

The very best thing about grant-making is the opportunity to observe the buzzing activity in the Hungarian environment NGO movement. Through supporting all the projects, campaigns and actions, one can be part of their successes or – if that is the case - share the frustration over the difficulties and problems encountered, like in the case of the composting program run by the Association of Personal Environment Savers. While their activists establish well-working small-scale composting systems in kindergartens and residential areas, and also educate people about managing them, they met with indifference and the lack of understanding on the official and legislative level. Being able to see organizations growing and evolving is the most rewarding part of HEPF's work. Through a two-year organizational development process, 'Kalamaris', a youth association in North-Eastern Hungary transformed from a near-collapsing small grouping into an efficient organization capable of managing their city's Youth Center and extending valuable services to young people. Or the Forest School Foundation, which, using HEPF's rural development seed grant and fundraising assistance was able to open a big summer camping site on the

Szentendre island, where they will run environmental education activities as well as use it as an eco-tourism accommodation. Other groups, which started similarly small some years ago, are now running regional campaigns or indeed participate in official processes, like the E-mission Association, which – among others – developed the official environmental protection program for their whole county.

Although HEPF has never been a 'big' grant-maker, the help it can give still has and remains to have an important niche in civil society. There will always be organizations and activities neither eligible for state support nor attractive for corporate funders, such as anti-nuclear activities which HEPF has been able to support for years, or those small, starting local groups which lack the capacity to perform bigger fundraising tasks, but which can be the seeds of future community building and participation.

While grant-making was continued as before, the year 2002 brought some shift, or rather an extension in HEPF's mission. The combination of continuity and constant change has always been characteristic to our operation, however, last year some significant improvements did take place, as we increa-

singly focussed on the development of the larger civil society instead of working exclusively with the environmental movement. We realized that the experience gained through a decade-long history of green NGOs can significantly contribute to the evolution of civil society as a whole, while the fate of the former is tightly linked to the wellbeing of the latter. Therefore HEPF embarked on tasks related to analyzing and transforming the social and political environment in which civil society organizations operate, and this activity is likely to have a dominating role in the coming years as well.

Besides, the foundation's own development has been an important issue in 2002. As HEPF's own funding is likely to undergo some drastic changes in the near future – with many of those foundations which helped to develop HEPF into what it is nowadays leaving the Central European region – we need to find new ways and means to fulfill our mission: to become a truly independent foundation. This is another ongoing process, where we still only take the first steps on a long and largely unexplored road. It also includes enterprises such as the purchase of the new, spacious office, which was one of the most demanding tasks last year, but which is

completed by now. Along with new office, there is also partly new and enlarged staff, more suited to the needs of the new types of activities, including more extended financial management. All the same, the best feature of our present place is that here we are able to receive anyone visiting us under suitable conditions – and this warm welcome also includes you!

**Public Association for the Rakospalota Suburb, Budapest**  
– 1669 USD

The organization's main goal is to recycle communal waste and to promote and develop composting. HEPF grant covered to purchase of composters and chopping machines.

**Kismaros Tele-house Foundation**  
– 2822 USD

The supported program aimed at improving the quality of life of the local population by organizing prevention campaigns. HEPF supported the cost of presentations, the „Marus Days” festivities and a program to save the Danube shore.

**Circle of the Friends of Üröm**  
– 793 USD

The group was established with the aim of preventing the urban zoning and development of agricultural areas. They pursued a variety of administrative and legal cases, with the help of a lawyer, who worked for them for free up to now. HEPF grant covered her fee of several years and the costs of her future work.

**NIMFEA Nature Conservation Association, Túrkeve**  
– 396 USD

The organization, based in Southeast Hungary planned to improve the environs of the Tisza reservoir through a joint waste collection a campaign. HEPF contributed to the costs of organization and promotion.

**Cultural and Leisure Association for the Youth of Bereg**  
– 460 USD

The organization, active in the Upper Tisza region aimed at drawing the attention to the need to clean the road between Beregsurány and Tákos villages, and at and mapping illegal waste dumps around the area. HEPF contributed to organizational and travel expenses as well as promotional flyers and poster of these programs.

**Reflex Environmental Association, Győr**  
– 853 USD

The association represents the „Jozsef Attila” housing estate in a case of past asbestos use. HEPF covered salaries, operational and elimination costs as well as the costs of a publication related to this program.

**E-Mission Association, Nyiregyhaza**  
– 2380 USD

The association set up a “Green Tent” at the Hegyalja 2002 festival in Tokaj, with programs centered around waste, and they even introduced selective collection during the festival days. They linked their program to a whole week of awareness raising and waste collecting actions. HEPF contributed to the organizational and operational expenses, to the posters and decoration, the lecturer's fees and technical facilities.

**Deep Smile Foundation, Budapest** – 575 USD

The Foundation organized its second forest cleaning action in the Buda hills on the occasion of Earth Day. HEPF gave a grant to cover the telephone and gasoline costs, as well as the purchase of gloves and sacks.

**Local Municipality of Agyagosszergeny Village**  
– 1250 USD

The municipality placed selective collection bins in the village, and the community participated in the campaign to eliminate illegal dumps, organized by the Waste Working Group. HEPF supported the elimination of the wastes mapped during the campaign.

**“Wing” Village friend Association, Szar**  
– 1527 USD

In order to protect the village environs, they started a selective waste collection scheme, built a bike store in the railway station, started a tree planting action, organized a cleanup campaign and a school competition. HEPF covered the costs of their publication and newsletter, the purchase of tools, the bike store, the competition, and a part of the operational expenses.

**Eco-region Foundation for Sustainable Development, Zalaegerszeg**  
– 3968 USD loan

The Foundation started a large investment by constructing an Ecological and Rural Development Center in Dötk village. The building was constructed in two phases, covered by the funds raised by the Foundation. However, they needed a temporary loan in order to be able to mobilize these finances.

**Association for the People's College of Balsa**  
– 1428 USD

The organization established a Landscape and Nature Protection House for the Micro-region, which is being used as the base of nature protection campaigns, functions as an information center, and its guest room is offered to students researching the region. HEPF grant covered the employee's salary for 6 months.

**Péter Sárközy  
Foundation, Budapest  
– 992 USD**

There is a growing demand towards processed products in the expanding organic food market. A traditional method of processing is the drying of fruits and vegetables – its possibilities and know-how is being explored in the study published by the foundation. HEPPF contributed to the writers' fees, editing and printing costs.

**Jobfinders' Association of  
Szekesfehervar  
– 397 USD**

Following last year's successful action, the Association organized the sale of "deposit-on-return" Christmas trees. They attached an instruction sheet to the rented Christmas trees, and planted returned trees in public areas in the city. HEPPF supported the purchase of the trees.

**Fauna Association, Budapest  
– 1190 USD**

The Association believes that domestic animal protection movement should move from the traditional animal protection approach to a modern animal welfare one, based on ecological principles. Its primary aim is to organize a public animal welfare service. HEPPF gave them grant to cover the expenses of renovate their office, for rent and utility costs.

**Environmental Association  
of Solymár  
– 1111 USD**

The organization's main goal is the protection of both natural and man-made environment, and the generation of change in social attitudes towards the environment. In the year 2001, they protested against the activity of a firm producing car parts. HEPPF has supported the operation of the Association.

**"Pangea" Cultural and Environmental Association, Vác  
– 3968 USD, loan**

The organization's primary goals are to enhance popular scientific education through camps, field studies, paths, exhibitions etc. As they faced serious liquidity problems, HEPPF gave them a loan to cover the costs of their summer activities.

**Ormánság Foundation,  
Drávafok  
– 1984 USD**

The Foundation works on sustainable landscape management by researching and developing economic activities (f.i. extensive fruit production) that are not capital-intensive. HEPPF contributed to the Foundation's fruit-program through covering the program coordinator's salary, the writing of educational materials, travel costs of experts and communication costs.

**Krishna-valley Indian Cultural Center and Biological Farm, Somogyvámos  
– 347 USD**

Member groups and communities of the Living Village Network organize gatherings twice a year, to exchange experience and to organize presentations on issues relevant for such communities. At the winter meeting of 2002, they decided that the location for the next summer meeting should be the Krishna-valley. HEPPF contributed to the meeting's organizational costs.

**Independent Ecological Center, Budapest  
– 542 USD**

The center's main activity is the research and promotion of sustainable development particularly on the microregional, local and community level. HEPPF supported their workshops and exhibitions organized during the Art Valley 2002 Festival.

**"Nettle" Environment and Nature Protection Association, Veszprém  
– 1442 USD**

The group was formed by students of environmental engineering of the Veszpremi university and works on solving local environmental problems and awareness raising. HEPPF supported the publication of their introductory brochure both in Hungarian and English.

**Foundation for Otters, Budapest  
– 231 USD**

The foundation coordinates the survey and the protection of Hungarian otter population, developed methods to decrease otter damage on fish ponds. Its activists offer presentations for kids, adults and organizations. HEPPF supported the construction of their website.

**NIMFEA  
Nature Conservation Association, Túrkeve  
– 3353 USD**

The association aims at protecting the natural values of their region in the South Great Plain – Nagykunság, Hortobágy and Körös river valley - to preserve its protected and non-protected areas and biotops. They publish books and articles on their research of the Great Plain's Nature Conservation. HEPPF supported the publication of two new books on local tree species and on floodplain management.

**Living Space Foundation, Eger  
– 4016 USD**

HEPPF acted as an intermediary in raising funds from an anonymous funder, to cover the organization's operation related to programs for young people.



**Association of Personal Environment Savers, Budapest**  
– 1170 USD

The Association deals with the conservation of natural values of their closer and wider surroundings and with creating a healthy living environment in the 16th district (Árpádföld). Besides working on pollution issues caused by road traffic, they started a household and nursery school composting program, and a selective waste collection scheme. HEPF supported their operational costs.

**Foundation for our Living and Dead Rivers, Szolnok**  
– 624 USD

The Foundation considers environmental education of young people its most important aim, but they deal with improving the environmental consciousness of adults as well. HEPF contributed to a waist-collecting action in connection with the World-cleaning Day.

**Association of Conscious Buyers, Budapest**  
– 2339 USD

The aim of the Association is to promote and support conscious shopping behavior in Hungary. They plan to publish an Internet home-page, composed of a magazine and a database publishing environmental and social information. HEPF supported the Hungarian publication the famous book NO LOGO by Naomi Klein.

**Nature-photo Foundation, Budapest**  
– 780 USD

The Foundation deals with the visual presentation of endangered species and protected areas of Hungary. They organize photo-exhibitions and movie shows in schools, culture houses and museums. HEPF supported the publication of a material prepared for the 10th anniversary of diverting the Danube as a result of the Gabčíkovo hydroelectric dam.

**Association for the future of Vasztély, Csabdi**  
– 1053 USD

The association, located near Bicske town, aims at changing the attitudes of people living in the two villages and the surrounding farms and at improving their environment and life-quality. They have been locally active for years. HEPF helped their general activities with its support.

**Százhalombatta Villagesaving Society**  
– 1092 USD

The Society tries to resuscitate local society life of a 100-years tradition in order to meet demands of the modern age. Their application won support to cover the costs of presentations about environmental health issues and the functioning of the Association.

**GATE Green Club, Gödöllő**  
– 1365 USD

The association followed up on the successful national gathering of environment and nature conservation groups of university and college students by organizing a conference „Student organizations for the environment” HEPF supported organizational costs.

**GATE Green Club, Gödöllő**  
– 1950 USD loan

Loan to be paid back after the above conference.

**Association of Defenders, Budapest**  
– 593 USD

The Association organized a monthly series of presentations under the name “The Hope of the Future Generation” at the University of Debrecen. HEPF supported the costs of the performers.

**Energy Club, Budapest**  
– 2823 USD

The European Social Forum was held in November 2002, in Florence. HEPF participated by covering the costs of the Hungarian civic society groups.

**Gypsy Cooperative of Somodor**  
– 390 USD

The cooperative organized a whole-year series of presentations for local children, under the title „From lily of the valley till the falling of the leaves – twelve months in the nature”. HEPF supported the costs of the performers and the necessary professional leaflets.

**Earth Day Foundation, Budaörs**  
– 487 USD loan

The foundation requested and received a loan to refresh and maintain their home-page, which promotes their books about the environment and nature conservation.

**Őri Foundation,  
Őriszentpéter**  
– 1755 USD loan

HEPF gave the foundation a loan to issue the third edition of their successful book „Commendation of Corn” written by Ferenc Soós.

**Foundation for Development  
of Ecological Culture,  
Budapest** –1170 USD

In 1999 the foundation has received a loan from Ökotárs. The recent changes in the work of the Foundation made them unable to pay thus back, in accordance with their request, the loan became a donation.

**“Tridea” Association,  
Mátészalka** – 780 USD

The association asked for the re-qualification of the previously received, refundable credit into non-refundable donation. HEPF agreed with the request.

**“Károly Eötvös” Public  
Interest Foundation,  
Köveskál**  
– 780 USD

The Foundation aims at discovering the reasons of the absence of water on the Balaton highlands, and at researching possible solutions of this problem. The board supported the general working costs of the Foundation.

**Green Bridge Regional  
Energy-efficiency and  
Environmental Foundation,  
Pécs**  
–1365 USD

The Foundation runs awareness raising campaigns and an information and advisory center for the citizens of Southern Transdanubia. HEPF supported the shooting of promotional film on environment protection.

**Walking Association of  
Kengyel**  
– 585 USD

The association helps the inhabitants of Kengyel village to enforce their interests concerning environmental problems. The board supported their general operational costs.

**Independent Ecological  
Center, Budapest**  
– 928 USD

The center applied for support to replace their damaged copy machine.

**Association of Personal  
Environment Savers**  
– 598 USD

The association planned to continue and expand their community composting program. The board supported salary the salary of the program manager for 3 months.

**Waste Working Group,  
Budapest**  
– 5849 USD loan

The association initiated the construction of an education center in a derelict kindergarten offered by the local government. The board supported them with a refundable loan.

**Green Point Foundation,  
Budapest** – 1170 USD

The Foundation applied for support to publish a new leaflet “About trees” which is part of their series “Booklets on human ecology”. Our Foundation supported the printing costs.

#### RURAL DEVELOPMENT PROGRAMS

**Zselica Association, Kaposvár**  
– 334 USD

The amount was given as small grant in the energy efficiency area, for insulating a local school, and organizing an environmental month for schoolchildren.

#### ALTERNATIVES TO NUCLEAR POWER

**Energy Club, Budapest**  
– 30,613 USD

Designing national energy strategy and building capacity in the NGO movement.

#### RURAL DEVELOPMENT PROGRAMS

**Kacár farm, Szokolya**  
– 210 USD

The money was used to print 3000 copies from the promotion brochure.

**Forest School Association,  
Szentendre**  
– 1945 USD

HEPF has supported them with a matching fund to a regional grant. This way they could get 80 000 USD in total for the complete rebuilding of the youth camp on Szentendre island.

**Forest School Association,  
Szentendre**  
–11,673 USD loan

This was given for the above-mentioned camp rebuilding, to help their cash flow.

USD (=256,92 HUF)

	ASSETS	Previous year	Current year
A.	Fixed assets	79 741	434 186
	Intangible assets	385	253
	II. Tangible assets	30 040	347 096
	III. Long term investments	49 315	86 836
B.	Current assets	1 048 575	654 394
	I. Inventory		1 584
	II. Accounts receivable	23 221	38 413
	III. Short term investment (securities)	205 083	7 785
	IV. Cash and cash equivalents	820 271	606 613
C.	Prepaid expenses	33 730	38 195
	Total assets	1 162 047	1 126 775
	SOURCES		
D.	Own capital	1 131 045	1 093 442
	I. Start up fund balance	778	778
	II. Change in fund balance	884 925	1 058 956
	III. Reserves		33 707
	IV. Public benefit result current year	245 341	-299 813
	V. Entrepreneurial result of current year		2 281
E.	Marked reserves		
F.	Liabilities	28 764	16 620
	I. Long term liabilities		
	II. Short term liabilities	28 764	16 620
	G. Accrued expenses	2 238	16 713
	Total net worth and liabilities	1 162 047	1 126 775

USD (=256,92 HUF)

	NAME	Previous year	Current year
	A. Income	766 834	569 368
1.	Funds received for public benefit activities	467	3 355
2.	Grant support	628 320	465 818
3.	Income of public benefit activities	6 909	8 279
4.	Other income	131 605	95 271
B.	Income of entrepreneurial activities		5 255
C.	Total income	766 834	574 622
D.	Expenses of public benefit activities	521 960	646 396
1.	Material costs	101 183	78 036
2.	Personnel	57 033	60 026
3.	Depreciation	5 278	6 562
4.	Other costs	5 371	58
5.	Bank costs	18 948	207 843
6.	Extraordinary costs	334 147	293 870
E.	Expenses of entrepreneurial activities		2 974
1.	Material costs		
2.	Personnel		
3.	Depreciation		876
4.	Other costs		
5.	Bank costs		2 098
6.	Extraordinary costs		
F.	Total expenses	521 960	649 369
G.	Pre-tax results	-	2 281
H.	Taxes		
I.	Entrepreneurial result of current year		2 281
J.	Public benefit result of current year	244 874	- 77 028



AUDITOR'S REPORT

Simplified annual report of Hungarian Environmental Partnership Foundation's /„HEPF”/ as at 31 December 2002.

I conducted the audit of the HEPF's public benefit financial report for the year 2001.

The purpose of the audit is to express an opinion whether the simplified annual report prepared by HEPF was compiled in compliance with the prescriptions of the Act on Accounting and accordingly whether it provides a true and fair view of the equity and financial position and results of operation of HEPF.

I conducted my audit in accordance with International Standards on Auditing and the applicable laws and regulation in force in Hungary. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatements. The audit's subject is to review the accounting records based on sampling, from which the annual report's actual data have been extracted. Beside these also includes the valuation of the accounting principles and the consistent application of the prescriptions. For the tax liabilities of the company I didn't carry out an itemised review of observance of the tax laws and the accuracy of the tax statements.

- In making my audit, I checked incompliance with the annual report which is based on the general ledger as at the closing date 31 January
- observance of the accounting report making and valuation principles defined in the Act on Accounting
  - in the balance sheet and profit and loss account:
    - correctness of the assets and liabilities valuation;
    - the permanence of the valuation principles, and the observation of the valuation method chosen among the valuation possibilities
    - allowed by the Act on Accounting;
    - success of the consistency;
    - whether the balance sheet and the profit and loss account give a fair and true view of the equity, financial position and results of operation of HEPF.

The management's task is to prepare the simplified annual report - balance sheet, profit and loss account.

My detailed audit report as at 136 May contains my opinion to the balance sheet and the profit and loss account.

After the final result of my audit I summarize my findings as follows:

- The simplified annual report as at 31 December 2002. states:

total assets as per balance sheet	289.491 THUF
change in Fund Balance (result of current year)	-18.320 THUF

- The books of the Foundation were continuously and as far as possible carefully kept in 2002.

- The annual report of HEPF was prepared based on the general ledger as at 31 December 2002. and was compiled in compliance with the balance sheet preparation basic principles.

- A fair and true view is given on the equity, financial position and results of operation of the Foundation.

Therefore I express the following opinion to the annual report of HEPF as at 31 December 2002. :

„The simplified annual report was compiled in accordance with the prescriptions included in the Act on Accounting and the general accounting principles. The annual report provides a fair and true view of the equity, financial position and results of operation of the Foundation.”

Budapest, 16th of May 2003.

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MUNKATÁRSAI**

**Foltányi Zsuzsa**  
igazgató

**Máthé Anikó**  
irodavezető

**Balázs György**  
pénzügyi vezető

**Fehér Tamásné**  
könyvelő

**Marticsek József**  
a Borostyánkő út program és a  
Vidéki élettér program vezetője

**Meyndt Szilvia**  
programfelelős

**Móra Veronika**  
a Közösségek joga az informá-  
cióhoz, valamint az ÁSZ program  
vezetője

**Temesvári Szilvia**  
az Adományi program vezetője

**Suszter Melinda**  
adományi programfelelős

**AZ ALAPÍTVÁNY  
KURATÓRIUMA**

**Foltányi Zsuzsa**  
biológus-vegyésszmérnök  
az Ökotárs Alapítvány igazgatója,  
az Ö.K.O. szerkesztője és az Energia  
Klub egyik alapítója, az adományi  
bizottság tagja

**Hartman Mátyás**  
agrármérnök, a gödöllői GATE  
Zöld Klub alapító tagja

**Kosztolányi István**  
kertésszmérnök, az Ökotárs  
Alapítvány facilitátor  
csoportjának vezető képviselője

**Potozky László**  
biológus-tanár, Fundatia Petru  
Parteneriat  
(az EPCE konzorcium romániai  
tagszervezete) igazgatója

**Sebestyén Stella**  
közgazdász, szakújságíró,  
a Pénzügyi Szervezetek Állami  
Felügyeletének munkatársa

**A FELÜGYELO-  
BIZOTTSAG TAGJAI**

**Csongor Anna**  
szociológus, tanár  
az Autonómia Alapítvány igazgatója

**Fodor Réka**  
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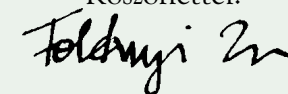
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**A**z Ökotárs Alapítvány nem  
nyereségérdekelt, politikától  
és pártoktól független, a  
környezet állapotának javítá-  
sáért és a hazai civil szféra és a  
lakosság környezeti érzékeny-  
ségének és tudatosságának  
fejlesztéséért tevékenykedő  
szervezet. Kérjük, amennyi-  
ben egyetért céljainkkal és  
módjában áll, támogassa ala-  
pítványunkat és ezen keresz-  
tül a környezetvédelem ügyét.

Köszönettel:



Foltányi Zsuzsa

igazgató

Ökotárs Alapítvány

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