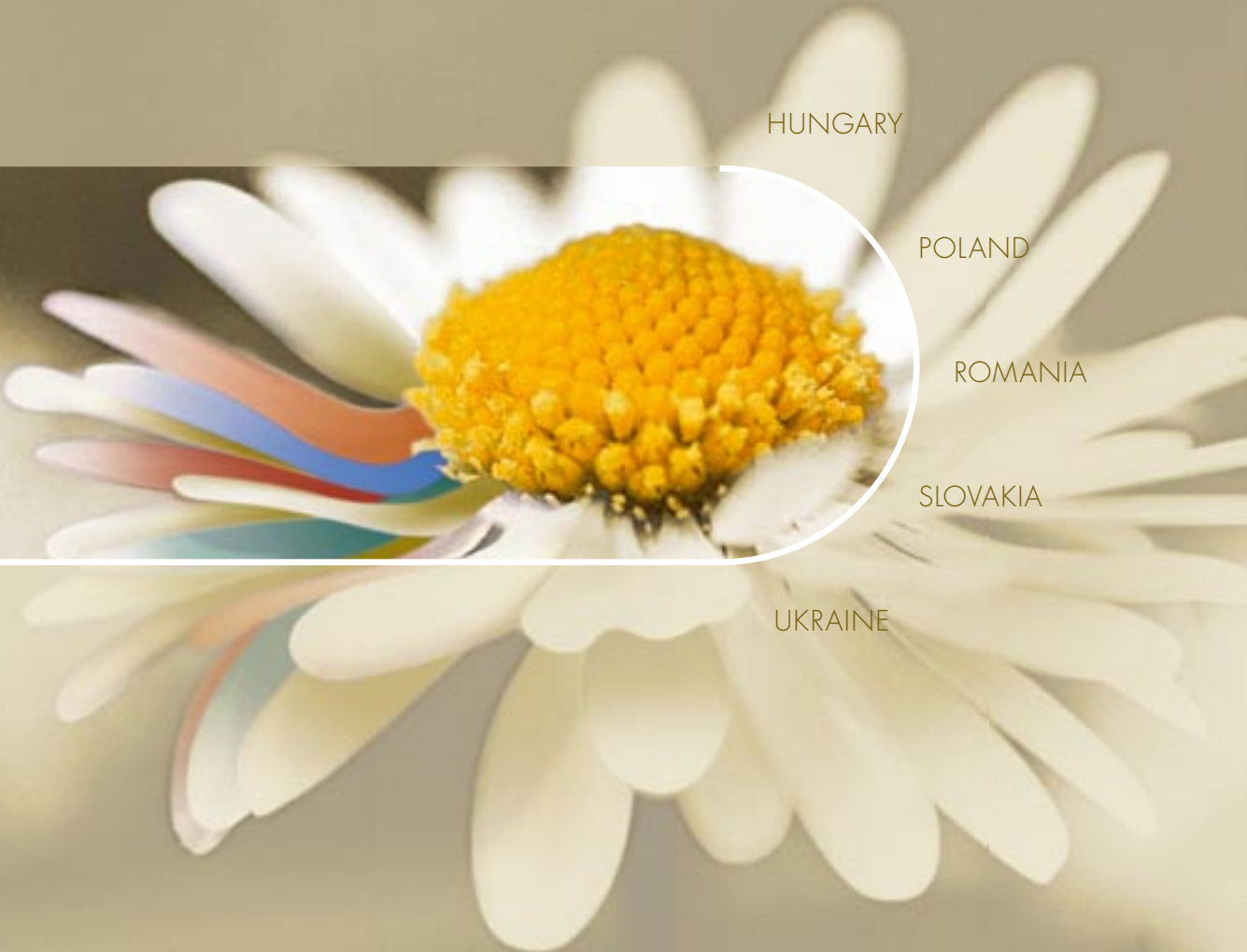


Carpathian Foundation

FIVE NATIONS, ONE COMMUNITY

ANNUAL REPORT 2005



HUNGARY

POLAND

ROMANIA

SLOVAKIA

UKRAINE





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Members of the Board of Directors of Carpathian Foundation International

Members of the Board of Directors of the Local Offices

Members of the Supervisory Board of the Local Offices

Honorary Board Members

Carpathian Foundation Staff in the year 2005

For information about how you can help support the Carpathian Foundation in general, or a specific program or region, send an e-mail to cf@cfoundation.org, or contact your local Carpathian Foundation office at the address listed on the back of this report, or visit our website www.carpathianfoundation.org.

Message from the Chair of the Board of Directors

In retrospect, each passing year makes another big step ahead available and there is still a clear feeling of not enough accomplishments compared to the needs and the overall desire to making a difference in the region.

In 2005 the Carpathian Foundation celebrated its tenth anniversary, and this year will also be recognized as the one in which it faced major challenges and decisions, which have impacted the Foundation on long term.

Ten years ago the East-West Institute and the Charles Stewart Mott Foundation established an organization which was meant to have a wide regional impact, out of the belief that civic participation, regional and economic development, and cross-border, interethnic co-operations would be the cornerstone of a stable and democratic Europe.

In the meantime, the Foundation has become the pre-eminent, indigenous grant-making foundation in the region, and is a model often replicated in other bordering regions of the world. During a decade of activity, the Carpathian Foundation has bridged divides by fostering economic development, supporting cross-border projects, encouraging collaborative activities, and advocating a regional approach to sustainable economic development.

After ten years of tireless efforts dedicated to creating change in the region by nurturing private partnerships between businesses, local governments, and local communities, the Carpathian Foundation has launched the Carpathian Corporate Social Responsibility Program, designed to promote increased cooperation and greater synergies between these sectors to build a stronger more collaborative civil society and usher this special and important region into the global economy. It is with these goals in mind that the Carpathian Foundation now ventures forward to partner with global role models including major multinational companies with interest in the region and the new emerging small and medium sized enterprises, to define a new paradigm for good corporate citizenship.

As part of the challenges and changes in the operation of the Carpathian Foundation in 2005, one has to mention the relocation of the headquarter office from Kosice, Slovakia, to Eger, Hungary, as well as changing gears in the top executive position. Mr. Sandor Koles who served the Foundation for ten years, eight of these as Executive Director, has left the Foundation in order to pursue other opportunities. The position was taken over by Mr. Janos Lukacs, who came from senior level management positions of varied national and multinational development programs, and organisations. He has also expertise in Organisation and Systems Development, Change Management, Executive Coaching and fundraising.

I trust we are now better positioned to make a difference, and we remain committed to this region and its people, so that they live in confidence, trust and prosperity. To make this possible, we have embarked on a major transformational process at an individual and institutional level, so that we become an effective organization, which fosters innovative cross-sectoral and cross border cooperation, sustainable resource mobilization, strengthening the key processes in civil society.

As many of our fellow citizens live in a world of impossibility, or at least hard work to bring about little, we at the Carpathian Foundation are committed to developing that capacity of endless possibilities for our partners and beneficiaries, which could be turned into accomplishments.

I am convinced that the coming years will reveal a stronger and more effective Carpathian Foundation, able to play its major role within a larger European Union, and in its own neighborhood.

Sincerely, Anca Harasim



Letter from the Executive Director

Just a little more than a year ago the Carpathian Foundation celebrated its 10th anniversary, and its outstanding contribution to the revitalization and transformation of the Carpathian Euroregion, one of the least developed regions in the newly unified Europe. Over those years the Carpathian Foundation has assisted hundreds of communities, local and regional actors, individuals and their organizations to redefine their own identity, and clarify their vision for the future. It has fostered the transformative energy of citizens in the region, and has helped them to empower themselves for acting on their own ideas towards the envisioned future.

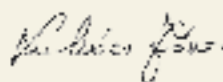
The knowledge of the Carpathian Foundation in issues of social, economic and environmental development, and its expertise in program design and grant making have increased the effectiveness of grass-root efforts, and helped to amplify the voice of communities throughout the region. Such impact could not have been achieved without the strong commitment and the steady support it has received from its board members, from donors, especially from the Charles Stewart Mott Foundation, the Open Society Institute, and the Cooperating Netherlands Funds for CEE, and from other contributing partners.

Several challenges and changes affected the operation of the Carpathian Foundation in 2005 in addition to the relocation of the headquarter offices from Kosice, Slovakia, to Eger, Hungary. In 2005 Sándor Köles stepped down as Executive Director after serving the Carpathian Foundation for over ten years. First as the country director for Hungary and then as the Foundation's executive director, his inspiring leadership resulted in a team of talented professionals, in the Foundation's sustained success in expanding its grant making and operational services and programs, and in the Foundation positioning itself as a unique, cross-border development organization in the Carpathian Region. Sándor made a preeminent contribution to the beginning, the building, and the success of this organization, and I personally wish him

much success in his future endeavors. By taking over the Executive Director's position I am committed to offer all my experiences and energies in the service of the Foundation's mission.

For the transformation of the Euroregion the political and economic environment has changed recently by three out of the five countries of the Euroregion having joined the European Union, with the fourth in the final phase of accession and the fifth on the road to candidacy. Although the donors of the past are gradually withdrawing from the region, the resources potentially available for development – coming from the European Union, and from national development programs – that are in line with the mission of the Carpathian Foundation are likely to substantially grow.

In response to this new situation the Carpathian Foundation is in the process of re-designing its activities for fulfilling its mission, and envisions itself as a leading sustainable organization, and acts as a team of inspiring professionals who create programs, generating and mobilizing local and international resources to transform the region into a place where people are proud to live in.



János Lukács
Executive Director



The Carpathian Euroregion

The Carpathian Euroregion was established right after the political-social changes of the eastern, ex-socialist countries, comprising regions situated in peripheral territories in their own countries, being less developed in terms of economy and social structure. This was the first euroregion that embraced regions of the countries in the former eastern block where the inhabitants have a similar past history, and traditions.

Politicians, having understood the common interests, created the Carpathian Euroregion, which is an international association formed on February 14, 1993 by the Ministers of Foreign Affairs of Poland, Ukraine and Hungary in the city of Debrecen. The Carpathian Euroregion comprises 19 administrative units of five countries from Central and East Europe, which are Poland, Slovakia, Hungary, Ukraine and Romania.

As for the Euroregion the basic challenge is the fact that its territory was a potential source of geopolitical conflicts. At the time of the establishment of the Carpathian Euroregion its territory involved was approximately 53.000 square kilometre with a number of 5 million inhabitants – presently these data are 161.192 square kilometre and 16 million inhabitants.

The Carpathian Euroregion is designed to bring together the people who inhabit the region of the Carpathian Mountains, and to facilitate their cooperation in the fields of science, culture, education, trade, tourism and economy.

MEMBERS OF THE CARPATHIAN EUROREGION:

Hungary: Borsod-Abaúj-Zemplén, Hajdú-Bihar, Heves, Jász-Nagykun-Szolnok, Szabolcs-Szatmár-Bereg counties

Poland: Podkarpackie Region (Sub-carpathian Region)

Romania: Satu Mare, Maramures, Bihor, Suceava, Salaj, Botosani, Harghita counties

Slovakia: Kosice and Prešov

Ukraine: Transcarpathian, Lviv, Ivano-Frankivsk, Chernivtsi regions

In accordance with the Article 106 of Madrid Convention by the Council of Europe, by EU-conform Statutes and Articles of Operation, the objectives of the Euroregion were defined as follows:

- Promotion of co-operation in the field of social, economic, scientific, ecological, educational, cultural and sports affairs
- Lobbying for the implementation of cross-border projects, mutual intention on co-operation with national institutions and organisations

THE MISSION OF THE CARPATHIAN EUROREGION IS :

To improve the living standards of the people living in the area, to preserve peace, to promote good relations between people on both sides of the borders, to decrease the isolating effect of the borders, to ensure the permeability of borders.

The Carpathian Euroregion can be ranked as a permanent structure of cross-border cooperation called also “working coalition, inter-regional association”. “Working coalitions” are structures within which local and regional organizations and bodies decided to cooperate based on signed cooperation agreements.

Common features of these structures are:

- they are permanent
- in individual cases they have their own identity, but usually adopt the identity of members
- they have certain own capacities thanks to their members, but do not have significant financial and human resources capacities
- they do not have decision making competencies involving members.

NATIONAL PARTS OF THE CARPATHIAN EUROREGION

Country	Area (km ²)	Population
Hungary	28 639	2 616 000
Poland	17 926	2 112 000
Romania	42 281	3 351 000
Slovakia	15 746	1 543 000
Ukraine	56 600	6 429 000
Total:	161 192	16 051 000

The Carpathian Foundation

The Carpathian Foundation is a non-profit cross border development foundation. The Foundation is connected to a clearly defined geographical, historical, ecological and economic region of Central-Eastern Europe that includes the bordering regions of Hungary, Poland, Romania, Slovakia and Ukraine. Administered by professionals based in each of the five countries and coordinated by staff located in the head office in Eger, Hungary, the Foundation is governed by a board of ten members, elected from each country where it works, and the USA.

MISSION


The Carpathian Foundation promotes good neighbourliness, social stability and sustainable economic development, establishes conditions in which communities of the Carpathian Region develop confidence, trust, identity and mobilize local resources to improve their well-being and to engage in broader European and global developments.






Guiding values

- Recognition of cultural, ethnic and natural diversity as a prime asset of the Carpathian Euroregion
- A belief that communities best develop through principles of self-help
- Respect for the identity and cultural heritage of the Carpathian Euroregion
- A belief that the human capacity of the Euroregion is its greatest (potential) strength
- Recognition that strong civil societies are integral to economically and socially healthy communities.

ROLE OF THE CARPATHIAN FOUNDATION

As a convener the Carpathian Foundation unites public, private, and business interests from across the region in support of its mission. It serves as;

-  Facilitator by promoting cross-border cooperation and building confidence and respect between different ethnic groups

-  Innovator by identifying and communicating new approaches to community, economic and regional development
-  Provider by supplying technical assistance to local governments and NGOs
-  Grantor by giving financial support to local and regional initiatives of non-profit organizations and local self-governments
-  Mediator by acting as an engaged but impartial intermediary between local, regional, national, and European parties
-  Conflict preventor by promoting inter-ethnic and inter-cultural cooperation

GRANT MAKING AND OTHER DEVELOPMENT PROGRAMS

THE LOCAL INITIATIVES PROGRAM

focuses mainly on assisting socio-economic development of disadvantaged communities. It aims to develop human capital (strengthening of absorption capacity), and to empower local communities in disadvantaged areas through small grants.

THE RomaNet PROGRAM

encourages and motivates trans-frontier/cross-border cooperation between organizations that are addressing issues concerning Roma in the Carpathian Euroregion. The RomaNet program was launched to assist Roma organizations to acquire familiarity with initiatives implemented by other groups in the region.



THE CROSS BORDER COOPERATION PROGRAM

focuses on supporting development initiatives among organizations of the five countries of the Carpathian Euroregion, and offers opportunities for mutual learning through co-operation with organizations outside the Euroregion. It promotes community to community, village to village connections based on clear learning objectives and/or joint project activities.

THE INTEGRATED RURAL COMMUNITY DEVELOPMENT PROGRAM (IRCD)

aims to encourage and assist rural actors to identify and utilize the longer-term potential of the region. It supports the implementation of integrated, original and alternative strategies for sustainable rural development in rural mountain areas, which, with their rich natural and cultural heritage, have great potential for development. Only NGOs are eligible for grants, but they can partner up with local governments and organizations outside of the Region.

CARPATHIAN BEST RURAL INITIATIVES FOR DEVELOPMENT AND GATEWAY TO EUROPE (BRIDGE)

offers technical and financial assistance (core funds) to grassroots organizations to build coalitions with partners, develop project proposals and fulfill the high standards required by EU-funded programs in terms of proposal writing, project management and/or financial stability. These community based organizations are NGOs and Local Self Governments (LSGs) in remote rural areas have good potentials and good ideas, but are not strong enough for winning the competition for EU funds against stronger and better established stakeholders. In the case of awarded projects, CF provides such organizations assistance in project management and reporting. The program was piloted in Hungary and, based on the first successes, it will gradually be extended to the other four countries.

THE FRED ROBEY RAPID RESPONSE FUND (FRF)

supports initiatives related to education, self-help, youth and innovation. Based on its success the Fund will continue operating also in 2006.

THE MICRO-GRANT FUND IN UKRAINE (MGF)

is implemented by CF on behalf of the Canadian Bureau for International Education. The CF participates in the grant awarding steering committee and is responsible for the financial supervision of the micro-grants.

THE SOCIAL TRANSITION PROGRAM (ST)

was developed in conjunction with the Co-operating Netherlands Foundations for Central and Eastern Europe (CNF) with the objective of supporting the process of social transition. The CF operates the whole grant-making and supervision process on behalf of CNF for providing financial support to the community-based initiatives of local grassroots NGOs in Ukraine.

EVENTS AND NEW INITIATIVES LAUNCHED IN 2005

CARPATHIAN FOUNDATION 10TH ANNIVERSARY

The Carpathian Foundation celebrated its tenth Anniversary and Awards Reception with the launch of the new Carpathian Economic Development and Corporate Social Responsibility initiative on 3 June 2005. The Reception hosted over one hundred guests – leaders of important international organizations. At the Awards Reception, five outstanding world leaders including William S. White of the Charles Stewart Mott Foundation, Joel H. Cowan of Habersham & Cowan, Francesco Vanni d' Archirafi of Citigroup Global Transaction Services for Europe, Middle East,



and Africa, Dr. Celal Metin of Met Group of Companies, and Gheorghe Ofrim of the SC ARCER SRL were honored for their dedication to civic leadership, community development, and global corporate social responsibility.

The Carpathian Foundation was established in 1995 by the East-West Institute, with the generous support of the Charles Stewart Mott Foundation. The concept emerged from the belief that civic participation, regional and economic development, and cross-border, inter-ethnic cooperation are the cornerstones of a stable and democratic Europe. The Foundation has become the pre-eminent, indigenous grant-making foundation in the region, and is a model often replicated in other bordering regions of the world. The Awards dinner and the launch of the new Corporate Social Responsibility initiative were exceedingly successful events for the Carpathian Foundation that allowed us to reflect upon the achievements of the past and look forward to the Carpathian Foundation's future.

CARPATHIAN FOUNDATION CORPORATE SOCIAL RESPONSIBILITY PROGRAM (CCSRP)

During a decade of activity, CF has bridged divides by fostering economic development, supporting cross-border projects, encouraging collaborative activities and advocating a regional approach to sustainable economic development. In an effort to enhance these activities by expanding the involvement of the corporate community in building a civil society in this region, CF launched the Carpathian Corporate Social Responsibility Program (CCSRP) on 3 June 2005.



The goal of the Carpathian Corporate Social Responsibility Program is to expand socially rational business practices that enhance shareholder value by addressing humanistic, social, environmental, historical and cultural challenges facing the citizens of the Carpathian Euroregion. To meet this goal, the CCSRП employs confidence-building measures to harmonize the interests and efforts of the private, public and NGO sectors.

CRITICAL ELEMENTS:

- Corporations understand and accept their role in building a strong civil society and sustainable development
- Corporations develop partnerships with NGOs, multinational aid organizations, and governments in order to maximize the return on their investment of resources in Corporate Social Responsibility activities
- Public policy and structural systems encourage and support active engagement of the corporate community in Corporate Social Responsibility activities

Utilizing its local knowledge and its robust international, regional and local networks, the Carpathian Foundation will play a key coordination, training and convening role.

The CCSRП will focus on four pillars of Corporate Social Responsibility including –

- Local Philanthropy
- Community Economic Development
- Grant Making
- Education.

The second event in the framework of the CCSRП was organized on November 3rd, 2005 in Bucharest, and benefited from a large representation of national and multinational corporations, small and medium enterprises, banking sector, NGOs and the public sector – key national and regional players in the field of Corporate Social Responsibility.

Panel members and presenters were high level representatives of the following organizations: UNDP, Citibank Romania SA, Freedom House, MOL PLC, Counterpart Creative Center Charity Foundation, Gutmann Bank, GlaxoSmithKline Romania, Hospice of Hope, Junior Achievement Romania, PANET – Partnership for Networking; Association for Community Relations, Romania, Center for Rural Assistance (CAR), Carpathian Euroregion, Slovak Donors Forum, CHF

International Romania, Environmental Partnership for Sustainable Development.

They addressed the following topics: Goals and Objectives of the Carpathian Corporate Social Responsibility Program, Building and Enabling Environment for Socially Rational Business Practices, Partnerships that Make a Difference, Human Resource Development & Strengthening Absorption Capacity, Legal & Fiscal Environment.

With the establishment of the Carpathian Corporate Social Responsibility Program, the Carpathian Foundation has brought this critical region to the attention to the global community. By harmonizing the various sectors to build the framework for more socially rational business practices – and as the practical means to that end – we will hasten the Carpathian Euroregion's emergence into the global marketplace.

The event benefited from a Travel Scholarship offered by Mr. Fred Robey to cover the participation of local grass-roots organizations from the five countries.

THE CARPATHIAN SCHOLARSHIP PROGRAM – FUNDED BY FRED ROBEY

Fred Robey, an American philanthropist and a member of the Carpathian Foundation Board of Directors, devoted 100,000 USD for distribution by the Carpathian Foundation.

The funds – according to the will of the donor – establish a 5-year pool for scholarships to be divided between the Carpathian regions of 5 countries: Hungary, Poland, Romania, Slovakia and Ukraine, co-operating in the frame of the Carpathian Euroregion. This sum gives an amount of around 4,000 USD a year per country.

The first academic year 2006/2007 is treated as a testing period for the scholarship procedures, so only one student from each country will be chosen. The students have to be residents of Carpathian Euroregion, represent outstanding results in learning, and not able to study for financial reasons.

CF offices have started co-operation with selected high schools and universities in the region in order to help in identifying potential candidates.

The nominating committee in each country will select one scholar for the academic year 2006/2007.

HEADQUARTERS RELOCATION

As part of the organizational evaluation CF ran during 2003–2004, and given the need to identify the best legal environment that serves its mission and activities, the CF Board of Directors took the decision to move the CF Headquarters Office from Kosice, Slovakia, to Eger, Hungary. In April 2005 Carpathian Foundation International, was registered in Eger as a public benefit organization, and serves as the coordinating programming, and administrative Headquarters for the five national CF offices.

THE ACTIVITIES OF THE FIVE CARPATHIAN FOUNDATION REGIONAL OFFICES IN 2005

HUNGARY

In the year of 2005 the process of overseas donors leaving the Euroregion has continued, not only from the new EU member states, Hungary, Poland and Slovakia but also from the candidate Romania. The only exception in this respect is Ukraine, the EU pre-accession status of which is still not foreseeable. Recently resources from EU structural funds became decisive for supporting local initiatives, but governmental policies and the access to development funds are very different in the above mentioned countries.

It has soon become obvious that the EU accession process and even the membership does not help the “minors” – that is small NGOs and Local Self-Governments in the Carpathian Euroregion – if they lack project preparation expertise, project management capacity, matching funds for covering own-contribution part of respective projects, and resources to pre-finance their own initiatives.

The Hungarian office of the Carpathian Foundation made pilot interventions in 2004 providing such expertise and support, and continued this effort in 2005 as well. These initiatives resulted in a new approach of supporting local stakeholders in the Carpathian Euroregion by designing and implementing a Carpathian BRIDGE Program (Carpathian Best Rural Initiatives for Development and Gateway to Europe). The mission of the Carpathian BRIDGE Program is to provide equal opportunities for communities in the Euroregion to access diverse EU financial

instruments by strengthening the absorption capacity of NGOs and Local Governments in the fields of sustainable development, cross-border and inter-ethnic cooperation and preservation of the cultural heritage. In the framework of this program we provide technical and financial assistance for grassroots projects – the goals of which meet those of the respective EU programs. BRIDGE combines European and overseas philanthropic philosophy, solving the problems of well-established, but inflexible EU financial instruments by injecting American entrepreneurial spirit into their projects.

BRIDGE as a grant program is combined with technical assistance offered to the development and implementation of projects based on innovative initiatives in the fields of sustainable development, cross-border and inter-ethnic cooperation, and preservation of the cultural heritage presented by disadvantaged local communities of the Carpathian Region.

In the framework of the BRIDGE, CF offers four types of assistance:

- 1. Technical assistance for the development of the project ideas and preparation of the proposal
- 2. Financial contribution – non-refundable grant – to help fund the local contribution required for the project (5–10% of the total project budget)
- 3. Quality assurance of the project during its implementation (assuring the project is being properly managed and fulfilling all reporting requirements set up by the Managing Authority).
- 4. The assurance of the liquidity of the projects in the form of a refundable grant (10–30% of the project budget)

Main goals of the program:

- To enable local initiatives developing their innovative ideas into projects and then proposals to be presented to EU funding programs
- To offer financial assistance to innovative projects of disadvantaged communities enabling them to provide their own resources required to be eligible for financing under diverse EU programs
- To assure the quality of the projects to be implemented by offering technical assistance to the project management
- To assure the liquidity of the running projects by providing refundable grants (micro loans)

Piloting this program in Hungary in 2005 we have had a chance to implement two significant development programs in the region. One of them is located in the Cseréhát region focusing on the human resource development of the local communities with strong re-training and employment opportunities for locals supplemented by marketing activities for their products. In the framework of the other BRIDGE program we are implementing the project called “Tourism Without Borders” in the Upper Tisza Region collaborating with grassroots NGOs from Hungary and Slovakia. The aim of the project is to conduct a regional marketing plan and activities diversifying the local economy, establishing an international network of local stakeholders to strengthen their income-generating capacity.

As a result of these approaches one of our projects was nominated as the Best Project being implemented in Hungary in 2005 in the field of human resource development by the Hungarian Bureau of National Development, and won the award.

We truly believe that these types of approaches can help local communities to acquire self-help, and the ability of cooperation among different sectors and actors.

POLAND

Podkarpackie Voivodship is located in the south-eastern corner of the country. The voivodship borders Ukraine on the east and Slovakia on the south. The region has a total area of 17.9 thousand km², which accounts for 5.7% of the country's total area, and is one of the least urbanized areas of Poland (40.9% of the population live in urban areas against 61.7% in the country). The administrative centre of the voivodship is Rzeszów.

Strong points of the region:

- natural resources, forests and forest complexes, rivers and water reservoirs, gas deposits, geo-thermal waters as well as building raw materials
- tourist attractions: abundance of significant sites, places of cultural heritage, natural and scenic assets
- clean natural environment, development possibilities for organic farming
- favourable age structure of the population
- airport outfitted with world-class equipment, adapted to servicing domestic and international traffic

- potential and technical assets of enterprises in the electrical engineering, chemical as well as agricultural foodstuff industries in connection with scientific-research potential of the academic community
- competitive prices for real estate investments

Weak points of the region:

- low level of urbanisation
- outflow of young and educated people from the region
- low level of incomes of the population
- dispersed and ineffective agriculture, hidden unemployment in rural areas
- inadequate transportation and telecommunications networks
- underdeveloped tourism and sports-recreation infrastructure

In partnership with other organizations, the Foundation took part in 2005 in an international project which was coordinated by the Center of the Community Work in Prague, Czech Republic. The project was financed by International Visegrad Fund. Staff of the Carpathian

Foundation-Poland participated in a conference and study tour in Czech Republic.

In June 2005 Carpathian Foundation – Poland purchased the property at Sanok, Poland, which is the office of the Foundation in the present. The office was financed thanks to a Bathory Foundation grant as well as its own resources. The purchase gave a base of financial stability, and enlarged ability to apply for new grants and financial support from donors.

In 2005 the Foundation hosted twice in Poland the American philanthropist Mr. Fred Robey. Impressed by the principal of the Grammar School in Kostarowce, Poland, Mr. Robey decided to give a \$10,000 grant, through the Carpathian Foundation, to finalize the renovation of the school and its transformation in a functional community center.

ROMANIA

The north-west part of Romania, and Suceava and Botosani counties belong to the Carpathian



Euroregion. It does not have any administrative powers, its main function being to co-ordinate regional development projects and manage funds from the European Union.

The economy of North-West is mainly agricultural (46% of its population having agriculture as their main occupation), even though there is some heavy and light industry in the major regional industrial centers of Cluj-Napoca, Oradea, Baia Mare and Satu Mare.

During the year 2005 CF Romania finished the activities related to Living Heritage program of 2004 – a video documentary and a small photographic exhibition illustrating the relevant initiatives which have been or are being carried out within the Living Heritage partner countries, namely Bulgaria, Macedonia, Bosnia Herzegovina and Romania. This production was prepared and presented to the public on the occasion of the international conference that took place in Skopje, Macedonia.

CF Romania was contracted by the IRIS Center of the University of Maryland to organize a comprehensive survey in the field of forest management, as part of a large scale USAID and World Bank finance project. The overall project comprises a series of tasks which are intended to develop a clearer perspective on the problem of forest sector governance in Romania. These tasks involve carrying out diagnostic work on the patterns, prevalence, and perceptions of corruption and illegal activities. The diagnostic study is expected to provide recommendations which can be implemented with support from the World Bank-financed Forest Development Project.

CF Romania is partner in TalkIT project. TalkIT is a Leonardo da Vinci pilot project, its complete title being – “TalkIT: Implementation of language training for

specific groups”, namely tour operators from rural areas. The main applicant is the Folkuniversitetet, Stiftelsen Kursverksamhet vid Lunds Universitet, Kristianstad, Sweden, and the partners are from Italy, UK, Austria, Poland and Czech Republic. CF is responsible for participating at the initial evaluation meetings, and at development partner meetings, and contributing accordingly to the development of the stipulated goals. The other task is to deliver all necessary reports, and financial statements, according to the project management plan.

ECOROUTE – “A Route to Sustainable Rural Development through Ecotourism Labeling” is a pilot project co-funded by the European Commission, Leonardo Da Vinci Programme between October 2003–2005, which aimed to sensitize and empower rural populations in the development of quality ecotourism. This project was developed in cooperation with PRISMA Company, from Athens, with the Romanian Ministry of Tourism and CDIMM partners from Baia Mare, Romania, as well as with partners from Sweden and Hungary. CF Romania’s responsibilities in this program were:

- To establish the local trainers task force and deliver the training of trainers in Romania
- To organize the pilot testing of the training package for service providers
- To organize the regional workshop in Romania, that took place in September 2005, in Felix, Oradea


SLOVAKIA

The eastern part of Slovakia, belonging to the geographical scope of Carpathian Foundation and to the Carpathian Euroregion, is very different from the rest of the country. Most of the territory has rural character, and well preserved nature with living traditions and values, and wide range of ethnic groups and minorities contributing to the diversity.

The negatives of the territory are represented mainly by deep disparities between the regions, having an impact on all areas of life, and the people having their homes there. The rural border regions of Eastern Slovakia, being far away from the large cities, still have a bad infrastructure contributing to the discrimination of this region. This large region has the highest unemployment rate in the country, and another problem arising from this is the massive exodus of young people from the region.

The Carpathian Foundation started in 1995 as a new and well established international, cross-regional foundation





with a strong founder and donor backing. This made a powerful impression on the local people's minds and the Foundation is still understood as a strong, elite foundation, a large donor. On the other hand, appearance of CF Slovakia as a helpful NGO is caused by its user-friendly approach based on non-bureaucratic processes, and good technical assistance provided by the local staff.

During the past 10 years the Carpathian Foundation became one of the key players in the relevant region of Slovakia, and a catalyst of change. The Foundation was dealing with emerging problems and challenges in the lagging areas; and with newly established organizations and initiatives of communities having lack of experience but a lot of enthusiasm. As the only grant making organization of its scale in Eastern Slovakia, having regular grant programs with different priorities, the Carpathian Foundation played an important role in helping local communities. This help was always based on local needs, and accompanied by an open approach.

In the year 2005 CF Slovakia spent most of its internal resources, on the development of internal procedures and tools for the whole Carpathian Foundation network, which included development of an internal information system, and web page of the CF.

CF Slovakia is maintaining good relations with former and present grantees who represent both a great resource for the region, and models for future programs of the foundation. Most of the organizations developed, also thanks to the Foundation's support, are providing the base for further activities.

UKRAINE

During 2005, the year which followed the Orange Revolution, Ukraine experienced many basic political changes from the position established by its independence in 1991. The country changed from a presidential into parliamentary-presidential republic. Drastic democratization of Ukraine was accompanied by general disillusionment in the slow pace of social reforms.

The Ukrainian part of Carpathian region is not an exception in these processes. Four western regions (Lvivska, Ivano-Frankivska, Zakarpatska, and Chernivetska oblasts) remain in less favorable conditions than other areas of the country. They traditionally have higher unemployment rates, high level

of economic season migration, less investments, low social guarantees, lower levels of income, huge internal unevenness between the valleys and mountains. Nevertheless, some positive trends appeared during last year. In particular, the Carpathian region does not experience the burden of traditional heavy industries, which allows the development of modern, sometime post-industrial, branches of economy. The service sector and tourism are growing fast.

During 2005 western regions of Ukraine managed to possess leading positions in terms of committed foreign investments. The unemployment rate slowly decreased, and there is some growth in public wealth. Western Ukraine enjoys a more developed civil society and level of inter-sector cooperation. It excels other parts of Ukraine in the number and diversity of NGOs, performing in a wide spectrum of fields. Yet many social problems remain unresolved and sometime even unaddressed. This fact defines peculiarities of CF-UA activities. The Country office is more engaged in dealing with social issues than other CF offices. In cooperation with CNF (Cooperating Netherlands Foundations for Central and Eastern Europe) CF-UA runs the Social Transition Program in Western Ukraine. In 2005 CF approved 23 projects of total amount of Euro 600 350. These projects are implemented in the fields of child care, disabled people, addicts, elderly, and health care.

In 2005 an important decision was taken on expanding the Social Transition Program to the whole territory of Ukraine. Support for the foster families and Family Type Children Homes was defined as CF-UA and CNF priority for the next year. Other CF-UA activities are connected to community economic development in Ukraine in the framework of a Canadian Bureau for International Education project. CF-UA provides technical assistance in selection, provision and monitoring of micro-grants. During 2005 two grants were awarded and successfully finished. CF-UA staff took an active part in Community Economic Development training program. Another field of CF-UA activities is the development of rural tourism in Ukraine. Within TACIS's Development of Sustainable Rural Tourism Project preparation of Summer School, publishing of the teaching materials, and selection of the participants were undertaken. CF-UA was also a co-organizer of the international conference on child care in November 2005, which became a turning-point in child care reform in Ukraine.

Grant statistics

In 2005 the Carpathian Foundation distributed \$ 627,213 and € 600 350 in grants to Local Self-Governments, and NGOs in the Carpathian Euroregion. Grants were given in the framework of 9 programs, including the Social Transition Program, and Canadian Bureau for International Education program allocated by Carpathian Foundation – Ukraine.

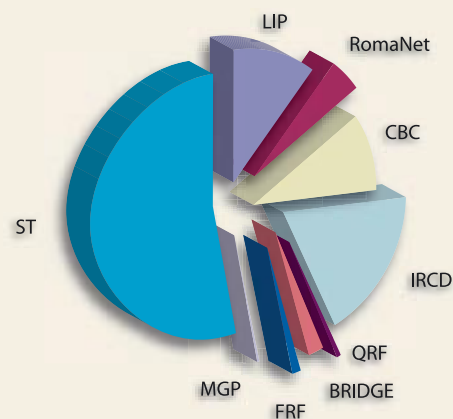


2005 GRANTS BY PROGRAM

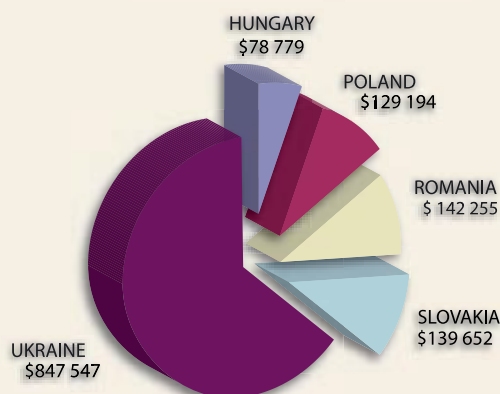
Grants	Number awarded	Amount given in USD
1. Local Initiatives Program (LIP)	41	\$ 149,005
2. RomaNet Program	15	\$ 57,550
3. Cross Border Cooperation (CBC)	13	\$ 130,000
4. Integrated Rural Development Program (IRCD)	7	\$ 239,956
5. Quick Response Fund (QRF)	2	\$ 6,500
6. Carpathian BRIDGE Program	5	\$ 24,979
7. Fred Robey Rapid Response Fund Program (FRF)	9	\$ 17,645
8. Micro-Grant Fund (MGF)	2	\$ 1,578
9. Social Transition Program (ST)	23	\$ 710,214*

* Social Transition Programs are paid in EURO. Exchange rates of 31st December 2005 (provided by Hungarian National Bank) were used for calculating the dollar amount.

2005 Grants by program



2005 Grants by country



2005 GRANTS BY COUNTRY

Country	Number awarded	Amount given
Hungary	15	\$ 78,779
Poland	17	\$ 129,194
Romania	23	\$ 142,255
Slovakia	19	\$ 139,652
Ukraine	43	\$ 847,547

List of grants 2005

LOCAL INITIATIVES PROGRAM

HUNGARY

Herman Otto Environmental Protection Association.....\$ 5,000
Transcarpathian disadvantaged ethnic minority's one-weekend meeting in Besenyőtelek

Zemplén Television Public Benefit Company.....\$ 5,000
'Leave the values by will to your son...' – short film series

Tompá Mihály Gömör Cultural Association.....\$ 5,000
Preservation of Gömör knotty embroidery as the special regional fancy work technique

Folkradio Public Benefit Foundation.....\$ 5,000
Broadcasting folk music of the Carpathian Euroregion on the Folkradio and increasing the numbers of non-Hungarian speaking listeners

House of Arts-Eger.....\$ 1,000
International Folklore Weekend Marathon

POLAND

Association – Bike Organization of Ecological Expeditions of Sanok Region ...\$ 5,000
Rowers Youth in Europe

Social Cultural Association "At the Foothill of the Słonne Mountains.....\$ 4,900
Tyrawa Wołoska Municipality – Our Little Homeland

Public Library in Krosno.....\$ 3,000
Places Dearer than the Others

Horyniec Zdroj Municipality.....\$ 5,000
Implementation of Natural-Cultural Recreational Path, Horyniec Zdrój–Radóz

Village Council Olchowiec.....\$ 1,000
XV Kermesz – Lemks' Fair

Regional Institute of Eco-Development of Rural Areas /RIETW/ in Tarnobrzeg\$ 4,900
Supporting Development of Cooperation between Rural NGOs in Podkarpackie Province

Foundation before Tomorrow Comes.....\$ 5,000

Association of Hutsul Horse Breeders and fanciers, Odrzechowa.....\$ 1,200
Farewell of summer with Hutsul Horse

Sanok Centre of Culture.....\$ 1,000
15th Adam Didur Festival

Jaslo Municipality.....\$ 1,000
Carpathian Folklore Festival

ROMANIA

Life Foundation.....\$ 3,000
Institutional development of the NGOs by online training program

Zestrea Association.....\$ 4,950
Together for a joint future

Radauti Town Hall.....\$ 3,000
Bucovina – a place of the soul

Fundatia Agapis.....\$ 5,000
10 Grade Community



Baltagul Foundation\$ 3,800
Trails of old civilizations

Domus Foundation\$ 3,250
Domus Past Present Future

Casebo Association\$ 3,500
Democracy through Decisional Transparency

Ethno-cultural CONCORDIA Association ...\$ 3,000
*Artistic Creativity camp in the multicultural
and multi-ethnic space in Balan region*

Chamber of Commerce and Industry\$ 2,500
*Promoting the member companies of the Chamber of
Commerce and Industry in Salaj County, Carpathian
Euroregion in order to cross border cooperation*

SLOVAKIA

Bells of Spiš – Agency for Protection, Renovation and
Recultivation of Cultural Heritage in the Area of the
“Gothic Route”\$ 4,500
*International Festival Of Historical Martial
Arts Spissky Castle 2005*

Literary Association – the Right Stuff,
Košice.....\$ 4,500
Save the Old Stories for the Future

Youth Association of Gemer, Rožňava\$ 4,400
*To develop a strategic plan for the association
for the period 2005–2009.*

Community Foundation Blue Torysa
(Modrá Torysa), Lipany.....\$ 4,350
*To develop philanthropy in the community,
to engage donors into decision-making process
about given resources*

Foundation City TV\$ 3,000
*To organize a meeting of local televisions,
from entire Europe on an international festival*

Association Upper Olka (Horná Olka).....\$ 2,990
*Program of Social and Economic
Development of the Association Horná Olka*

Community Foundation Bardejov\$ 4,500
Active Inhabitants – Healthy Town

Civic Association PRO FUTURO\$ 3,200
Europe for Microregion – Inspiration

Museum of Folk Culture in Lendak.....\$ 2,870
Lendak wants to become a known Place

UKRAINE

Tisa Association of Local Self-governments ...\$ 5,000
*Development of rural communities through
strengthening the agrarian sector*

Association “Synij Vyr”\$ 2,100
Establishment of ecological club “Ranger”

King Yuriy Community Foundation\$ 4,995
Feasibility study on local philanthropy

Lviv Tourist Board.....\$ 1,500
*Organization of International
Ukrainian-Polish Association of Tourist Guides*

Chynadiyevo Village Council.....\$ 4,100
*Green tourism development and
self employment*

NGO “Small Academy of Literature and
Journalism”\$ 5,000
*Support of young talents and the festival
of poetry “Rekitske suzirya”*

Center “Heneza”, Ivano-Frankivsk.\$ 3,000
Dialog of cultures in children’s arts

Association of Castles and Towers
Supporters\$ 4,000
Castles of Lviv region

RomaNet PROGRAM

HUNGARY

Amaro Trajo Cultural Foundation of Romas ..\$ 5,000
Wandering School of Glinda in 2005

ROMANIA

Cehu Silvaniei Town Hall\$ 3,160
*Clothes Maker job training for young roma
in Motis village*

Inter Active Community Development
 Association Borcoi Cornel Ioan.\$ 5,000
Community Development Caravan

Gura Humorului Town Hall\$ 4,040
Roma information and counseling centre

Association for promoting community
 safety\$ 4,800
Counselling centre for citizens

Artera Foundation.....\$ 3,000
Roma Crowd

SLOVAKIA

Segitin le Romange – Help Roma People, Košice ...\$ 1,000
Our Children

Scouting Slovakia, Roma Scouting Field, Košice ...\$ 4,100
Roma scouting

Town Stara Lubovna, Stará Lubovňa.....\$ 4,350
*Employment of the Long-Term Unemployed
 Roma in the County of Stara Lubovna*

O Roma vičinel – Roma Voices.....\$ 2,000
*To provide space for Roma kids to spend their
 free time effectively and to gain many valuable
 life and social skills for their better future*

Carpathian Association for Intergration\$ 5,000
*Program prospect – Preparation of Roma
 Students for some Universities*

UKRAINE

Vynogradiv District Women Civic Association
 “Bakhtali Romni”\$ 4,800
Establishment of Roma Hair-Dressers

Training Center “Nika”.....\$ 5,000
Courses of Carpentry Skills for Roma

Civic association “Bakhtalo Drom”.....\$ 3,000
Roma women initiatives

Transcarpathian Regional Charitable Fund
 Phralipe.....\$ 3,300
*A Sunday School for Roma as a Center
 for Preserving Roma Folk Traditions*

CROSS BORDER COOPERATION PROGRAM

HUNGARY

Tourist Organization of
 Borsod-Abauj-Zemplén County \$ 13,450
*“The Hernád River which connects us” –
 Cycling tour following the Rákóczi memorial places*

LSG Abaujszántó..... \$ 12,550
*Organizational of Tourism Training and
 preparation of a Marketing Plan in the
 Historical Abauj Region*

POLAND

Culture Centre of Sanok Commune, Sanok ...\$ 6,194
“Handicraft without Borders”

“Baszta” Bieszczady Ecotourism
 Association, Lesko \$ 12,000
Carpathian Stands on Wheels

Sanok Powiat Authorities, Sanok.....\$ 8,000
*Ecological Farming – the Chance for
 Carpathian Speciality*

ROMANIA

Bihor County Mountain Rescuers
 Association.....\$ 9,270
*AQUA TASK TEAM” Special Intervention
 Team in Calamities, and Events of Aquatic Nature*

Alternative Foundation, Romania\$ 9,290
*Steps for sustainable business in the
 Carpathian Euroregion*



ECOTOP Foundation for Culture and Environmental Education\$ 5,000
Common strategy for waste management in Finis Remeta micro region

SLOVAKIA

Košice Civic Club \$ 15,000
In the Footsteps of Rákóczi and the Kuruc Army

Civic Association DESIGN FORUM \$ 12,936
ART tourism in Rural Area in the Valley of the Bodva River

UKRAINE

NGO "Center for regional initiatives of Yavorivshchyna", Lviv region \$ 14,910
European social standards for Ukrainian communities

Charitable Fund "For preserving of Lviv historical-architectural heritage"\$ 9,050
Strategy for preserving the unique monuments of sacral arts

INTEGRATED RURAL DEVELOPMENT PROGRAM

POLAND

Society of Friends of Dubiecko Land \$ 20,000
The environment, the history, the culture-three paths of identity

Bieszczady Forest Railway Foundation \$ 40,000
By Forest Narrow-Gauge Railway Across Bieszczady

ROMANIA

Baltagul Foundation \$ 40,000
Long term development in the Obcinele Bucovinei Micro-region

The Regional Resource Centre for ONG CENRES Suceava \$ 20,000
"ECONET initiative"



SLOVAKIA

Presov Bicycle Group Boneshaker \$ 59,956
Mountains in Our Windows

UKRAINE

Charitable Foundation "Terra Dei" \$ 30,000
Helping the Farmers in Transcarpathia by building a Farmers' network Advisory System

Association of Kolomyja Economic Development, Kolomyja \$ 30,000
Participation of Kolomyja Land Communities in Formation and Implementation of Strategy for Sustainable Development

QUICK RESPONSE FUND

HUNGARY

Tállya Jövôjéért Alapítvány\$ 1,500
Program 2005 of the Central European Artworks

UKRAINE

East West Institute, Prague center\$ 5,000
Ukraine, EU, Russia: Challenges and Opportunities for New Relations

CARPATHIAN BRIDGE PROGRAM

HUNGARY

Szanticska Creative Union \$ 21,576
Training and employment program in Cserehát

Association of East-Hungary Bioculture..... \$ 928
Biocenter in the Hortobágy

Foundation for "Nyírbátor"..... \$ 619
Handicraft Coalition in the Border Region

Szabolcs-Szatmár Bereg County Organization
of the Rural Tourism Association.....\$ 1,238
Water and rural tourism without borders

EU-Roma National Association \$ 619
Cultural Organizer Center in Debrecen

FRED ROBEY RAPID RESPONSE FUND

HUNGARY

Eger Theatre \$ 300
Sponsorship

POLAND

Primary School in Kostarowce \$ 10,000
Renovation

Primary School Kostarowce\$ 1,000
*Support the education in Primary
School in Kostarowce*

ROMANIA

Women Union from Bihor County \$ 207
S.O.S. – Woman in danger

Burnar Dumitru Tanase..... \$ 793
Scholarship for high school



Fred Robey Center Brasov \$ 845
Education center

Center for Rural Assistance\$ 2,500
Carpathian ROAD workshop

SLOVAKIA

Domov n.o.....\$ 1,000
People's Gateway

UKRAINE

Transcarpathian Regional Roma
Association "Bakhtalo Drom".....\$ 1,000
Purchasing equipment for shoe-making workshop

MICRO-GRANT FUND IN UKRAINE

Charitable Fund
"Center for peoples initiatives" \$ 789

Uzhgorod city association of Afghan war
participants \$ 789

SOCIAL TRANSITION PROGRAM

Centre of the social protection and rehabilitation
of the handicapped "Sozarin", Lviv..... € 2,000
*Medical and Social Rehabilitation for the
Handicapped Youth*

Charitable Fund "Caritas-Ivano-Frankivsk",
Ivano-Frankivsk € 51,900
*Reconstruction of the Caritas premises in
Ivano-Frankivsk*

Charitable Fund "Caritas-Lviv UGCC", Lviv.. € 18,600
Reconstruction of the Crisis Centre "Street Children"

Transcarpathian regional centre of the socio-labor therapy
and professional orientation "Vybir", Uzhorod. € 8,800
*Intellectual-psychological computer class
"Vybir" for the handicapped in Transcarpathia*

Roma NGO "Romano Chgib", Uzhgorod € 60,000
Reconstruction of the Roma Community Centre



Public association "School of Health,"
Uzhgorod € 11,500
*Uzhgorod-Rzeszow: cross-border cooperation
on the issues of health protection at schools*

Centre of the spiritual and psychological
support and mutual help "Doroha," Lviv € 78,600
Rehabilitation Centre for drug-addicted youth

Caritas of Sambir-Drohobych, Truskavets... € 45,000
*Rehabilitation Centre for the Handicapped
Children in Drohobych*

Public association "House of Mercy,"
Ivano-Frankivsk € 27,300
Youth Social Adaptation Centre

West-Ukrainian Centre "Zhinochi
Perspectyvy", Lviv € 12,400
Reconstruction of the Centre for Women in Crisis

Sokal Developmnt Foundation "Sokil"..... € 10,350
*Social responsibility – the basis of
the democratic society*

Regional Centre for the Social Adaptation, Lviv ..€ 69,000
Residential housing for single elderly people
Charitable Association of Handicapped

Youth of Chervonohrad "Promin' Nadiji"... € 14,800
Computer Class for the Handicapped Youth

Christian Children Fund, Kiev € 36,400
*All-Ukrainian Conference on
de-institutionalization of childcare in Ukraine*

Ivano-Frankivsk charitable association
"Maltese Service"€ 7,000
*Therapeutic and Social Rehabilitation of
the handicapped people on wheelchairs*

Transcarpathian Oblast Rehabilitation Centre
"Doroha Zhyttya" € 50,000
*Introducing the Model of Rehabilitation of the
Handicapped Youth in 4 districts of Transcarpathia*

Lviv Regional Branch of League Social
Workers of Ukraine..... € 12,500
Fostering Developing in Lviv

Charitable Fund "Transcarpathia Against
AIDS," Uzhgorod€ 7,000
Resource Centre

Lviv Lions Club..... € 10,000
Pediatric Diabetic Teaching Centre in Lviv

NGO "Green Cross," Lviv..... € 50,000
*Tourism Resource Centre for People with
Limited Physical Abilities*

St.Chritophorus Foundation for children
with special care € 10,000
*Day centre for mentally handicapped
children in Bryukhovychi*

Foundation Soft Tulip€ 7,200
*Applying the NDT/Bobath method
for Dzherelo, the centre for handicapped in Lviv*



Financial statement of the year 2005

REVENUES

Charles Stewart Mott Foundation	\$700,000
Open Society Institute	\$300,426
Soros Trust Fund	\$13,593
Hungarian Civil Fund	\$9,992
Quality Assurance Program	\$2,106
Friends of the Carpathian Foundation	\$19,976
Fred Robey Rapid Response Fund	\$47,098
CNF – Ukraine	\$775,117
Iris forestry project	\$3,061
Interest and other Revenue	\$19,574
Committed Funds	\$123,800
TOTAL REVENUE:	\$2,014,743

EXPENSES

Administration costs	\$608,205
Publications	\$21,854
GRANT PROGRAMS *	
Small Grant Programs LIP	\$141,095
RomaNet Grant Program	\$54,550
Cross-border Cooperation 2004	\$62,000
LDI-IRCD 2005	\$74,360
Quick Response Fund	\$6,500
Social Transition Program	\$758,237
Fred Robey Fund	\$16,800
Quality Assurance Program	\$36,080
Subtotal Grant Programs:	\$1,149,622
OPERATIONAL PROGRAMS:	
IRIS Forestry Project	\$1,712
Carpathian House	\$25,880
Fred Robey American Centre	\$845
Subtotal Operational Programs:	\$28,437
Staff Development	\$746
Endowment Campaign	\$40,248
Database development	\$11,326
Evaluation of programs	\$3,080
Ten Year Anniversary	\$22,977
CSR Project + Compact	\$36,510
EFC meeting	\$15,394
IRCD training	\$134
Technical Assistance	\$6,631
Rural Development policy	\$1,226
TOTAL EXPENSES:	\$1,946,390

* These lines reflect funds actually paid out to grantees against total grants awarded.

Due to the relocation of the Carpathian Foundation Headquarters there are two separate auditor's reports in line with the national, legal requirements:

Carpathian Foundation – Slovakia 1 January 2005–31 December 2005

Carpathian Foundation International 20 April 2005–31 December 2005

INDEPENDENT AUDITOR'S REPORT

CARPATHIAN FOUNDATION – SLOVAKIA

I have audited the accompanying financial statements of Carpathian Foundation-Slovakia based in Letná 27, 040 01 Košice, comprising the balance sheet as of 31 December 2005 and related profit and loss account and notes for the year than ended.

These financial statements are the responsibility of the Foundation's Administrator. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing (ISA). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and assessing significant estimates made by the Administrator, and evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Carpathian Foundation as of 31 December 2005, and the results of its operation for the year ended in accordance with the Slovak Law on Accounting.

23 March, 2006

Ing. Anna Škropeková
Červeného kríža 12, 082 21 Veľký Šariš, Slovakia
Licence SKAU No. 846

INDEPENDENT AUDITOR'S REPORT

CARPATHIAN FOUNDATION INTERNATIONAL

Registered number: A-909
3300 EGER, Szarvas sq. 1.

To the Public Benefit Annual Report 2005

“In accordance with the International and National Standards on Auditing I checked the CFI's Public Benefit annual report, its parts and items which were supported by financial records.

Hereby, I state that the Public Benefit annual report 2005 was prepared according to the basic regulations of the Accountancy Law which is the Act No 100 of 2000 and the special rules of the public benefit organizations. This public benefit annual report and accountancy provides positive and reliable picture about the financial status of the foundation. “

By the result of my audit, I state and confirm

The same total of the assets and liabilities 19,987,078 HUF
The public benefit result -21,638,936 HUF

in the public benefit annual report 2005.

Eger, 19 May 2006.

Maria Magdolna Németh
Meder u. 3/A.3300 Eger, Hungary
Forensic and registered auditor
Membership number: 000079



Members of the Board of Directors

- Anca-Maria Harasim* Chair of the Board
Executive Director, American Chamber of Commerce in Romania,
Bucharest, Romania
- Olena Bey* Director, Business Support Center
Lviv, Ukraine
- Natalia Sukhodolska* International Centre for Policy Studies
Kyiv, Ukraine
- Vasil Hudák* Vice-President, Programs and Brussels Center Director, EastWest
Institute
Brussels, Belgium
- Wojciech Ingot* President, Ingot – Cosmetic Company
Przemysl, Poland
- Krzysztof Ners* Vice-Governor, Council of Europe Development Bank
Paris, France
- George Penick* Director, RAND Gulf States Policy Institute
Jackson, USA
- Fred Robey* President and Founder of the Robey Family Foundation,
The Villages, USA
- Vasile Puscas* Director of the Institute of Political Sciences and International
Relations, Member of Parliament
Bucharest, Romania
- Lajos Tolnay* President, MAL Rt,
Székesfehérvár, Hungary
- Sándor Köles* Member of the Board of Directors until May 2006
Executive Director, Carpathian Foundation – until November
2005
Senior Adviser, International Centre for Democratic Transition,
Budapest, Hungary

HONORARY MEMBERS OF BOARD OF DIRECTORS

- Stephen B. Heintz* President, Rockefeller Brothers Fund
New York, USA
- Csaba Lőrinczi* Special Adviser in Community Education, Open Society Institute
Budapest, Hungary

Carpathian Foundation Staff

CARPATHIAN FOUNDATION INTERNATIONAL HEADQUARTERS OFFICE

<i>János Lukács</i>	Executive Director – since May 1, 2006
<i>Alina Bernecker</i>	Deputy Director
<i>Melinda Kovács</i>	Financial Officer
<i>Beáta Csomós</i>	Fundraising Coordinator

HUNGARY

<i>Ákos Mészáros</i>	Country Director
<i>Boglárka Bata</i>	Program Coordinator

POLAND

<i>Zofia Kordela Borczyk</i>	Country Director
<i>Jolanta Szwarz – Burnatowska</i>	Program Coordinator
<i>Ewa Lakoś</i>	Program Assistant

ROMANIA

<i>Lorena Stoica</i>	Country Director
<i>Malina Suplacan</i>	Program Coordinator

SLOVAKIA

<i>Laura Dittel</i>	Country Director
<i>Silvia Sokolová</i>	Program Coordinator
<i>Miriám Brasková</i>	Program Assistant



UKRAINE

<i>Ruslan Zhylenko</i>	Country Director
<i>Tanya Pashchenko</i>	Program Coordinator
<i>Natalia Ilchenko</i>	Program Coordinator
<i>Natalia Beley</i>	Program Coordinator

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