MDDC BiH	30.000,00 USD
		<b>30.000,00 USD</b>

## II. FUNDRAISING

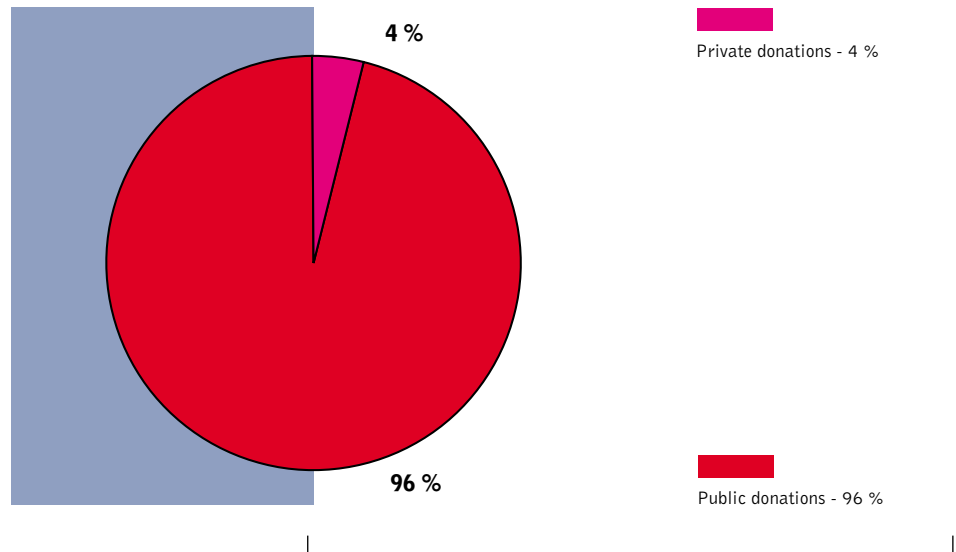


	<b>2004</b>	<b>USD</b>
<b>Mobitel d.d.</b>	Support of ITF activities	10.799,74 USD
		<b>10.799,74 USD</b>
<b>Newspaper "Finance"</b>	Rehabilitation of mine victims at Institute for Rehabilitation	8.622,83 USD
		<b>8.622,83 USD</b>
<b>Night of a Thousand Dinners</b>	Night of a thousand Dinners	35.311,17 USD
		<b>35.311,17 USD</b>
<b>Norway</b>	Demining activities	4.231.807,82 USD
		<b>4.231.807,82 USD</b>
<b>Rotary International District 1910-4096</b>	Rehabilitation of the landmine victims at the Rehabilitation Institute of the Republic of Slovenia	33.660,07 USD
		<b>33.660,07 USD</b>
<b>Sebastijan Gorenc</b>	Mine Victims Assistance programs	167,28 USD
		<b>167,28 USD</b>
<b>Slovenia</b>	Support of ITF activities	447.282,09 USD
		<b>447.282,09 USD</b>
<b>Switzerland</b>	Support of demining activities	31.480,09 USD
	Manual Mine Clearance in BiH by NPA	65.736,24 USD
		<b>97.216,33 USD</b>
<b>United Nations Development Program In Bosnia and Herzegovina</b>	Demining activities in Bosnia and Herzegovina	295.767,80 USD
	Demining activities in Bosnia and Herzegovina	304.935,71 USD
		<b>600.703,51 USD</b>
<b>United States of America</b>	Support of Mine Action Activities	9.941.000,00 USD
		<b>9.941.000,00 USD</b>
<b>United States Tennis Association, Inc</b>	Rehabilitation of mine victims at Institute for Rehabilitation	4.000,00 USD
		<b>4.000,00 USD</b>
<b>USARDSG-UK (Bled Workshop)</b>	Organization of Bled Workshop	8.800,00 USD
		<b>8.800,00 USD</b>
<b>TOTAL</b>	<b>2004</b>	<b>30.764.243,82 USD</b>

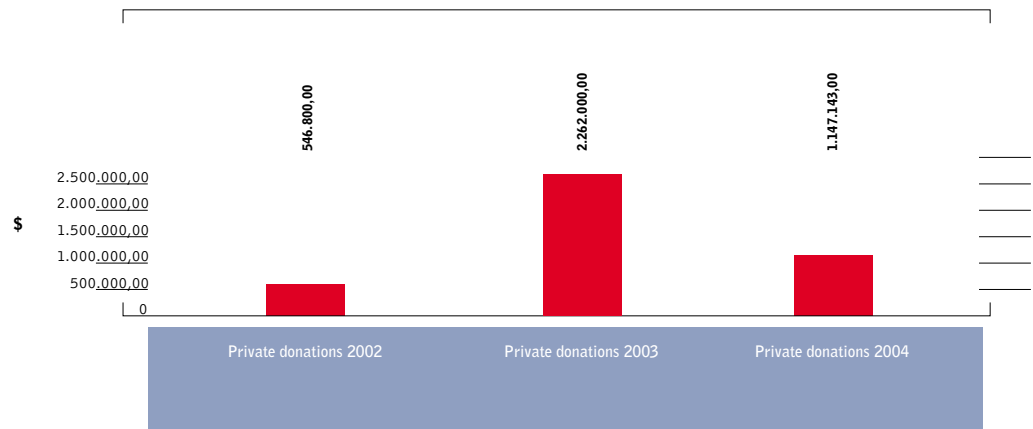
## II. FUNDRAISING



**CHART:**  
**PRIVATE VS. PUBLIC DONATIONS IN 2004**



**CHART:**  
**PUBLIC VS. PRIVATE DONATIONS IN 2002, 2003 AND 2004 (COMPARISON)**



**II.**  
**FUNDRAISING**



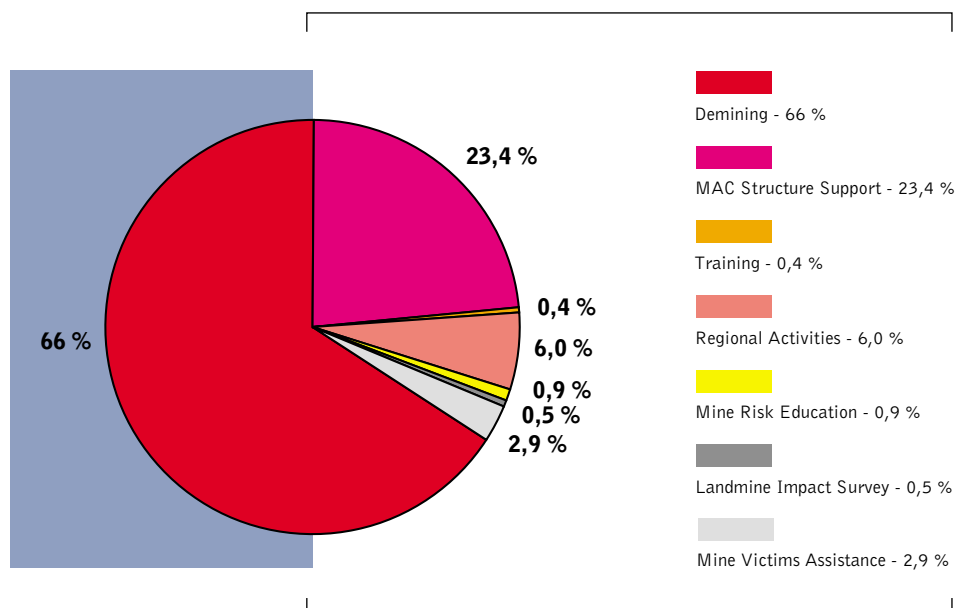
## Allocation of Donations in 2004

In 2004, USD 25,076,166 was spent on various ITF activities as follows:

- USD 717,358 was spent on Mine Victims Assistance activities (2.9 percent).
- USD 16,555,472 was spent on demining and Battle Area Clearance (66 percent).
- USD 5,872,349 was spent on the local Mine Action structure support (23.4 percent).
- USD 1,492,791 was spent on regional activities (6 percent).
- USD 100,682 was spent on training (0.4 percent).
- USD 215,375 was spent on Mine Risk Education programs (0.9 percent).
- USD 122,139 was spent on the Landmine Impact Survey (0.5 percent).

As evident from the above figures, the funding for Mine Victims Assistance programs is again in decrease in comparison with other programs. This should spur ITF on to put even more efforts in fund raising for MVA programs since mine casualties figures continue to climb, adding to the 7,000 known mine survivors in the region who will require special health care for the rest of their lives.

**CHART:**  
**DISTRIBUTION OF FUNDS BY PURPOSE IN 2004**



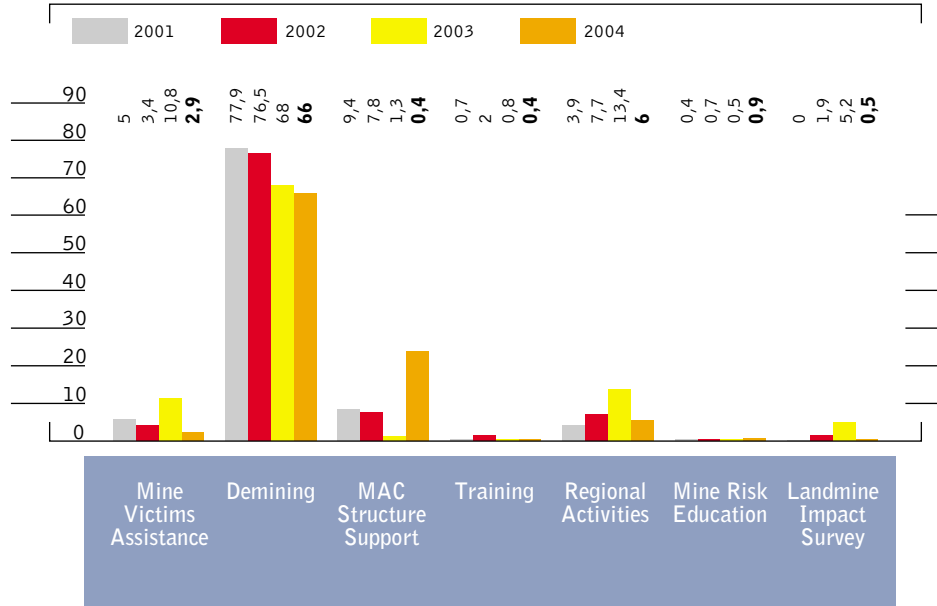
**II.**  
**FUNDRAISING**



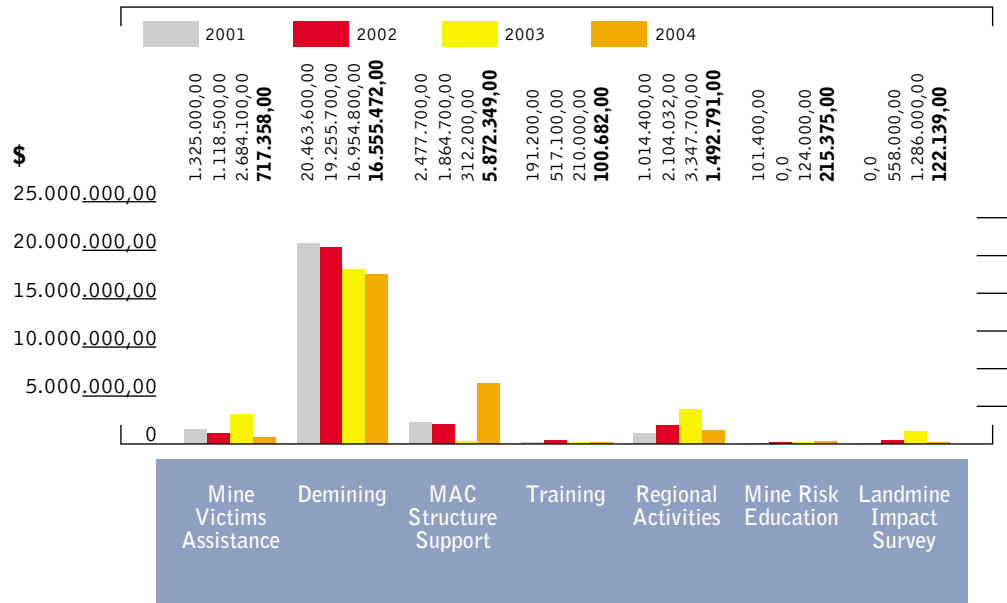
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The changes in funds allocation in comparison to years 2001, 2002 and 2003 are presented in the chart below.

**CHART:**  
**COMPARISON OF FUNDS ALLOCATION BY PURPOSE**  
**(IN PERCENTAGE)**



**CHART:**  
**COMPARISON OF FUNDS ALLOCATION BY PURPOSE**  
**(IN USD)**

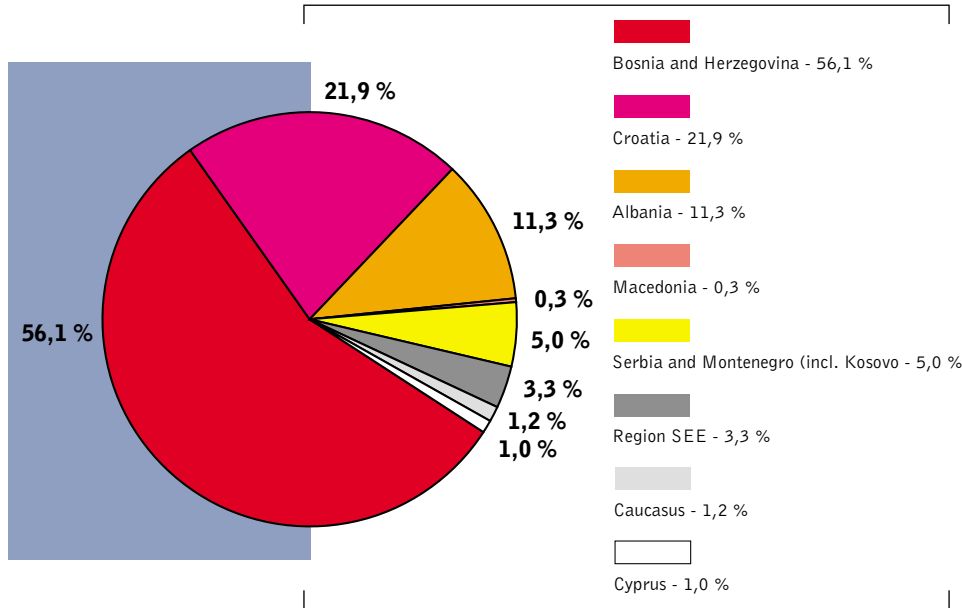


**II. FUNDRAISING**

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

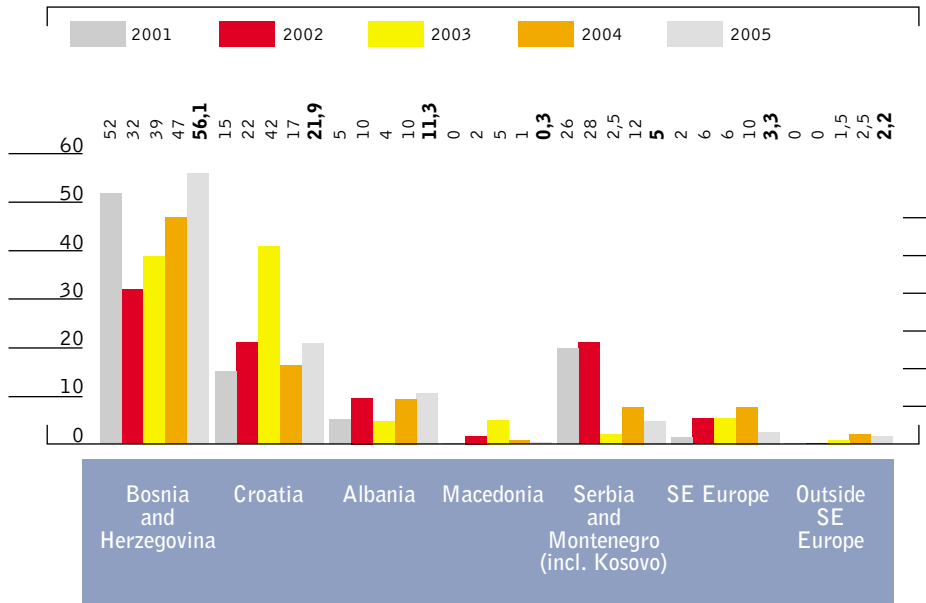
**CHART:**  
**DISTRIBUTION OF FUNDS BY COUNTRIES BY COUNTRY IN 2004**



56.1 percent of the funds were spent in Bosnia and Herzegovina, 21.9 percent in Croatia, 11.3 percent in Albania, 0.3 percent in Macedonia, 5 percent in Serbia and Montenegro while 3.3 percent was allocated to regional activities in SE Europe.

Altogether 2.2 percent of the funds were spent outside the region i.e. 1.2 percent on the activities in Caucasus and 1 percent on activities in Cyprus.

**CHART:**  
**COMPARISON – USE OF FUNDS BY COUNTRY IN (PERCENTAGE)**



**II. FUNDRAISING**

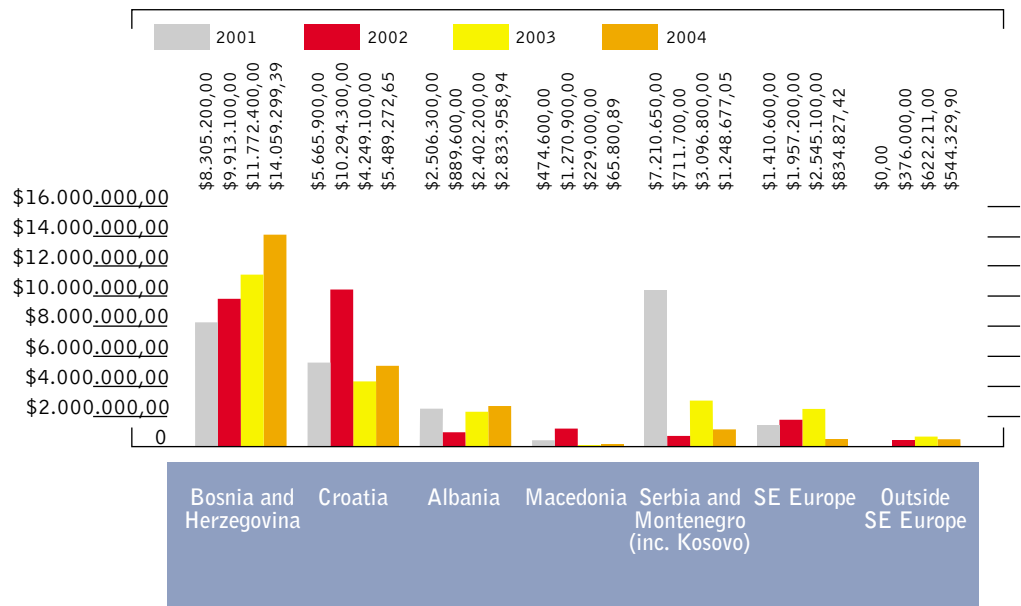
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## II. FUNDRAISING



**CHART:**  
**COMPARISON - USE OF FUNDS BY COUNTRY (IN USD)**

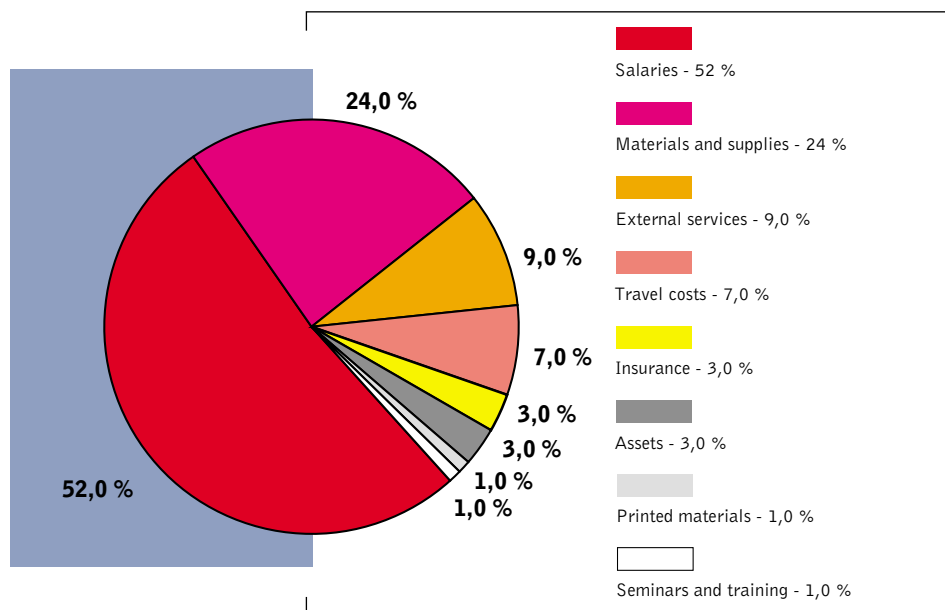


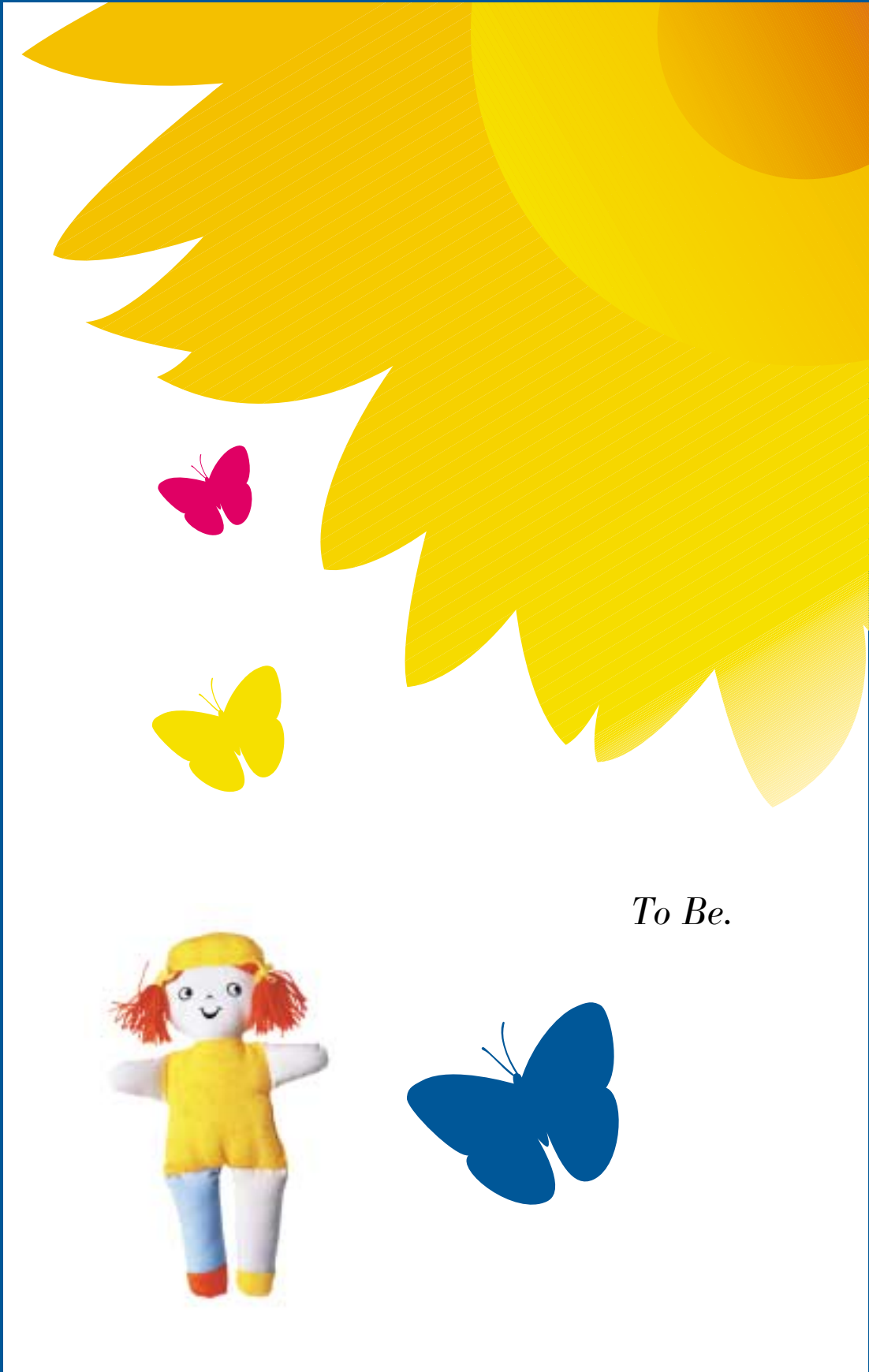
**ITF Administration and Project Costs** The standard fee on which ITF operates is 3 percent of the funds raised. The fee is set to cover all ITF costs associated with individual donations i.e. the tender process, awarding of contracts, contract monitoring and supervision, project evaluation and reporting. 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 also covers the organization of meetings of the Board of Advisors as well as all generated reports and related materials.

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

**CHART:**  
**ITF COSTS IN 2004**






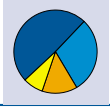

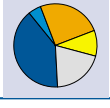

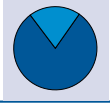

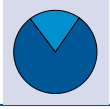

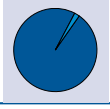
*To Be.*

Mine- And Battle Area Clearance .....  
Monitoring and Evaluation .....  
Mine Victims Assistance .....  
Training .....  
Regional Activities in SE Europe.....  
    - SEEMACC .....  
    - GIS .....  
ITF Web Site .....  
Publications .....

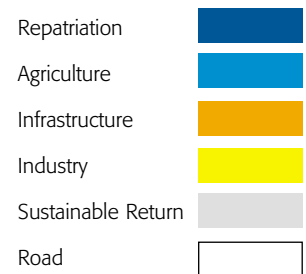
**III.  
OPERATIONAL  
OVERVIEW**



# ITF Demining Results in 2004

Country	Cleared	Mines	UXO	m <sup>2</sup>	purpose
 Bosnia and Herzegovina	131	2,111	747	2.595.016	
 Croatia	30	487	406	2.463.230	
 Albania	26	2.266	62	182.792	
 Macedonia*	4	3	18	69.366	
 Serbia and Montenegro	6	1.390	6	732.400	
<b>TOTAL</b>	<b>197</b>	<b>6.257</b>	<b>1.239</b>	<b>6.235.129</b>	

\*Battle Area Clearance activities in Macedonia



## III. OPERATIONAL OVERVIEW



**Mine- and Battle Area Clearance** Donors funded demining and Battle Area Clearance activities through ITF on a larger or smaller scale in all mine-affected countries in SE Europe. In 2004 this included Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and Macedonia. ITF also continued, albeit on smaller scale, to support demining activities in Caucasus and Cyprus. Demining projects were being carried out by various partners: NGOs, commercial companies and local organizations.

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

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

Prioritization is still an issue in all of the mine-affected countries in the region; however, the Landmine Impact Survey in Bosnia and Herzegovina concluded in 2003, enabled better use of scarce resources available for demining in Bosnia and Herzegovina in 2004.

In 2004 6.04 million square meters of land altogether were demined or cleared through Battle Area Clearance in the region of SE Europe.

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

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



In addition to demining/BAC activities, in 2004 ITF also started with the implementation of technical survey works in Bosnia and Herzegovina and Croatia. Altogether 2.18 million square meters of land were released through technical survey in 2004.

Technical survey is the detailed technical and topographical investigation of known or suspected hazardous areas. Such areas have been previously identified during the general Mine Action assessment. The primary aim of a technical survey is to collect sufficient information to enable the clearance requirement to be more accurately defined, including the area(s) to be cleared, the depth of clearance, local soil conditions, and the vegetation characteristics. This will enable subsequent clearance operations to be conducted in a safe, effective and efficient manner. Sometimes it may be appropriate to conduct a technical survey when there is no immediate need to clear all the land. The objective in such circumstances is to accurately identify, record, mark and fence the outer edge of the hazardous area, and by doing so release some land for productive use. The process, through which the initial area indicated as contaminated (during the general mine action assessment) is reduced to a smaller area, is known as 'area reduction'. Area reduction may involve some limited clearance, such as the opening of access routes and the destruction of mines and UXOs, which represent an immediate and unacceptable risk, but it will mainly be as a consequence of collecting more reliable information on the extent of the hazardous area. (IMAS 08.20).

**III.  
OPERATIONAL  
OVERVIEW**



# ITF Technical Survey Results in 2004

Country	Cleared	Mines	UXO	m <sup>2</sup>
 Bosnia and Herzegovina	13	1	0	1,100,016
 Croatia	3	6	34	1,079,660
<b>TOTAL</b>	<b>16</b>	<b>7</b>	<b>34</b>	<b>2,179,676</b>

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

If requested by the donor, ITF may also employ a monitoring firm to oversee and monitor the work of the demining company on a daily basis, thus ensuring that the removal of mines is carried out in accordance with the applicable standards and safety requirements. In 2004 ITF employed two monitoring firms; both were selected by tender.

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

### III. OPERATIONAL OVERVIEW



**Mine Victims Assistance** Support of the Mine Victims Assistance programs in 2004 was twofold – on one hand the victims were treated at the Slovenian Institute of Rehabilitation, especially those who could not receive proper treatment in their own respective countries; on the other hand, ITF also supported the local MVA programs of individual countries concerned. We acknowledge and advocate the fact that rehabilitation is a holistic process involving more than just medical treatment and physical rehabilitation. The rehabilitation should thus also include psychological rehabilitation, vocational therapy and socio-economic integration of landmine survivors.

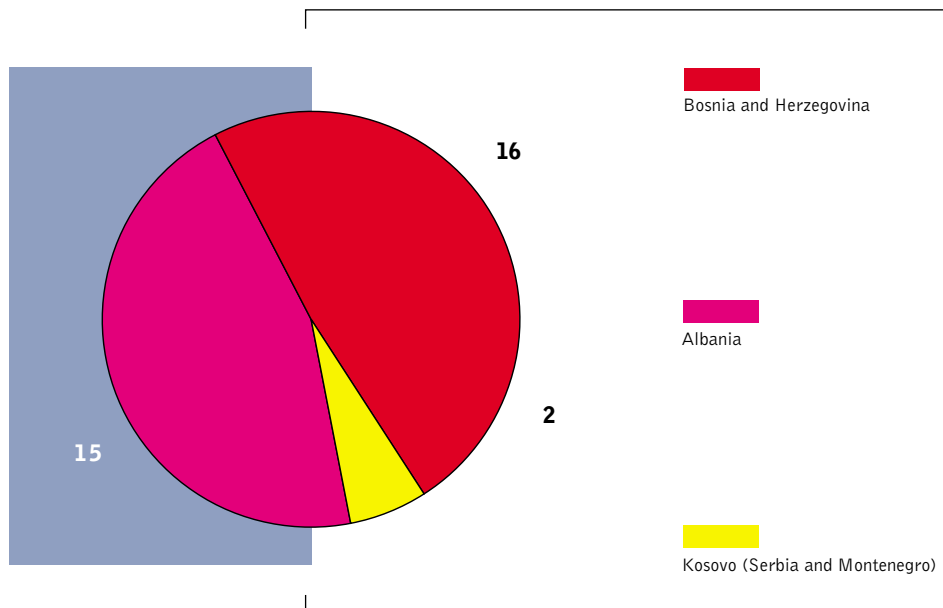
**INSTITUTE OF REHABILITATION OF THE REPUBLIC OF SLOVENIA:**

In 2004, 33 mine victims were rehabilitated at the Institute of Rehabilitation of the Republic of Slovenia (16 from Bosnia and Herzegovina, 15 from Albania and 2 from Kosovo (SCG)). Since 1998, 738 mine victims have been rehabilitated at the Institute (583 from BH, 47 from Kosovo (SCG), 100 from Albania, 1 from Montenegro (Serbia and Montenegro) and 7 from Macedonia).

As part of the rehabilitation training program, 5 students (3 from BH, 1 from Macedonia and 1 from Croatia) enrolled in the prosthetics and orthotics technology course at the School of Health Studies, University of Ljubljana. Their studies are being funded from the French and US donations to ITF.

Since 1998, 314 specialists have completed their rehabilitation training – 10 of them in 2004.

**CHART:**  
**ORIGIN OF PATIENTS IN 2004**



**III. OPERATIONAL OVERVIEW**

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## OTHER MINE VICTIMS ASSISTANCE PROGRAMS

In 2004, the US also provided funds to ITF for the Landmine Survivors Network Program in Bosnia and Herzegovina. This program is vital as it provides mine victims with direct assistance as well as with much needed visits and counseling.

Using the funds donated by the US, ITF also financed the EdaS study on possible improvements and identification of gaps in Bosnia and Herzegovina, Adopt-a-minefield® UK started with the implementation of the project 'Sustainable Professional Rehabilitation for Landmine Survivors in Bosnia and Herzegovina' and the programs of Albanian NGO Mine and Weapons Victims Association.

A lot of emphasis in 2004 was also placed on Mine Risk Education programs, especially through sports activities (Spirit of Soccer, summer camps) and education programs.

As it is becoming increasingly important that patients are treated in their own countries, the main focus in the future should be on capacity building and sustainability of the in-country programs (particularly in Albania and in Bosnia and Herzegovina).

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

Accordingly, ITF organizes and funds several training courses based on the existing needs identified in the mine-affected countries in the region. The following training was organized by ITF in 2004:

- In relation to Mine Victims Rehabilitation, training and seminars on technical assistance are organized by the Slovenian Institute of Rehabilitation.  
A training course for 5 orthopedic technicians (3 from BiH, 1 from Macedonia, 1 from Croatia) at the School of Health Studies, University of Ljubljana, was held for a second year in a row. (This is a three-year course study program; the students are obliged to return to their countries after successful completion of their studies.)  
The fact that this type of training is not provided anywhere else in SE Europe while qualified people of this profile are sorely lacking in the region, makes giving the opportunity to these people even more important. The development of local structures and capabilities is crucial for the country to assume ownership of the problem and provide its people with long-term solutions.  
In addition, 10 experts from Serbia (Serbia and Montenegro) rehabilitation centers underwent a special course in rehabilitation organized by the Slovenian Institute of Rehabilitation.
- UNDP Middle Management Training  
Management training is very important as the success of Mine Action to a great extent depends on sound management skills of the people who run it. UNDP, in partnership with Cranfield University (UK), have initiated a series of management training courses for the national managers of Mine Action programs.  
A Middle Management Training course was held in Tbilisi, Georgia in December 2004 and will continue in February 2005 (6 weeks in total). The course participants came from three South Caucasus countries, namely from Armenia (8), Azerbaijan (8) and Georgia (4). They will acquire basic management skills as well as some operational knowledge in relation to Mine Action. The training is being carried out on the premises of the Georgian Technical University in Tbilisi, Georgia.

**Donors for capacity building through training:** France, Slovenia, the United States of America.

### III. OPERATIONAL OVERVIEW



## Regional Activities in SE Europe

### **SEEMACC** South-Eastern 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 are crucial in achieving their objectives.

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 UNMIK/EOD Management Section as well as the regional MDD Center in Bosnia and Herzegovina acquired observer status at SEEMACC. In 2004, the Croatian Center for Testing, Development and Training also joined as an observer.

In 2004 three SEEMACC meetings took place in Sisak, Croatia, Baku, Azerbaijan and in Tirana, Albania, respectively. In addition, an informal SEEMACC meeting was held during the international conference on humanitarian demining in April in Šibenik, Croatia. The next SEEMACC meeting has been scheduled for March 2005 and will be held at Ig, Slovenia.

The important conclusions of SEEMACC in 2004 were:

- Mine Detection Dogs SOPs prepared by MDD Center BiH were approved by all SEEMACC members / observers.
- Humanitarian Underwater Demining in SE Europe SOPs prepared by the Regional Center for Underwater Demining, Montenegro were approved by all SEEMACC members /observers.
- Using and Testing of Demining Machines in SE Europe SOPs prepared by Croatian Center for Testing, Development and Training (CTDT) were approved by all SEEMACC members /observers.
- Required Knowledge and Skills for the Implementation of Mine Action Activities in SE Europe SOPs prepared by CTDT were approved by all SEEMACC members /observers.

All the minutes of SEEMACC meetings are available at [www.see-demining.org](http://www.see-demining.org).

**The donor for SEEMACC activities:** the United States of America.

### **III. OPERATIONAL OVERVIEW**



## GEOGRAPHIC INFORMATION SYSTEM FOR SE EUROPE

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

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

The focus of GIS related activities in 2004 was on:

### *Imagery and map development for Mine Action Centers in the region*

On January 2004 ITF delivered the Orthophoto production for Bosnia and Herzegovina.

Digital orthophoto and digital maps in reference scale of 1 : 1,000 and 1 : 2,500 are a high-end solution for updating the cartographic bases process and geoinformation system creation in the function of studies, analysis, planning and mine-clearance. The goal of this tender was the production of digital orthophoto for approximately 444 km<sup>2</sup>, map scale 1 : 2,500, resolution 0.10 m, and the production of digital orthophoto for approximately 40 km<sup>2</sup>, map scale 1 : 1,000, resolution 0.05 m. Because of the specific situation in Bosnia and Herzegovina the project has been split into two equal parts.

DOP development in the Federation of Bosnia and Herzegovina includes the mine-affected area of the Lasva river valley (including parts of municipalities of Travnik, Novi Travnik, Vitez, Busovaca and Zenica) of 176 km<sup>2</sup>, map scale 1 : 2,500, and 40 km<sup>2</sup>, map scale 1 : 1,000. DOP development in Republika Srbska includes the mine-affected area in the Pelagicevo municipality. The size of the area is estimated at 268 km<sup>2</sup>, map scale 1 : 2,500.



**Figure 1: DOP of the Pelagicevo municipality (Federation of Bosnia and Herzegovina)**

### III. OPERATIONAL OVERVIEW



*maXML project (the first and second project phases have been completed; the third i.e. last phase of the project is in its preliminary stages)*

The maXML project was first conceived as the result of a request by BHMACH to provide assistance with the deployment of IMSMA in BiH on a regional basis. The original project proposal divided the project into three distinct phases. The first two phases of the project were completed in early 2004 with the field implementation of the maXML Pilot Project set to support the South East Europe Data Harmonization Project supported by SEEMACC and its member states. Successful completion of this part of the project has already improved the ability of Mine Action Centers and the donor community to monitor the effectiveness of Mine Action. In September 2004 ITF received letter of approval from the U.S. Department of State to release USD 209,000 for the third i.e. last phase of the maXML project and also an EC confirmation of support in relation to the third phase of the project i.e. »IMSMA system integration and maXML data exchange in Bosnia and Herzegovina«.

#### *Information exchange*

In May 2004 ITF performed the regular data/information exchanges. It is envisaged that all MACs in the region will participate in the sharing of information and the final product will include a complete regional coverage of harmonized information on mine areas, suspected areas as well as non-suspected areas and background information (land cover, topography and demography). The results of the information exchange are available at [www.see-demining.org](http://www.see-demining.org).

**The donor for GIS:** the United States of America.



Figure 2: GIS Web server

### III. OPERATIONAL OVERVIEW



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

In 2004 ITF issued the following publications:

- Annual Report 2003 (March 2004);
- ITF Brochure (November 2004);
- One issue of the TRUST bulletin (June 2004).

The above publications are available from the ITF website at [www.itf-fund.si](http://www.itf-fund.si).

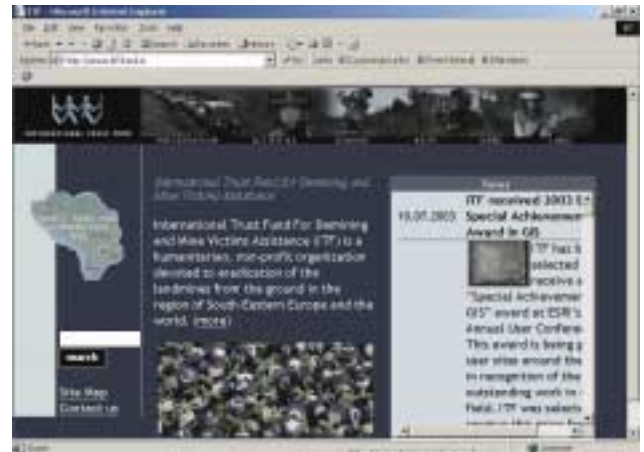
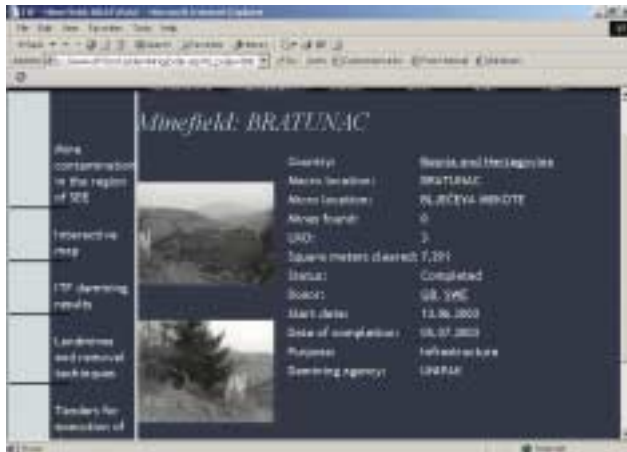


## ITF WEBSITE

The purpose of the site is to enable all interested stakeholders to access information on ITF operations and activities. The website features the following main pages: 1.) Presentation; 2.) Activities, 3.) Donors, 4.) Help!; 5.) News and 6.) Links.

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

Since November 2004 over 27.000 users visited ITF website.



### III. OPERATIONAL OVERVIEW



*To be Safe.*



Albania.....

Bosnia and Herzegovina.....

Croatia .....

Macedonia .....

Serbia and Montenegro .....

Armenia.....

Azerbaijan .....

Georgia.....

Cyprus .....

**IV.  
OVERVIEW OF  
ITF ACTIVITIES  
BY COUNTRY**





**Albania** In the beginning of the year USD 3.4 million were pledged or available for the execution of demining and Mine Victims Assistance activities in Albania. By the end of 2004, almost 3 million had been contracted for demining, mine victims assistance, mine risk education and structure support activities in Albania for the year. Medical equipment for the regional hospital in Kukes was also procured from the US funds.

### DEMINING ACTIVITIES

Demining and Battle Area Clearance activities in Albania in 2004 were being executed by only one demining organization: DanChurchAid (demining and BAC). The Swiss Federation for Mine Action (FSD) which had also been implementing demining/BAC works until 2004 left Albania due to the lack of funds for operations in 2004. Demining was carried out along the Albanian/Kosovo (Serbia and Montenegro) border i.e. in the regions of Tropoje, Has and Kukes. Clearance activities are crucial in these regions to enable at least subsistence living to people, whose lives depend mostly on farming, herding and wood collection, which is presently being hindered by the presence of mines. Clearance activities also enable a better border control of this area where trafficking and other crimes take place by means of illegal border crossings. ITF, using the Czech funds, also supported the DCA Mine Detection Dog Team. In 2004 DanChurchAid cleared 182,792 square meters of land (2.266 mines and 62 UXOs were found).

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



#### IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY



## MINE VICTIMS ASSISTANCE

The activities supported by way of donations through ITF are following the agenda of the Albanian Mine Action Executive as well as the recommendations of the Survey on the state of landmine survivors assistance in SE Europe carried out by Handicap International Belgium in 2003.

In relation to Mine Victims Assistance, the following needs of Albanian landmine victims were being addressed:

### *Socio-economic integration of mine victims*

The agreement for project implementation was signed in September 2003 with the Albanian NGO Mine and Weapon Victims Association for the period of 1 year, during which more than 40 families of landmine survivors, based on the assessment made by the same organization, were included in the micro-loan scheme and were provided with cattle. The first phase of the project has been completed. 49 cows were distributed among 32 beneficiaries in total. The loan payment and revolving fund have been established and a base for the continuation of the project has been set. The funds were provided by the United States Department of State.



Cattle breeding in Northern Albania

## IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY

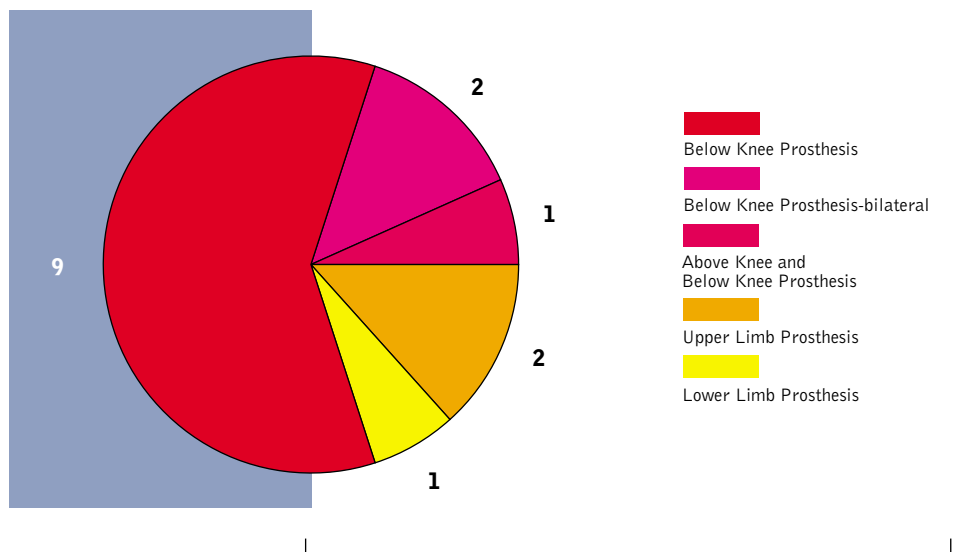


*Rehabilitation of landmine survivors at the Institute of Rehabilitation in Slovenia (IRRS) and training of rehabilitation experts*

The victims treated in Slovenia are triaged and selected by 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 the IRRS. For sustainability reasons, others are treated at the Tirana Orthopedic Institute. The rehabilitation of Albanian patients at the IRRS first started in August 2004. The funds for the rehabilitation at IRRS were provided by the government of the United States of America and from the donations made at the Night of a Thousand Dinners™ organized by ITF.

ITF also enabled 5 children - mine victims with their attendants from Albania to spend their summer holidays at the Debeli Rtič Health Resort in Slovenia. The children were triaged by the IRRS experts and their prosthetic devices received the necessary repairs.

**CHART:**  
**TREATMENT RECEIVED BY ALBANIAN LANDMINE SURVIVORS AT THE IRRS IN 2004**



**IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY**

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*Procurement of surgical equipment for the Kukes hospital*

The Kukes regional hospital is the only medical center for the mine-affected districts in Northern Albania, however without the surgical capacity for the treatment of heavy injuries. Landmine survivors in mine accidents therefore had to be taken across the border to Kosovo (SCG). The equipment procured (x-ray and orthopaedic surgery kit) in 2004 enables the treatment of landmine victims and other amputee cases at the Kukes hospital. The donation for this activity was provided by the United States of America and they have also earmarked some additional funds for the continuation of support to the Regional Hospital in Kukes.

**Donors for MVA activities in Albania:** Coordinamenti Donne, Night of a Thousand Dinners™ and the United States of America.



Hospital facilities in Kukes

**IV.  
OVERVIEW OF  
ITF ACTIVITIES  
BY COUNTRY**



## MINE RISK EDUCATION

The agreement for project implementation with the Albanian NGO Mine and Weapon Victims Association was signed in September 2003 for the period of 8 months. The project effectively ended on April 30, 2004. The main purpose of reducing mine-related accidents to a minimum, especially among children, has been achieved. The applied methodology served to encourage the Albanian mine-affected communities to take the initiative into their own hands. 17,854 community members between the ages of 30 and 65, and 6,940 youngsters between 13 and 29 received ongoing information about mine-related dangers.

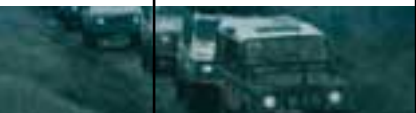
With the Czech donation, ITF also supported the implementation of summer camps to promote children rights through interactive, participatory activities. The summer camps were organized from July 01, 2004 to September 30, 2004 by the Albanian NGO Mine and Weapons Victims Association. 410 children of mine victims participated in summer camp activities; the visits included 10 different villages.

**Donors for MRE Activities in Albania:** the Czech Republic, the United States of America.



Summer camps in Albania

### IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY



## STRUCTURE SUPPORT

In order to ensure smooth implementation of the Mine Action program in Albania, the Canadian government decided to provide support to the local structure. Together with US matching funds, they have enabled AMAE to start developing and implementing a sustainable program so that Albania could be free of mines and UXOs by 2005.

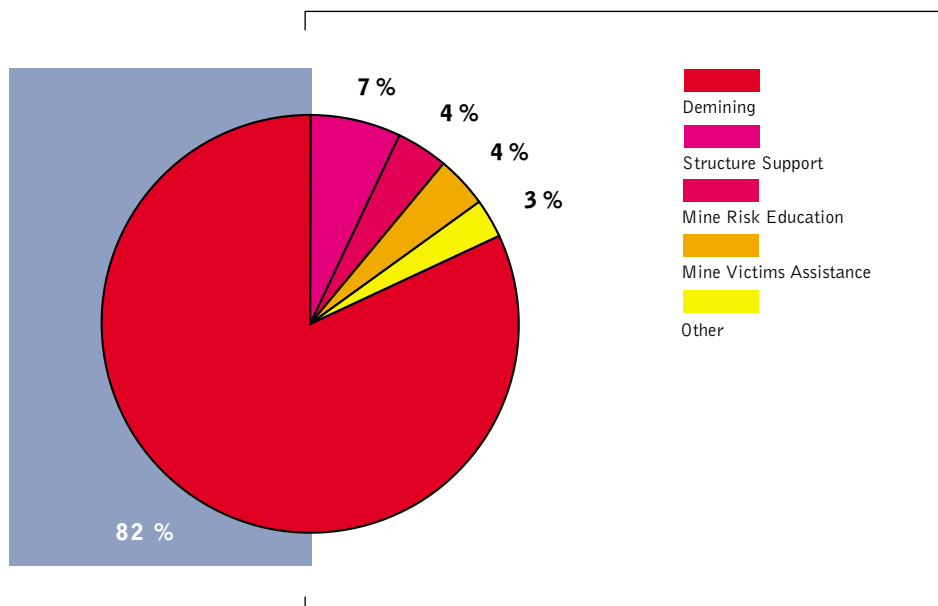
**Donors for Structure Support in Albania:** Canada, the United States of America

## EVALUATION OF THE PROGRAM IN ALBANIA

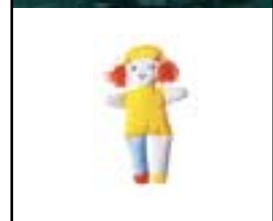
The level, at which the program in Albania was being implemented in 2004, was acceptable. Cooperation with the local authorities, especially with the Albanian Mine Action Executive responsible for Mine Action in Albania, was satisfactory. Due to the anticipated lack of funding in the near future, a greater involvement and support by government bodies to Mine Action in Albania would be appreciated (especially for the funding of salaries for the local AMAE staff).



**CHART:**  
**DISTRIBUTION OF FUNDS IN ALBANIA,**  
**BY PURPOSE**



## IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY



# Bosnia and Herzegovina

## DEMINEING ACTIVITIES



Site ITF02/04-TS-USA  
Vitkovci Jovanovići ME-DE-COM



Site ITF057/04-AAM Vitkovci  
Doležani 2 UXB

In 2004, demining contracts were awarded for 141 sites. There were 69 contracts signed with demining companies. Works and services were completed on 131 micro-locations (61 contracts). In total, over 2.59 million square meters of surface area was cleared with 2.111 mines and 747 UXOs found. ITF also started the execution of technical survey works in 2004, through which more than 1.1 million square meters of land has been released.

There were nine restricted and four open tender procedures for the implementation of demining and technical survey projects. Eight NGOs and eight commercial companies were selected for the execution of those works and services.

In 2004, ITF also received a donation for the continuation of support of the Entity Armed Forces through EUFOR (the donation was made by Ireland in December). The 2003 funds were used for mechanical ground preparation of more than 370,000 square meters of land. Once that had been completed, EAF carried out manual demining and monitoring. The tender for mechanical ground preparation works in 2005 will be called as soon as EUFOR will identify the relevant priorities.

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

ITF continued the implementation of the Adopt-a-Minefield® program in Bosnia and Herzegovina ([www.landmines.org](http://www.landmines.org)) for the fourth year. In 2004, more than five AAM sites were cleared in Bosnia and Herzegovina through this program and another three sites are undergoing clearing at the moment.

In 2004, a total area of 1,492,053 square meters was cleared of mines by commercial demining organizations while 1,102,963 square meters in total were cleared by NGOs.

**Donors for demining activities in Bosnia and Herzegovina:** Adopt-A-Minefield, Austria, Bosnia and Herzegovina, Canada, Canton Sarajevo – Ministry for Urban Planning and Environmental Protection, Community Hadžići, Community Novi Grad, Community Vogošća, Community Stari Grad, Elektroprivreda Mostar, BH MAC Friends Against Mines, the European Union, Germany, Norway, Slovenia, Switzerland, the United Nations Development Program in Bosnia and Herzegovina and the United States of America.

### IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY



## MINE VICTIMS ASSISTANCE

In 2004, United States continued to provide support for the implementation of Landmine Survivors Network programs in Bosnia and Herzegovina (the program ended in July 2004 and was approved in December 2004 for a period of another two years). Adopt-a-minefield® UK started with the implementation of the project 'Sustainable Professional Rehabilitation for Landmine Survivors in Bosnia and Herzegovina' in September 2004. The funding has been provided by the United States of America.

In 2004, 16 mine victims from Bosnia and Herzegovina were treated at the Slovenian Institute of Rehabilitation using the funds donated at the fundraising event 'Dobra žoga' and donations made by Rotary Club International and the United States of America.

In addition, summer holidays for 13 children – mine victims from BiH were organized together with the Red Cross of the Republic of Slovenia at the health resort at Debeli Rtič, Slovenia.

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



Exhibition held by LSN in BiH

## IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY





## MINE RISK EDUCATION

In April 2004, the project Spirit of Soccer continued in Bosnia and Herzegovina implemented by the UK Spirit of Soccer NGO. The aim of the program is to teach children – a very vulnerable group affected by landmines – about mine risks through playing football. More than 15,000 children and their coaches and teachers have already received mine risk education through this program in Bosnia and Herzegovina. The program will continue in April 2005.

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



Training at MDDC

## OTHER ACTIVITIES

A regional Mine Detection Dog Center in Bosnia and Herzegovina (MDDC) was established in October 2003 with the aim of providing Mine Detection Dog resources for South-East Europe. In 2004, the first five mine detection dogs were accredited by BH MAC. With the help of ITF, another 12 dogs have been undergoing training and after completion of training they will be handed over to NGOs Stop Mines, Provita and BH Demining.

**Donor for the MDD Center:** the United States of America.

### IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY



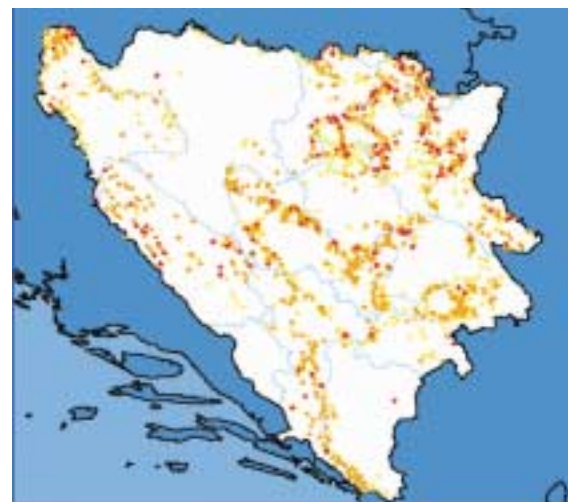
The final report on the Landmine Impact Survey conducted in 2003 in Bosnia and Herzegovina was provided by the Survey Action Center in September 2004. The LIS conducted in Bosnia and Herzegovina from October 2002 until December 2003 identified 1,366 mine-impacted communities with 2,134 distinct mine- and UXO contaminated sites. The land contaminated by mines and/or UXOs directly impacts the safety and livelihood of an estimated 1.3 million people and has led to the death or injury of 129 people in the last two years. The survey covered over 92 % of all suspected communities in BiH. Of 1,366 impacted communities, only 11 % were given a high impact rating while 51 % were given a medium impact rating. The global averages for high and medium impact are 10 % and 30 % respectively. BiH has a very high proportion of medium-impact communities, and this is attributed to the effect of displaced persons and refugee return.

**Donors for LIS in Bosnia and Herzegovina:** Canada, the European Union, the United States of America.

### STRUCTURE SUPPORT

There were three Memorandums of Understanding (MoU) signed with the Demining Commission in Bosnia and Herzegovina in 2003. The first MoU concerns monitoring regulations in Bosnia and Herzegovina. The second MoU relates to the financing of the demining support structure in BH. Matching funds will be used for the financing of MDDC in Konjic. The third MoU regards future cooperation with the Demining Commission in relation to tendering procedures.

In 2004 an annex to the second MoU providing for the funding of the BH Demining Structure was signed with the Commission. US matching funds were used for the financing of MDDC in Konjic. The support will continue also in 2005.



**LIS results as of November 2003**

Community impact category

- ◆ High
- ◆ Medium
- ◆ Low

## IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY

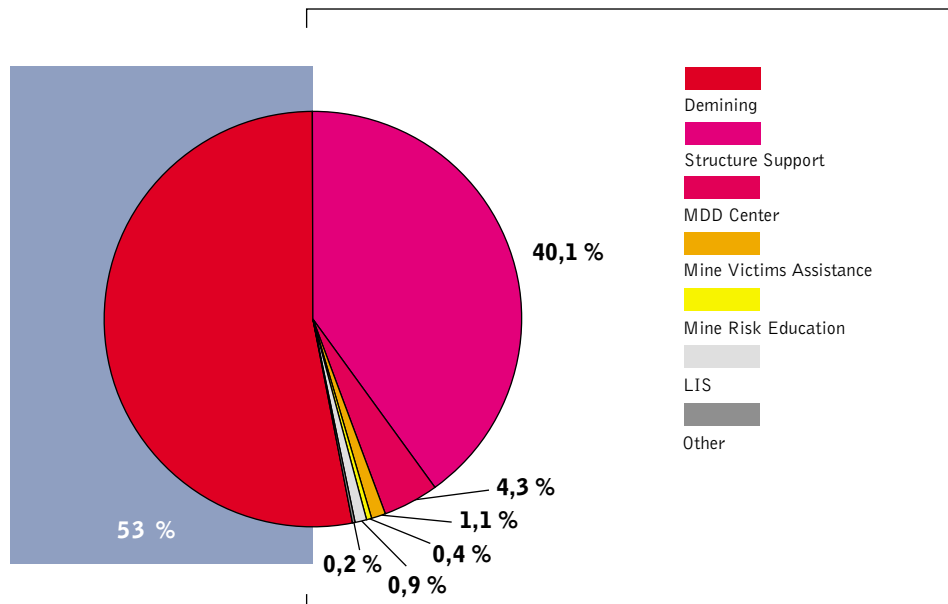


## EVALUATION OF THE PROGRAM IN BOSNIA AND HERZEGOVINA

A significant step forward was made across the board in relation to Mine Action in Bosnia and Herzegovina during 2004. The revised Demining Strategy was adopted by the Council of Ministers and the BiH government is getting increasingly involved in the demining process. The BiH representative took over co-chairing of the Board of Donors. All this is also reflected in the BH MAC organization. BH MAC was involved in the process of revising Demining Strategy. BH MAC started with Technical Survey projects in 2004 and ITF followed that policy.

Based on LIS findings, BH MAC started to prepare Task Assessment Projects, which are located in high impact rated populated areas. Some NGOs e.g. NPA (financed through ITF) started with the implementation of TA Projects and BiH already has some positive experience in the field. In 2005 ITF will be involved in the promotion of TA Projects.

**CHART:**  
**USE OF FUNDS IN BOSNIA AND HERZEGOVINA, BY PURPOSE**



### IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY



**Croatia** In 2004, 31 demining projects were awarded through ITF in Croatia. Works and services were completed on 25 projects. On six projects the works are still in progress. In total, over 2.46 million square meters of surface area was cleared with 487 mines and 406 UXOs found. ITF also continued with the execution of Technical Survey works in 2004, through which more than 1 million square meters of land was released.

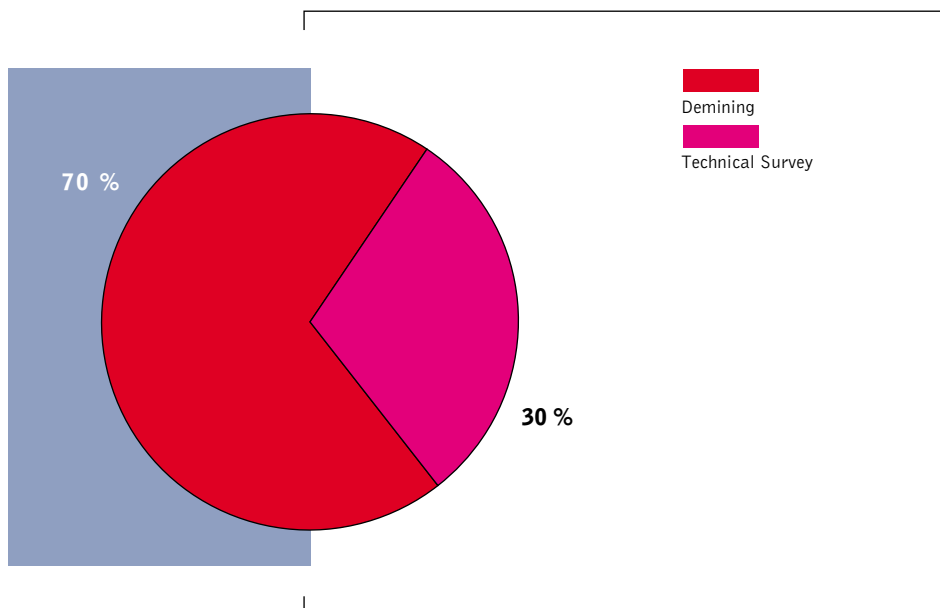
The first public tender in Croatia in 2004 was published on January 30, 2004. Altogether five Calls for Tenders were made in 2004 (4 open tenders and 2 restricted tenders).

In Croatia, technical surveying was carried out on the total of 1.079.660 square meters of land. Funding was received from Norway for the work of the Norwegian People's Aid NGO in Croatia. A portion of the US matching funds was also used for the purpose of technical surveying performed by NPA in Croatia. A technical survey project involving 116,000 square meters was also carried out from the funds provided by the EC Delegation in Croatia (CARDS).

**Donors for demining in Croatia:** Adopt-a-minefield®, Austria, Croatia, the European Union, the EC Delegation in Zagreb, Norway, Rotary Club Karlovac, Rotary club Wien, Slovenia and the United States of America.



**CHART:**  
**DEMINING RESULTS VS. TECHNICAL SURVEY RESULTS**



**IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY**

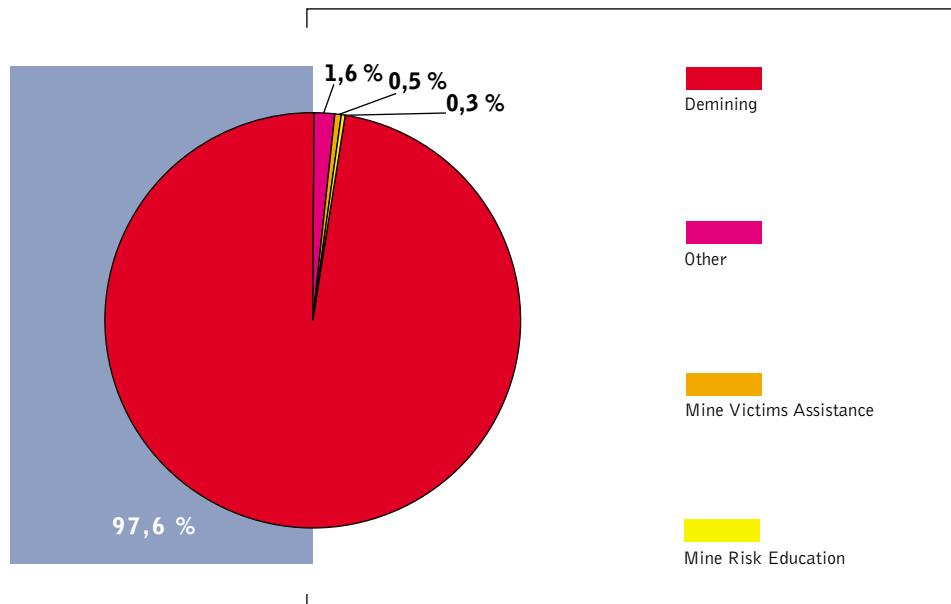
## MINE VICTIMS ASSISTANCE

The program of summer holidays at the Rovinj rehabilitation resort for children landmine survivors in July 2004 was funded by Norway.

**Donors for MVA in Croatia:** Slovenia and Norway.



**CHART:**  
**USE OF FUNDS IN CROATIA, BY PURPOSE**



### IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY



# Macedonia

## BATTLE AREA CLEARANCE

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

Operations in 2004 started with a small delay due to the lack of funding for the Macedonian program. Macedonian Civil Protection BAC and demining teams started with a one-week refreshment course on May 10, 2004. The Slovenian government provided funds to support BAC teams while the rest of the funding was provided by the European Agency for Reconstruction in Skopje and the United States of America.

The ITF operations officially ended on July 2, 2004. ITF successfully trained and outfitted 42 deminers from the Macedonian Civil Protection Unit and accomplished every task given by the Macedonian Mine Action Office from September 2002 until July 2004, thus clearing almost 5 millions m<sup>2</sup>.

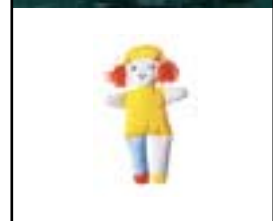
The Macedonian government should make every effort to assume full ownership of the program themselves and include trained and equipped CP teams in their own national structure in order to complete the final phase of the project – Sustainable National Mine Clearance / Explosive Ordnance Disposal Capacity, which could perform any future emergency response clearing in Macedonia as well as abroad.

**Donors for BAC activities in Macedonia:** The European Agency for Reconstruction in Skopje, Slovenia and the United States of America.



**BAC clearance in Macedonia**

### IV. OVERVIEW OF ITF ACTIVITIES BY COUNTRY





**Serbia and Montenegro** By the end of 2004, more than USD1,1 million were contracted for demining, Mine Victims Assistance, Mine Risk Education, equipment procurement and training activities in Serbia and Montenegro (including province of Kosovo).

**DEMINING AND BATTLE AREA CLEARANCE**

Two tenders were issued in 2004 in Serbia (SCG) (German and EU funds) for the implementation of demining works in the border area between Serbia (SCG) and Croatia. By the end of 2004, 732,400 square meters of land were cleared on 6 projects with 1,390 mines and 6 UXOs found and destroyed.

**Donors for demining activities in Serbia and Montenegro:** the European Union and Germany.

In the beginning of October 2004, underwater investigation and clearance started in the Verige area, Bay of Kotor, Montenegro (SCG). The purpose of the project was to determine the mine/UXO situation in the waters of the Bay of Kotor in order to assure safe navigation of the water paths in the Bay. The project was implemented by the Regional Center for Underwater Demining, Bijela, Montenegro. It finished at the end of November. 65 tons of UXOs were removed and destroyed, and 2,500 square meters of underwater surface was cleared.

**Donor for underwater demining activities in Serbia and Montenegro:** the United States of America.

**TRAINING**

The second underwater EOD training was held at the Regional Center for Underwater Demining in Bijela from February 20 to March 7, 2004. 12 divers from five countries (Albania, Croatia, BiH, Russia, and Serbia and Montenegro) attended the training.

In the beginning of 2004, rehabilitation experts (10) from the »Stari Slankamen« Institute for prosthetics and Hospital from Serbia (SCG) attended a special 5-day course at the Institute of Rehabilitation of the Republic of Slovenia.

**Donors for training activities in Serbia and Montenegro:** Slovenia, the United States of America.

**IV.  
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## OTHER

In 2004 ITF continued the outfitting of the Regional Center for Underwater Demining (RCUD) in Montenegro using the funds from the US donation to ITF. The funds have been earmarked for the procurement of 2 non-magnetic sets of diving equipment for clearance activities implemented by the RCUD in Bijela, Montenegro (SCG). The procurement procedure is currently underway.

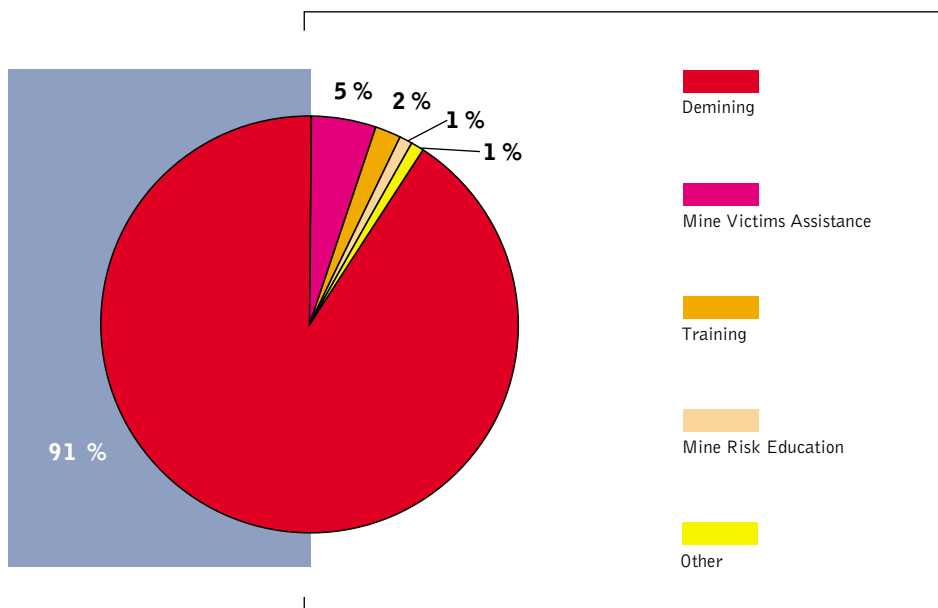
## PROVINCE OF KOSOVO

ITF (using US funds) supported the UNMIK Mine Risk Education Public Campaign in Kosovo (SCG) in 2004. The main purpose of the project is to raise mine awareness among the people in Kosovo using modern media approaches (radio messages, newspaper advertisements, TV spots...). The project is presently underway.

At the Institute of Rehabilitation of the Republic of Slovenia, 2 patients-mine victims from Kosovo (SCG) were rehabilitated in 2004 from the funds raised through the humanitarian auction of tennis equipment organized by the newspaper Finance and the US Tennis Association.

**Donors for activities in the province of Kosovo (SCG):** the newspaper Finance, the United States of America and the US Tennis Association.

**CHART:**  
**USE OF THE FUNDS FOR SERBIA AND MONTENEGRO, BY PURPOSE**





**Armenia** The US donation of an ML-1 flail machine to the Armenian Humanitarian Demining Program in 2003 was followed by in-country training of local operators and mechanics for the donated flail machine in February and March 2004. Four local operators and four mechanics successfully finished the training together with 3 supervisors from the Armenian Humanitarian Demining Center.

The funds provided by the Humpty Dumpty Institute, the Children of Armenia Fund and the US Matching Fund were used to finance the procurement and training of six MDD teams for the Armenian demining center. This was the third set of mine detection dogs donated to the Armenian Humanitarian Demining Program by the Marshall Legacy Institute. Six dogs together with their local handlers completed their training by the end of May 2004 and have been successfully included in the national demining program.

**Donors for demining activities in Armenia:** the Humpty Dumpty Institute, the Children of Armenia Fund, the United States of America.



**IV.  
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**Azerbaijan** In May 2003 ITF signed an agreement for a survey of landmine survivors assistance and needs in Azerbaijan with the Standing Tall Australian International Rehabilitation and Research Support Services Ltd / Azerbaijan Campaign to Ban Landmines. A broader objective of the project was to establish the Azerbaijan Landmine Victims Association to provide ongoing social support to landmine survivors and to create and develop a reliable and comprehensive database on mine survivors. The project was implemented in June 2004.

**Donors for the activities in Azerbaijan:** the United States of America.



**IV.  
OVERVIEW OF  
ITF ACTIVITIES  
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**Georgia** The US Department of State and ITF have identified the need for management training at the middle management level for Mine Action programs in the Caucasus and Central Asia, and have invited the Cranfield University (CU) and the Georgian Technical University (GTU) to develop and deliver local courses.

Recently, one regional middle management course was held in Tbilisi, Georgia. From December 6 to December 24, 2004, the first three-week module was successfully delivered by GTU and CISEF. The second module started on January 31, 2005 at the GTU premises and finished on 18 February 2005 with the certificate awarding ceremony for the participants.

ITF contacted national Mine Action Centers (MAC) in all three countries and the response was very positive. 19 participants (most of them working in middle management positions within MACs) from the national MACs based in the South Caucasus region (eight from Armenia, eight from Azerbaijan and three from Georgia) attended the course in Tbilisi.

**Donor for the activities in Georgia:** the United States of America.



**Course participants from Armenia, Azerbaijan and Georgia**

**IV.  
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**Cyprus** With the Canadian and Slovenian donation ITF also started its activities in Cyprus. The donation enabled the initial setup of the UN Mine Action Cell and provided all the equipment needed for the implementing demining agency. ITF is coordinating all Cyprus demining project activities with UNDP and the EC Delegation in Cyprus, who are managing the project.

**Donors for activities in Cyprus:** Canada and Slovenia.



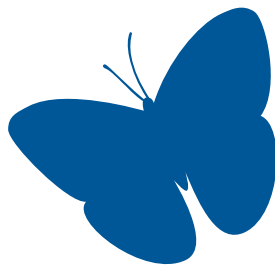
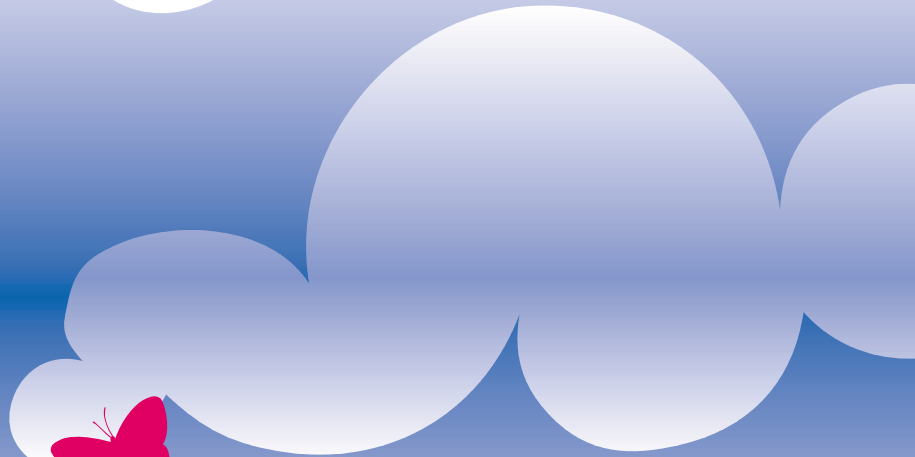
Minefields in Cyprus (overgrown area in the center of the picture)

**IV.  
OVERVIEW OF  
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BY COUNTRY**





*To be Free.*



**Conclusions** 2004 was a successful year for ITF, not only in terms of fundraising, where ITF succeeded in obtaining donations in excess of USD 30 million, but also in terms of project implementation as well as raising awareness of mine-related issues.

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

While ITF achieved its objectives in relation to demining projects carried out in 2004, the donations for Mine Victims Assistance again dropped to the level, which cannot be described as satisfactory. New mine casualties continue to be reported in the region of SE Europe and these landmine survivors will be requiring special health care for the rest of their lives. While it is imperative that the patients are treated in their own countries and that Mine Victims Assistance should be viewed as a part of the country's overall public health and social services system, ITF will have to continue its active promotion of Mine Victims Assistance programs in the future.

A great deal was already achieved in terms of capacity building, especially in relation to rehabilitation. Our main focus in the future will remain on capacity building and sustainability of the in-country programs, especially in Albania and in Bosnia and Herzegovina.

In relation to demining, Battle Area Clearance and technical survey, ITF achieved the objectives set in the beginning of 2004 with a minor note that some projects were delayed due to logistic setbacks in the implementation of the projects funded by the US. Demining and Battle Area Clearance activities were successfully carried out in Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro. Technical surveys were successfully implemented in Bosnia and Herzegovina, and Croatia.

ITF will continue its active engagement in all Mine Action activities, which could contribute to South Eastern Europe becoming a mine-safe region by 2009.

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

*Thank you!*

**V.  
CONCLUSIONS**



The International Trust Fund for Demining and Mine Victims Assistance



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UHY Constantia d.o.o.  
Vilharjeva 27  
1000 Ljubljana, Slovenija

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 2004, the related Profit and Loss Statement and the Cash Flow Statement for the Financial Year 2004. These financial statements are the responsibility of the Trust Fund's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the International Trust Fund for Demining and Mine Victims Assistance, Ig, as at 31 December 2004 and the results of its operations and its cash flows for the financial year 2004, in accordance with International Financial Reporting Standards.



*S. Gorenec*

UHY Constantia d.o.o.

Certified Auditor  
Sebastijan Gorenc

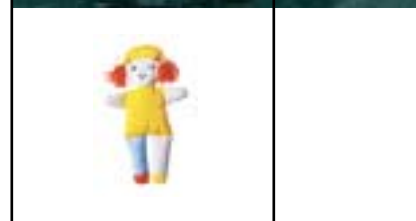
Ljubljana, 11 February 2005

## 2. BALANCE SHEET as at 31 December 2004

In 000 SIT

	Note	2004	2003
<b>ASSETS (A+B+C)</b>			
		<b>2.895.634</b>	<b>2.409.902</b>
<b>A. LONG-TERM ASSETS (I+II+III)</b>			
		<b>81.398</b>	<b>130.535</b>
I. Intangible assets	1	3.588	17.958
II. Tangible fixed assets	2	77.810	112.577
III. Long-term financial assets		0	0
<b>B. CURRENT ASSETS (I+II+III+IV+C)</b>			
		<b>2.814.236</b>	<b>2.279.367</b>
I. Inventories		0	0
II. Receivables from operating activities		69.552	109.692
a) Long – term Receivables from Operating Activities		0	0
b) Short – term Receivables from Operating Activities		69.552	109.692
1. Accounts receivable		0	127
2. Sundry debtors	3	69.552	109.565
III. Short – Term Financial Assets	4	2.218.245	1.576.324
IV. Cash and bank	5	526.406	593.351
<b>C. PREPAID EXPENSES</b>			
		<b>33</b>	<b>0</b>
<b>TOTAL LIABILITIES AND NET ASSETS (A+B+C+D+E+F)</b>			
		<b>2.895.634</b>	<b>2.409.902</b>
<b>A. UNRESTRICTED NET ASSETS</b>			
		<b>6</b>	<b>8.160</b>
<b>B. PERMANENTLY RESTRICTED NET ASSETS</b>			
		<b>7</b>	<b>2.753.804</b>
<b>C. TEMPORARILY RESTRICTED NET ASSETS</b>			
		<b>8</b>	<b>62.322</b>
<b>D. LIABILITIES FROM OPERATING ACTIVITIES</b>			
		<b>71.348</b>	<b>246.406</b>
1. Long-term Liabilities from Operating Activities		0	0
2. Accounts payable	9	60.779	235.782
3. Accrued salaries		8.135	7.896
4. Sundry creditors		2.434	2.728
<b>E. LIABILITIES FROM FINANCING</b>			
		<b>0</b>	<b>0</b>
<b>F. DEFERRED INCOME</b>			
		<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND NET ASSETS (A+B+C+D+E+F)</b>			
		<b>2.895.634</b>	<b>2.409.902</b>
<b>A. UNRESTRICTED NET ASSETS</b>			
		<b>6</b>	<b>8.160</b>
<b>B. PERMANENTLY RESTRICTED NET ASSETS</b>			
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<b>E. LIABILITIES FROM FINANCING</b>			
		<b>0</b>	<b>0</b>
<b>F. DEFERRED INCOME</b>			
		<b>0</b>	<b>0</b>

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### 3. PROFIT AND LOSS STATEMENT for the Financial Year 2004

In 000 SIT

	Note	2004	2003
+ A. Revenues / Donations	10	5.005.892	5.334.459
+ B. Income from financing	11	571.050	528.336
+ C. Extraordinary income		1.257	706
<b>= D. Total revenues</b>		<b>5.578.199</b>	<b>5.863.501</b>
- E. Costs of material and services	12	4.866.299	5.234.451
- F. Labour expenses	13	121.534	132.949
- G. Depreciation	14	44.430	50.169
- H. Provisions for current assets	15	1.544	0
- I. Other expenses	16	320	412
- J. Costs of financing	17	578.527	510.662
- K. Extraordinary expenses		2.401	789
<b>= L. Total Expenses</b>		<b>5.615.055</b>	<b>5.929.432</b>
<b>= M. Surplus/loss before taxation</b>		<b>(36.856)</b>	<b>(65.931)</b>
- N. Corporate income tax		(0)	(0)
<b>= O. Net surplus (loss) after taxation</b>	<b>18</b>	<b>(36.856)</b>	<b>(65.931)</b>

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## 4. CASH FLOW STATEMENT for the Financial Year 2004

	In 000 SIT
	<b>2004</b>
<b>Cash at the beginning of the year</b>	<b>593.351</b>
+ Revenues	5.578.199
- Expenses (less depreciation cost and cost of long-term provisions)	5.569.081
- Corporate tax and distribution of profits	0
<b>= Net cash flow from operating activities before adjusting</b>	<b>602.469</b>
+ Increase in current liabilities and deferred income	175.058
- Increase in accounts receivable and deferred expenses	38.563
+ Decrease in inventories	0
<b>= Adjusted net cash flow from operating activities</b>	<b>465.974</b>
+ Net decrease in intangible fixed assets	2.256
+ Net decrease in tangible fixed assets	2.451
- Net increase in short-term financial assets	641.921
<b>= Net cash flow from operating and financing activities</b>	<b>(171.240)</b>
+ Increase in restricted net assets	697.646
<b>= Cash at year end</b>	<b>526.406</b>

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**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 13 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 2004:

- **Vojislav Šuc, Chairman,**
- **Bojan Žmavc, member,**
- **Zvezdana Veber Hartman, member,**
- **Maja Žužek, member,**
- **Matjaž Kovačič, member,**
- **Dijana Pleština, member,**
- **Mustafa Alikadić, member,**
- **Darko Vidović, member,**
- **Dragiša Mekić, 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 2004 was prepared in accordance with International Financial Reporting Standards.

The financial year is equal to the calendar year.

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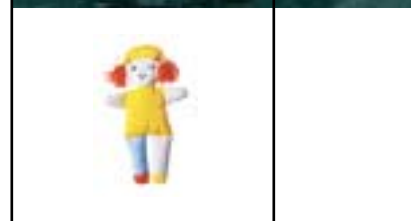
## 5.1. SUMMARY OF ACCOUNTING POLICIES AND PRACTICES

The financial statements for the financial year 2004 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.

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- 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 (write-downs) 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.

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## 5.2. NOTES TO ANNUAL STATEMENTS

The notes relate to annual statements for 2004 unless otherwise specified in the text.

		2004	2003
<b>1. Intangible Assets</b>	<b>In 000 SIT</b>	<b>3.588</b>	<b>17.958</b>
Long-term deferred costs		0	4.734
Other intangibles		3.588	13.224

Long-term deferred costs as at 31 December 2004 consist of a donated four-year rent (0 thousand SIT).

Other intangibles consist of investments in rented premises (headquarters of the Trust Fund) (1.533 thousand SIT) and other intangibles (2.055 thousand SIT).

The depreciation rate for investments in rented premises was calculated as to expected service life of investment in rented premises to reflect free use of premises until the end of 2004. Other intangibles were amortized on a case-per-case basis using the straight-line method. The amortization rate at 20% was applied to amortise other intangibles.

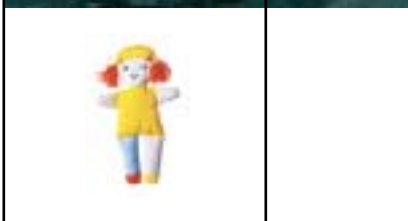
Donated intangibles equalled 1.703 thousand SIT.

The amortization cost of donated intangibles (1.254 thousand SIT) and the cost of donated rent (4.735 thousand SIT) debit temporarily restricted net assets (Note 8).

### Changes in Intangibles in 2004:

Item	In 000 SIT		
	Intangibles owned	Donated intangibles	Total
<b>1. Purchase value</b>			
Balance as at 1 January 2004	6.850	76.609	83.459
Increase – new purchases	1.899	1.378	3.277
Increase – other	0	62	62
Decrease – sales, disposals	(2.043)	(234)	(2.277)
<b>Balance as at 31 December 2004</b>	<b>6.706</b>	<b>77.815</b>	<b>84.521</b>
<b>2. Accumulation depreciation</b>			
Balance as at 1 January 2004	(5.232)	(60.269)	(65.501)
Increase – depreciation	(860)	(11.254)	(12.114)
Increase – lease rental charges	0	(4.735)	(4.735)
Increase – other	0	(25)	(25)
Decrease – sales, disposals	1.271	171	1.442
<b>Balance as at 31 December 2004</b>	<b>4.821</b>	<b>76.112</b>	<b>80.933</b>
<b>3. Book value</b>			
Balance as at 1 January 2004	1.618	16.340	17.958
<b>Balance as at 31 December 2004</b>	<b>1.885</b>	<b>1.703</b>	<b>3.588</b>

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In 000 SIT

		2004	2003
<b>2. Tangible Fixed Assets</b>	<b>In 000 SIT</b>	<b>77.810</b>	<b>112.577</b>

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:

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

Tangible fixed assets include donated equipment (60.619 thousand SIT). The depreciation cost of donated equipment of 26.348 thousand SIT debits temporarily restricted net assets (Note 8).

#### Changes in Fixed Assets in 2004:

	In 000 SIT		
	Equipment owned	Donated equipment	Total
<b>1. Purchase value</b>			
Balance as at 1 January 2004	40.440	138.571	179.011
Increase – new purchases	3.695	7.483	11.178
Increase – other	0	32.310	32.310
Decrease	(3.209)	(40.949)	(44.158)
<b>Balance as at 31 December 2004</b>	<b>40.926</b>	<b>137.415</b>	<b>178.341</b>
<b>2. Accumulated depreciation</b>			
Balance as at 1 January 2004	(20.474)	(45.960)	(66.434)
Increase – depreciation	(5.968)	(26.348)	(32.316)
Increase – other	(0)	(9.690)	(9.690)
Decrease	2.707	5.202	7.909
<b>Balance as at 31 December 2004</b>	<b>(23.735)</b>	<b>(76.796)</b>	<b>(100.531)</b>
<b>3. Book value</b>			
Balance as at 1 January 2004	19.966	92.611	112.577
<b>Balance as at 31 December 2004</b>	<b>17.191</b>	<b>60.619</b>	<b>77.810</b>

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Acquisition of donated used equipment was shown as an increase in purchase value (32.310 thousand SIT), respective accumulated depreciation (9.690 thousand SIT) and increase in the temporarily restricted net assets.

Part of donated equipment totalling 31.980 thousand SIT at purchase value and respective accumulated depreciation of 1.332 thousand SIT was donated to the organizer of humanitarian activities in Bosnia and Herzegovina.

Increase in donated equipment of 5.867 thousand SIT was financed by donor funds, increase in donated equipment in the amount of 1.616 thousand SIT represents received donation in kind.

		In 000 SIT	
		2004	2003
<b>3. Sundry Debtors</b>	<b>In 000 SIT</b>	<b>69.552</b>	<b>109.565</b>

This item comprises advances (1.389 thousand SIT), other advances (60 thousand SIT), donor pledging for 67.453 thousand SIT and other (650 thousand SIT).

The other advances, in the amount of 60 thousand SIT, are donor funds securing the debt of customs duties arising from the transfer of the donated equipment.

		In 000 SIT	
		2004	2003
<b>4. Short-term Financial Assets</b>	<b>In 000 SIT</b>	<b>2.218.245</b>	<b>1.576.324</b>

This item comprises current deposits with the domestic bank in foreign currency (USD), earning interest at an annual rate between 1,76% and 2,23% and maturing in January 2005 (1.978.502 thousand SIT), and current deposit with the domestic bank in foreign currency (EUR), earning interest at an annual rate of 1,73% and maturing in January 2005 (239.743 thousand SIT). The fair value of current financial assets equals its book value as at the balance sheet date.

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	In 000 SIT	
	2004	2003
<b>5. Cash and Bank</b>	<b>526.406</b>	<b>593.351</b>
Petty Cash	2.689	3.494
Cash in bank	523.717	589.857
Slovene Tolar accounts	24.014	23.610
Foreign currency accounts	498.525	562.154
Foreign currency accounts outside the country	1.178	4.093

	In 000 SIT	
	2004	2003
<b>6. Unrestricted Net Assets</b>	<b>8.160</b>	<b>45.016</b>
Founding capital	1.000	1.000
Retained earnings	44.016	109.947
Net Result for the Year	(36.856)	(65.931)

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:

	In 000 SIT			
Item	Founding capital	Retained Earnings	Net result for the year	Total
Balance as at 31.12.2003	1.000	109.947	(65.931)	45.016
Increase	0	0	(36.856)	(36.856)
Decrease	(0)	(65.931)	65.931	0
<b>Balance as at 31 December 2004</b>	<b>1.000</b>	<b>44.016</b>	<b>(36.856)</b>	<b>8.160</b>

	In 000 SIT	
	2004	2003
<b>7. Permanently Restricted Net Assets</b>	<b>2.753.804</b>	<b>2.009.529</b>
Donations for demining and mine victims rehabilitation and other specific purposes	2.753.744	2.007.834
Donated advances	60	1.695

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

	In 000 SIT		
	Donations (cash)	Donated advances	Total
Balance as at 31 December 2003	2.007.834	1.695	2.009.529
Donations received	5.912.366	0	5.912.366
Donations returned	(4.274)	(1.635)	(5.909)
Interest credited	28.410	0	28.410
Use of donations	(4.803.113)	0	(4.803.113)
- Demining	(3.187.281)	0	(3.187.281)
- Rehabilitation	(1.246.489)	0	(1.246.489)
- Mine victims assistance	(176.948)	0	(176.948)
- Training	(32.267)	0	(32.267)
- Financing of the Trust Fund	(16.987)	0	(16.987)
- Other	(137.274)	0	(137.274)
- Purchase of intangibles and fixed assets	(5.867)	0	(5.867)
Trust Fund's Revenues	(161.586)	0	(161.586)
Exchange rate differences	(195.376)	0	(195.376)
Changes in balance of donors pledging for activities temporarily financed by the Trust Fund	(30.517)	0	(30.517)
<b>Balance as at 31 December 2004</b>	<b>2.753.744</b>	<b>60</b>	<b>2.753.804</b>

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## Summary of Changes in Permanently Restricted Net Assets in 2004 (in 000 SIT):

Donor	Opening balance	Donations received	Revenues	Demining	Rehabilitation
ADOPT-A-MINEFIELD	54.609	72.726	(1.070)	(51.027)	0
AUSTRIA	0	310.983	(9.259)	(60.289)	0
BELGIUM	35	0	0	0	0
BLED WORKSHOP 2004	585	1.733	0	0	0
MINE ACTION CENTER - BIH	0	1.606	(48)	(1.444)	0
COORDINAMENTI DONNE	0	2.464	(74)	0	0
CROATIA WITHOUT MINES	186	0	0	0	0
NEWSPAPER FINANCE	0	1.711	(51)	0	0
CZECH REPUBLIC	852	9.750	(293)	(6.588)	0
DAN CHURCH AID	0	111.388	(3.342)	(75.176)	0
DEAN HAAS	0	10	0	0	0
DIANA PLESTINA	2.480	435	(13)	0	0
ELEKTROPRIVREDA HERCEG BOSNE	99	0	0	0	0
ELEKTROPRIVREDA HZ HB MOSTAR	10.332	4.743	(142)	(14.135)	0
EUROPEAN AGENCY FOR RECONSTRUCTION	268	0	0	0	0
EUROPEAN AGENCY FOR RECONSTRUCTION -A-MACEDONIA	50	0	0	0	0
EUROPEAN AGENCY FOR RECONSTRUCTION -B-MACEDONIA	2.998	0	0	(4.925)	0
EUROPEAN COMMUNITY - EC CROATIA	0	235.462	(7.064)	0	0
EUROPEAN UNION - 2002	0	39.129	(1.358)	0	0
EUROPEAN UNION - 2003 -LIS	0	40.591	(1.218)	0	0
EUROPEAN UNION - 2003 -BORDERLINE	57.446	252.579	(7.577)	(259.465)	0
EUROPEAN UNION - EC CROATIA	177.254	0	0	(222.604)	0
EUROPEAN UNION - INTERESTS	12.653	0	0	0	0
EUROPEAN UNION - GIS	0	0	0	0	0
FRANCE	84	8.391	(252)	0	0
GLOBAL CARE UNLIMITED	2	0	0	0	0
HANDICAP INTERNATIONAL	36.733	0	0	0	0
HIT NOVA GORICA	2.920	0	0	0	0
CROATIA	30.705	0	0	(27.509)	0
IRELAND	26.632	27.681	(827)	(24.321)	0
JAKI AND ŠČETINA ARCHITECTS	252	0	0	0	0
CANADA	4.050	299.631	(5.573)	(50.795)	(246.860)
COMMISON FOR DEMINING BIH	4.073	0	0	0	0
LIONS CLUB ZRINJEVAC	0	0	0	0	0
MARSHALL LEGACY INSTITUTE	0	5.519	(166)	0	0
MINISTRY OF TREASURY BIH	0	871.264	(26.138)	0	(843.787)
MINISTRY OF DEFENSE SLOVENIA	12.052	0	0	0	0
MINISTRY OF URBAN PLANNING - CANTON SARAJEVO	0	7.329	(220)	(5.946)	0
MINISTRY OF HEALTH SLOVENIA	3.813	0	0	0	0
MINISTRY OF FOREIGN AFFAIRS SLOVENIA	13.007	0	0	0	0
MOBITEL	0	2.000	0	0	0
GERMANY	27.772	530.835	(15.925)	(526.951)	0
NIGHT OF A THOUSAND DINNERS	344	6.732	(202)	0	0
NORWAY	4.385	791.269	(3.917)	(781.092)	0
NOVA LJUBLJANSKA BANKA	2	0	0	0	0
COMMUNITY HADŽIČI	2.939	0	0	(2.956)	0
COMMUNITY NOVI GRAD	0	6.130	(184)	(5.919)	0
COMMUNITY STARI GRAD	0	79.831	(2.395)	(41.970)	0
COMMUNITY VOGOŠČA	1.947	2.439	(73)	(4.323)	0
SLOVENIA	0	90.000	(2.700)	(12.351)	0
ROOTS OF PEACE	51	0	0	0	0
ROTARY CLUB KARLOVAC	528	0	0	(535)	0
ROTARY CLUB OF SAN RAFAEL	7.596	0	0	(7.614)	0
ROTARY CLUB WEIN-NORDOST	49.362	0	0	(30.745)	0
ROTARY INTERNATIONAL DISTRICT	0	6.711	(201)	0	0
SEBASTIJAN GORENC	0	30	(1)	0	0
SWEDEN	8	0	0	0	0
SWITZERLAND	6.221	18.530	(556)	(23.733)	0
UNDP	0	118.891	(2.366)	(105.577)	0
UNITED STATES TENNIS ASSOCIATION	0	787	(24)	0	0
UNITED KINGDOM	6	0	0	0	0
WALNUT CREEK	1	0	0	0	0
USA-BIH -LIS	68.431	0	0	(13.939)	0
USA 10 MILLION USD	888.155	0	0	(328.056)	(107.910)
USA 14 MILLION USD	338.369	0	0	(221.605)	0
USA 2004	0	1.953.056	(68.357)	(227.057)	(17.278)
USA 28 MILLION USD	63.796	0	0	(44.361)	0
USA -ARMENIJA	43.634	0	0	0	(30.654)
USA Technical Assistance	9.335	0	0	0	0
USA-INTERESTS	27.832	0	0	0	0
USA-UNILATERAL	12.950	0	0	(4.273)	0
<b>Total</b>	<b>2.007.834</b>	<b>5.912.366</b>	<b>(161.586)</b>	<b>(3.187.281)</b>	<b>(1.246.489)</b>

The donation balances were presented according to the mid exchange rate of the Bank of Slovenia in effect as at 31 December 2004.

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Mine Victims Assistance	Other	Training	Financing of the Trust Fund	Donations returned/ Encashment of bank guarantees	Interest credited	Reallocation	Exchange gains/losses	Donor pledge/ settlement of donor pledge	Total
0	0	0	0	0	864	4,599	(4,842)	0	75,859
0	0	0	0	0	784	0	745	0	242,964
0	0	0	0	0	0	0	(2)	0	33
0	(2,316)	0	0	0	0	0	(2)	0	0
0	0	0	0	0	0	0	5	0	119
(358)	0	0	0	0	0	0	(1)	0	2,031
0	0	0	0	0	0	0	(13)	0	173
(1,660)	0	0	0	0	0	0	0	0	0
(3,803)	0	0	0	0	0	0	82	0	0
0	0	0	0	0	0	0	69	0	32,939
(10)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	36	0	2,938
0	0	0	0	0	0	0	1	0	100
0	0	0	0	0	0	0	90	0	888
0	0	0	0	0	0	0	3	0	271
0	0	0	0	0	0	0	1	0	51
0	0	0	0	0	0	0	10	1,917	0
0	0	0	0	0	0	0	1,985	0	230,383
0	0	0	0	0	0	0	(491)	(37,280)	0
0	0	0	0	0	0	0	(142)	(39,231)	0
0	0	0	0	0	0	0	2,100	0	45,083
0	0	0	0	0	0	0	1,416	43,934	0
0	0	0	0	0	6,697	0	170	0	19,520
0	0	0	0	0	0	0	(143)	143	0
0	0	0	0	0	3	0	1	0	8,227
0	0	0	0	0	0	0	0	0	2
(36,429)	0	0	0	0	0	0	(304)	0	0
(2,920)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	162	0	(835)	0	2,523
0	0	0	0	0	0	0	277	0	29,442
0	0	0	0	0	0	0	0	0	252
0	0	0	0	0	77	0	(300)	0	230
0	0	0	0	0	0	0	53	0	4,126
0	0	0	0	0	0	0	0	0	0
0	0	(5,353)	0	0	0	0	0	0	0
0	0	0	0	0	0	0	(1,339)	0	0
0	(12,052)	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	27	0	1,190
0	(3,813)	0	0	0	0	0	0	0	0
0	(300)	0	0	0	0	0	0	0	12,707
0	(805)	0	0	0	0	0	0	0	1,195
0	0	0	0	(5,944)	0	0	1,849	0	11,636
0	(2,538)	0	0	0	0	0	3	0	4,339
(2,927)	0	0	0	0	0	0	(1,924)	0	5,794
0	0	0	0	0	0	0	0	0	2
0	0	0	0	0	0	0	17	0	0
0	0	0	0	0	0	0	(27)	0	0
0	0	0	0	0	0	0	205	0	35,671
0	0	0	0	0	0	0	10	0	0
0	(34,532)	(1,386)	(16,987)	0	0	0	0	0	22,044
0	0	0	0	0	0	0	(3)	0	48
0	0	0	0	0	0	0	7	0	0
0	0	0	0	0	0	0	18	0	0
0	0	0	0	0	0	0	524	0	19,141
(6,549)	0	0	0	0	0	0	39	0	0
0	0	0	0	0	0	0	0	0	29
0	0	0	0	0	0	0	0	0	8
0	0	0	0	0	0	0	(15)	0	447
0	0	0	0	0	0	0	191	0	11,139
(753)	0	0	0	0	0	0	(10)	0	0
0	0	0	0	0	0	0	0	0	6
0	0	0	0	0	0	0	0	0	1
0	(23,980)	0	0	1,670	0	0	(1,912)	0	30,270
(81,803)	(38,884)	(17,231)	0	0	0	0	(15,743)	0	298,528
(12,573)	(8,220)	(5,735)	0	0	0	(4,599)	(3,156)	0	82,481
(24,904)	(3,136)	0	0	0	0	0	(169,348)	0	1,442,976
(2,259)	(8,169)	0	0	0	0	0	(600)	0	8,407
0	(1,420)	(2,562)	0	0	0	0	(48)	0	8,950
0	(1,297)	0	0	0	0	0	(503)	0	7,535
0	(1,679)	0	0	0	19,823	0	(2,963)	0	43,013
0	0	0	0	0	0	0	(644)	0	8,033
<b>(176,948)</b>	<b>(143,141)</b>	<b>(32,267)</b>	<b>(16,987)</b>	<b>(4,274)</b>	<b>28,410</b>	<b>0</b>	<b>(195,376)</b>	<b>(30,517)</b>	<b>2,753,744</b>

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		2004	2003
<b>8. Temporarily Restricted Net Assets</b>	<b>In 000 SIT</b>	<b>62.322</b>	<b>108.951</b>
Donated intangibles		1.703	16.340
Donated fixed assets		60.619	92.611

Summary of Movements in Temporary Restricted Net Assets in 2004:

	Donated intangibles	Donated fixed assets	Total
Balance as at 31 December 2003	16.340	92.611	108.951
Donation received	1.415	30.103	31.518
Differences (disposals, sales, reconciliation)	(63)	(35.747)	(35.810)
- Depreciation	(11.254)	(26.348)	(37.602)
- Cost of donated rent	(4.735)	(0)	(4.735)
<b>Balance as at 31 December 2004</b>	<b>1.703</b>	<b>60.619</b>	<b>62.322</b>

In 000 SIT

	2004	2003
<b>9. Accounts Payable</b>	<b>60.779</b>	<b>235.782</b>
Accounts payable to domestic vendors	8.904	3.839
Accounts payable to foreign vendors	51.875	231.943

The accounts payable to domestic (1.471 thousand SIT) and foreign suppliers (51.330 thousand SIT) debit permanently restricted net assets.

In 000 SIT

	2004	2003
<b>10. Revenues / Donations</b>	<b>5.005.892</b>	<b>5.334.459</b>
Utilization of permanently restricted net assets – main activities of fund	4.797.246	5.156.697
Operating revenues, fixed percentage of donated funds	161.586	126.161
Depreciation of donated fixed assets	37.602	28.155
Utilization of costs of donated intangible assets	4.735	20.209
Other revenues	4.723	3.237

Other revenues of the Trust Fund consist of sales of tender documentation (2.116 thousand SIT) and other (2.607 thousand SIT).

In 000 SIT

	2004	2003
<b>11. Income from Financing</b>	<b>571.050</b>	<b>528.336</b>
Exchange rate gains	539.162	501.584
Interest received	31.888	26.752

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	In 000 SIT	
	2004	2003
<b>12. Costs of Materials and Services</b>	<b>4.866.299</b>	<b>5.234.451</b>
Cost of goods sold	0	36.085
Materials	18.703	38.791
Services	4.847.596	5.159.575

The following cost debits permanently restricted net assets: materials (5.269 thousand SIT) and cost of services (4.772.349 thousand SIT).

Cost of services consist of: lease rental charges (9.388 thousand SIT), maintenance costs (7.939 thousand SIT), production services (4.713.808 thousand SIT), reimbursement of travelling expenses to employees (43.612 thousand SIT), costs of professional fees (26.273 thousand SIT), insurance costs (10.296 thousand SIT), cost of marketing, advertising, fairs (9.449 thousand SIT) and other services (26.831 thousand SIT).

	In 000 SIT	
	2004	2003
<b>13. Labour Expenses</b>	<b>121.534</b>	<b>132.949</b>
Payroll expenses	90.544	100.323
Social security contributions and benefits	13.971	16.246
Other labour costs	17.019	16.380

Payroll expenses consist of payments to employees of the Trust Fund's Headquarters (78.002 thousand SIT) and payments to employees of implementation offices (12.542 thousand SIT).

Social security contributions and benefits include pension fund payments in the amount of 1.289 thousand SIT.

Other labour costs consist of payroll tax (6.727 thousand SIT), employee travel cost reimbursement (4.116 thousand SIT), meal cost reimbursement (2.859 thousand SIT), extra vacation payment (2.161 thousand SIT), and other (1.156 thousand SIT).

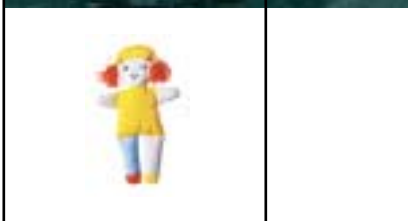
Labour costs in the amount of 19.129 thousand SIT debit permanently restricted net assets.

	In 000 SIT	
	2004	2003
<b>14. Depreciation</b>	<b>44.430</b>	<b>50.169</b>
Depreciation of donated tangible fixed assets and intangible assets	37.602	42.232
Other depreciation costs	6.828	7.937

	in 000 SIT	
	2004	2003
<b>15. Provisions for Current Assets</b>	<b>1.544</b>	<b>0</b>

The Trust Fund set a provision for bad debt, in the amount of 1.544 thousand SIT.

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	In 000 SIT	
	2004	2003
<b>16. Other Expenses</b>	<b>320</b>	<b>412</b>

Other expenses, in the amount of 167 thousand SIT, debit permanently restricted net assets.

	In 000 SIT	
	2004	2003
<b>17. Costs of Financing</b>	<b>578.527</b>	<b>510.662</b>

This item consists of realized and unrealised exchange rate losses (550.113 thousand SIT) and interest costs (28.414 thousand SIT).

The Trust Fund increased its permanently restricted net assets for the amount of interest (28.410 thousand SIT) on donated funds, pursuant to underlying agreements with individual donors (Note 7).

	In 000 SIT	
	2004	2003
<b>18. Allocation of Operating Results for the Year</b>		
Retained earnings as at 1 January	44.016	109.947
Operating surplus (loss)	(36.856)	(65.931)
Retained earnings as at 31 December	7.160	44.016

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### 19. 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 62.500 thousand 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 2004.

### 20. Post-Balance Sheet Events

In the period since the issue of the financial statements to the date of this report no events that would take effect on the fair view of the financial statements for the year 2004 have occurred.

Managing Director:

**Dorijan Maršič**



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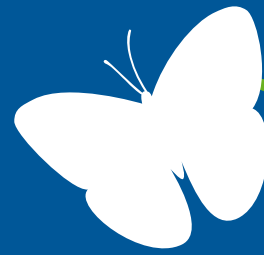
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