

Carpathian Foundation

Five Nations, One Community

HUNGARY

POLAND

ROMANIA

SLOVAKIA

UKRAINE



REPORT 2002

Carpathian Foundation



{ANNUAL REPORT}

& {STATUS REPORT}





Material for this report was compiled by Foundation staff and edited by Aaron Chase. Photos by Foundation staff, grantees and Antal Baranyai (p. 7, 11, 59).

Production by FACTORY CREATIVE STUDIO. Printed in Szeged, Hungary. www.netfactory.hu

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Letter from the Chairman and the Executive Director

Dear Reader,

We are pleased to present to you the Annual Report for 2002. This publication has two purposes. The first part describes what the work of the Carpathian Foundation has accomplished during 2002. The second part concerns the State of the Carpathian Euroregion with a snapshot of the main political, economic and cultural



Vasil Hudak

situations in the territory/area of the complex five-nation region where the Carpathian Foundation operates. Figures are used to reflect on the primary positive and negative trends in the countries of the Carpathian Euroregion with a special focus on the regional disparities between and within the Region, which is, as the figures indicate, still suffering from its economic underdevelopment and peripheral location.

May 1st 2004 will be a historic moment in the enlargement of the European Union when 10 new countries are to join the EU. This will affect the European political, social and economic landscape and will significantly affect the internal development of the new Member States. European enlargement will have a major impact on the citizens of Central and Eastern Europe, particularly in bordering regions. Both the European Union and the New Member States are interested in preventing any new dividing lines in Europe. We do believe that

initiators such as the Carpathian Foundation working in the bordering regions of Hungary, Poland, Romania, Slovakia and Ukraine will play an important role in preventing such dividing lines through cross-border co-operation

2003 is a year of restructuring and re-positioning for the Carpathian Foundation, including a new strategy that widely relates to the upcoming EU enlargement and the impact it will have on the whole Region. An external review and evaluation of the Carpathian Foundation that was based on dialogues with the Foundation's main stakeholders, and in addition, an intensive discussion at the Board and Staff level, are the basis for defining a new strategic direction for the organisation in an ever changing environment.

From the development of this new strategy, we can build on the principal achievements of the Carpathian Foundation. In the nine years since its inception as an offshoot of the EastWest Institute, the Carpathian Foundation has become THE pre-eminent, indigenous foundation in the Carpathian Mountain border regions of Hungary, Poland, Romania, Slovakia, and Ukraine, promoting good neighbourliness, social harmony, and sustainable economic development. Its grant-creating and developmental efforts have encouraged co-operation



Sandor Koles

and understanding across political and cultural borders and have instilled a shared sense of purpose among the leaders of indigenous NGOs and local self-governments.

Through the generous support of its founders, CF has awarded approximately \$8 million in grants to over 1,200 local organisations working to improve the quality of life and the future prospects of the region.

CF's current funding is derived from an ever-expanding pool of donors who are helping the organisation to diversify its grant programs and provide targeted technical assistance to local communities. In the coming years, a principal goal of CF is to continue its efforts to promote communal economic development, inter-regional and inter-ethnic co-operation in the five-nation region, and to build partnerships with other organisations. In the next few years, another principal goal of CF is to broaden its funding sources, and secure

operating and programme support from governments, corporations, and private individuals. In addition, CF will continue to welcome the much-needed support from other foundations and non-governmental organisations. CF plans to establish a \$10 million endowment in conjunction with a five-year, \$5 million endowment challenge grant offered by the Charles Stewart Mott Foundation.

In conclusion, we would like to take this opportunity to thank the Board of Directors and the entire staff of the Carpathian Foundation for their sincere commitment which has been absolutely critical to the past, present and future development of the Foundation.



Vasil Hudak
Chairman



Sandor Koles
Executive Director



Carpathian Foundation



Carpathian Foundation (CF) is a private, non-profit organization that works to promote good neighbourliness, social stability and sustainable economic development in the Carpathian Euroregion. CF addresses the multiple and complicated challenges facing the Euroregion through the framework of programmes that support cross-border and inter-ethnic cooperation, and local community development. CF believes that higher social, environmental and economic standards of living are a prerequisite to peace and prosperity across the many political and cultural borders in the region.

Sixteen million people live in the territory of the Carpathian Euroregion, which includes the bordering areas of *Hungary, Poland, Romania, Slovakia* and *Ukraine*. The region is vast and diverse. Despite the best efforts of 20th century politicians, national groups spill across the region's borders. The region's historical ethnic diversity is visible in the unique architecture of the cities, heard in the names of towns and geographic features, and can be tasted and felt in the homes of families where tradition older than memory has endured. The region includes the largest concentration of Roma in Europe, the majority of who live in appalling poverty. Unfortunately, misguided spatial policies and forced industrial development during the command-economy era left the region poor, and left an older population and many socially disadvantaged groups.

Carpathian Foundation was established in 1994 by the *EastWest Institute*, with generous support from the *Charles Stewart Mott Foundation* of Flint, Michigan USA. The concept emerged from the belief that civic participation, regional and economic development, and cross-border, interethnic cooperation are the cornerstones of a stable and democratic Europe. CF quickly became the pre-eminent, indigenous grant-making foundation in its region, and is a model often replicated in other multi-ethnic regions of the world.

The Carpathian Euroregion is characterized by economic under-development, a result of its peripheral location and complex history of inter-state and inter-ethnic struggles. Although the region contains many diverse languages, religions, and ethnicities, cross-border communities share more than just hopes for a peaceful and prosperous future. Common history, geography, and similar developmental challenges, create an incentive and a willingness to cooperate. CF encourages and facilitates such cooperation in five ways:

As a convener, CF unites public, private, and business interests from across the region in support of its mission;

As a facilitator, CF promotes cooperation and confidence among Carpathia's many ethnic and national groups;

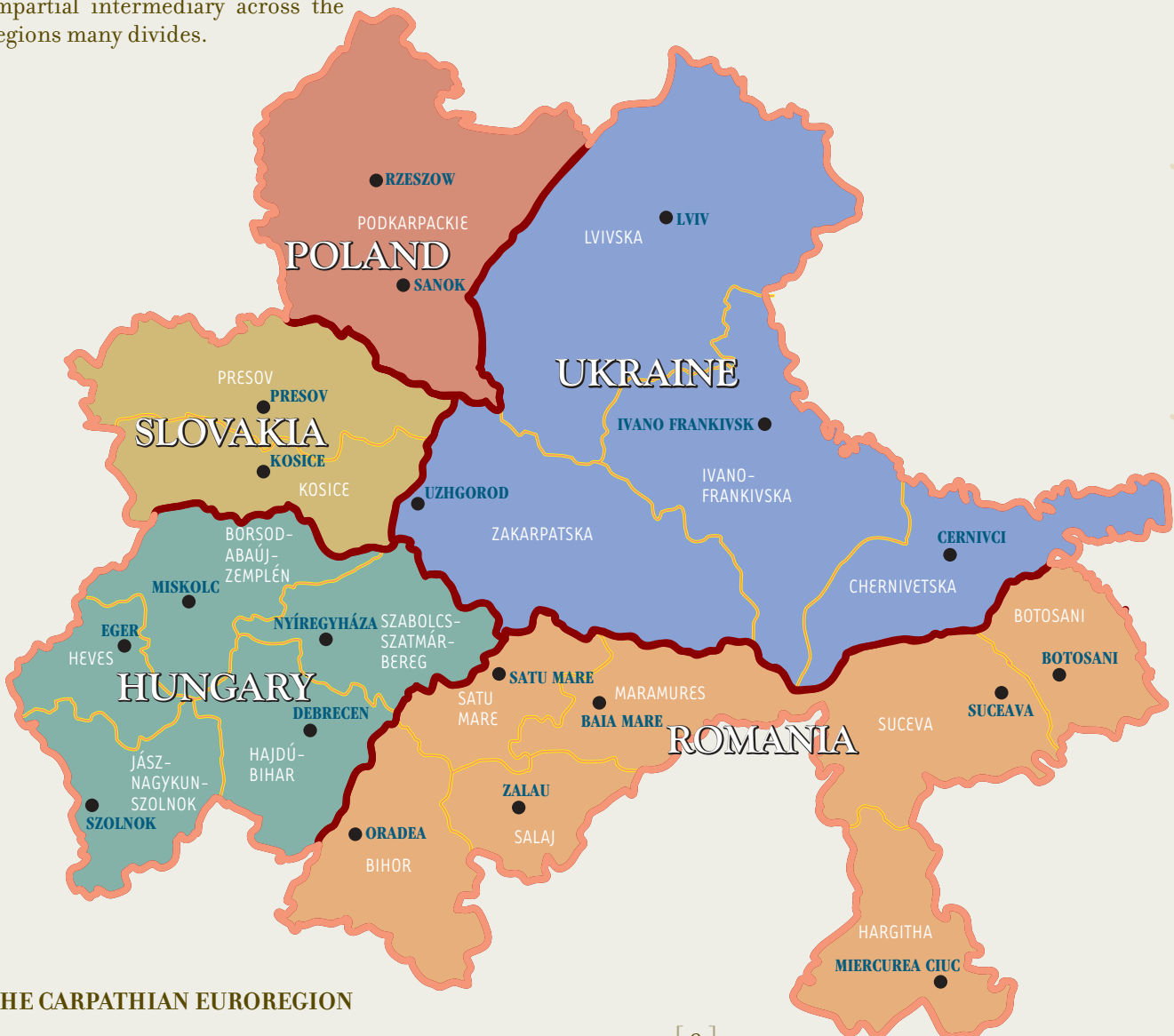
As an innovator, CF identifies and communicates new approaches to community and regional development;

As a provider, CF gives tools and assistance to local governments and NGOs, in order to help them help themselves; and better serve their own constituents;

As a grantor, CF supports locally and regionally developed initiatives to enhance the liveability of the Euroregion;

As a mediator, CF serves as a local, engaged, and impartial intermediary across the regions many divides.

Carpathian Foundation engages in both grant-making and programmatic activities. In addition to financial support, CF provides training and development expertise to indigenous groups that enhance their capacity to serve the region. CF's programmatic work is designed to enhance the impact of its grant-making activities and, in accordance with CF's mission, to encourage the creation of networks across the region. Carpathian Foundation works on several fronts to identify the needs of the Euroregion, and to expand and improve its services accordingly.



THE CARPATHIAN EUROREGION

Carpathian Foundation is run by and for the people of the Carpathian Euroregion. The Foundation has offices in each of the five countries of the Euroregion. Although the five offices are legally distinct organizations in deference to varying local laws, the foundation operates as one. Local Country Directors meet with Headquarters office staff on a monthly basis.



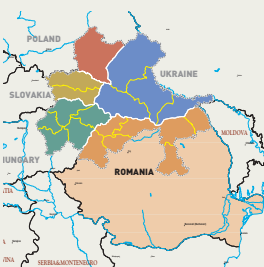
Csaba Pusztai has been Carpathian Foundation's Country Director for **Hungary** since January of this year. Prior to this assignment, he had been working in the Department of Economics of Eszterhazy Karoly College (EKC) in Eger. He earned his Bachelor's degree from EKC in Economics Education and American Studies. Later he graduated with a MSc. in Business Economics from Miskolc University, after which he continued in CEU's MA program in Economics.

While with EKC, Mr. Pusztai was involved in joint research projects of the Budapest University of Technology commissioned by the Ministry of Economic Affairs, Ministry of the Environment and the Prime Minister's Office. His research interest included local environmental and sustainability policy and sustainability indicators. He is member of the International Sustainability Indicators Network and the Systems Dynamics Society.



Zofia Kordela-Borczyk has been Carpathian Foundation's Country Director for **Poland** since 1995. Ms. Kordela-Borczyk has a Masters in Economics from the Kraków Academy of Economics, Department of International Social and Economic Relations, and has completed a research scholarship at the University of Cambridge, England. She is the author of several publications and actions dealing with the role of economic cooperation in strengthening Polish-Ukrainian relations and EU enlargement process in the region.

Ms Kordela-Borczyk acts also as the Chairman of the Konwent of State Vocational College in Sanok. She is co-winner of competition titled "Strong Side of Woman" conducted by Polish Edition of Cosmopolitan Magazine in 2002, as well as Honorary Member of Sanok Music Association.



Lorena Stoica has been Carpathian Foundation's Country Director for **Romania** since 1995. Prior to that she worked as an Inspector in the Public Relations office of Neamt County Council, and also as a professional translator. For the past four years, Ms. Stoica has been a member of the Group for Implementation (GIR) of the National Forum of NGOs in Romania.

Ms. Stoica graduated from Al. I. CUZA University in Iasi, Romania with a degree in Geological Engineering in 1984. Since then she has completed several educational programs, including Management with the Open University Business School - UK, in Business Development with USAID, and in planning and implementing Micro-Finance Programs at the Microfinance Center in Warsaw, Poland.



Laura Dittel has been Carpathian Foundation's Country Director for **Slovakia** since 1995. Prior to that she was a Coordinator at the Centre for Environmental Awareness – Bambi, in her home town of Moldova nad Bodvou, Slovakia. Ms. Dittel continues to serve as a volunteer in Bambi's Bat research and protection program, and as an elected member of Moldova nad Bodvou's City Council.

In 1999, Ms. Dittel participated in the German Marshall Fund's Memorial Fellowship program, spending one month in the United States exchanging experiences with other fellows from North America and Europe.



Igor Ilko has been working with the Carpathian Foundation since its founding in 1994. He was the first Acting Director of the Foundation in 1994-1995, and has continued to work as Country Director for **Ukraine** since that time. Mr. Ilko has a graduate degree in History from Uzhgorod National University, and PhD in History from Lviv National University.

In the 1990s, Mr. Ilko was Director of the Sociological Centre at the Carpathian branch of the International Management Institute. As an Associate Professor he lectured at the Transcarpathian Pedagogic Centre for Continuous Education. Mr. Ilko holds a title of Senior Research Associate at the Institute of the Public Administration and Regional Development, and is the author of 20 articles on regional history and regional development.



Grant Programmes

Carpathian Foundation provides financial and technical assistance to non-profit organizations and local self-governments with registered offices in the territory of the *Carpathian Euroregion*. (PLEASE SEE MAP ON PAGE 9.) Organizations working for the benefit of the Carpathian Euroregion, but not registered within it, may act as partners in projects funded by Carpathian Foundation, but may not receive grant funds directly.

Each programme area has its own unique requirements and conditions for application. Information about specific programmes is available in any of the five official languages of the region. Programme-specific instructions are distributed by CF's local offices, and on the foundation's web site at www.carpathianfoundation.org.

Standardized *Calls for Proposals* (CFPs) are written in English by small, international teams of CF staff members. They are then translated into local languages, and distributed by the regional offices. CFPs typically include a complete description of the programme and the needs it seeks to address, as well as specific criteria and deadlines. Calls for Proposals are available in all five official languages of the Carpathian Euroregion and English.

For most programmes, initial applications are submitted to the applicant's local CF office in the official language of the country in which they are registered. Applicants who prefer to work in another language of the Euroregion, or in English, should first contact their local office to inquire where the application should be

sent. Carpathian Foundation makes every effort to ensure that applicants' linguistic abilities will not effect their ability to receive funding.

Applications are first reviewed by Carpathian Foundation's staff to ensure that they are complete, and meet programmatic guidelines. Applications that are found to be incomplete or inappropriate will be returned to the applicant, with suggestions for revision or improvement. Applications that are found to be complete and appropriate will be forwarded, with a recommendation from local staff, to Carpathian Foundation Headquarters. Depending on the specific grant programme applied to, a final decision will be made either by Carpathian Foundation's *Grant Committee*, or by the full *Board of Directors* of Carpathian Foundation. Applications to some programmes may be submitted to external evaluators for review and evaluation before a decision. When Carpathian Foundation uses external evaluators, this is clearly stated in the CFP, and all applications are treated equally.

Generally, Carpathian Foundation seeks to fund projects that advance the mission of the foundation, address a demonstrated local need, are innovative and replicable, and which will not depend on continued funding from Carpathian Foundation in future. The foundation gives priority to projects that promote cross-border cooperation and multiculturalism, and which have clear and measurable impacts. Proposals should clearly explain how the project will be monitored and who the beneficiaries will be. All proposals must include a well-justified budget.

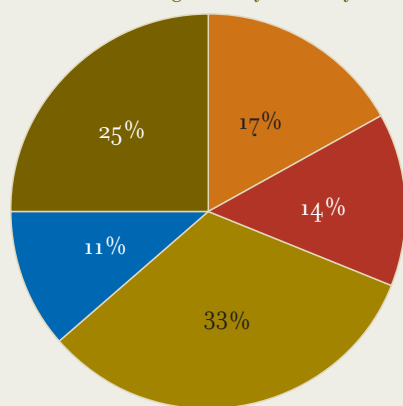


Grant Statistics

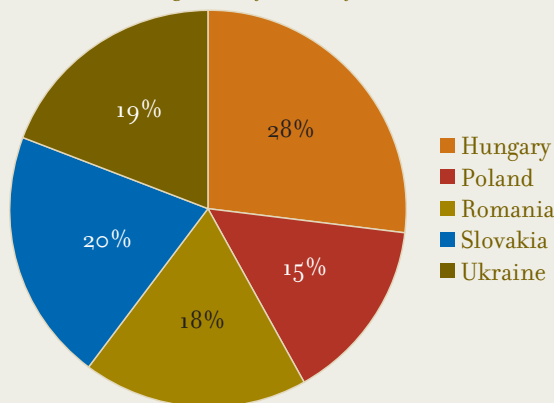
In 2002, CF's Grant Committee reviewed 602 applications and approved 262 of them. Grants, worth a total of \$1,207,111 were awarded to 248 unique grantees.

By country, grants were distributed as follows:
 69 grants worth a total of \$204,609 in Hungary
 38 grants worth a total of \$168,838 in Poland
 47 grants worth a total of \$392,980 in Romania
 52 grants worth \$135,565 in Slovakia
 49 grants worth \$302,196 in Ukraine

Distribution of grants by Country and number



Distribution of grants by Country and value



Grants were awarded in the framework of 11 programs in 2002.*

- Eight grants worth a total of \$79,674 were awarded in the framework of the Cross-border Co-operation Program (CBC).
- In 2002, seven new projects worth a total of \$506,181, in the framework of the Integrated Rural Community Development-Local Development Initiatives (IRCD) program. Beginning in 2002, IRCD grantees were selected through a two-stage process. In the first round applicants submitted brief concept papers and supporting documents in their local languages. Teams of experts reviewed the concept papers and twenty-six organizations were selected to participate in a three-

day project-writing workshop and receive "Start-up" grants worth \$600.

- CF awards five \$8,000 prizes for Best Practices of Local Governments each year. In 2002 the award for Romania was shared by two governments.
- Seventy grants worth a total of \$158,818 were awarded in the framework of the Program for the Improvement of Interethnic Relations.
- Fifty-two grants worth a total of \$134,138 were awarded in the framework of the Capacity Building Program.
- Forty-seven grants worth a total of \$110,325 were awarded in the framework of the Carpathian Cultural Heritage Program.
- Nineteen grants worth a total of \$50,812 were awarded in the framework of the ROMANET program.
- Five grants worth a total of \$25,530 were awarded in the framework of the program Promoting Intercultural Dialogue and Action in the Carpathian Euroregion.
- Five grants worth a total of \$43,859 were awarded in the framework of the Living Heritage Program.
- Five grants worth a total of \$34,631 were awarded in the framework of the Social Transitions Program.
- In 2002, seven Quick Response Grants, with a total value of \$7,542, were made.



Grants Awarded

CROSS-BORDER COOPERATION PROGRAMME

The mission of the CBC Programme is to identify and motivate locally initiated projects, which promote cross-border, regional and community economic development in the Carpathian Euroregion.

PROJECT TITLE AWARDED

HUNGARY

E-miszio Environmental Association

The Cooperation of Civil Organizations for the Prevention of Cross-Border Environmental Problems through the Development of Environmentally Conscious Company Management \$9,777

POLAND

The Society for the Upper San River Valley at Tarnava Nizna
Initiation of Trans-boundary Network for Monitoring the Population Status of Ungulate Species along Polish-Slovak-Ukrainian Carpathians \$10,000

ROMANIA

Pro Viseu Foundation, Viseu de Sus, Maramures County
Tourism Development in Viseu Area (Romania) by Cross Border Cooperation with Hungarian Partners ... \$9,945
Baltagul Foundation, Campulung Moldovenesc
Ethnic Cultural and Ecological Tourism Promotion and Development in the Carpathian Euroregion \$9,997

SLOVAKIA

Sabinov Institute of Sustainable Development (SISD), Sabinov
Slovakia - Poland Cycle Link \$10,000
The Friends of the Earth Society
Development of Composting in the Carpathian Euroregion .. \$9,983

UKRAINE

Transcarpathian Enterprise Support TES
Cross-Border Cooperation Development Initiative in the Carpathian Euroregion \$9,983
Rayon Entrepreneurs Council (REC)
International Cross-Border Economic Forum of the Entrepreneurs of the Carpathian Rural Area \$9,989

Total Cross-Border Cooperation Grants awarded in 2002 \$79,674

INTEGRATED RURAL COMMUNITY DEVELOPMENT-LOCAL DEVELOPMENT INITIATIVES (IRCD) PROGRAMME

IRCD is one of the cornerstone Programmes of CF. Over the past five years CF has made multi-year grants worth more than \$1.8 million to 20 associations, and local governments through the IRCD-LDI Programme.

PROJECT TITLE AWARDED

HUNGARY

Environmental Protection and Regional Development Public Benefit Company of BAZ County, Gomorszolos
Living from Traditions \$66,000

POLAND

The Municipal Culture Centre in Lutowiska
Bieszadzkie Centre for Promotion and Certification of the Local Product \$76,522

ROMANIA

Ruhama Foundation, Oradea
Rural Community Development of Sanmartin Hidiselu de Sus Microregion \$69,231
The Social Economic Development Microregion of Maramures County
Ancient Maramures in a New World \$71,090

SLOVAKIA

Civic Association Ekosvinka Obisovce
Watershed of Svinka - Our common home \$80,000

UKRAINE

Western-Ukrainian Center for Human Rights and Peoples, Stryi, Lviv region
The Stryi Regional Centre for Rural Community Development \$72,438
Association of Economic Development of Ivano-Frankivsk,
Creating Sustainable Institutional Environment for Opening New Sustainable Development Perspectives in Yaremche Micro region Rural Communities Through Tourism Industry Development .. \$70,900

Total IRCD Grants awarded in 2002 \$506,181



IRCD START-UP GRANTS

These grants were used by the applicants to offset the costs associated with the preparation and professional translation of their final IRCD proposals.

PROJECT TITLE AWARDED

HUNGARY

Orhegy Association, Ozd

Start-up grant\$600

Tuzson Janos Okocentrum Kht. Batorliget

Start-up grant\$600

Roma Leaders Professional Association, Debrecen

Start-up grant\$600

Sajo-Rima Euroregion, Ozd

Start-up grant\$600

Cotkenyi Tersegfejlesztó Szovetség, Tiszavalk

Start-up grant\$600BAZ Megyei Környezetvédelmi és Területfejlesztési
Közhazsnu*Start-up grant*\$600**POLAND**

Lezajsk Association of Development, Lezajsk

Start-up grant\$600

Municipality Center of Culture in Lutowska

Start-up grant\$600Sub-Carpathian Chamber of Commerce and Trade,
Krosno*Start-up grant*\$600

Baligród Municipality, Baligród

Start-up grant\$600

Council of Dubiecko Municipality

Start-up grant\$600**ROMANIA**

Tineretului Liber Botosany Organization, Botosani

Start-up grant\$600

Crasna Local Council, Crasna - Salaj County

Start-up grant\$600The Social-Economic Development Microregion of
Maramures County, Sighetu Marmatiei*Start-up grant*\$600

Domus Humanitarian Foundation, Gura Humorului

Start-up grant\$600

Civitas Foundation, Odorheiu Secuiesc

Start-up grant\$600

Ruhama Foundation, Oradea

Start-up grant\$600**SLOVAKIA**

Civic Association Ekosvinka, Obisovce

Start-up grant\$600

Civic Association Sosna

Start-up grant\$600

Regional Development Agency Tatry-Spis, Kezmarok

Start-up grant\$600

Regional Development Agency in Moldava nad Bodvou

Start-up grant\$600

Civic Association For more beautiful Lipany

Start-up grant\$600**UKRAINE**

Zhydachiv District Council, Lviv Region

Start-up grant\$600

Credit Union "Khosen"

Start-up grant\$600Western-Ukrainian Centre for Human Rights and
Community Initiatives*Start-up grant*\$600Association of Economic Development of Ivano-
Frankivsk*Start-up grant*\$600**Total IRCD Start-up Grants****Awarded in 2002**\$15,600**BEST PRACTICES OF LOCAL GOVERNMENTS**

These awards are both recognition of work well done, and a means of promoting awareness of good practices throughout the region. CF is aware of the difficult situation and challenges faced by local governments, and appreciates their innovativeness, creativity and efforts to solve local social, economic, cultural and environmental problems.

PROJECT TITLE AWARDED

HUNGARY

Village Nagybarca

The Tollas Tibor Memorial House\$8,000**POLAND**

Municipality of Cisna

*Cross-border Cooperation between Local Municipalities
and NGO Sector*\$8,000**ROMANIA**

Local Council of Ciumani

Waste Management\$4,000

Local Council of Sapanta

Practical Things for Promoting Local Heritage and Tourism \$4,000**SLOVAKIA**

Village Hrhov

Helping the Slovak Karst\$8,000**UKRAINE**

Petrovo Village Council

Clean Environment\$8,000**Total Local Self Governments****Awards given in 2002**\$40,000

PROGRAMME FOR THE IMPROVEMENT OF INTER-ETHNIC RELATIONS

The mission of this Programme is to identify and motivate small scale, local initiatives, which promote the development of harmonious relations between different ethnic groups and to offer a forum for dialogue between organisations working for a positive change in inter-ethnic relations.

PROJECT TITLE AWARDED

HUNGARY

Folk Tradition Preserving Nursery School Association

Folk Tradition Preserving Nursery Schools 4th Professional Meeting, Sárospatak - Cigánd\$350

Felsotarkany Brass Band Association

Felsotarkany Brass Band Meeting\$1,800

Carpathian Euroregion Museum Association

Nyiregyhaza

Forum of Historians in the Carpathian Euroregion\$2,600

Club Felicia Association Nyiregyhaza

FeliciaNet - Without Limits\$2,000

Environmental Protection and Community

Appreciation Foundation Mucsony

International Ruthenian Knowledge of Home Camp\$2,000

Pro Patria Foundation, Debrecen

4th Simonyi Days - Civil Festival\$1,000

The Moricz Zsigmond Library and Community Hall, Mezotur

The organization of Together in the Carpathian Basin - the first Sutyiomba Folk Music Festival\$1,000

County Educational Centre Eger

Minaret Festival - in the Valley of the National Cultures ...\$1,000

Community Centre, Mezokovesd

The Promotion of Intercultural Cooperation in the Carpathian Euroregion\$1,000

Satoraljaujhely Town Local Self Government

Minority Local Self Governments Regional Meeting\$500

Heves County Educational Center, Eger

Interethnic Meeting\$2,000

Szolnok Local Polish Minority Self-Government Szolnok

Tourism as a Way of Getting to Know Each Other\$1,100

Foundation for the Debrecen Jewish Church & Cemetery

The 4th International Dr. Albert Kardos Poem and Prose Recital Contest\$1,100

Putnok LSG

Intergomor Cultural Days\$4,000

Foundation for the support of Music Culture

Nyiregyhaza

Joint Concert of Music Schools from Hungary and Abroad ..\$1,500

Mateszalka Town Arts' Cente

Meeting of Adult Amateur Dramatists\$1,200

Nyiregyhaza LSG

the 29th Nyirseg Autumn Series of Programmes, Nyiregyhaza\$1,400

The Borsod-Abauj-Zemplén County Institute of General Eduaction

Communication 2002 - Communication on Intercultural Relations between B-A-Z County, Slovakia, Romania and Transcarpathia ...\$2,000

Regional Development Association of the Borderline Bihar Settlements, Biharkeresztes

Bihar-Bihor Expo\$2,300

Foundation for the Children in Bekecs

Interethnic Relationship Development

in the Carpathian Euroregion\$700

Foundation for Jankmajtis Kindergarten Circle, Circle

Who's playing?\$200

POLAND

Council of Krosno, Poviát

International Review of Catholic and Orthodox Church Choirs in Dukla\$1,030

Public Library in Krosno

Promotion of intercultural dialogue and cooperation in Carpathian Euroregion\$1,500

Municipal Office in Narol

Intergenerational meetings of Polish and Ukrainian youth on South - Roztoce Landscape Park ground\$2,000

Krosno District Board

of Nature Protection League in Sanok

XVI "Magurycz" Stonemason Group's Camp\$2,945

Rzeszow Department of Polish Community Association

Through knowledge to contact\$4,000

Association of Music and Folklore Friends, Krosno

III Euroregional Concert of Christmas Carols "Soli Deo Gloria"\$2,000

Museum of Wooden Architecture in Sanok

2nd Workshop of Icon Painting\$2,500

Ukrainian Association in Poland, Branch in Mokre

Culture Holiday "By Oslawa River" 2002\$1,500

Administration and Management High School in Przemysl

Conference combined with Polish - Ukrainian Reconciliation Award Ceremony\$2,000

Modern Art Gallery, Przemysl

Silver Quadrangle - Przemysl 2003, 5th International Painting Triennial of Carpathian Euroregion\$2,000

Association for Development of museums of Lemks

Culture in Zyndranowa

Organizing a Permanent Exhibition in Lemks Culture Museum in Zyndranowa\$3,900

Jaslo Culture House

Social-Cultural Presentation of Partner Cities: Slovakia-Ukraine-Hungary-Poland\$2,000

Parents Board of Gymnasium in Sanok

Carpathian Youth Forum in Sanok\$840

Association of Sport-Dance Fanciers "Gracja"

Euroregional Dancing Competition - Krosno 2002\$1,000



ROMANIA

UPREC (Association of the Romanian County Councils in the Carpathian Euroregion)

<i>The Cultural Days in Carpathian Euroregion</i>	\$3,690
Town Hall of Sighetu Marmatiei, Maramures County	
<i>Memorial House Elie Wiesel</i>	\$3,980
North-Eastern Harghita Association, Harghita County	
<i>Presentation Catalogue and</i>	
<i>Map of the North-Eastern Harghita Association</i>	\$2,830
Asociatia "Formul de Tineret pentru Integrare Europeana"	
<i>Cross-Cultural Mirroring - A quest for understanding European Diversity</i>	\$3,000
Youth Association "Berekenye", Cehu Silvaniei, Salaj	
<i>Full of Hope</i>	\$4,000
Galya Association, Rosiori Village	
<i>Informatics, Cultural and Managerial Capacities Building of the Rosiori Village Youth</i>	\$3,000
Academia Civica Foundation Oradea	
<i>Dialogue of Arts</i>	\$3,000
Ethno-cultural Diversity Resource Center	
<i>The ethnic relations barometer</i>	\$4,000
Carpatina Ardeleana Society, Satu Mare	
<i>Together for the Tour</i>	\$1,000
Local Council of Corni, Botosani County	
<i>Romano Boanta Balteanca</i>	\$2,300

SLOVAKIA

Presov Association for Integration of Slovakia, Presov	
<i>Monitoring of Interethnic Relations by Local Self-Governments in the Ethnically Mixed Parts of the Carpathian Euroregion</i>	\$3,250
Association Old Town Theatre	
<i>IV. Festival of Independent Theatres of the Visegrad Countries and Their European Friends in the Framework of the Project "Theatre without Borders"</i>	\$4,000
Hungarian Social and Cultural Association in Slovakia - Csemadok	
<i>Cultural Days of Stefan Dobo in Ruska - memorial on 500th Birth Anniversary of Stefan Dobo and on 450th Anniversary of Victorious Battle against the Turkish</i>	\$1,500
Civic Association Roma Nip	
<i>Organizational Development of NGO Roma Nip</i>	\$1,200
New Generation - Youth Club Kosice	
<i>Regional Cooperation in the Medzibrodzie and Pouzie Region - Continuation</i>	\$2,030
Civic Association CIVITAS L, Levoca	
<i>Strengthening the European Dimension in Education of Roma Children</i>	\$4,000
Association of Tourism Development in Micro-Region Kromola and Surroundings, Kromola	
<i>Meeting of Friendship</i>	\$3,000
Velky Saris Community Foundation, Velky Saris	
<i>Trail of Art</i>	\$4,000
Club of the Friends of Culture - Civic Association	
<i>Dance without borders</i>	\$4,000
Association of Micro-region TOPOLA	
<i>Slovak-Polish Days</i>	\$1,883
Agency SCEPUS Kosice	
<i>House of Young Artists is Spis</i>	\$4,000
Civic Association of Roma Women LUCIA, Kosice	
<i>Interethnic Cultural and Discussion Evenings</i>	\$2,000

**UKRAINE**

Regional Cultural Educational Organization Matica Slovenska in Transcarpathia	
<i>Bridges of Cooperation</i>	\$4,000
Nagyberegi Liceum, Village Velyki Beregy, Beregove District	
<i>Two-Day Excursion to Kyiv and Two-Week Camp for Studying Ukrainian by Pupils of the Nagyberegi Liceum</i> . . .	\$2,740
Association of Roma non-governmental organizations "Eghipe", Uzhgorod	
<i>Publication of Roma ABC for Children</i>	\$900
Educational Centre GRAND, Uzhgorod, Ukraine	
<i>We are learning Hungarian</i>	\$300
Charitable Fund "Carpathian Euroregion" Uzhgorod	
<i>Improvement of information flow in the C. E.</i>	\$2,100
Kostylyvka Village Council	
<i>Establishment of Cultural Links Between Community of Kostylyvka and Ukrainian Community Residing on Border Territories of Romania</i>	\$1,600
Sokal Development Fund "Sokil"	
<i>Active economical behaviour as prevention of unemployment and multiplying the production structure in Sokal district</i>	\$2,500
Civic Organization "Bakhtalo Drom", Uzhgorod	
<i>Professional Education for Young Roma in Frames of Sunday School in Uzhgorod</i>	\$2,500
Transcarpathian Regional Puppet Theatre, Uzhgorod	
<i>Holding of VII International Festival Interlyalyka</i>	\$1,250
Non-governmental Organization "My City", Uzhgorod	
<i>Creation of manual map on historical and cultural monuments of Transcarpathian region in Ukrainian and English</i>	\$4,000
Transcarpathian Ecological Club "Edelweiss" Uzhgorod	
<i>Holding of International Eco-Archaeological expedition to Village Serechnye (Uzhgorod District) and Khust (Transcarpathian Region).</i>	\$4,000
Transcarpathian Regional Council, Uzhgorod	
<i>Festival of National Minorities of the Carpathian Euroregion</i> \$4,000	
Fund for Development of Hutsulshchyna, Verkhovyna	
<i>Support and protection of cultural heritage and ethnic self-identity of Hutsul land inhabitants through issuing a booklet "Folk crafts of Hutsulshchyna"</i>	\$3,300
Total Inter-Ethnic Relations Grants awarded in 2002	\$158,818

CAPACITY BUILDING GRANTS

Capacity Building grants are aimed at strengthening the viability of civil societies and local self-governments. Through this Programme, CF provides core support for the implementation of various small projects in local communities aimed at strengthening the organisational capacity of local organisations.

PROJECT TITLE AWARDED

HUNGARY

- Tokaj-Hegyalja Wine Route Association Tokaj
Development of the Tisza-Hernad-Bodrog Reservoir Protection Training and the Local River Protection Programme \$4,500
- Regional Environmental Centre - Hungary
Preparatory project for the River Tisza Basin Sustainable Development Programme (TRB-SDP). National workshop, multi-stakeholder consultation. \$4,000
- National Ruthenian Minority LSG
Ruthenian Ethnographic Museum in Komloska \$4,000
- The Hungarian National Office of the Carpathian Euroregion International Secretariat
The publishing of the book entitled "Ten years of Carpathian Euroregion Inter-Regional Cooperation \$3,000
- The Zemplen Regional Business Enterprise Development Foundation, Satoraljaujely
Grant Application fro Participation in the Conference Financing SMEs in Central Eastern Europe \$1,000
- Petofi Sandor Leisure Time Association, Szentdomonkos
The Development of the intercultural Cooperation in the Carpathian Euroregion \$3,000
- Arló Local Self-Government
Triangulum \$1,500
- Telkibánya Local Self-Government
The Second Step \$1,000
- Jaszladany Community Local Government, Jaszladany
Onion Day II \$1,000
- Association for European Study Centre of Nyiregyhaza
Strategic Planning and Professional Skills of Border Rural Communities - Capacity Building Programme "2002" \$4,385

POLAND

- Chorkowka Municipality
Women of the Carpathian Euroregion - active in social life . \$4,000
- Polish Committee of Fighting Against Cancer Podkarpacka Branch
Promotion of Health and Activities leading to improvement of conditions of life and ding of incurably ill people from Polish and Ukrainian borderland \$2,700
- Municipal Office Kolbuszowa
Pole - Slovak: Two Nephews \$2,900
- Community Culture Center in Osiek near Jaslo
Osiek Community Heritage \$4,000
- Municipal Office in Debowiec
Capacities Consolidation Programme \$1,000
- High Vocational College, Sanok
Library of the Carpathian Euroregion \$3,971
- Agrotourist Association of Strug River Valley Region in Chmielnik
Along Strug River Valley by Bike \$1,000

ROMANIA

- The Regional Environmental Centre for CEEC Romania
Preparatory project for the River Tisza Basin Sustainable Development Programme (TRB-SDP). National workshop, multi-stakeholder consultation. \$2,750
- Tasnad Community Development Civil Association
Local Resources - the motor of Development \$4,600

Asociatia Profesionala Neguvernamentala de Asistenta Sociala - ASSOC, Baia Mare
General Support for Promotion of the Services Provided by Assoc. \$600
This project was financed from Fred Robey Fund.

- Marton Aron Secondary School Foundation, Miercurea Ciuc
Worldwide Lobby Association \$2,500
- Nymphaea Natural History Society Oradea
Promotion of the Protected Areas and Plants from Oradea City and iths Surroundings \$2,000



- FDSE - Foundation for Economic and Social Development
Information and training of the NGOs and LSG representatives in the rural area, for accessing the European Union's Funds \$3,000
- Local Council of Vorona, Botosani County
Learning to access financial sources \$1,900
- Baia Mare City Hall
The Directory of the NGOs in Baia Mare City \$3,900
- Alternative Foundation Oradea
PRO AD.ORA \$4,000
- Ruhama Foundation Oradea
Strategic planning and integrated development in Finis area \$4,000
- Life Tineret Foundation Oradea
Youth Workers toolkit vol. 2 \$2,420

SLOVAKIA

- Civic Association "Rovas" Moldava nad Bodvou
Literature and Aesthetics \$2,000
- Civic Association Partnership for Development of the Spis Region, Poprad
Strengthening the Educational Level of Local Communities with Impact on their Active Social Development \$2,500



Development Spis

Revitalization and Accessing of Miners Belfry and Miners Gallows Frame
Contribution to Retrieval of Historical Heritage of the Region ..\$3,380

Youth Association of Gemer, Roznava

Rangers of Karst\$5,000
SAIA Kosice, n.o. Credible NGO\$1,780

New Generation - Youth Club Kosice

Regional Cooperation in the Medzibrodzie
and Pouzie Region\$2,000

Village Sindliar

Let's Help Each Other\$500

NGO People and Water

Preparatory project for the Tisza River Basin Sustainable Development
Programme (TRB-SDP). National workshop, multi-stakeholder
consultation.\$1,250

Regional Institute of Drug Dependence, Presov

Contact Centre\$1,244

Civic Association "Citizen for the Community", Lubisa

Help the Citizens in Need\$2,030

Association for Helping Disabled and Socially

Handicapped SPORTINVALID Kosice

Civic Intervention to the Management of Public Affairs\$1,670

Village Raslavice

Tourist Information Boards in the Village\$250

Community Foundation Blue Torysa, Lipany

Transformation of the Community Foundation Blue Torysa
to the Professional Organization\$1,238

UKRAINE

Chernivtsy Municipal "Business Centre"

Establish Mutually Advantageous Business and Public Relations as the
Factor of Economy Integration of the Carpathian Euroregion ..\$5,000

Transcarpathian Regional Department of the

Association of Cities of Ukraine, Uzhgorod

Creation of Backgrounds and Mechanisms for Cooperation Between
Ukrainian-Slovak Border Local Communities and Formation of Cross-
Border Partnership Network of Small Cities and Villages ...\$2,000

Khust Agency for Regional Development

"Khust - Europe Centre"

Common Management of NGOs and Local Self-Governments
in Regional Development\$1,400

Charitable fund "Public Initiative", Sambir

Organizing of Work and Training of Consultants for Civic
Organization Przkarpattya Development Agency\$1,200

Transcarpathian Association of Tourist Firms

Establishment of Regional Tourist
Advertising-Informational Centre (AIC)\$5,000

Pustomyty Agency for Regional Development, Lviv Region

Establishment of Business Incubator Under the Auspices of Pustomyty
Agency for Regional Development in Economic Development of
Pustomyty District Community\$2,400

Municipal and Regional Development Center, Lviv

Institutional Support of NGOs and LSGs\$3,200

Transcarpathian Ecological Club "Edelweiss" Uzhgorod

Preparatory project for the Tisza River Basin Sustainable Development
Programme (TRB-SDP). National workshop, multi-stakeholder
consultation.\$2,000

Carpathian Tourist Board

Establishment of Cooperation Between Public and Private Sector
in Tourism Development\$2,490

Regional Ecological Union of Youth ECOSPHERA Uzhgorod

Public participation in Elaboration of Sustainable Development
Strategy and Solving of City's Ecological Problems\$1,000

Center for Regional Development "Trembita",

Mizhgyrya, Transcarpathian region

Promotion of Tourism and Recreation Development as a Catalyst of
Sustainable Development\$4,000

Ukrainian Cultural Fund, Uzhgorod

Revival, Development and Preserving Traditional Folk Crafts of
Carpathian Euroregion\$980

Total Capacity Building Grants

awarded in 2002\$134,138

CARPATHIAN CULTURAL HERITAGE PROGRAMME

The Cultural Heritage Programme encourages the preservation of the unique arts and traditions of the Carpathian Euroregion. Through this Programme, CF seeks to preserve the diversity and unique values of the region, while promoting traditions of multiculturalism and national tolerance.

PROJECT TITLE AWARDED

HUNGARY

Arany Diak Foundation, Kalvin

"Arany Days" at the Arany Janos Secondary School\$750

Jaszjakohalma Self Government, Jaszjakohalma

The 8th Jazygian World Meeting\$750

The North-Alfold Union for Tourism

The Restoration of the Patroha Isrealite Cemetery and the Evaluation of the
Conditions for Tourism in Szabolcs-Szatmar-Bereg County.\$2,500

Protestant Youth Artistic Mission - Foundation for the

Hungarian Culture

Susu - the Dragon in Transylvania\$4,000

Association for the Protection of the Kuruc Traditions, Rakoczifalva

Festivity in the Hungarian Bread\$2,500

The Tapiomente Foundation, Nagykatá

Games without frontiers\$1,000

The Jaszberényi Preservation of Traditional Group of the Folklore Cultural Foundation

The Discovery, Revival, Study and Further Preservation of the Jaszszag
Cultural Heritage of the Carpathian Euro-region and its Multicultural
Significance\$1,000

Foundation for Nyirbátor, Nyirbátor

The week of the Winged Dragon

the 10th International Street Theatre Festival\$2,000

The Foundation for the Tuzsér Settlement	
<i>Carpathian Basin Handicraft and Preservation of Tradition Camp</i>	.....\$1,500
Petervasara Association of the Amateur Videofilm - Makers	
<i>Peter and Paul's Day Festivity</i>	.....\$1,115
The Szederinda Foundation	
<i>The 15th Jubilee Performance of the Szederinda Folk Dance Group</i>	.....\$300
Tajszolam Association for public Benefit	
<i>The Tales of Transylvania in an Archaic Language</i>	.....\$3,000
Hungarian Pianist Students Association Budapest	
<i>The exploration of the cultural and religious traditions</i>	.....\$800
The Bodrogkoz Arts Association	
<i>Szek Games Tradition</i>	.....\$1,240

POLAND

Regional Association of Creators and Animators of Folk Culture in Iwonicz Spa	
<i>2nd Carpathian Festival</i>	.....\$1,400
Association of Wietrzno Village	
<i>Historical and Cultural Values as an Element Increasing Attractiveness of Wietrzno Village</i>	.....\$1,280
Ustrzyki Dolne Municipality	
<i>Preparation of didactical-nature track Trees and Bushes of Postcourt Park in Jureczokowa, Ustrzyki Dolne Commune</i>	.....\$4,900
Communal Culture Centre (GOK) in Dubiecko	
<i>Dubiecko - the Stopover on the Way to the Future</i>	.....\$750
Orelec - Gala Bieszczady Foundation of Development of Creative Attitudes	
<i>Friendly Bóbrka</i>	.....\$4,000
Brzozów Municipality	
<i>Cultural Heritage - a source of Professional Activation Of Inhabitants of Brzozow Powiat</i>	.....\$1,700
Kolaczyce Municipality	
<i>Protection and Promotion of Folklore and Customs in Kolaczyce Municipality "Unit of Kosyniers (peasant-soldier) in Biedziedzka"</i>	.....\$4,000
Historical Museum - Palace in Dukla	
<i>Elaboration and Popularization of a Model Nurturing of the Historical Parks' Stand of Trees</i>	.....\$4,000

**ROMANIA**

Stefan Luchian Foundation	
<i>Conservation and promotion of the popular arts in Botosani County</i>	.....\$3,985
Cultural Association Nicolae Iorga Botosani	
<i>Memorial House Nicolae Iorga</i>	.....\$3,925
The Cultural Association Liga Pro Europa	
Satu Mare Branch	
<i>The Carpathian Euroregion's History in Legends and Stories</i>	.....\$3,950
Local Council of Remetea, Bihor County	
<i>Promoting the Traditions</i>	.....\$2,000
The cultural and Social Foundation IUGA Baia Mare	
<i>The Values Certification</i>	.....\$3,935
County Council of Botosani	
<i>Cooperation regarding the traditional arts in the Botosani-Cernauti micro-region</i>	.....\$4,000

SLOVAKIA

Asprodecus - Association for the Promotion and Development of Culture in East Slovakia, Kosice	
<i>Small Sacral Architecture in Kosice and Surroundings - Creation of Information Database</i>	.....\$4,000
KHAMORO - Sun, Roznava	
<i>Cultural Centre of Romas</i>	.....\$2,000
Village Krivany	
<i>Future with Knowledge and Preservation of Folk Customs and Traditions</i>	.....\$2,000
Patria - Artistic Association Kosice <i>Crossroads</i>	.....\$2,000
Association of Nature Conservations of Upper Torysa	
<i>"Stony Mill", Krivany</i>	.....\$500
Civic Association Sequana, Kosice	
<i>Music Seminar</i>	.....\$1,000
Association of Friends of Medzibodrozie, Malý Kamenec	
<i>Magic of Forgotten</i>	.....\$2,000
Regional Development Agency Tatry-Spis, Kezmarok	
<i>Roots of Ethnic History of the Town Kezmarok = Wealthy Bunch of Their Present Fruits</i>	.....\$2,000
Civic Association of Podvihorlat "Sobrancecka", Sobrance	
<i>Returning to the History of "Annabals"</i>	.....\$1,700
Association of Slovak Youth, Spisska Nova Ves	
<i>Central European Summer Camps of Slovak Youth "Carpathia 2002"</i>	.....\$800
Association for Development of Southern Zemplin, Trebisov	
<i>Traditions of Southern Zemplin</i>	.....\$2,900
Civic Association Design Forum, Kosice	
<i>1st International Creative Symposium Drienovec 2002</i>	.....\$1,150

UKRAINE

Association of social-cultural development "Panonia"	
<i>Formation of social-cultural system for popularization of cultural and historical monuments of the Carpathian Euroregion that will promote spreading of scientific-educational, tourist-recreational and social-cultural information of the region</i>	.....\$4,000
Association of Slovak Intelligentsia in Transcarpathia	
<i>Multi-ethnicity of Uzhgorod on old post cards as a tangible reflection of multi-century tradition of national groups development</i>	.....\$3,995
Charitable Fund "For Lviv's Historical and Architectural Heritage Preservation"	
<i>Preserving of Cultural Prominence of Historical Cities of the Carpathian Euroregion in the Context of Their Tourist Attractiveness</i>	.....\$3,000



Transcarpathian Regional Department of the Association "Ukraine"	
<i>Preserving of Cultural Heritage of Uzhgorod District, Transcarpathian Region</i>	\$1,500
Transcarpathian Regional Union of Folk Art and Amateur Painters, Uzhgorod	
<i>Popularization of Folk Crafts and Creative Arts Heritage of Peoples living in the Carpathian Euroregion</i>	\$3,900
Ecological Club "Carpaty", Rakhiv, Transcarpathian Region	
<i>Cultural Heritage in the Centre of Europe</i>	\$1,600
Ukrainian Society for Historical and Cultural Monuments Preserving, Lviv branch	
<i>The Churches of Turkiv District</i>	\$4,000

Total Cultural Heritage Grants awarded in 2002\$110,325

CARPATHIAN ROMANET PROGRAMME
 With the support of the Open Society Institute, Carpathian Foundation launched the Romanet Programme to encourage trans-frontier co-operation between organisations that are addressing issues related to Roma in the Carpathian Euroregion.

PROJECT TITLEAWARDED

HUNGARY

The National Council for Carpathian Euroregion Minorities Association, Nyiregyhaza	
<i>The 3rd Minority Congress and Festival</i>	\$3,000
Organization of the Protection of Interest of the Unemployed and the Underprivileged in Ozd and its Neighbouring Areas	
<i>Sharing the Methods of Skills and Capacity Development Applied in Practice by the Pedellus and the Mentor for the Education of the Roma Children</i>	\$3,000
Romany Minority LSG Borsodbota	
<i>The Reading Camp</i>	\$3,000
The Carpathia 2000 Cultural Association	
<i>Training and Educating Romanies in the Third Millennium</i>	\$3,000
The Ózd Blue Gull Music Association	
<i>The Ózd Blue Gull Music and Dance Festival</i>	\$3,000
Professional Association of the Roma	
<i>Together against Poverty - Romanet</i>	\$2,070

Ozd Career Orientation Foundation, Ozd	
<i>Art Without Borders</i>	\$2,000
Association of the Romas in Ozd	
<i>International Roma Cultural and Sport Festival in Ozd</i>	\$3,000
Erdkovesd Roma Minority Self-Government	
<i>1st Northern Heves - Gemer days</i>	\$900
The Satoraljaujhely Romany Preservation of Tradition Association	
<i>The VIII International Romany Dance Festival</i>	\$3,000
The Ozd Foundation for the Tabla School, Ozd	
<i>Heart, Soul, and Language - Know No Boundaries</i>	\$3,000

ROMANIA

Administratia Sociala Comunitara Oradea (ASCO)	
<i>Romanian-Hungarian Cross Border Cooperation of Roma</i>	\$2,875
Scoala cu clasele I-VIII Salard (Gymnasia Schools Salard)	
<i>Roma people socialization in the rural education process</i>	\$3,000

SLOVAKIA

Roma Respect Moldava nad Bodvou	
<i>Golden Pearl</i>	\$2,007
Civic Association "Children of the Sun - Chave Kamoro" Presov	
<i>Children of the Sun</i>	\$2,960
Cultural - Educational Organization ROMA-GEMER Roznava	
<i>Carpathian Roma Company</i>	\$3,000

UKRAINE

Regional Gypsy Association "Romani Zor", Uzhgorod	
<i>Development of Watchmakers Skills as a Traditional Roma Activity for the Economic Development of Roma Communities in the Carpathian Euroregion</i>	\$3,000
Romani-Yag, Chop Branch	
<i>Revival of the 1st Roma folk band in Transcarpathia "Rumelay"</i>	\$2,000
Transcarpathian Roma Cultural-Educational Society "Romani Yag", Uzhgorod	
<i>Holding of Roundtable for Journalist of Roma Mass Media of Ukraine, Slovakia and Hungary</i>	\$3,000

Total Romanet Grants awarded in 2002\$50,812

INTER-CULTURAL DIALOGUE PROGRAMME

The Intercultural Dialogue Programme was implemented in cooperation with the European Cultural Foundation. The mission of the Programme was to use art and culture as a tool for building confidence, regional cohesion and better understanding between nations and national ethnic minorities in the region.

PROJECT TITLEAWARDED

HUNGARY

Different-Mosaic-Cultural Union

The Ponton Bridge Project\$3,154

Europe Radio Miskolc,

Non-profit Broadcasting Organization

Europe Radio Miskolc 90.4 MHz\$1,818

ROMANIA

"Nufarul" Photographic Club Oradea - Romania

Cultural Photographic Bridge\$6,618

SLOVAKIA

The Town of Kezmarok

The Handicrafts and Customs are Bridges - they connect the today with the past and thanks to them different cultures and ethnic groups of Kezmarok are coming closer to each other ..\$6,097

Theatre Association Thalia, Kosice

III. International Festival of National and minority Theatres from the Carpathian Euroregion\$7,843

Total Inter-Cultural Dialogue Grants

awarded in 2002\$20,558

LIVING HERITAGE PROGRAMME

The Living Heritage Programme focuses on community development through the promotion of sustainable initiatives for local cultural heritage. These grants are made in cooperation with the King Baudouin Foundation of Belgium, and Romanian environmental partnership foundation.

PROJECT TITLEAWARDED

ROMANIA

Solca Town Hall, Suceava County

Involve\$11,096

IUGA Foundation, Maramures County

Peasant techniques - heritage for the III Millennium\$4,566

Oradea City Hall, API, Bihor County

Oradea Fortress - Revival of Legend\$12,062

Domus Humanitarian Foundation, Suceava County

Sustainable valorification of the cultural resources, represented by Bucovina's traditions\$9,132

Baltagul Foundation Suceava County

Village Museum of Moldovita, Conservation and Promotion of the Popular Art\$7,002

Total Living Heritage Grants

awarded in 2002\$43,858

SOCIAL TRANSITIONS PROGRAMME

The Social Transitions Programme was developed in conjunction with the Co-operating Netherlands Foundations for Central and Eastern Europe (CNF). The objective of the Programme is to support the process of social transition by providing financial support to the community initiatives of local grass-root NGOs. These grants are available in Ukraine only.

PROJECT TITLEAWARDED

UKRAINE

Charitable Fund Opika, Perechyn

Vocational Training Centre - Child Dream to the Real World \$6,992

Ecological Organization "Ecoenvironment" Zhydachiv

Through the cooperation in economic and social welfare ...\$6,830

Committee of medical help in Transcarpathia, Uzhgorod

The exchange Programme for the social workers in the Carpathian Euroregion\$7,169

Educational Initiatives Centre Lviv

Svyatyy Mykolay Helpers\$6,663

Charitable fund for the protection of the socially disadvantaged groups "Dovira", Chernivtsi

Centre for the social adaptation of the juvenile delinquents and problem youth in Chernivtsi\$6,977

Total Social Transitions Grants

awarded in 2002\$34,631

QUICK RESPONSE PROGRAMME

Quick Response grants are given at the discretion of the Executive Director to organizations with immediate needs

PROJECT TITLEAWARDED

HUNGARY

Pinocchio Foundation, Sárospatak

Puppet in my Pocket - International Puppet Festival\$200

Falumuhely Alapitvány, Budapest

Farmer's Ecology II.\$2,500

POLAND

Bieszczady Group of Culture Creators

Organizing Exhibition of Bieszczady Artists "35 years of Bieszczady in Wooden Pictures in Zagorz"\$500

ROMANIA

Jewish Community of Bihor County, Oradea

Traditional Jewish Music\$500

SLOVAKIA

Civic Association of Roma Women Lucia

International day of Romas\$500

East-Slovak Museum Kosice

Natura Carpatica\$420

Total Quick Response Grants

awarded in 2002\$4,620



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Fred Robney

Some people are born with advantages and others are not. For Fred Robney, an ordinary middle-class American, it was not wealth or connections, but rather a strong determination to take what he was given and turn it into something positive – a determination that would eventually touch lives across the globe.

Fred grew up in a blue-collar household in Pittsburgh, Pennsylvania, his mother a housewife and his father a labourer. It was expected that he would one day work in the local steel mill to retirement. Fred was the oldest of five children, bearing the responsibilities of an adult: at thirteen, he got his first job delivering newspapers, and has worked ever since. He learned to rely on himself, and did not like to ask for help. Fred saw his family in poverty and decided that he would be different, taking to heart the stories of Horatio Alger he read as a child.

With a rebellious spirit, on his eighteenth birthday, Fred joined the US Army in 1958, and was stationed in Germany during the Cold War from 1959-1961. When he returned to the US, he took what odd jobs he could find, including selling ice cream. But it was answering an ad in the local newspaper for an accounting course that sparked his lifelong career. Soon after he began the course, Fred was hired by the United Parcel Service (UPS), which was expanding its common carrier operations in the Pittsburgh area. At 23, Fred started out in an entry-level position as a mail clerk.

Fred began climbing the ranks at UPS from mail clerk to payroll clerk, accounting clerk to supervisor to office manager, setting his sights on the position of District Controller. He was part of the team that established UPS operations in Texas, and subsequently work in a number of districts across the US. He finished his career working in the Corporate Finance and Accounting Department. In total, he worked with UPS for 32 years.

In addition to his work, Fred put himself through school by taking night courses at various business schools and community colleges along the way. He started his studies in 1962, and received his diploma from Oglethorpe University in 1997 with a self-directed major.



Through his hard work and sound investments, Fred became financially secure with an interest in giving back instilled in part by UPS's philanthropic philosophy. Upon retirement, Fred began focusing on community activities, namely teaching English as a Second Language (ESL) to newly arrived immigrants and refugees in Atlanta, Georgia. There, he met a volunteer from Romania, which led him to teach ESL at the University of Transylvania.

Fred identifies his philanthropic goals as foremost in education, as well as seeking to help people who help themselves, and dispelling negative stereotypes through people-to-people contact. His main philanthropic recipients include the EastWest Institute, the University of Transylvania, the Carpathian Foundation, Oglethorpe scholarships, and the United Way. Looking forward, Fred would like to create educational opportunities for young people in the Carpathian region.

Fred is very proud of his family. After Fred's first marriage ended in divorce, he married his current wife Maddy in 1989, and they successfully blended their families. All five children are successful in career and personal life. Fred has nine grandchildren, with the tenth expected in August 2003.

Fred estimates having travelled to 50 countries across five continents. The more he travels, the more his belief is reinforced that people have the same basic needs and desires – food, shelter, education and peace. He is an avid reader, with a particular interest in history and philosophy, and lives by his principles. Fred's desire is to give most of his money away to those in need. All he humbly asks for in return is a handshake.

At Carpathian Foundation, Fred Robney funds small grants to qualified organizations specializing in education.

Financial Statements*

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CARPATHIAN FOUNDATION STATEMENTS OF OPERATIONS For the Years Ended 31 December 2002 and 2001

	2002	2001
	USD	USD
OPERATING REVENUES		
Total contribution income	1 329 807	1 397 125
OPERATING EXPENSES		
Grants provided	(811 609)	(1 024 202)
Technical assistance to grantees and operational activities	(340 394)	(291 487)
Administration expenses - net	(180 390)	(137 954)
Total operating expenses	<u>(1 332 393)</u>	<u>(1 453 643)</u>
Operating revenues in deficiency of operating expenses	(2 586)	(56 518)
Interest income	7 282	27 753
Foreign exchange (losses)/gains	(64 924)	43 989
Income tax	(1 095)	(4 160)
RESULT OF OPERATIONS	<u>(61 323)</u>	<u>11 064</u>

* A full set of the Carpathian Foundation Financial Statements is available from the Foundation's Headquarter Office.

CARPATHIAN FOUNDATION
BALANCE SHEETS
As of 31 December 2002 and 2001

	2002	2001
	USD	USD
ASSETS		
Non Current Assets		
Contributions receivable	687 535	-
Property, equipment and intangible assets	6 266	7 964
Total non current assets	693 801	7 964
Current Assets		
Cash and cash equivalents	489 058	571 997
Contributions receivable	888 803	-
Deferred expense from grant funds	293 012	6 608
Other current assets	15 429	2 003
Total current assets	1 686 302	580 608
Total assets	2 380 103	588 572
FUND BALANCE AND LIABILITIES		
Current Liabilities		
Deferred income from contributions	1 059 743	54 257
Contributions payable to grantees	481 649	345 663
Other current liabilities	21 234	7 228
Other deferred income	3 684	28 530
Trade payables	15 920	250
Total current liabilities	1 582 230	435 928
Non Current Liabilities		
Deferred income	690 928	6 360
Fund Balance		
Basic asset fund	5 868	2 871
Grants received for acquisition of fixed assets	-	35 684
Translation adjustment	25 395	(31 418)
Retained earnings	137 006	128 083
Profit/(loss) of current year	(61 323)	11 064
Total fund balance	106 946	146 284
Total fund balance and liabilities	2 380 103	588 572

Acknowledgements

Carpathian Foundation is a privately funded, non-profit organization, dependent upon the goodwill of local and international donors for its survival. Carpathian Foundation would like to thank the many individuals and organizations that have provided support over the years. In 2002, CF received financial and in-kind support from the following organizations and individuals:

The Charles Stewart Mott Foundation, Flint, Michigan USA

The Co-operating Netherlands Foundation, Amsterdam, Netherlands

The European Cultural Foundation, Amsterdam, Netherlands

The Ford Foundation, New York City, New York USA

Fred Robey, The Villages, Florida USA

Gheorghe Ofrim, Sighetu Marmatiei, Romania

HS HSV, s.r.o., Kosice, Slovakia

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In 2002, FCF received generous support from the following individuals and organizations:

The Charles Stewart Mott Foundation, Flint, Michigan USA

The German Marshall Fund of the United States, Washington D.C. USA

George Penick, Jackson, Mississippi

Matt Richardson, Roswell, Georgia, USA

Lester M. Salamon, Arnold, Maryland, USA

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Carpathian Foundation would like to thank *Janos Matyas*, who served on the Board of Directors for three years, and resigned his position in June 2002.

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Carpathian Foundation would like to thank the following former staff members who served the foundation during 2002:

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The Carpathian Euroregion

Promoting Neighbourliness,
Social Stability,
Sustainable Development
on the New Eastern Border
of the European Union



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~ Overview ~

The Carpathian Euroregion is an association of regional and local governments from the bordering areas of Hungary, Poland, Romania, Slovakia and Ukraine. The Carpathian Euroregion was established on February 14, 1993 in Debrecen, Hungary at a meeting of Foreign Ministers and representatives of regional and local governments from Hungary, Poland, Slovakia, and Ukraine. Romania joined the Euroregion in 1997.

The Carpathian Euroregion is located at the geographical centre of Europe, and lies across the future border of an enlarged European Union.

The Carpathian Euroregion, formed in 1993, encompasses the bordering areas of Hungary, Slovakia, Poland, Ukraine and Romania. The Euroregion reflects the desire of the governments from the counties and prefectures where the borders of five countries meet to promote their history of multi-culturalism and ethnic diversity as they work together towards a common future of peace and prosperity.

Sixteen million people call the Carpathian Euroregion home, the majority and the most vulnerable living in small towns and tiny villages. These rural communities are isolated and their infrastructure is poor. Many of them are inhabited by minority ethnic groups that were cut off from their extended families and traditional places of employment by the frequent changes in international borders of the last century. Misguided spatial policies and forced industrial development during the command-economy era depopulated the region and left an older population and many socially disadvantaged groups, including the largest concentration of Roma in Europe.

The historical fluidity of national borders within the region and the mobility (both forced and voluntary) of the region's residents, have been fluid and there is no analogy in the European Continent with this territory that encompasses comparatively young borders of five

states, including the presence of seven different nationalities and ethnic minorities, and more than six principal religious groups. The Carpathian Euroregion is also a meeting area of the borders of two European civilizations – the Latin and the Byzantine.

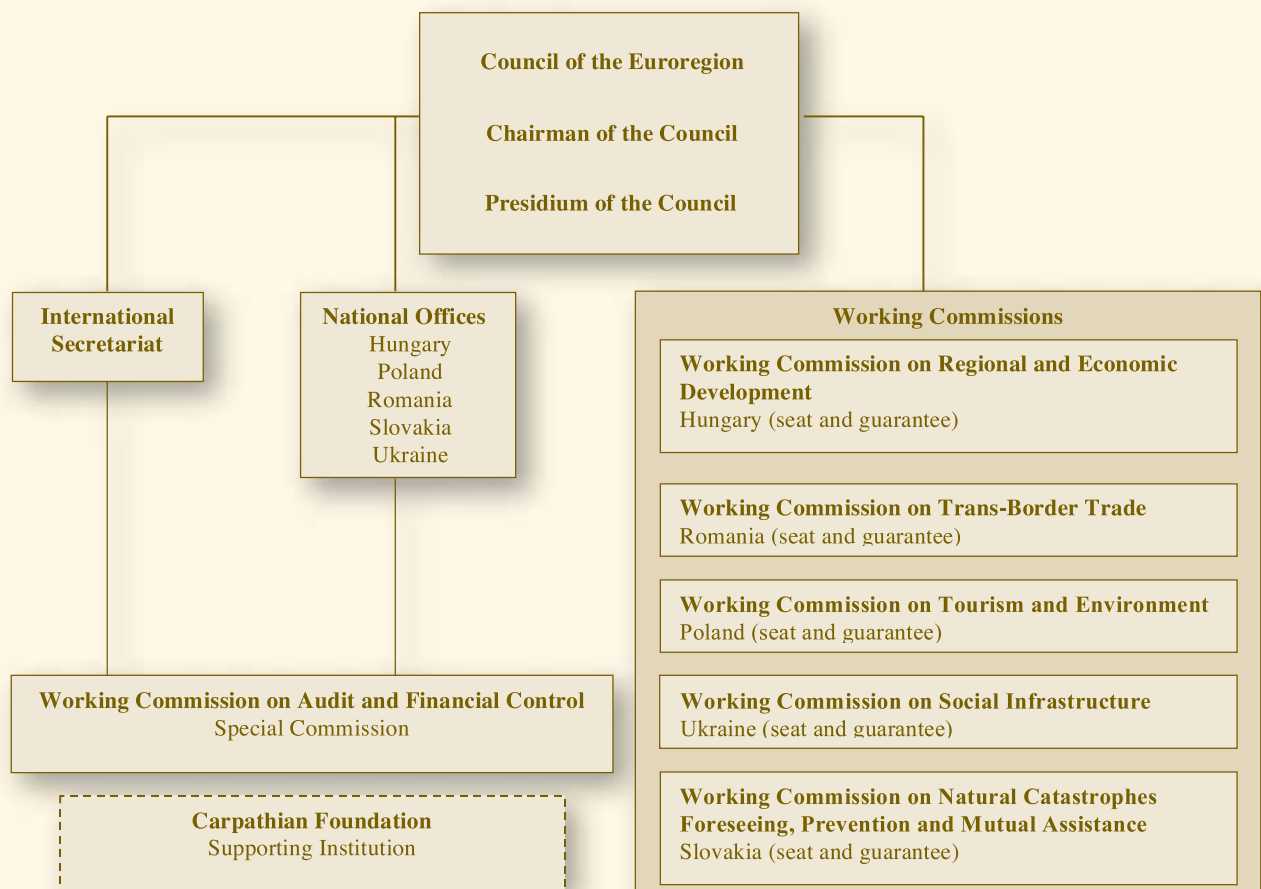
Throughout the twentieth century, current state borders in the area experienced several changes. The changes of borders were accompanied by changes in the number of various ethnic and religious groups. The Transcarpathian region of Ukraine which presents a geographical core of the Euroregion is a good yardstick for the complicated history of the area. In the course of the twentieth century, this region belonged to six different states. For almost three centuries – since the 18th century till 1918 – the most of Euroregion's area was a part of the Habsburg Monarchy. While official statistics suggest that one in ten person of the total Euroregion's population belongs to an ethnic minority, expert estimates, that take into account the complex history of the region and the present situation on the ground, one in six inhabitant of the Euroregion is a member of an ethnic minority. And finally, participating frontier regions of five countries continue to suffer from economic underdevelopment primarily due to predominance of agricultural economic activities in geographically disadvantaged mountainous and bordering areas. They are distant from capitals and centers of economic activities and all belong to the poorest regions in their home countries. Nevertheless, the participating regions of five countries share a common history, geographical proximity, similarities in economic development, and first of all common aspirations for economic prosperity and European integration, a fact that created a sense of community and willingness to originate cross-border cooperation under an umbrella of the Carpathian Euroregion.

NATIONAL PARTS OF THE CARPATHIAN EUROREGION

Country	Member regions	Area (km ²)	Population
Ukraine	Chernivtsy, Ivano-Frankivsk, Lviv, Transcarpathia,	56 600	6 367 900
Romania	Bihor, Botosani, Harghita, Maramures, Salaj, Satu Mare, Suceava,	42 306	3 321 438
Hungary	Borsod-Abauj-Zemplen, Hajdu-Bihar, Heves, Jasz-Nagykun-Szolnok, Szabolcs-Szatmar-Bereg,	28 614	2 574 545
Poland	Podkarpackie province	17 926	2 128 605
Slovakia	Kosice, Presov	15 689	1 555 980
Carpathian Euroregion		161 135	15 948 468

Regional Research Center of the Budapest University of Technology and Economics, 2002

Governing structures



The Council of the Euroregion is the supreme decision-making body of the Carpathian Euroregion, and is responsible for identifying strategic objectives and planning. The Council has 15 members, including three from each country. Members represent the national Delegations of the Euroregion. All decisions of the Council must be unanimous. A Chairperson of the Council is elected for a two-year term following the principle of rotation among national Delegations.

The Presidium of the Council is responsible for implementing decisions of the Council. It is chaired by the Chairman of the Council and includes the Heads of the national delegations.

The International Secretariat is the executive and administrative body of the Euroregion. Each national part of the Euroregion is represented by its Permanent National Representative, who is also a member of the national Delegation to the Council. The Secretariat is managed by an Executive Director, who is a full-time employee of the Euroregion and is appointed by the Council.

National Offices are established in each part of the Euroregion, and are responsible for the coordination of cross-border activities in their respective

territories. National Offices are headed by each country's Permanent National Representative.

Working Commissions are created by decision of the Council, and focus on specific areas of interregional cooperation. A Special Working Commission on Audit and Financial Control supervises the management of the Euroregion. In addition, the following Working Commissions are currently active:





The Regional and Economic Development Commission is run by the Hungarian delegation. It has conducted a comprehensive analysis of the economic and social infrastructure of the Euroregion as a first-step in the preparation of a comprehensive plan for the implementation of joint projects under the EU's CBC programs. Three prime areas for regional development in the Carpathian Euroregion have been identified, environmental protection, water management and technical assistance.

The Cross-Border Trade Commission is run by the Romanian delegation. The Commission encourages business-to-business cooperation within the Euroregion through fairs, commercial exhibitions and other events. It maintains a database of businesses in the region, in close cooperation with regional chambers of commerce and industry. More information on the Commission is available on the web site of the Maramures, Romania County Council.

The Tourism and Environment Commission is run by the Polish delegation. Tourism is expected to play a major role in the future economic development of the Euroregion. The Euroregion includes six UNESCO World Heritage, as well as the unique biospheres of the Carpathian Mountains. The Commission has identified a lack of infrastructure and strategy as the main obstacles to tourism development.

The Social Infrastructure Commission is run by the Ukrainian delegation, and is charged with encouraging and coordinating cross-border cooperation in the fields of education and culture. In 1994, the

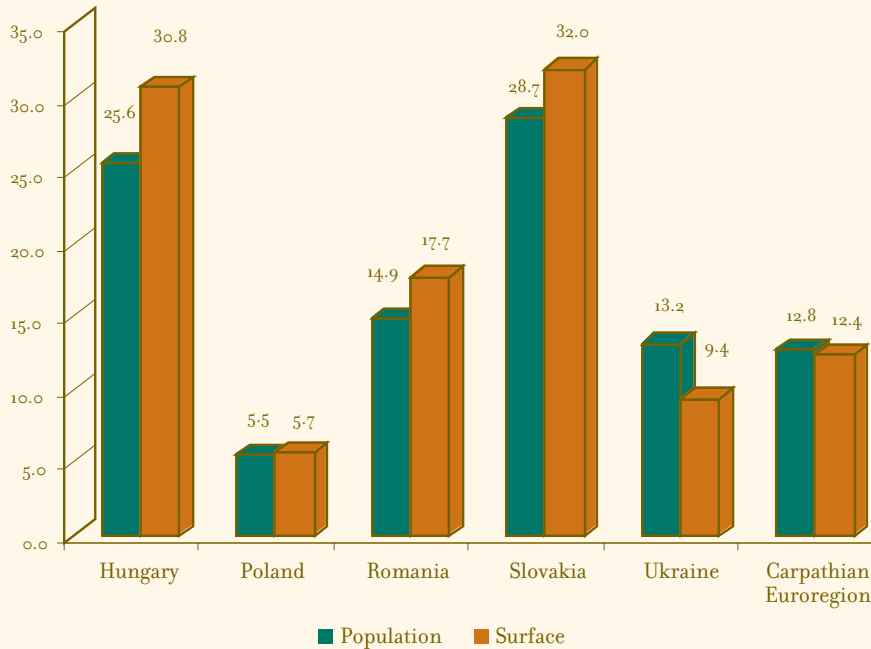
Commission established the Association of Carpathian Region Universities (ACRU). ACRU works to expand academic, cultural and scientific cooperation in the region by encouraging scholarly exchanges, and by organizing academic events that focus on issues related to the Euroregion.

The Commission for the Prevention of Natural Disasters is run by the Slovak delegation. This Commission was established after the disastrous floods of 1998 and 2000 violently illustrated the threat to life and property of the region's inherited environmental insecurity. Carpathian rivers, including the Tisza and Laborec suffer from pollution due to ageing industrial technology. The Commission hopes to improve civil emergency planning and joint-action military capabilities. The Commission initiated a veterinary sub-commission in 2001, which is coordinating the monitoring and prevention of BSE in the Euroregion.



Demography

Share of the Carpathian Euroregion part in the country total (%)



As of the end of 2002, almost 16 million people live in the territory of the Carpathian Euroregion. (15,948,468) The total surface area of the Euroregion is 161,135 km², with an average population density of 99 persons/km². The Carpathian Euroregion includes 12.8 % of the land area, and 12.4 % of the population of the five participating member states.

Of the five national parts of the Euroregion, Slovakia is the smallest both in terms of size and population (9.7% and 9.8% respectively), yet is represented by the largest share of sovereign territory and people (32% and 28.7%). In contrast, the Ukrainian national section, a relatively small part of the much larger Ukrainian state, represents 35% of the total territory and 39.8% of the total population of the Euroregion.

Ukrainians are also the largest ethnic group in the Euroregion, accounting for 40% of the total population. According to official data, Poles (18 %) are the next largest ethnic group, followed by Hungarians (15 %), Romanians (15 %), Slovaks (8 %), and Roma (3 %).

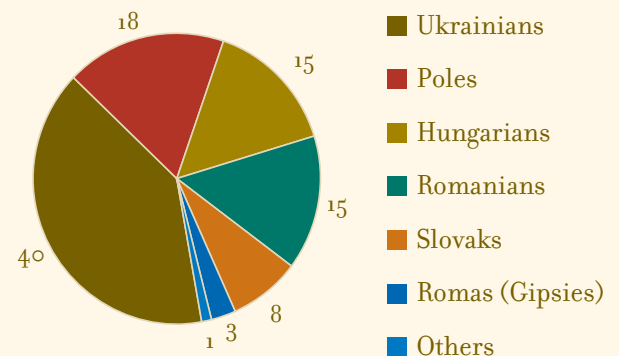
It is important to remember that these figures are provided by national statistics offices and do not always objectively mirror reality on the ground. For example, unofficial estimates of the Roma population of the Euroregion are as high as 2,000,000, though official statistics indicate just 700,000. The question of the Ruthenian minority is also complicated. Ruthenians have the status of an official minority in Hungary, Poland, Romania and Slovakia, and as such are included in official statistics. In Ukraine, where the largest numbers of

Ruthenians are thought to live, they are not included in official statistical data.

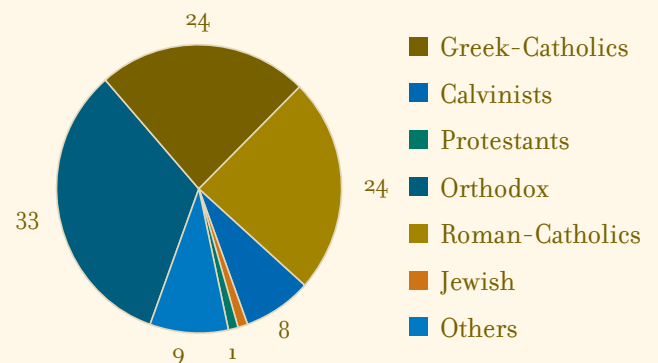
The religious make-up of the population of the Euroregion is similarly more complicated than is shown by official statistics. According to the national statistics offices, the religious structure of the Euroregion is: Orthodox – 33 %, Greek Catholic – 24 %, Roman Catholic – 24 %, Calvinist – 8 %, Protestant – 1 %, Jewish – 1 %, and other religions – 9 %. The recent history of the Greek Catholic Church, which was banned in all countries of the Euroregion except Hungary after World War II, makes it particularly hard to count. The Jewish community of the

Euroregion, once large and vibrant, was decimated in the 1940s Holocaust and only small but determined pockets remain.

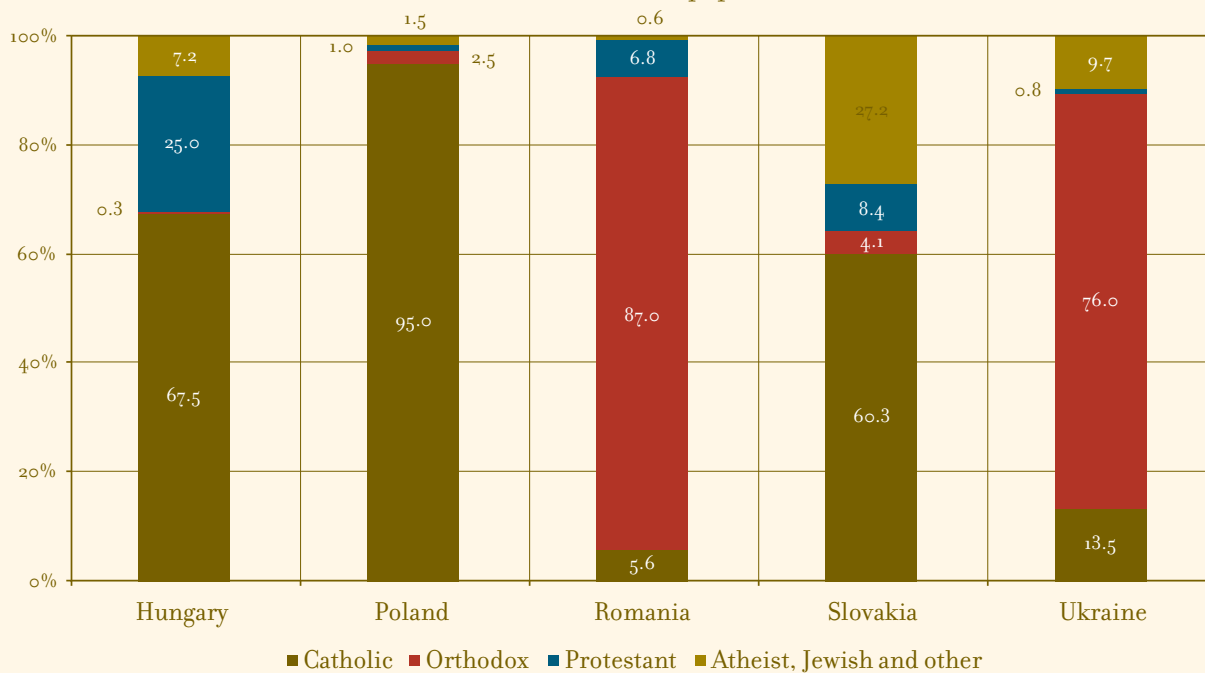
Ethnic composition of the Euroregion population (%)



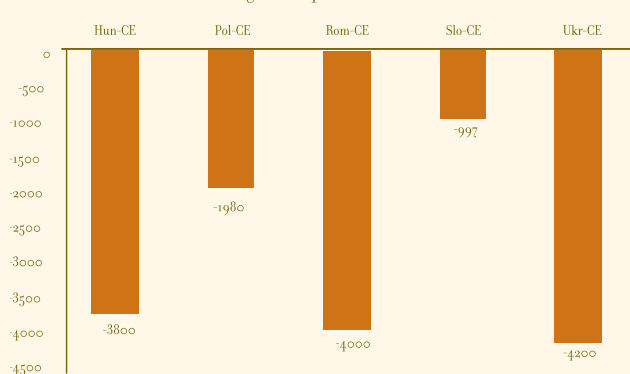
Confessions in the Carpathian Euroregion (%)



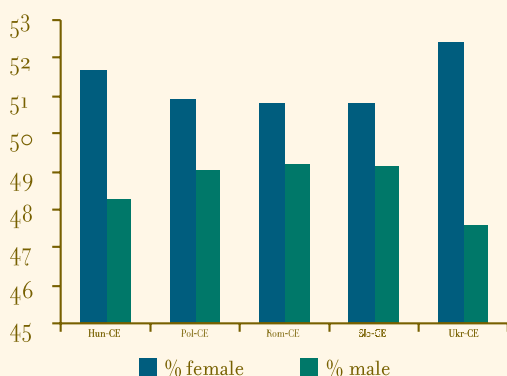
Confessions - share in population (%)



Migration (persons, 2000)



Gender structure (%)



The Euroregion, including every national part, has experienced heavy emigration since 1990. In 2000 alone, almost 15,000 people left the Euroregion. Many people move to the larger cities and economic centres of their own countries, others move abroad. Those who move away are often those whose absence is most felt, the able-bodied young and the well-educated. Despite emigration, the Euroregion's population continues to grow thanks to one of the highest birth rates in Europe. In all the countries of the region, women constitute a majority of the population, with the greatest disparity noticeable in Ukraine and the lowest in Poland.



Settlement structure

Although there are many more villages than towns in the Euroregion, the population is almost evenly divided between urban and rural. The Slovak and Hungarian national sections are the most urbanized, the Polish section is by far the most rural.

Local and regional governance

The establishment of a system for local and regional government was a crucial element of the democratisation process after the fall of communism. Decentralization was, and in many cases remains, a challenging precondition for the creation of representative local and regional governments. Local and regional governments have had to become qualified not only for administering public affairs within their catchments, but also for cooperation with foreign, national and NGO counterparts. The process of public administration reform has taken different shape in each country of the Euroregion, in accordance with variations in national histories, priorities and needs. Brief description of the status and responsibilities of local government in the five countries of the region, as well as short biographies of the two largest cities in each sovereign area, appear on the following pages.

SETTLEMENT STRUCTURE OF THE C. E.				
National part of Carpathian Euroregion	Towns/Urban settlements (number)	% of population living in villages	Villages (number)	Settlements (total)
Hungary	73	43.4	789	862
Poland	45	59.0	1 491	1 536
Romania	46	55.5	2 136	2 182
Slovakia	42	45.6	1 063	1 105
Ukraine	166	53.5	3 594	3 760
C.E.	372	51.4	9 073	9 445





status report

Local Government in Hungary



Hungary has four classes of public administration to cover the independent needs of the capital (Budapest), counties, towns and villages.

The first Local Government Act in Hungary was passed in 1990. It assigned to local governments responsibility for water provision, kindergartens, primary education, health care, welfare services, public lighting, local roads, cemeteries, and the protection of the rights of local minorities. Local governments were given the option of taking responsibility for urban development, environmental protection, sewerage, local public transportation, sanitation, fire fighting, public safety, energy, and cultural, arts and sports services.

Hungarian local governments have complete legal autonomy in all their decisions, though checks on legality may be carried out by decentralized state organs and the State Audit Office. Decisions of the local governments may be appealed only at the Constitutional Court.

Ultimate responsibility for local matters lies with an elected City Council. The Mayor represents the Council and is answerable to it. The Council has the right to establish organizations, companies for service provision and to appoint their managers. Councils may form any number of Committees, but all with more than 2,000 inhabitants are obligated to have a financial committee.

Hungary is divided into 19 counties and the capital city. In addition to the 19 counties, Hungary also has 23 cities of county rank. In 1996, County level Regional Development Councils were established for the coordination of all regional development efforts. These are non-elected bodies, containing delegates of local governments, county assemblies, cities, micro-regions and concerned ministries.

In accordance with the requirements of the European Union, Hungary is divided into seven statistical regions. The Northern Hungary Region (Borsod-Abaúj-Zemplén, Heves and Nógrád counties), and the Northern Great Plain Region (Hajdu-Bihar, Jász-Nagykun-Szolnok and Szabolcs-Szatmar-Bereg counties), are members of the Carpathian Euroregion.

Debrecen (population 211,202) is the second largest city in Hungary. Debrecen is famous for its fairs and livestock markets and is a centre of agricultural trade. First mentioned in the 13th century, Debrecen became a stronghold of Hungarian Protestantism in the 16th century. The city's Calvinist College later formed the nucleus of Debrecen University. Debrecen was a centre of Hungarian resistance to Austrian rule in the 19th century and on 14. April 1849, Lajos Kossuth proclaimed Hungary's independence in the great church in the city's centre. During the closing months of World War II, Debrecen served as the provisional capital of independent Hungary. It is the administrative seat of Hajdu-Bihar County, and a road and rail hub. Agricultural machinery, supplies for the car industry, food processing, pharmaceuticals, furniture and pottery are among the most important industries.

www.debrecen.hu

Miskolc (population 181,565) was gradually populated over 10,000 years ago. Hungarian tribes settled in the area a thousand years ago and named the settlement after the Miskolc clan. A 13th century work by an anonymous author mentions "terra Miskoucy" as the dwelling place of the Bors-Miskolc clan at the time of the Magyar conquest. In 1364, King Lajos I annexed the town of Miskolc to the Diosgyor Royal Estate. The 13th century Diosgyor Royal Castle, which was completed in the 15th century, became the centre of the Royal Estate, and Miskolc was granted the status of a free city. Miskolc's "great period of prosperity" came in the 18th century, when the university was founded and the most significant buildings were constructed. Today, Miskolc has a law school and a technical university, as well as heavy industry including iron and steel mills, lime and cement works and a large food processing plant. Miskolc is endowed with a wonderful natural environment. The border of the National Park of Bükk runs through the city. This park is uniquely rich in stalactite and calcareous tufa caves and plateaux with very colourful fauna and flora. Local winemakers use the region's numerous limestone caves as natural cellars.

www.miskolc.hu

Local Government in Poland

The principle of local elected government is one of the guiding principles of Poland's 1997 Constitution, according to which local government is considered a full participant in the exercise of public authority. The basic administrative units of local government, are the municipality (urban – powiat), the commune (rural – gmina), the regional council (sejmik) and the provinces (voivodship).

Since 1999, a three-tier division of local government has been in effect, with municipalities/communes answerable to their respective counties, and each county answerable to one of 16 provinces. Municipalities and communes are governed by elected councils, as are the larger provinces. Each council takes decisions effecting their respective jurisdictions. They set local executive authorities, pass budgets and inspect their execution, set local taxes and fees and adopt resolutions on property rights. The councils appoint and dismiss the authorities within their respective competencies. Council members are elected in universal, direct elections by secret ballot.

Provincial governors (Vojvode) represent central government and the state administration in the provinces. Poland's 16 provinces meet EU requirements for public administration on the regional level. Podkarpackie Province is a member of the Carpathian Euroregion.

Rzeszow (population 166,938) is the largest city in south-eastern Poland. Rzeszow was first mentioned in 1354, when King Kazimir granted it city rights. The most interesting monuments are the Fara Church (14th cent.), City Hall (15th cent.), the Castle of the Lubomirski family (16th cent.), and two synagogues (17th and 18th cent.). Rzeszow is an important centre of higher education. Almost 25% of the residents are students, most at either Rzeszow University or the Rzeszow Polytechnic School. The latter is Poland's only school for training civil pilots, and is known for its efforts to preserve old traditions. The city's main industries are aviation (aircraft engines), food processing, electromechanical production, construction, pharmaceuticals and furniture.

www.rzeszow.um.gov.pl • www.rzeszow.pl

Stalowa Wola (population 72,000) is one of the youngest towns in Poland. The Plawo village was settled in the first half of the 15th century. In 1937, the Polish government approved an industrialization plan for the area and a steel mill was built. Since then, what was once a small village has become the second largest town in Podkarpackie Province. The economy of the town is tightly connected to the Huta Stalowa Wola steel mill, and an electric power plant. Large forested areas surround the town and feed the local wood processing industry.

www.stalowawola.pl



Local Government in Romania



Local authorities in Romania are constituted in accordance with the Law of Local Public Administration 69/91 and with the Law on Local Elections 70/91. Local governance in Romania has a non-hierarchical two-tier structure. The upper tier consists of 41 counties (judete) and the lower tier of three categories of local authorities: communes (up to 5 000 inhabitants); orase (5 – 20 000 inhabitants) and municipii (historically the term used for the nine cities of Roman Dacia). Since 1996, local governments have enjoyed autonomy in their exercise of legal administrative functions. All lower tier authorities are represented by local councils and a directly elected mayor (primarul).

In each county there is a directly-elected county council which has a coordinating role in local administration. The county councils elect a chairman (preesdintele), vice-presidents and a permanent delegation from among their members. The national Government appoints a Prefect in each county to represent its interests and to manage decentralized public services. Prefects may institute court proceedings against any acts or decisions of the local authorities which might be deemed unlawful. The Prefects' office includes special departments, whose structures and duties are established by the central Government.

Bihor, Botosani, Harghita, Maramures, Salj, Satu Mare, and Suceava counties are members of the Carpathian Euroregion.

Oradea (population 222,816), with its secession style architecture and special elegance was known as Petit Paris in the early 20th century. Even today, it is one of the most important economic, educational and cultural centres of Romania. The Hungarian King Ladislav I founded the city and the Episcopacy of Varad in 1093. The first recorded mention of Oradea as a town was in

1374. From 1660 to 1692, Oradea was occupied by the Ottoman Empire. After the Austrian army drove the Turks out, many cultural settlements, palaces and churches were built. The most famous include the Roman Catholic Cathedral, which is the largest baroque monument in Romania; the Orthodox Cathedral (the so-called "Moon Church"); the Baroque Palace, and the Law Court Palace. Today, more than one third of the inhabitants of Oradea are ethnically Hungarian. The University of Oradea has 13 faculties and almost 13,000 students. Oradea has a diversified industrial sector, including electric power production, chemicals, aluminium, and food processing.

www.oradea.ro • www.uoradea.ro • www.oradea-online.ro

Baia Mare (population 151,435) is an ancient mining town. It is situated at the base of the Gutai Mountains, on the banks of the Sasa River and is popularly known as "the town of the Ladies' River". The first mention of the settlement was in 1142, when King Géza II settled Saxons there. The eventful history of the town mirrors the difficult history of this part of Romania. The region changed hands often, at times belonging to the Hungarian Kingdom, other times to Transylvania and later to the Romanian Kingdom. In 1910, 80 % of the town's population was ethnically Hungarian. Today, almost 80 % of the inhabitants are Romanian, and just 17 % are Hungarian. Baia Mare boasts architectural monuments dating back to the 15th century, including Stephen's Tower, the butchers' bastion and the Elisabeta House. Pride of place is given to the Mineralogy Museum, with its world-renowned collection of unique minerals. Baia Mare is Romania's largest centre for the processing of nonferrous metals, including copper, lead, manganese, and zinc, and also has a chemical industry.

www.baia mare.ro • www.primarie.multinet.ro

Local Government in Slovakia

Local self-government in Slovakia is based on the 1990 "Law on the Functioning of Local Authorities", which gave local municipalities (cities, towns and villages) independence from the state administration. State administration on the level of the former administrative regions (Eastern Slovakia, Central Slovakia, Western Slovakia and the capital city Bratislava) was ceased, and replaced by the authority of the municipalities and 38 district offices (okres). Members of local councils, as well as the mayors of municipalities (primator) and villages (starosta) are elected by direct and secret ballot. Okres-level officials are appointed directly by the central government.

In 1996, the Slovak parliament initiated a new direct regional level of state administration by establishing 8 regions, and increasing the number of okres from 38 to 79. Since 2001, regional self-administrations have been established in 8 "Higher Territorial Units", the borders of which correspond to the 8 regions. The first direct elections for regional governors (predseda kraja) and members of the regional parliaments (krajske zastupitelstvo) were held in December 2001. According to the "Law on the Transfer of Certain Powers from State Organs to Municipalities and Higher Territorial Units", powers will be devolved in five stages, with the process to be completed in January 2004. At that time, state administration on the regional level will again be cancelled, and Slovakia will be in compliance with EU requirements for regional government.



Kosice (population 236,036) is the second largest city in Slovakia. The city was founded in the 12th century, and the first written mention of the settlement was made in 1230. King Charles Robert granted Kosice the same privileges as Buda(pest) after the citizens of Kosice helped him to defeat the noblemen Omodej and Matus Cak of Trencin (now in Western Slovakia) in 1312. In 1369, Charles Robert's son Louis allowed Kosice to use its own coat of arms, a privilege that became the oldest of its kind in Europe. Kosice, like other towns of the Carpathian Euroregion, has experienced uprising and foreign rule several times in its history. After World War II Kosice had 51,000 inhabitants. Extraordinary growth in the population and economy of the city came in the 1960s when a huge metallurgical complex was built nearby.

www.cassovia.sk • www.mickosice.sk



In order to meet EU standards (NUTS II level) for regional development, four statistical regions have been created in Slovakia the borders of which correspond to the 1990 boundaries of the state administration. The Presov and Kosice Regions comprise the statistical region of "Eastern Slovakia", and are members of the Carpathian Euroregion.

Presov (population 92,720) is the third largest city in Slovakia. The Presov area has been settled by Slavic tribes since the end of 8th century. The first written record of the city is from 1247. Presov has been an important source of salt since the first mine was dug in 1572. Today it is the only salt mine in Slovakia. Until the late 19th century, Presov's population and economy grew as quickly as in neighbouring Kosice. After the Austrian-Hungarian settlement of 1867, however, and the resultant oppression of populations in Presov and multiethnic Saris county, more than 80,000 people emigrated from the region in just 20 years. Presov suffered another great loss of population during World War II. Before the war, 20 % of the town's population was Jewish. Ninety percent were murdered in the concentration camps, and few of those who survived ever returned. Important local industries include engineering, textiles and wood processing. The town is sometimes called "Athens on the Torysa river", for its large number of architectural monuments, and great centres of culture and education.

www.pis.sk • www.unipo.sk

Local Government in Ukraine

In 1992 the parliament of Ukraine adopted the "Law of Ukraine on Local Councils of People's Deputies and Local and Regional Self-Governance". The rights and duties assigned by that act were updated by the 1996 Constitution and the 1997 "Local Self-Governance Act". Since the transition, local and regional governments have played an increasingly significant role in delivering formerly centralized services to their communities.

The Ukrainian government is unitary, and the intergovernmental system of the country consists of four administrative tiers:

- The elected President and Parliament (Verkhovna Rada), together with a Prime Minister and Cabinet of Ministers, who are appointed by the President and approved by Parliament;
- 24 regions (oblast), the Autonomous Republic of Crimea and the oblast-cities of Kiev and Sevastopol;
- Rural districts (rayon) and large cities, that are subordinate to the second tier governments;
- Towns, settlements and villages, which are subordinate to the rayons.

Local government is administered by elected deputies and executive staff in local councils (rada). The deputies are elected once every 4 years. Regional and local budgets have separate budgets to finance the provision of local services and development programs. Local authorities collect local charges and fees and also receive a portion of centrally collected taxes.

On the level of regions and districts Ukraine has a dual system of public administration. Regional self-government is represented by an elected council (rada). The members of regional council elect from among their members a chairman (holova) who also chairs the executive committee. The central state administration is represented by a Head (holova) of the State Regional Administration, who is appointed by the President. The Head of the Regional State Administration appoints heads to each District State Administration in the region. In 1994 the President established an advisory body called the Council of the Regions, which includes all the heads of the regional state administrations. There is an ongoing debate in Ukraine on the future of public administration reform. Four Ukrainian oblasts are members of the Carpathian Euroregion: Chernivtsky; Ivano-Frankivsky, Lvivsky, and Transcarpathia (Uzhgorod).



Lviv, (population 798,000) is popularly known as the "city of sleeping lions. Lviv is a historical and cultural treasure, as well as the economic and educational centre of western Ukraine. The first mention of Lviv comes from 1256, although settlement is known to have begun in the 6th century. Prince Daniel of Halych is considered to be a founder of the city in 1256 and the city was named after his son Lev (Lion). The oldest University (est. 1661) on the territory of Ukraine is located in Lviv. Lviv in its tremendous history experienced many boundary changes and centuries of rule by outside powers. Today, almost 11 % of all investments in Ukraine are made by enterprises from Lviv. Important industries include machine building, food processing, textiles, metalworking, woodworking and wood processing.

www.city-adm.lviv.ua • www.lviv.ua

Chernivtsi (population 259,510) is a modern city situated in the beautiful Bukovina region. The city is known for its fine architecture, many sculpted monuments, green parks and inviting squares. The city name comes from the word "Chern" or "black town", and is said to be derived from stories of a great oak fortress built by the Halych-Volyn Knighthood. The dark, fertile soil of the Bukovina region is known to produce particularly dark woods even today. The early fortress was completely destroyed by Mongols and the citizenry moved to the right bank of the river in 13th century. The first written record of Chernivtsi is from 1408. The leading branches of industry are food-processing, light industry, wood-processing and machine-building.

www.city.cv.ua • www.chernovtsy.com

Economy of the Euroregion

The Carpathian Euroregion includes some of the least developed areas of the five member countries. All of the participating counties and regions have seen weaker-than-average economic performance in comparison to national levels. High unemployment and inflexible labour markets are common features of all five countries. The Carpathian Euroregion is heavily agricultural by European standards. Where big industry does exist, it is often a single large industry that dominates a micro-region. Low investment, especially foreign direct invest-

ment is a result of many factors. Poor access to rich markets, bad transport infrastructure, distance from national capitals, and the region's many borders add to the costs of moving goods in the region. Relatively high wages in comparison to productivity, the slow pace of structural reforms, and weak local governments are also commonly cited. Hope for the future development of the Carpathian Euroregion rests primarily with the highly skilled workforce, and the region's many educational institutions.



The Hungarian Counties

The five Hungarian counties of the Carpathian Euroregion include 26% of the country's population and 31% of the land area, but account for just 17% of Gross Domestic Product (GDP). Szabolcs-Szatmar-Bereg is the least developed of Hungary's counties, with a GDP per capita just 55% of the national average.

The five Hungarian counties enjoy a positive foreign trade balance, with the bulk of goods going to and arriving from Germany. Other important trading partners are Italy, Austria, the USA, and Romania. Machinery, plastics and rubber, chemicals, textiles, vehicles and vehicle parts are the main exports. The main imports include machinery, chemicals and rubber, textiles, vehicles and vehicle parts.

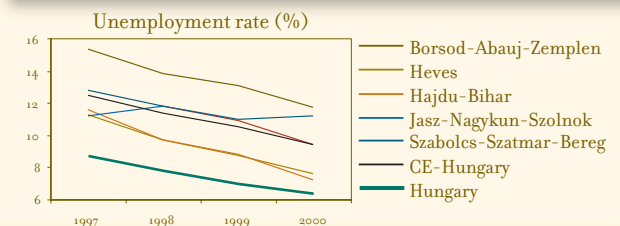
GDP IN HUNGARIAN COUNTIES (1999)				
1999	GDP	GDP per capita		
	bil. HUF	Thousand HUF	%, Hungary=100	Growth 99/95
Borsod-Abauj-Zemplen	557	760	67,1	181.8
Heves	264	817	72,2	199.8
Hajdu-Bihar	440	810	71,6	190.1
Jasz-Nagykun-Szolnok	315	763	67,4	179.5
Szabolcs-Szatmar-Bereg	353	618	54,6	185.6
CE-Hungary	1929	747	66,0	186.3
Hungary	11393	1132	100,0	206.2

The weak performance of the five counties is due to the dominance of agriculture, an inability to attract foreign direct investment (FDI), lack of appropriate infrastructure and the loss of external markets.

Szabolcs-Szatmar-Bereg County has attracted 26 times less FDI than the city of Budapest alone. Except for two big investors, Flextronic of Singapore and Carl Zeiss of Germany, there has been no significant foreign investment. Borsod-Abauj-Zemplen County attracted the most FDI of the five, mainly thanks to the privatization of two chemical companies, TVK and Borsodchem, by the Russian company Gazprom. Heves County attracted almost as much FDI as Borsod-Abauj-Zemplen County, much of it as green-field investments from German, American and Austrian groups. Jasz-Nagykun-Szolnok County has attracted several new companies, including Electrolux, (Sweden); Samsung, (South Korea); and Begin Say, (France).

Unemployment in the five counties is higher than the national average, though it has begun to fall since 1997, particularly in Heves and Hajdu-Bihar counties.

FOREIGN TRADE (IN MILLIONS OF US DOLLARS)			
Year	H-CE counties total		
	Exports	Imports	Balance
1999	2 706 719	2 164 926	541 793
2000	3 006 877	2 247 333	759 544



ECONOMIC CHARACTERISTICS OF HUNGARIAN COUNTIES			
	Number of active enterprises per thousand inhabitants	FDI per capita (thousand HUF)	Industrial production per capita (thousand HUF)
Borsod-Abauj-Zemplen	55.39	141.92	892.0
Heves	66.23	141.49	738.5
Hajdu-Bihar	67.42	97.97	621.7
Jasz-Nagykun-Szolnok	60.25	77.86	957.8
Szabolcs-Szatmar-Bereg	59.83	35.09	533.9
CE-Hungary	61.04	98.76	745.3
Hungary	84.34	287.00	1 158.6



Borsod-Abaúj-Zemplén County was one of Hungary's most important industrial zones until the beginning of the 1990s. 30% of the country's iron, 50% of the steel, and 100% of the country's ethylene, polypropylene and PVC were produced there. In the 1990s, the metallurgy, mining and machine industries collapsed and many companies went bankrupt. Nowadays, the chemical industry is the mainstay of the county's economy. In agriculture, Borsod-Abaúj-Zemplén County is Hungary's biggest potato producer. Barley production and traditional fruit and grape growing also remain important agricultural commodities. Hungary's most famous wine region, Tokaj, is in Borsod-Abaúj-Zemplén County.

Food processing, machines, textiles, wood and pharmaceuticals are the dominant industries in Hajdú-Bihar County. The Daewoo Gördülőcsapágy Művek in Debrecen was recently acquired by the Korean automobile manufacturer to supply its Romanian subsidiaries with parts. Other traditional industries are leather and tobacco processing. Agriculturally, Hajdú-Bihar County is the country's largest producer of wheat, corn and sugar beet, as well as the centre of Hungarian animal husbandry. 17.5 % of the country's sheep, 10.3 % of its cattle and 9.8 % of its pig stock are raised there.

Heves County has a long tradition in ore mining, and metal-production remains a dominant industry. Construction, agriculture (tobacco, sugar and grains), electricity production, textiles and furniture play important but secondary roles. Foreign direct investment in the county is concentrated in export-oriented sectors. The seat of Heves county is Eger, popularly known for the dark Bikaver (Bull's blood) wine produced there.

Jász-Nagykun-Szolnok is an industrial-agricultural area. Refrigerators, detergents, paper and shoes are produced in the county, as well as sugars, fertilizers, vegetable oil and grain. The county is often called Hungary's "bread basket". One third of the county's lands are irrigated, allowing it to become Hungary's principle source of rice as well.

Szabolcs-Szatmár-Bereg County is a traditionally agricultural region. Grain cultivation is especially successful here, as well as sugar beet, tobacco and potato cultivation. One third of Hungary's total annual fruit production comes from Szabolcs-Szatmár-Bereg County, which is best known for the quality of its apples, plums, sour cherries and walnuts.

Podkarpatckie Province, Poland

Podkarpatckie Province is the second least developed province in Poland based on GDP per capital. By 2001, the province had achieved just 71% of the Polish average. Given otherwise minor regional disparities in Poland, this is quite an extreme deviation. In 1999, the region's GDP per capita was just 29% of the European Union average, while Poland as a whole achieved 39%.

Unemployment has become the dominant social and economic issue for the region since 2001, when it reached 17.4%. The provinces labour markets are very inflexible and job creation is weak. Only 1.8% of foreign direct investment in Poland goes to Podkarpatckie Province and almost 50% of employed persons in the province work in agriculture. Nonetheless, the province's relatively high levels of education are an asset to build on in future.

UNEMPLOYMENT AS OF 31, DECEMBER

	2000	2001
Number of unemployed	182,168	195,173
of which less than 25 years old (%)	32.8	31.5
of which long term unemployed (1 year and more) (%)	50.4	54.3
Unemployment rate	16.2	17.4
Unemployed per one free working place	1059	1006

Industry in Podkarpackie Province is dominated by food processing, chemicals, electronics, machinery, mining and steel.

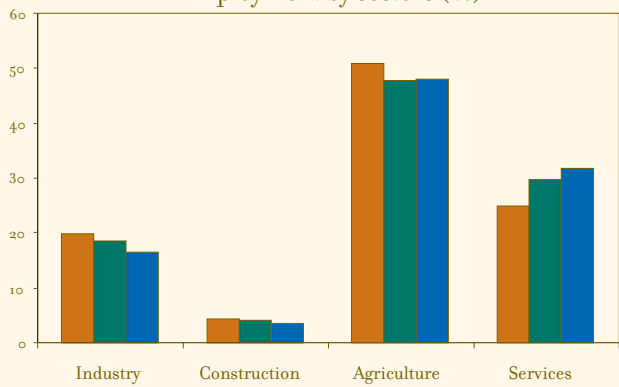
The main exports are machinery (28.4 %), plastics (15.7 %), and aircraft (11.6 %). Main export partners are Germany (28.8 %), Ukraine (13 %) and USA (8.9 %). The principle imports of the province are machinery (30.6 %), plastics (14.4 %), metals (14.2 %), and chemicals (7.9 %). Main import partners are

Germany (29.5 %), USA (12.6 %), and Italy (6.8 %). Agricultural production is extremely diversified. There are 206,658 private farms in Podkarpackie Province. Horse rearing is the best-known activity, though grain production uses the most land. Almost one in every eight horses raised in Poland is from the province. The province's Dairy Industry produces 7 % of Poland's national total.



		Without education	Primary	Apprentice	Secondary	University
Podkarpackie Province	Urban	3.4	25.7	22.4	37.9	10.6
	Rural	9.0	44.0	28.0	17.0	2.0
Poland	Urban	3.7	27.6	24.7	34.2	9.8
	Rural	10.8	43.8	28.0	15.5	1.9

Employment by sectors (%)



The Romanian Counties

Romanian GDP per capita was just 23.5% of the European Union average in 1999. With the exception of Bucharest, the capital city where GDP per capita reached 33.6%, there is little economic divergence between Romania's 41 counties. County level data on GDP per capita is not available, though other evidence does hint that the Carpathian Euroregion counties are among the poorest in the country. The majority of the counties belonging to the Euroregion are included in the Nord-Vest statistical region, which had just 21.6% of the European average GDP per capita in the same year.

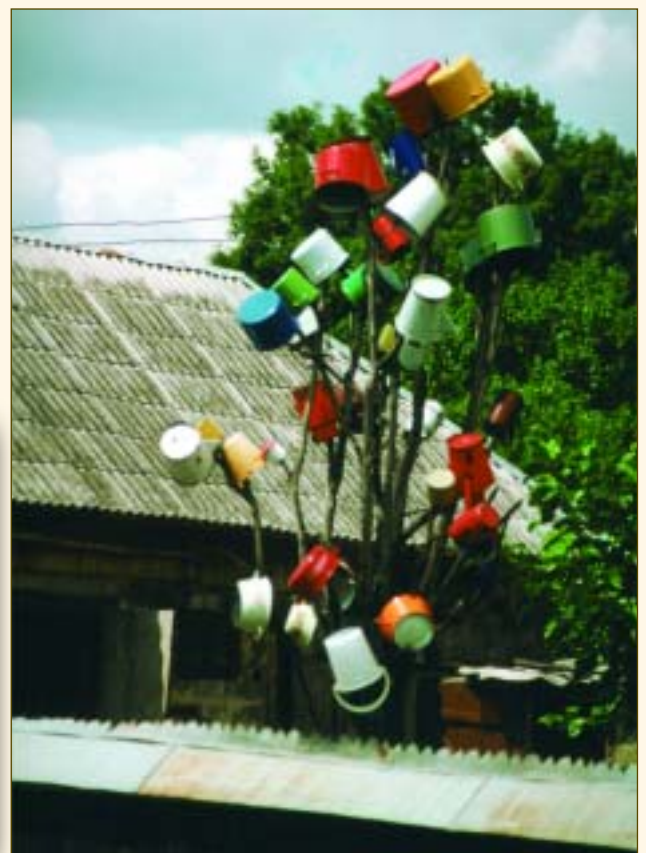
Agriculture employs half of the total labour force in the Carpathian Euroregion counties. In comparison to the national average of 40.6%, the lowest rate of agricultural employment in the Carpathian Euroregion counties is in Harghita County (43%). The highest is in Botosani County, where 60% of workers are employed in agricultural trades.

In general, unemployment in the Carpathian Euroregion counties is lower than the Romanian average of 11.8%. It varies widely among these counties, however, from almost 18% in Botosani to 13% in Salaj and Suceava counties, and just 6% in Bihor and Satu Mare.

The seven Carpathian Euroregion counties attracted only 5.8 % of the total foreign direct investment in Romania between 1990 and 2000. Almost all of this went to Bihor County, while the remaining six divided less than 1 % of the national total.

The most important industries in the seven counties are agriculture, forestry, machinery, engineering and chemicals. Mining is also a dominant, and traditional, activity in Maramures and Harghita counties.

Agriculturally, the counties concentrate on potatoes, rye, corn, wheat, sugar and fodder beer. The expansive pastures and hay fields also sustain significant levels of livestock breeding, especially cattle, sheep and goats.



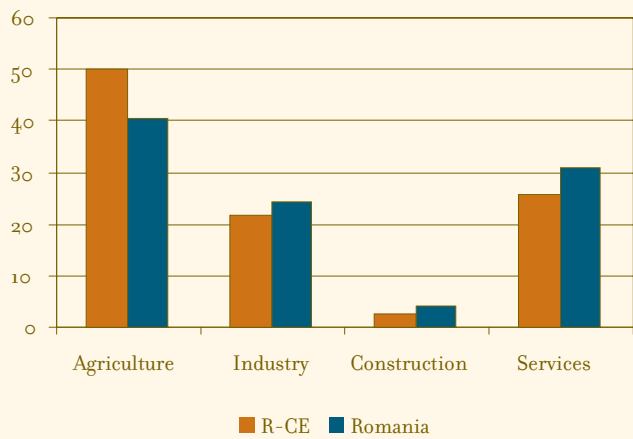
FOREIGN DIRECT INVESTMENT, CUMULATIVE

Country	1991-2000	
	Total mil. Lei	% of national
Bihor	1 646 430	2.5
Botosani	73 855	0.1
Harghita	373 471	0.6
Maramures	340 954	0.5
Satu Mare	334 214	0.5
Salaj	688 447	1.0
Suceava	398 397	0.6
R – CE	3 855 768	5.8
Romania	66 076 925	100.0

REGISTERED UNEMPLOYMENT AT THE BEGINNING OF 2000

Country	Number of registered unemployed		Unemployment rate	
	Total	Females	Total	Females
Bihor	16 770	6 477	6.0	4.8
Botosani	37 647	16 435	17.7	15.3
Harghita	17 069	7 404	10.8	9.6
Maramures	22 817	11 762	9.9	10.2
Satu Mare	10 256	3 855	6.3	4.8
Salaj	17 245	8 404	13.1	13.2
Suceava	42 768	22 323	13.5	14.3
R – CE	166 572	78 663	11.1	10.7
Romania	1 130 296	530 119	11.8	11.6

Employment by sectors (%)



Kosice and Presov regions, Slovakia

The Slovak part of the Carpathian Euroregion produces almost a quarter of the Slovak Republic's total GDP (23.2% in 2000). The Presov Region is the poorest and least developed in Slovakia. Presov achieved just 31% of the EU average GDP per capita in 1999, while Slovakia as a whole achieved 50%. Statistically, Kosice is the third best-developed of Slovakia's eight regions, but the numbers are somewhat misleading. The Kosice steel mill has received tremendous investments from U.S. Steel since 2000. The rest of the region is agricultural and individual districts are among the poorest in Slovakia.

Euroregion. Unemployment rates peaked in 2001 when several districts exceeded 30%. Unemployment resulted from the collapse of several large industrial concerns (mostly engineering and chemical), the inflexible and immobile labour market, and an inability to attract investment. In the last two years, unemployment levels have retreated, though most of the credit for that is given to the government's fight against "under the table" employment.

Although average wages in eastern Slovakia are below the national average, so is productivity per worker. Workers in the Bratislava region earn 1.5 times more

GROSS DOMESTIC PRODUCT IN 2000

	GDP, c.p.		GDP per capita		GDP to EU15 (PPS) 1999
	Bil. SKK	% share	SKK	% share	%
Presov	81.0	9.1	102 869.5	62.6	31
Kosice	124.7	14.1	162 481.6	98.9	47
Slovakia	887.2	100	164 218.5	100	48

Both Kosice and Presov Regions suffer from underinvestment, though Presov decidedly more so. If investment into the banking sector were included in the figures shown, Presov's share of the total would be just 2.4%. Nearly all foreign investment in the Kosice Region can be accounted for by the activities of U.S. Steel.

than workers in Presov, but are three times more productive. Better infrastructure and easier access to rich markets in the west of the country also inhibit foreign investment in the east.

Eastern Slovakia's workforce is well educated at the

INVESTMENT

	Investment (2000)		FDI: company sector (2000)	
	Mil SKK	% of SR	FDI	% of SR
Presov	12 460	4.1	5 413	3.1
Kosice	32 097	10.6	37 033	21.3
Slovakia	303 214	100	174 094	100

LABOUR MARKET (2001)

	Unemployment rate %	Long-term unemployment %	# of unemployed per one free working place	Average wage SKK
Presov	25.36	42.1	72	9 892
Kosice	27.09	46.8	112	11 771
Slovakia	19.79	41.2	53	12 365

Across the spectrum of businesses, there is less economic activity per capita in eastern Slovakia than in the country taken as a whole. Within the eastern Slovak regions, Presov has more medium size enterprises and individual entrepreneurs than Kosice, but many fewer small enterprises (1-19 employees) and big enterprises (250 and more employees). In total there are just over 7,300 companies in Kosice region, which places the region second only to the capital of Bratislava.

Eastern Slovakia was hard hit by the economic transformation of the 1990s and high unemployment is a significant problem. Kosice and Presov Regions have the highest unemployment in Slovakia as well as the highest rates of unemployment in the Carpathian

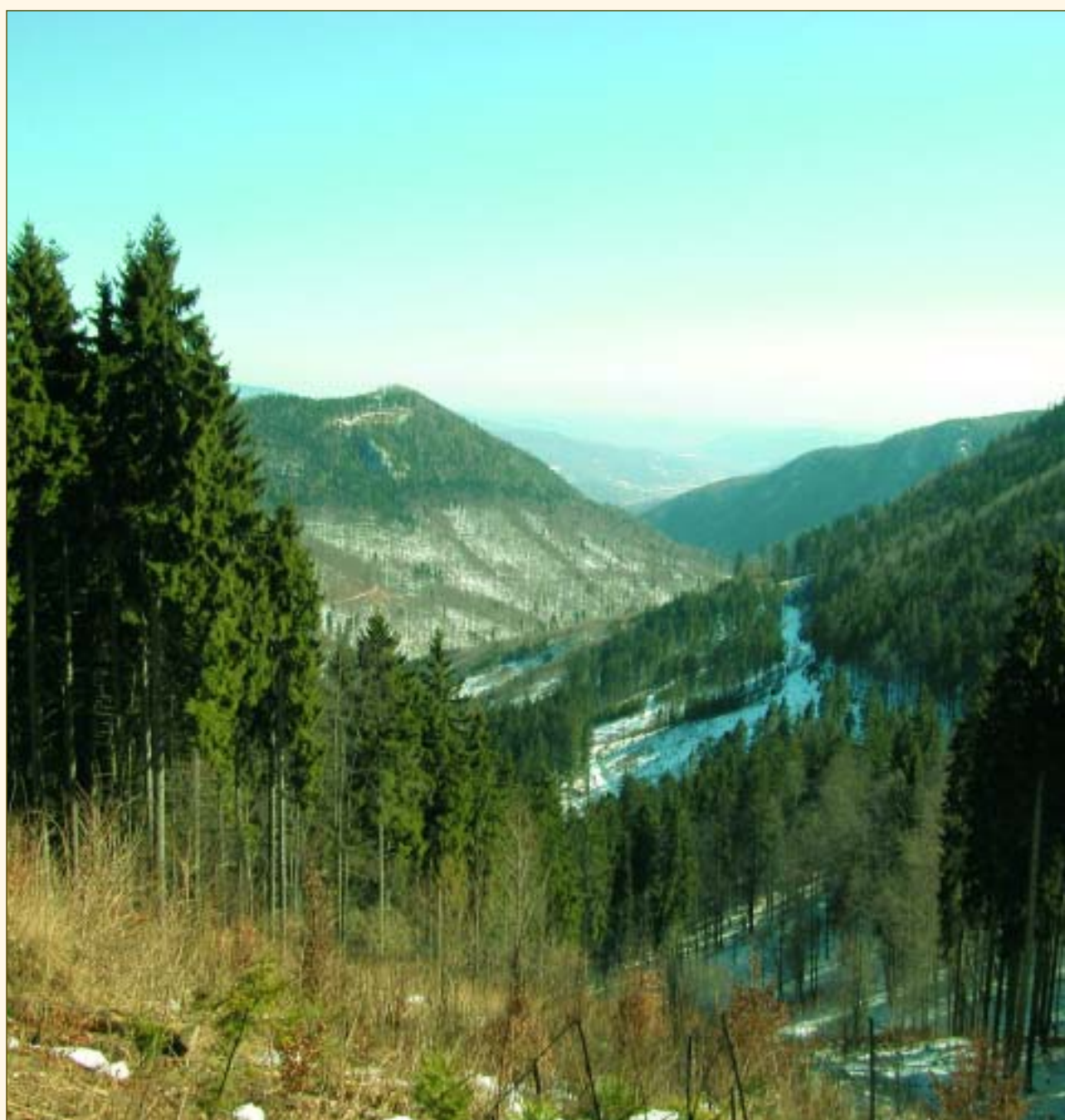
apprentice and secondary levels, though the number of university educated is slightly below the national average. Those with an apprentice-level education find it the hardest to gain employment in the current labour market. The large pool of qualified workers is considered, however, to be an asset of the region that will eventually attract foreign factories and investment.



EDUCATIONAL STRUCTURE (2001)								
Region	Workforce by education				Unemployed by education			
	Basic and without education	Apprentice	Secondary	University	Basic and without education	Apprentice	Secondary	University
Presov	4.9	42.4	40.8	12.0	16.0	44.0	36.5	3.6
Kosice	5.0	40.2	44.3	10.5	23.9	41.4	32.3	2.7
Slovakia	6.3	38.8	41.8	13.2	19.9	44.6	32.6	3.0

Eastern Slovakia's industrial sector continues to be shaped by the dictates of socialist planning, with a small number of large industrial units, usually in district capitals, being the main employers. Because of this, the countryside remains relatively unspoiled, but also vastly underdeveloped. The main industries are steel, chemicals, metallurgy, textiles and forestry. Although mining was once a major employer in the

region as well, the industry has suffered a sharp decline in recent years and probably will never recover. Although agriculture has traditionally been among the most important employers in the region, it has also suffered a sharp decline in the last decade. In 2000, eastern Slovakia produced just 21.3% of Slovakia's total agricultural output, far less than its share of population and vast arable lands would allow.



The Ukrainian Oblasts

The Ukrainian oblasts (counties) of the Carpathian Euroregion are far less developed than the national average. The annual Gross Value Added (GVA) of the four counties is just 8.9% of total Ukrainian GVA, although 12.9% of the Ukrainian population lives here. GVA per capita is 66% of the national average. The most developed Ukrainian Carpathian Euroregion county is Ivano-Frankiv, which reached 76.1% in 1999. On the other side, Zakarpatska achieved just 58.4% of the national average in the same year. Ukrainian GVA has fallen since 1996, with the sharpest drop in production occurring in the four western counties belonging to the Euroregion.

The Carpathian Euroregion counties attracted just 7.3% of total foreign direct investment in Ukraine in 2000. Most of that went to Lviv and Zakarpatska. Chernivtsi attracted the least of all Ukrainian counties.

One area where western Ukraine has exceeded the national average has been in the creation of new small and medium enterprises. From 1995 to 2000, the total number of small enterprises in the Carpathian Euroregion counties grew by 270%, while for Ukraine as a whole the number of such businesses grew by just 250%. Lviv and Zakarpatska now have more small enterprises than the national average. Small enterprises in western Ukraine are mainly focused on wholesale and retail trade (45%), industry (18.7%) and real estate services (9.3%).

Large enterprises are also present in higher than expected numbers, although they have not grown or prospered as quickly as small and medium size enterprises. 16.4% of Ukraine's large enterprises have their headquarters in western Ukraine. The main industrial sectors are forestry, chemicals, textiles, building materials and food processing. In Lviv and Ivano-Frankiv, petroleum deposits have allowed a substantial chemical and fuel-products industry to emerge.

GVA (GROSS VALUE ADDED)

County	Total, 1999 Mil. USD	Per capita, 1999 USD	Per capita, 1999 % of national aver.	Per capita, 1996 USD
Zakarpatska	299.6	233.1	58.4	382.7
Ivano-Frankiv	442.7	303.5	76.1	535.7
Lviv	814.4	299.1	75.0	579.7
Chernivtsi	204.6	218.9	54.9	472.7
U-CE	1 761.2	263.7	66.1	492.7
Ukraine	19 908.2	398.9	100	717.8

FOREIGN DIRECT INVESTMENT (2000)

County	mil. USD	%
Zakarpatska	92.2	2.4
Ivano-Frankiv	40.1	1.0
Lviv	150.0	3.9
Chernivtsi	8.9	0.2
U-CE	282.3	7.3
Ukraine	3 865.5	100

SMALL-SCALE ENTERPRISES (2000)

County	Small-scale enterprises	per 1000 inh.
Zakarpatska	5,843	4.6
Ivano-Frankiv	6,146	4.2
Lviv	13,612	5.0
Chernivtsi	2,975	3.2
U-CE	28,576	4.3
Ukraine	217,930	4.4

FOREIGN TRADE (2000)

County	Export		Import		Balance
	mil. USD	%	mil. USD	%	
Zakarpatska	215.6	1.5	184.4	1.3	31.2
Ivano-Frankiv	91.5	0.6	132.8	1.0	-41.3
Lviv	303.1	2.1	353.2	2.5	-50.1
Chernivtsi	57.9	0.4	34.6	0.2	23.3
U-CE	768.1	5.3	705	5.1	63.1
Ukraine	14 572.5	100.0	13 956	100.0	616.5

The Carpathian Euroregion counties are responsible for just 5% of Ukraine's total foreign trade. Like Ukraine as a whole, the region benefits from a positive foreign trade balance. Of the four counties belonging to the Euroregion, only Lviv and Ivano-Frankiv imported more goods in 2000 than they exported. Unfortunately, most Ukrainian products are exported with very little value added. The main exports of the Carpathian

Euroregion counties are raw materials, processed woods and minerals.

Agriculture remains a major economic activity of these counties. Together they produce 7.5% of Ukraine's flour, 6.1% of the sugar, 8.5% of the meat and 6.3 % of the milk products. Livestock is also a major agricultural occupation in western Ukraine, which raised 13.4% of Ukrainian cattle, 10.8 % of pigs and 13.2 % of sheep and goats in 2000.



Transport Infrastructure

Transport infrastructure is a precondition for the development of the Euroregion. Although progress has been made, much remains to be done in terms of both construction, and better coordination. The Carpathian Euroregion remains largely inaccessible, cutting off the capital investment and tourism which could revive the region's economy.

The most developed parts of the Euroregion in terms of transport infrastructure are the Slovak and Hungarian national parts. Eastern Slovakia has 35 km/100 km² of asphalt-paved roadway, including 56 km of highway. Each of the Slovak regions has an airport, one in Kosice and one in the mountain town of Poprad. From the Kosice airport there are daily connecting flights to Bratislava, Prague, Vienna and Zurich. The Poprad airport operates mostly tourist charter flights. In Cierna nad Tisou there is a cargo railway station, which serves for transshipment of freight trains coming from Ukraine via wide-gauge rail. The density of public roads in the Hungarian section is 30.1 km/100 km² of which 64 km are highways. There is a cargo railway station in Zahony, on the Ukrainian border, which is equipped for transshipment of Ukrainian freight. Two airports serve the Hungarian part of the Euroregion, one in Debrecen

and one in Nyiregyhaza. The Debrecen airport is expected to grow and develop into a regional hub in future.

Romania has the third highest density of public roads in the Euroregion, 29.9 km/100 km². The total length of public roads in Romanian part of the Euroregion is 12,666 km, however, only 25% are considered "modernized" roads with hard pavement. 28% have light asphalt pavement. There are no highways in the Romanian, Polish or Ukrainian parts of the Euroregion. The Ukrainian part of the Euroregion has just 27 km/100 km² of public roads, and the Polish part just 4.2 km/100 km². Future prospects for improving the transport infrastructure, especially in the Ukrainian and Hungarian parts of the Euroregion, rest with the plans for a South European transport corridor. The envisioned corridor will be an express road connecting Lisbon to Peking, via Budapest and Kiev.

The airport in Lviv operates regular flights to Kiev and Warsaw. The Uzhgorod airport serves Kiev, and the Rzeszov airport Warsaw. In the seven Romanian counties there are four airports, in Baia Mare, Satu Mare, Oradea and Suceava.



EU Enlargement

EU enlargement will bring new opportunities and challenges to the Carpathian Euroregion. The Schengen border regime which the new EU member countries will have to implement, (including Hungary, Poland and Slovakia in 2004), will cut existing ties with Ukraine and create new obstacles to cooperation and trade. Access to structural funds and increased impetus for cooperation among the new members and Romania, (which is expected to join the EU in 2007), however, will create opportunities. Beyond the political realm, the regions association with European and trans-Atlantic structures will enhance economic stability and encourage investment from abroad.

Geopolitically, Ukraine is among the best positioned of the Soviet successor states, though the country is still searching for its place in the European family of nations. Ukraine may one day become a serious contender for EU membership. Largely, Ukraine's success will depend on the course of its domestic politics, and the outcome of the upcoming Presidential elections. Ukraine's current President, Leonid Kuchma, has said that he will not stand for election a third time. His exit from Ukrainian politics, when and if it comes, will present an opportunity for major and long-delayed reforms. It is by encouraging and providing a model for such reforms that countries including Hungary, Poland, Slovakia and Romania can bring new value to the EU's

eastern initiatives. These countries share common historical ties, geographic and linguistic proximity as well as the shared experience of post-communist transition. These countries will face a double challenge upon accession as they seek to combine commitments to EU visa regimes and border controls with some effective eastern strategy that will prevent a new "paper curtain" from once again dividing the Carpathian Euroregion. It is hoped that the ongoing initiatives of the Carpathian Euroregion will encourage demands for concrete eastern policies at the national and EU level.

One of the most significant post-accession opportunities for enhanced Euroregional cooperation will be presented by the availability of EU cross-border cooperation (CBC) funds. While the PHARE - CBC program has supported projects on the common borders of EU member states and candidate countries or among the candidate countries themselves for the last several years, it has not provided any assistance to countries such as Ukraine, which are not candidates or EU members. After accession, however, Slovakia, Poland and Hungary will be able to participate in the INTERREG program, which promotes cross-border cooperation between the EU and its neighbours. The INTERREG program will be interconnected with the TACIS program, which will continue to be the EU's main program for providing assistance to Ukraine.



Political Transformation

The five states of the Carpathian Euroregion have all undergone radical political and economic reforms since the collapse of communist government in the late 1980s. The varying extent of social and economic transformation in these countries, as well as their varying progress integrating into European and international structures, is a natural outcome of their very different post-communist starting points.

The chart below shows the status of each country's association with the four most important international associations in the region; the European Union (EU), NATO, the Organization for European Co-operation and Development (OECD), and the World Trade Organization (WTO). Hungary and Poland have been regional models of post-communist transformation since the beginning of the 1990s. Both countries were among the first from Central and Eastern Europe to start accession negotiations with the EU in 1997, and both joined NATO just two years later. In comparison, Romania and Slovakia got off to a slow start, though they have made significant advances in recent years. Both countries will become members of NATO in 2004 and Slovakia will likewise join the EU in that same year. Romania is presently expected to join the EU in a second enlargement, perhaps to be held as early as 2007. Ukraine, despite significant social and economic progress since its 1991 independence from the Soviet Union, remains the least integrated of the

Carpathian Euroregion member-states. Ukraine has declared its ambition to join the EU, but has not yet concluded an association agreement, which is the basic precondition for accession talks. Ukraine is the only country in the region that does not belong to the WTO.

Differences in legislation, economic priorities, and participation in different international associations create obstacles to cross-border planning and cooperation. The accession of Hungary, Poland and Slovakia to the EU will be beneficial to trade and cooperation between themselves and other EU members, but it will create new obstacles in relations with Ukraine, and to a lesser extent Romania. These are challenges which have to be addressed by the Carpathian Euroregion as it seeks to prevent the formation of a new dividing line in East Central Europe. Euroregional cooperation is a means of softening and mitigating the negative consequences of discrepant post-communist transformation, and thus contributing to the stability of the whole European continent.

Country	EU	NATO	OECD	WTO
Hungary	To join in 2004	Member since 1999	Yes	Yes
Poland	To join in 2004	Member since 1999	Yes	Yes
Romania	Accession talks ongoing	To join in 2004	No	Yes
Slovakia	To join in 2004	To join in 2004	Yes	Yes
Ukraine	Declared ambition to join	No	No	No



Human Development

Country	Telephone mainlines (b)	Cellular mobile subscribers (b)	Internet hosts (B)	Patents granted to residents (per mil. inhab.)	Receipts of royalties and license fees (USD per person)	Research and development expenditures (as % of GNP)	Scientists and engineers in R&D (per mil. inhab.)
	2000	2000	2000	1998	2000	a	b
Hungary	372	302	10.4	26	11.2	0.7	1 249
Poland	282	174	8.8	30	0.9	0.7	1 460
Romania	175	112	1.9	71	0.1	0.8	1 393
Slovakia	314	205	7	24	3.0	1.0	1 706
Ukraine	206	16	0.7	84	(NA)	1.0	2 121

Notes: a - data refer to the most recent year available during the period 1995-2000, b - per 1,000 inhabitants; UNDP, 2001.

UNITED NATIONS - HUMAN DEVELOPMENT INDEX (HDI)* (source: UNDP, 2001)							
Year 2000				Year 1990			
1	Norway	0.942		1	Canada	0.926	
2	Sweden	0.941		2	USA	0.914	
3	Canada	0.940		3	Iceland	0.913	
4	Belgium	0.939		4	Japan	0.909	
5	Australia	0.939		5	Switzerland	0.905	
35	Hungary	0.835		31	Slovakia	0.820	
36	Slovakia	0.835		39	Hungary	0.804	
37	Poland	0.833		42	Ukraine	0.795	
63	Romania	0.775		43	Poland	0.792	
80	Ukraine	0.748		48	Romania	0.777	

*HDI measures average achievement in three basic dimensions of human development: health, education, and standard of living.

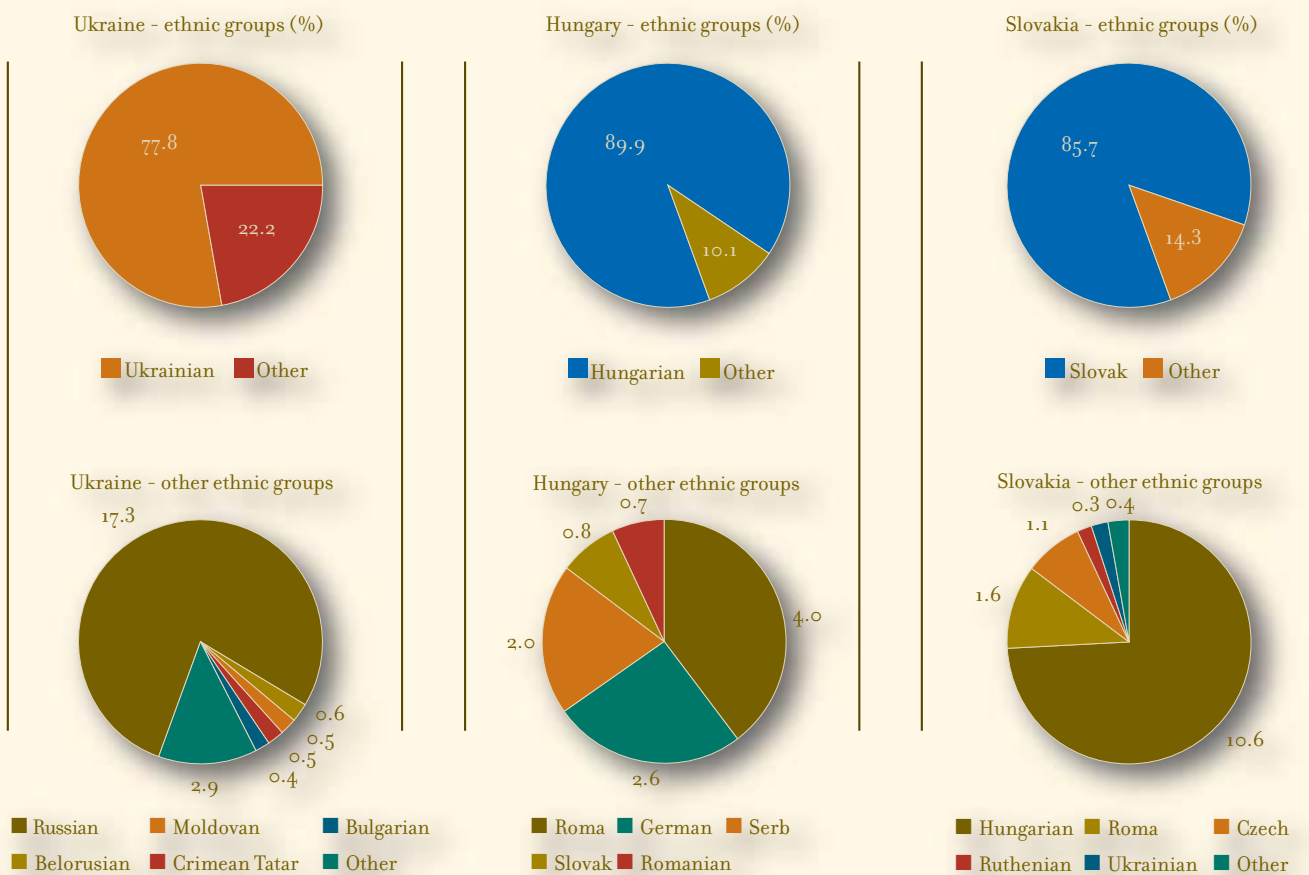


Ethnic Composition

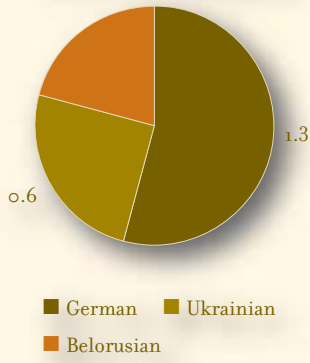
The most homogeneous country of the Euroregion in terms of its ethnic composition is Poland, where minority ethnic groups account for just 2.4 % of the total population. In Hungary and Romania, slightly more than 10% of the total populations belong to ethnic minorities, while in Slovakia and Ukraine the figure is 14.3% and 22.2% respectively.

The dominant religions in the Carpathian Euroregion are Catholic and Orthodox. In Poland the population is 95% Catholic, while in Hungary it is 67.5%, and in Slovakia 60.3%. In Romania 87% of the population is Orthodox and in Ukraine 76 %.

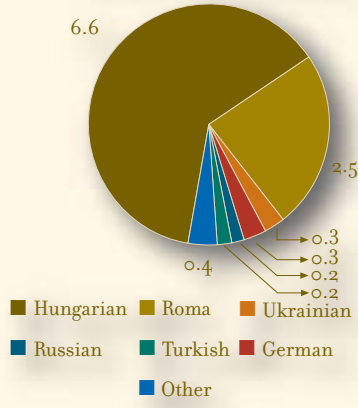
Ethnic composition of population in the Carpathian Euroregion member countries (share in total population; World Bank, 2002)



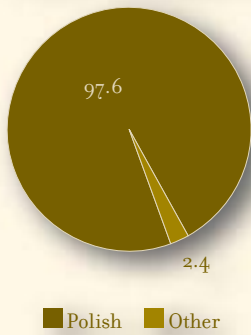
Poland - other ethnic groups



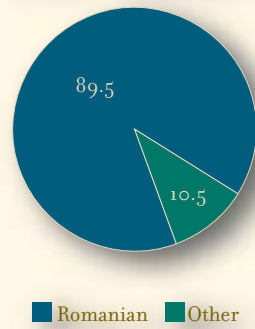
Romania - other ethnic groups



Poland - ethnic groups (%)



Romania - ethnic groups (%)



Economic Performance

All five countries have undergone significant changes in their economic development since the fall of communism. The transition from central planned economies to market based ones was an unknown process, bound to suffer some failures. The transition has had both positive and negative impacts on the people who live in these countries. Poverty and unemployment were unknown before the transition. All five countries suffered dramatic falls in gross domestic product (GDP) in the beginning of the 1990s. It took up to 10 years for the western countries of the region, Hungary, Poland and Slovakia, to re-achieve 1989 levels of GDP.

The growth of unemployment rates has been the most pressing economic problem of recent years. Generally, higher rates of unemployment are a short-term result of structural reforms. Long-term unemployment rates, particularly in Slovakia, Poland, and Romania, indicate unsatisfactory job creation as well. Romania and Ukraine have relatively low unemployment rates in comparison to their Carpathian Euroregion neighbours. This is considered a result of the slow pace of reforms in these countries, and it is expected that unemployment rates will rise as the large agricultural and heavy industry sectors are reformed in coming years.

GROSS NATIONAL AND DOMESTIC PRODUCT COMPARISON

County	GNI per capita (Atlas method) 2001, USD	GNI per capita (PPP) 2001, Int. dollars	Average GDP Growth 1990 – 2002 (%)	GDP in bil. EUR 2001
Hungary	4 830	11 990	1.0	57.8
Poland	4 230	9 370	2.5	20.7
Romania	1 720	5 780	-1.0	4.8
Slovak Republic	3 760	11 780	0.8	22.7
Ukraine	720	4 270	-5.3	40.5

Source: The World Bank, HVB Bank.

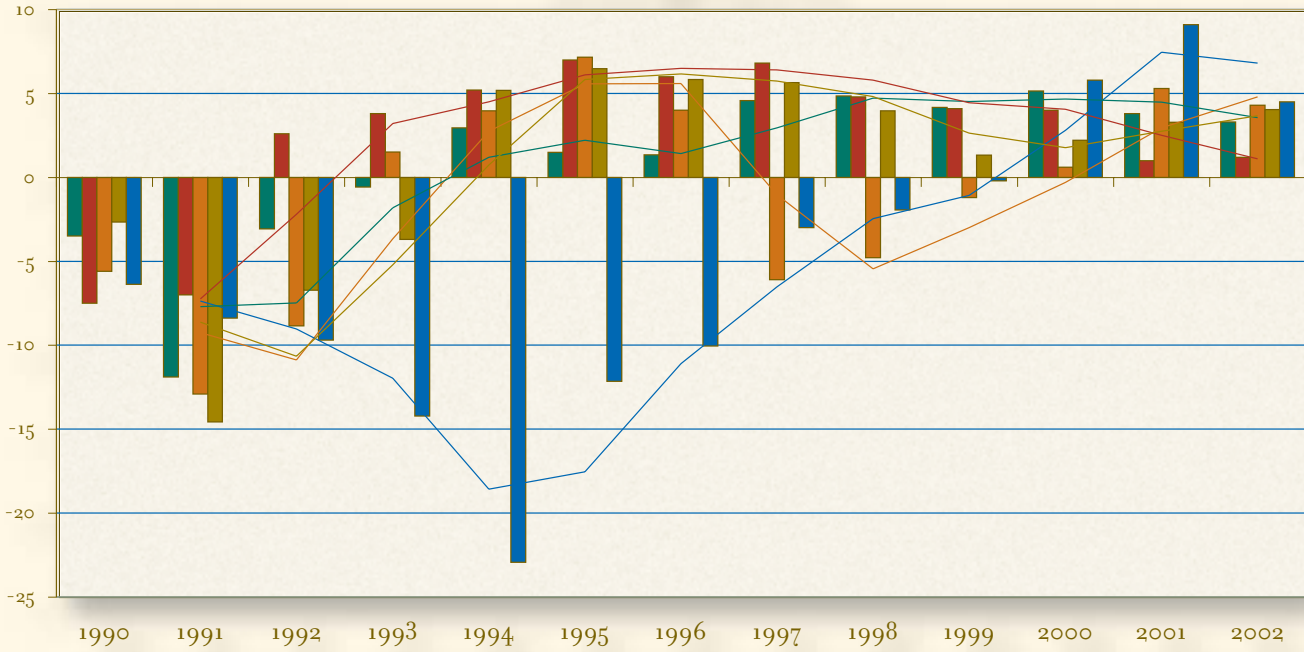
Although all five countries have experienced positive economic growth in the past five years, Poland, Hungary and Slovakia have been the definitive leaders. These countries have seen growth rates even higher than the European Union average, and with EU membership next year, real convergence with their western neighbours now seems possible. Ukraine and Romania have both been slower to introduce the reforms needed for stable economic growth and have not fared as well, though the last two years have seen promising developments. Hungary, Poland and Slovakia have meanwhile moved on to so-called "second generation reforms", including the major systemic reforms in government budget expenditures and taxes, pensions, health care, education and territorial organisation.

Structural reforms must continue, at varying levels, in all five countries. Fiscal policy is high on the list for all; the liberation of trade policy is a top priority in Romania and Ukraine; reducing inflation is equally important for these two countries and Hungary. Slovakia, Romania and Hungary must reduce their current account deficits, and all five countries must take further steps to privatise failing state owned companies and banks. High expenditures are expected for cleaning up the environment and improving physical infrastructure. Hungary, Poland and Slovakia are in a better position due to their upcoming access to EU structural funds. The lowest incomes and the highest rates of poverty are seen in Ukraine and Romania. Ukraine spends very little on health care, though public expenditure on education is impressive in comparison to its neighbours.

County	Employment growth		Unemployment rate (registered)			Population below poverty line. (US\$2/day) 1993/94
	90-94	94-2000	1994	1998	2000	
Hungary	-7.2	0.4	10.9	9.1	8.9	7.3
Poland**	-2.9	0.9	16.4	10.4	15.1	11.6
Romania*	-2.0	-3.4	8.2	6.3	7.7	27.5
Slovak Republic **	-3.8	0.0	14.8	15.6	17.9	2.1
Ukraine	-2.4	-1.3	0.3	4.3	4.2	31.0

*Notes: * Rate of unemployment is official estimation;
** Proportion of population below 50 % of median income, 1994 PPP USD*

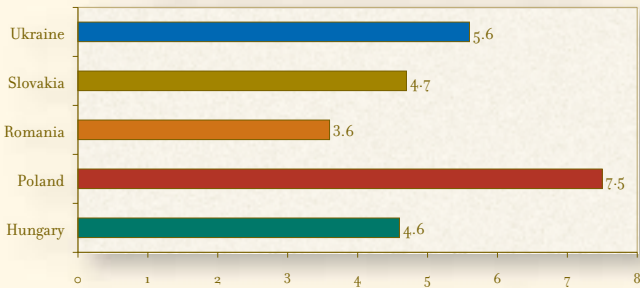
Annual GDP Growth (%)



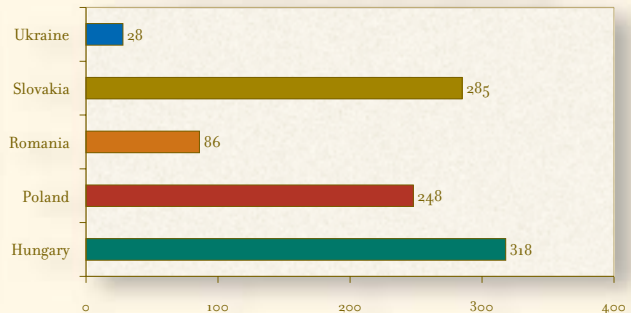
status report



Public expenditures on education (% of GNP, 1995-97)



Health expenditures per capita (1998, PPP USD)



Political Overview of Hungary

Hungary

Location	Northern latitude 45 48' – 48 35' Eastern longitude 16 05' – 22 58'
Border length	total 2 171 km
of which on	
Austria	366 km
Croatia	329 km
Romania	443 km
Serbia and Montenegro	151 km
Slovakia	677 km
Slovenia	102 km
Ukraine	103 km
Independence	1001 (unification by King Stephen I)
Constitution	August 20, 1949 (substantially amended after 1989)



Executive branch

President Ferenc MADL (since August 2000)

Government

Prime Minister Peter MEDGYESSY (since May 27, 2002).

Council of Ministers elected by the National Assembly on the recommendation of the president.

Legislative branch

Parliament unicameral National Assembly or Országgyűlés
(386 seats; members are elected by popular vote under a system of proportional and direct representation to serve four-year terms).

Judicial branch

Constitutional Court (*judges are elected by the National Assembly for nine-year terms*).

Political parties and leaders

Alliance of Free Democrats or SZDSZ [*Gabor KUNCZE*]; Hungarian Civic Party or FIDESZ [*Viktor ORBÁN*]; Hungarian Democratic Forum or MDF [*Ibolya DAVID*]; Hungarian Justice and Life Party or MIEP [*Istvan CSURKA, chairman*]; Hungarian Socialist Party or MSZP [*Laszlo KOVACS, chairman*]; Hungarian Workers' Party or MMP [*Cyula THURMER, chairman*].

Political Overview of Poland

Poland

Location52 00 N, 20 00 E

Land boundariestotal 2 788 km
of which on

Belarus407 km
Czech Republic658 km
Germany456 km
Lithuania91 km
Russia (Kaliningrad Oblast)206 km
Slovakia444 km
Ukraine526 km

Independencestatehood 996 – by Mieszko I

ConstitutionOctober 16, 1997; adopted by the National Assembly on April 2, 1997
passed by national referendum on May 23 1997

Executive branch

President Aleksander KWASNIEWSKI(since December 23, 1995)
president elected by popular vote for a five-year term; election last held on October 8, 2000 (next to be held in October 2005); prime minister and deputy prime ministers appointed by the president and confirmed by the Sejm

Government

Prime Minister Leszek MILLER (SLD)(since October 19, 2001)
Deputy Prime Ministers
Marek POL(since October 19, 2001),
Jerzy HAUSNER(since June 16, 2003).
Council of Ministers responsible to the prime minister and the Sejm; the prime minister proposes, the president appoints, and the Sejm approves the Council of Ministers.

Elections

Aleksander KWASNIEWSKIreelected president
per cent of popular vote:
Aleksander KWASNIEWSKI53.9 %
Andrzej OLECHOWSKI17.3 %
Marian KRZAKLEWSKI15.6 %
Lech WALESIA1 %.

Legislative branch

Parliamentbicameral National Assembly or Zgromadzenie Narodowe consists of the Sejm
(460 seats; members are elected under a complex system of proportional representation to serve four-year terms) and the
Senate or Senat (100 seats; members are elected by a majority vote on a provincial basis to serve four-year terms).

Judicial branch

Supreme Court (judges are appointed by the president on the recommendation of the National Council of the Judiciary
for an indefinite period); Constitutional Tribunal (judges are chosen by the Sejm for nine-year terms).

Political parties and leaders

Citizens Platform or PO [*Maciej PLAZYNSKI*]; Democratic Left Alliance or SLD (Social Democracy of Poland)
[*Leszek MILLER*]; Freedom Union or UW [*Wladyslaw FRASYNIUK*]; German Minority of Lower Silesia or MNZO
[*Henryk KROLL*]; Law and Justice or PiS [*Lech KACZYNSKI*]; League of Polish Families or LPR [*Roman GIERTYCH*];
Polish Accord or PP [*Jan LOPUSZANSKI*]; Polish Peasant Party or PSL [*Jaroslav KALINOWSKI*]; Samoobrona
[*Andrzej LEPPER*]; Solidarity Electoral Action of the Right or AWSP [*Marian KRZAKLEWSKI*]; Social Movement-
Solidarity Electoral Action or RS-AWS [*Jerzy BUZEK*]; Union of Labor or UP [*Marek POL*]

Political Overview of Romania

Romania

Location46 00 N, 25 00 E

Land boundaries total 2 508 km

of which on

Bulgaria608 km

Hungary443 km

Moldova450 km

Serbia and Montenegro476 km

Ukraine (north)362 km

Ukraine (east)169 km

IndependenceMay 9, 1877

(independence proclaimed from Turkey; independence recognized on July 13, 1878 by the Treaty of Berlin; kingdom proclaimed on March 26, 1881; republic proclaimed on December 30 1947).

ConstitutionDecember 8, 1991

(on October 19, 2003, Romanian citizens will have to vote the new Constitution, in a national referendum.)



Executive branch

PresidentPresident Ion ILIESCU (since December 20, 2000)
president elected by popular vote for a four-year term; election last held on November 26, 2000, with run-off between the top two candidates held on December 10, 2000 (next to be held in November/December 2004); prime minister appointed by the president.

Government

Prime MinisterAdrian NASTASE (since December 29, 2000)
Council of Ministers appointed by the prime minister.

Legislative branch

Parliamentbicameral Parliament or Parlament consists of the Senate or Senat
(140 seats; members are elected by direct, popular vote on a proportional representation basis to serve four-year terms)
and the Chamber of Deputies or Camera Deputatilor *(345 seats; members are elected by direct, popular vote on a proportional representation basis to serve four-year terms).*

Judicial branch

Supreme Court of Justice *(judges are appointed by the president on the recommendation of the Superior Council of Magistrates).*

Political parties and leaders

Democratic Party or PD [*Traian BASESCU*]; Democratic Union of Hungarians in Romania or UDMR [*Bela MARKO*]; National Liberal Party or PNL [*Theodor STOLOJAN*]; Romania Mare Party (Greater Romanian Party) or PRM [*Corneliu Vadim TUDOR*]; Social Democratic Party or PSD [*Adrian NASTASE*], formerly known as the Party of Social Democracy in Romania or PDSR.

Political Overview of Slovakia

Slovak Republic

Location 48 40 N, 19 30 E

Border length total 1,524 km
of which on

Austria 91 km
Czech Republic 215 km
Hungary 677 km
Poland 444 km
Ukraine 97 km

Independence 1, January 1993 (*Czechoslovakia split into the Czech Republic and Slovakia*).

Constitution ratified on 1, September 1992,
fully effective from 1, January 1993; changed in September 1998 to allow direct election of the president; amended in February 2001 to allow Slovakia to apply for NATO and EU membership.

Executive branch

President Rudolf SCHUSTER (since 15, June 1999).

Government Prime Minister Mikulas DZURINDA (since 30, October 1998)

Cabinet appointed by the president on the recommendation of the prime minister. Following National Council elections, the leader of the majority party or the leader of a majority coalition is usually appointed prime minister by the president. Government coalition - SDK, SDL, SMK, SOP, KDH.

Legislative branch

Parliament unicameral National Council of the Slovak Republic or Narodna Rada Slovenskej Republiky
(150 seats; members are elected on the basis of proportional representation to serve four-year terms)

Judicial branch

Supreme Court (*judges are elected by the National Council*); Constitutional Court (*judges appointed by president from group of nominees approved by the National Council*)

Political parties and leaders

Christian Democratic Movement or KDH [*Pavol HRUSOVSKY*]; Democratic Party or DS [*Ludovit KANIK*]; Direction (Smer) [*Robert FICO*]; Liberal Democratic Union or LDU [*Jan BUDAJ*]; Movement for a Democratic Slovakia-People's Party or HZDS-LS [*Vladimir MECIAR*]; Party of Civic Understanding or SOP [*Pavol HAMZIK*]; note – SSDS and SZS joined the SOP parliamentary caucus; Party of the Democratic Left or SDL [*Lubomir PETRAK*]; Party of the Hungarian Coalition or SMK [*Bela BUGAR*]; Slovak Communist Party or KSS [*Jozef SEVC*]; Slovak Democratic and Christian Union or SDKU [*Mikulas DZURINDA*] (*note - this is DZURINDA's new party for the 2002 elections; he remains chairman of a rump and splintering SDK*); Slovak Democratic Coalition or SDK (*loose parliamentary club grouping, representing members of the smaller SSDS, SZS, and those committed to run under SDKU in 2002*) [*Mikulas DZURINDA*]; Slovak National Party or SNS [*Jan SLOTA*]; Alliance of a New Citizen or ANO [*Pavol RUSKO*]



Political Overview of Ukraine

Ukraine

Location
 49 00 N, 32 00 E

Land boundariestotal 4 663 km
 of which on
 Belarus891 km
 Hungary103 km
 Moldova939 km
 Poland526 km
 Romania (south)169 km
 Romania (west)362 km
 Russia1,576 km
 Slovakia97 km

Independence24, August 1991 (from Soviet Union)
 Constitutionadopted 28, June 1996

Executive branch

PresidentLeonid Danilovych KUCHMA (since 19, July 1994).
 GovernmentPrime Minister Viktor YANUKOVYCH (since 21, November 2002).
Prime Minister and Cabinet of Ministers appointed by the president and approved by the Supreme Council.

Legislative branch

Parliamentunicameral Supreme Council or Verkhovna Rada
(450 seats; under Ukraine's new election law, 225 of the Supreme Council's seats are allocated on a proportional basis to those parties that gain 4 % or more of the national electoral vote; the other 225 members are elected by popular vote in single-mandate constituencies; all serve four-year terms).

Judicial branch

Supreme Court; Constitutional Court

Political parties and leaders

Agrarian Party [*Kateryna VASHCHUK*]; Communist Party of Ukraine or CPU [*Petro SYMONENKO*]; Democratic Initiatives [*Stepan HAVRYSH*]; European Choice [*Volodymyr Stasyuk*]; Our Ukraine [*Viktor YUSHCHENKO*]; People's Choice [*Mykola HAPOCHKA*]; People's Democratic Party or PDP [*Valeriy PUSTOVOYTENKO, chairman*]; People's Power [*Bohdan HUBSKYY*]; Regions of Ukraine [*Rayisa BOHATYRYOVA*]; Socialist Party of Ukraine or SPU [*Oleksandr MOROZ, chairman*]; United Social Democratic Party [*Leonid KRAVCHUK*]; Working Ukraine-Industrialists and Entrepreneurs [*Ihor SHAROV*]; Yuliya Tymoshenko Bloc [*Yuliya Tymoshenko*].



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