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# Associates of the Foundation



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# Partner in Partnership

**The Environmental Partnership Foundation, belonging to an international consortium yet preserving its independence, by now has become a determinative part of the Hungarian green movement, lending a hand to grassroots groups that aspire to participate actively in environmental matters. Under its shielding, many civil initiatives were making great strides and became decisive factors in the given region. This development was not only aided by the financial support of the Foundation, but also by its organizational development trainings, its courses on the wiles of writing applications for funding or "simply" by good advices. The Foundation has always tried to give a chance to the participants of local or national environmental conflicts to seek a solution, to pursue a dialogue. In the course of its development, it also supported and coordinated, in a professional way, presumptuous programs for actively preserving the local values of people living in the countryside.**

**In addition to the domestic tasks, it managed to realize all that politicians were only dreaming of. Among the foundations of the four Visegrád countries there evolved a real cross-boundary partnership. The activities of the members of the Consortium are not only significant in their home countries, but by getting to know and help each other - yet preserving their own values - they also endeavor to organize cross-boundary programs.**

**The Foundation's tasks have not come to an end. The cause of the environment and sustainable development still has not found their right place in the hierarchy of values. In our young democracy, there fall even greater responsibility and duties on the NGOs. Hence the Foundation's Board of Trustees, employees and advisers carry on their work with the same faith and vigor as before.**

**As the President of the Board of Trustees, I would like to thank the support and work of those who were actively involved in the daily life of the Environmental Partnership Foundation in the years past. I hope that the Foundation, using the experiences of more than one decade, and facing the new challenges, will be ceaselessly advancing; hereby strengthening the situation of the Hungarian NGOs and the role of the environment in our everyday life.**

**Mátyás Hartman**

*President of the Board of Trustees*

# About us

In the life of the Environmental Partnership Foundation, only change is steady – because we never shunned challenge. After our first, enthusiastic steps, thirteen years ago, there came the years of learning: we had to **establish the values, working methods and techniques of our grant-making and development programs**; we had to find the way to co-exist together with, yet separately from, the Hungarian green movement; we had to collect and acquire experience and knowledge on what "being civil" could - or should - mean in the new societies of Central Europe.

By now, we have grown up, and are now awaiting more profound changes than ever: our donor background is going through a complete transformation, as most of the members of the American funders' group, which had created the Environmental Partnership Foundations, will leave the region - with many other Western sources - and leave us as well.

If we want to preserve the **Environmental Partnership Foundation** as it is now and as we wish to see it in the future - being a small, but **independent and flexible supporter** of environmental initiatives, actions and NGOs - we have to open up towards other groups of the civil society, the business sphere and the public. We need a new approach, new allies, new supporters. It necessarily

brings forth the expansion of our activities and the "discovery" of areas yet unknown; much as we are committed to **environmental issues**, we have to realize that they are only one segment of the **civil society as a whole**, and the **development of democracy** in general. This opening makes our mission complete; we believe that our "green" background is an excellent footing to create a truly sustainable society.

In our report of this year, you will find more on this: the first two chapters will introduce **our fundraising campaign** and the **Trust Program**, aiming to reform the legal-financial environment of the civil society in details.

Besides change, our **granting, training and development programs** represent permanence and continuity; these - just to avoid talking of ourselves all the time - will be introduced by the beneficiaries.

Our report is closed by the "regular" data: the **list of the grants** allocated during the year, our financial tables and the accountant's report.



# The Fundraising Campaign of the Environmental Partnership Consortium

**By the 2000's, it became evident that the financial background and supportive environment of the Central Eastern European civil societies, having only a ten years' history, are going through fundamental changes. The foreign - American and Western European - mainly independent and private, in a lesser part governmental development resources that were continuously assisting the establishment, functioning and activities of the NGOs since the change of regime, rearrange their priorities and focus most of their efforts to more Eastern regions (the post-Soviet countries) or even to other continents. In their view, by the accession of the Central European countries to the European Union their mission here has ended, and now the civil movements can rely on other, bigger sources; on the other hand, in developed democracies domestic supporting systems must develop as well.**

As seen from Central Europe, the situation is of course a bit different. By the EU accession, the funds (e.g. PHARE) so far available for the strengthening of the civil societies also cease to exist, and NGOs are

compelled to run against organizations, which are much stronger and rich in traditions, from the "old" Member States. In addition, democracy is not the prime objective of these resources, they rather serve the development of economy; instead of strengthening the "civil courage", their main target is handing over state tasks. Moreover, hardly could anyone believe that the 13 years passed were enough to establish a mature democracy and to acquire and internalize the necessary civil and institutional attitudes.

As a result, it is likely that only a smaller, more institutionalized part of the NGOs will be able to take advantage of the soon accessible Hungarian and EU sources, while the smaller, new initiatives, the local groups could easily be excluded from these systems. In fact, the state and EU funding systems function on a much larger scale (tens of thousands of euros) than the needs of these small NGOs, or the amount they could handle (one or two thousand euros). In addition, state funding systems are bureaucratic by nature, and presumably, they will be so in the future; as a result, many times the beneficiaries of these grants should employ administrative and financial personnel, which most of the NGOs simply cannot afford. Another difficulty they face in this respect is to raise a given proportion of the funds - even up to fifty percent - by themselves. In addition, the prevalent practice of post-financing and the regular delays in the transfer of grants - mainly due to

structural and administrative reasons - induce permanent liquidity problems at most of the organizations, as they usually do not have any reserves to mobilize. Last but not least, there always exist - and will exist - problems and fields of activity that are not considered a priority on the political agenda, thus they are unlikely to be funded. A great part of the civil society, representing progressive ideas not (yet) undertaken by mainstream politics, will always be "opposition" by nature. Though the results of their efforts will only ripen in the long run, their existence in society is essential, as it is just these grassroots groups and movements that initiate important and progressive social changes.

Being aware of the aforementioned problems, the regional Environmental Partnership Consortium, including the Hungarian Environmental Partnership Foundation, considers it a task of prime importance to strengthen its grants programs and activities and to achieve their long-term sustainability. However, the changes do not keep away from us either, as the core supporters of the Consortium also belong to the circle of independent private foundations just leaving the region. The last three-year core funding, received from the group of American foundations that had played an active part in the creation of the Consortium and were supporting it during more than one decade, expired at the end of 2003. As a few of our former supporters remain active in the region, the background of our grants program is





secured for some more years (even though in a somewhat changed form); still, it is evident that we have to seek new ways. The **model we chose to follow** is that of the "**classic**" **American private foundations** that had been supporting us; these foundations finance their operation and activity from the yield of the capital provided by the founder. The Hungarian Environmental Partnership Foundation, together with the other foundations of the Consortium, has already started on this road years before; due to our cost-effective operation (which of course did not happen at the expense of grantmaking), we managed to accumulate some reserves. Unfortunately, its present order of magnitude in itself is far from being enough for sustaining our activities and programs.

Being sympathetic with us in this situation, one of our core supporters, the **Charles Stewart Mott Foundation**, offered an exciting challenge for the members of the Consortium at the end of 2002: they would contribute with a 1 million USD grant to the **endowment** of the foundations, if these were able to raise, for the same purpose, the same amount of money in the next three years.

Whereupon started the **international fundraising campaign** of the Environmental Partnership Consortium in 2003, parallel with the **internal campaigns** of the particular foundations. A professional American consultant enterprise, the Consultants Unlimited for Philanthropy assisted us in

elaborating the working methods for the campaign. They introduced their four-step fundraising method in two trainings, in April and December, and were giving assistance in working out the own strategy of the Consortium. In the meantime, in September, a new employee, responsible for regional fundraising, was put to work at the Consortium, and the particular foundations also appointed the associates responsible for the internal campaigns. Both on the national and regional levels, fundraising will be assisted by consultant bodies set up for this purpose. Indubitably, both the campaign and its long-term target - creating classic foundations operating on their own capital - represent a progressive and yet unknown approach in our region, as to our knowledge no other organization functioning this way exists in Central Europe, and even now very few organizations have taken the road towards this aim. Thus, the campaign can also be seen as a **fascinating experiment to adopt the American model to Central Europe**. For very simple reasons, the acceptance of the idea is not unambiguous even among the civil societies of the region: it means accumulating, ostensibly in a passive way, such amounts of money that seem unimaginable for NGOs facing everyday cost-of-living problems, and the fruits of these efforts will only ripen in the long run. Nevertheless, we believe that for the foundations of the Environmental Partnership Consortium it is a road worth trying towards future sustainability.

At the same time, even amidst our fundraising efforts, we will not forget about our fundamental mission, that is building an environmentally aware, democratic society; on the contrary, this is the guiding principle of our campaign strategy. Especially because we want to avoid, at all costs, the greatest trap lurking on the way of the organizations similar to us: to become the rivals of our own beneficiaries and grantees. As it is, none or very little "non-earmarked" money - that could be used in our grants program - can be found among the European and internal funding opportunities available for NGOs. To these systems, applications can be submitted principally for project financing; and it is a grand question, which is more eligible for that aim: the Consortium or its former beneficiaries, the (environmental) NGOs engaged in particular fields of activities?

As a result of all these, the fundraising campaign has to **focus** on completely different areas than before; instead of the state funds and the foundations profusely mapped already, it has to concentrate **on the private sphere**: the business world and the private donations. This leads us to a world not yet discovered: albeit we had programs financed by business foundations (e.g. the energy efficiency program for schools supported by the Honeywell Foundation), these meant rather an exception than a rule. However, the lack of experience cannot be a hindrance in cooperating successfully with the

business sphere and private individuals. Regarding the latter, as a first, tentative step, the Environmental Partnership Foundation will also start collecting the 1% of personal income taxes from 2004, in the hope that it could also contribute to the increase of the willingness to donate in general, for its own sake and for the benefit of the Hungarian civil society as a whole.

# Civil Partner Trust Program

„Whilst there is self-organization, humanity may have hope.“

*Aurelio Peccei* (Founder of the Rome Club):  
One Hundred Pages for the Future

„What unites us is much more important than what divides us.“

*Henryk Skolimowski:*  
On the Origin of Eco-Philosophy

In 2000, five great American private foundations: the Ford Foundation, the German Marshall Fund of the United States, the C. S. Mott Foundation, the Rockefeller Brothers Fund and the Soros Foundation took a new, unique initiative in seven Central European countries; they established a joint fund under the name **Trust for Civil Society in Central and Eastern Europe**. These independent supporters played a crucial role in the recovery and strengthening of the civil societies in the region at the beginning and the midst of the 1990s. The majority of them, however, set new priorities after the millennium; consequently, they are gradually terminating (or will terminate) their programs in the countries at the threshold of EU accession. Yet recognizing that the sudden cessation of their activities may wreck the one-decade civil develop-

ment process, the five organizations "clubbed together", as a kind of farewell fund, the initial source - 65 million dollars in all, which they plan to raise to 100 million until 2010 - of the newly established Trust Fund, based in Warsaw.

The fundamental goal of the Trust is to increase the **sustainability** of the whole civil sphere in the seven countries; thus it is not the support of particular projects they have in mind. To this end, in the following years they will focus most of these resources on three primal areas:

- institutional funding in order to increase organizational sustainability;
- capacity-building of institutions (trainings, education);
- creating the legal-financial-regulative background that promotes the sustainability of the civil sphere (advocacy).

In the first round of the program, they support intermediary or manager organizations that can effectively faster this target in the given country. After Slovakia, the Czech Republic and Poland, the Trust Program started in Hungary in 2002. Prior to it, the Hungarian supporter and developer organizations, having a similar funding background, had initiated an informal dialogue to survey in which fields the support of the Trust is the most needed, and how could they use the available resources most effec-

tively. This group, uniting eight foundations - the Environmental Partnership Foundation, of course, playing an active role among them - became known as the **Independent Supporters' Forum** (ISF). With these objects the ISF organized, inter alia, a series of regional forums in order to know the problems and needs of the widest possible circle of NGOs, prepared materials and initiated professional meetings. Within the group, there also evolved small-scale cooperations: for instance, the Environmental Partnership Foundation set forth its opinion on the preparation of the National Civil Fund together with the Hungarian Foundation for Self-Reliance, the Nonprofit Information and Training Centre (NIOK) and the Soros Foundation. After these antecedents, in the spring of 2003 the Trust Fund chose (through an invitation-tender) three members of the ISF - the Hungarian Soros Foundation, the Civil Society Development Foundation and the Environmental Partnership Foundation - to promote its aims.

The **Environmental Partnership Foundation** was requested to realize the third target, the **establishment of a legal-financial-regulative background that promotes the sustainability of the civil sphere**. It means nothing less than initiating an overall legal reform that eliminates the inconsistencies, discrepancies and deficiencies of the present, diffuse norms on NGOs, and trends towards a transparent, stable and "user-friendly"

regulation; that is, one that suits the situation and needs of the NGOs.

It is almost a commonplace - at least on a verbal level - that a strong, grassroots, community building civil sphere, representing the citizens' self-organization, is the most important pillar of modern democratic societies. In practice, however, one must struggle through myriad administrative and legal obstacles if intending to establish and legitimately operate an organization - inasmuch as it is just the civil courage that gets often lost in the scrub of articles. Though the NGOs most often refer to the lack of money as the primal factor impeding their operation, many times it is the present rigid, bureaucratic, frequently inert rules that render even the accession to resources more difficult.

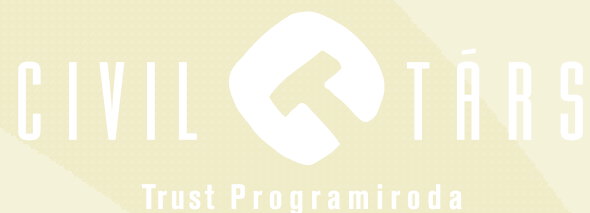
Thus the task we have undertaken - which has to be realized in the next two and a half years - is not meager; fortunately it is not without antecedents either. In the course of our former cooperation with the Trust Fund, the Environmental Partnership Foundation itself has already dealt with these questions; and apart from us, in the last few years there came into being other organizations and legal workshops as well, which is also a sign that the problem is indeed serious, and the solution is acutely needed. Among these maybe the most important - though not the only ones - are the Nonprofit Sector Analysis program and the European Centre for Nonprofit Law, which also became close partners during the

realization of our program. Based on the civil needs previously mapped in detail, we initiate the modification and permanent elaboration of the legal environment - basic statutes, tax, labor and financial regulation etc. - of this sphere, in the interest of a sustainable civil sector.

The long-term, general target of the Trust Program is to create uniform and transparent regulation, which suitably and in the right place attends to all aspects of the life of NGOs that needs legal regulation. Without the intention to be exhaustive, some problems we want to devote attention to in the course of the program:

- Clarifying and confining the concepts of "non-profit" and "civil" - what is the difference between a private and a public foundation?
- Questions concerning the registration of NGOs: are the presently available alternatives (association or foundation) adequate and enough?
- Problems of the public benefit status: what NGOs of public benefit are given, and do the two grades (organizations of public benefit and of exceptional public benefit) suit us?
- Transparency of the state supporting systems or of the tasks being undertaken: by whom, how and for what aim are applications invited?
- Promoting the willingness to donate by administrative and financial incentives: how many percents does the 1% mean, and what can we deduct from our taxes?

This all involves, of course, the permanent review of many acts and decrees, the preparation and follow-up of concrete proposals. The work has already started: by promoting the acceptance of the National Civil Fund Act in 2003, then participating in the preparation of the law on voluntary activity and completing other similar tasks, we have already laid the foundation for further results.



# Grants Program



**The oldest program of the Environmental Partnership Foundation, the General Small Grants Program, by now has been working for more than ten years - since 1992 -, and has been continuously supplemented by other, thematic supporting systems. Among these, the Alternatives to Nuclear Power Program, which supports green NGOs engaged in energy policy issues, has been working for the longest time. In the framework of its grants programs, the Environmental Partnership Foundation intends to support activities that are beneficial for the environment, the local community and the whole society, and promote sustainable development. In the course of selecting the applications, those plans are favored that offer holistic solutions, getting to the roots of the problems, thus surpassing the usual environmental sector approach; that increase the social basis, membership or recognition of the green NGOs, help them to develop their contacts with the population, spread environmental awareness and help people to change their lifestyle and acquire a new, more mature way of thinking.**



#### Green Youth (Zöld Fiatalok, ZÖFI)

The year 2003 has brought significant development in the life of ZÖFI, an NGO that has been working with increasing momentum for three years. Our permanently active group has reached a membership of 20, we set out rules of operation in accordance with the principles of direct, participatory democracy and through our own efforts, we managed to open an office in Budapest.

Unlike most of the Hungarian "green" NGOs, ZÖFI is not only engaged in a certain specific issue of environmental protection. We try to represent the whole scale of the traditional European green values in our work. Thus beside the "classic" nature and environmental protection we consider other issues, namely the assertion of human rights, the protection

of human dignity, peace and non-violence as equally important. Our aim is to draw the attention of the public and policy-makers to different ecological and social questions, problems, and their connections as well as to the innovative-alternative solutions therefor.

With the support of the Environmental Partnership Foundation, we are making a documentary, under the working title "Exit from the Treadmill", on the scenes and characters of sustainable initiatives in Hungary.

The prime target of the film is to make better known and gain support for radically new styles of living and attitudes, as without experiencing these sustainability only remains an empty phrase. The film gives an insight into the world of Hungarian eco-villages (living villages), and we cherish the hope that it could inspire young people seeking alternatives to the urban, consumer society.

#### Environmental Association for Our Mountain Lakes

The main target of our Association is to protect and preserve or restore the natural state of lakes, reservoirs, wetlands and other surface and underground waters. Cooperating with local governments and schools, we organize programs, school study groups and camps on environmental and nature protection topics. In the course of our actions, aiming at the rescue and preservation of natural values as well as the improvement of the state of the environment, we also mobilize the local population and students. Our Association was founded in 1995; now we have approximately 60 active members.

In 2003, the target we set was the environmental rehabilitation of the Hódos creek; this creek affects the Nádasd Valley settlements in Borsod-Abaúj-Zemplén county (Northern Hungary), and its water base needed protection. We also aimed at laying the foundation for the sustainable use of wetlands. After



cleaning up the riverbed and its environs, we enlarge the habitat of the remainders of the yellow willow to ensure that it could again spread in great numbers. The filtering and water cleaning capacity of the willow play an important role in sustaining the balance we achieved. At the same time, its reappearance provides an opportunity for the socially disadvantaged Roma and Hungarian families living by the stream, who are still good at making handicrafts, weaving baskets, souvenirs and small pieces of furniture and could make an income for their families by using natural materials,

in an environmentally sound, sustainable way. Building upon the Roma people's affection for nature and their handicraft skills, this knowledge and willingness could stimulate a sustainable environmental, social, public health, economic and cultural development and further nature protection initiatives.

In addition to their financial aid, the Environmental Partnership Foundation is continuously supporting our program by the professional assistance of their personnel, keeping an eye on the tasks undertaken, the protection of the environment and nature, sustainability. This makes our work easier, as in managing our Association and realizing our programs, we have recourse to a granting organization of notable traditions that could help us in obtaining information or publications and solving other problems, and could make contacts with a significant part of the civil sphere.



**Association of Conscientious Shoppers (Tudatos Vásárlók Egyesülete, TVE)**

The TVE was founded in the spring of 2002 by a group of young economists committed to ethical consumption. The aim of our Association is to promote and propagate conscientious customer attitudes in Hungary, that is to inspire consumers to make their decision prudently, based not only on the usual considerations of price and quality, but by taking into account, inter alia, the environmental and social impacts of the producer of the given commodity, or the product's effects on health.

We earnestly believe that conscious consumer decisions, made on the grounds of value considerations, may promote the formation of a world more inviting and an ecologically sustainable economy, in which the companies do not strive for cost advantages by skimping environmental costs, and are not intent on persuading us to consume increasingly trashy and unnecessary products. On the contrary, they are competing for producing good quality and healthy products that satisfy real needs, outdoing each other in responsible conduct and worthiness. To this end, however, people - as customers - should develop a new kind of awareness and value system, and they should realize these in their consumer decisions.

We would like to emphasize two areas of our work: the Internet magazine under the title "Conscientious Shopper" ([www.tudatosvasarlo.hu](http://www.tudatosvasarlo.hu)), the printed



version whereof will also be issued in the course of 2004, and the publication of Naomi Klein's world-known bestseller, the NO LOGO in Hungarian, with the related events.

The book is to be published - with the support of the Environmental Partnership Foundation - in the spring of 2004; information on the events can be found on the page [www.nologo.hu](http://www.nologo.hu).

The Environmental Partnership Foundation was one of those grantmakers who had placed confidence in our young association from the very beginning, and was assisting TVE by financial aid and good advices when making its first steps on the thorny path towards developing into a full-blooded organization.

Thank you!



# Training Program

The second program of the Environmental Partnership Foundation, launched in 1993, aimed at strengthening the civil society and within that the environmental NGOs by means of organizational development. To this end, the trainers' group of the Foundation was working together, during the last decade, with several organizations using various means - trainings on diverse topics, shorter and longer consultations, methodological development. As to the philosophy of the program, important elements were the trainers' (facilitators) experience in the civil movement, and the participatory method of the trainings; that is, active participation provided for and expected from everybody. In 2003, the program focused on clarifying, conveying and broadening the experiences accumulated before. Accordingly, we published the lessons of the five-year Integrated Organizational Development (IOD) Program in a volume of case studies; both the professional public (NGO developers) and the NGOs themselves could profit from these experiences. Another important stage of the process was the completion of the training of a new facilitators' group, and drawing them in the work of development.



I was working in the South Plain Regional Youth Service Agency in Kecskemét, dealing with trainings and development programs as well. On personal encounters, I often experienced that NGOs were fighting many kinds of problems, which strongly determined their everyday life, whereby their effective operation. These problems were not only diverse in character, but also in their gravity. During the conversations it was revealed that the perception of the problems and the quest for solutions were at every organization different. These experiences confirmed our view that in this area the Agency should make efforts to help the NGOs. Personally, I had already been interested in this field for a while, but I could not find an adequate training to acquire skills and knowledge thereof. I wished I could professionally assist NGOs in finding their own way and realizing the targets set for themselves.

On this motive, I applied for the facilitator training announced by the Environmental Partnership Foundation. When doing so, I could not yet imagine what kind of knowledge and skills I could acquire at this training; however, the training series outstripped all my expectations. The knowledge they provided, and the way it was passed over, were exquisite. During the training, they effectively developed our skills by exercises. Another very good thing about the training was that we had to work with NGOs in real-life situations, which helped us to gain experience, and to test and deepen the theory learnt in practice.

The training taught me a lot of things. It developed my creativity to apply several methods in a flexible way. It formed my way of thinking, developed a more subtle comprehension and made me more tolerant. It helped me to understand and feel the role and possibilities of the individual in a group. It gave an insight into group psychology and dynamics, so that by appreciating and experiencing these we could help more effectively in the future.

All these mean a lot when I am dealing with the problems of NGOs. Through the knowledge and experiences, I could learn precise, deliberate and prudent planning. To this day, it is important for me when managing a workshop. In the course of my work, I can widely use what I learnt here, even in situations that I had considered before as inextricable, or impossible to manage with such methods. The training further raised my interest in organizational development and facilitating, and prompted me to learn more of this area.

This work is very important for me, as it provides assistance to the groups and NGOs, thus it indirectly strengthens the civil society, and promotes the formation and development of viable communities functioning in a democratic way. On the other hand, being a facilitator is an exciting and stirring activity. Hereby I would like to thank every organizer and participant for this training; it was splendid and convivial as well, and quite a good team was formed during the meetings.

Péter Nagy



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# Rural Development Programs

**The Program aims at supporting the local communities' environmentally sound development programs that promote the sustainable social and economic development of the given region, preserving and protecting the local natural and cultural values. The Program also intends to assist in establishing a network among the different regions, which would provide opportunity for integrated development and the exchange of knowledge and experience.**



Amber Trail Greenway and Rural Livelihood Programs

## Kacár Farm, Szokolya

The Kacár Farm is located at the feet of the Börzsöny Mountains, on a pitch or plateau close to the village Szokolya, with a splendid view over the whole countryside. The farm is the result of hard physical work lasting for many years. It is a place of curiosities: oven for baking bread, windmill (with a little pond nearby), a mobile house built on stakes - with a smithy inside

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-, a hutch with a round layout, sheep-pen, a shepherds' hut made of reed...and many other interesting things.

All the buildings were made of natural materials, mud, wood, straw, hay, reed etc., as our most important guiding principle was the preservation of our traditional folk culture, and teaching, passing it on to our children, the next generation. The buildings do not only preserve the peculiarities of our region, but display characteristics from the whole country.

At the Kacár Farm, none of the organs - hand, foot, eye, ear or mouth - could be bored. There are plenty of things to do - in the smithy, at the potter's wheel, at the loom or in the spinnery, squeezing the felt or husbanding, feeding the animals. Those who wish for more could plough, sow, reap, flail and grind...Cover the roofs, build adobe walls or shepherds' huts. Thanks to all these, by now the farm has become a well-known tourist target of the region, a place for education and exhibitions; it receives around 3000 visitors annually.

We learnt our crafts from the elderly - whose everyday life the ancient knowledge belonged to. We are continuously endeavoring to collect (and realize) the

many tricks of artisanship still at hand, the pristine treasure of our nation. The Environmental Partnership Foundation also assists us in this work. Its financial aid made it possible to buy an antique thresher, which adds to the rich assortment of the farm. The utilization and introduction of renewable energy sources (solar collectors, cells and a wind-driven plant), which we worked out jointly, demonstrate the combination and co-existence of the old and present-day technology. Now our programs can also be found on the Internet, on the webpage constructed with the support of the Environmental Partnership Foundation ([www.extra.hu/kacar](http://www.extra.hu/kacar)).

#### Theme Farms in the Zselic

The Bányá Panorama association was founded in 1989 with the aim of saving a small village in the Zselic (Southern Transdanubia) Bányá, from devastation. During the years, the Association gradually extended its activities to other Zselic villages, thus it became a determinative centre, "a witch's brew" for rural development strategies in the micro-region. Our target is to save and develop the backward and disadvantaged villages in the Zselic, preserving their na-



tural and cultural values, to strengthen the village communities and to attract to and keep young people in the Zselic. One of our most important programs is to create theme farms; we started this project in December 2001, in 22 Zselic villages. The aim of the project is to give a chance to the village families for a better life, to provide a living, to give an objective, to form the profile of and attract intellectual capital to the villages, to initiate family enterprises and establish service systems, to build upon the young people and the intellectuals. The project aims at the disadvantaged families, principally those having one or two unemployed people and other persons without income; we help them to start family enterprises and create theme farms. These farms are tourist services as well, making the program offers of the region more colorful.

At these theme farms, the visitors can get actively acquainted with the elements and traditions of village life. They get an insight into the traditional peasant husbandry and handicraft, they can see documents on the local his-



tory and folklore, they come to know the traditional products of the land and the useful herbs. The visitors can taste the characteristic food and drinks, such as the "langalló" and "gánica", of the region, and they can even stroke the traditional animals of the village at the exhibitory paddocks.

The theme farms program is a unique, exemplary program on the national level; given that it fulfills its goals, that is, promotes the improvement of the standard of living in the villages, provides villagers an income and helps them in preserving their affection for their residence, it could contribute to the development of other regions fighting similar difficulties. There is a long way, of course, until the final formation and elaboration of the program, when the individual farms could sustain in the long run unaided, independently, complying with the legal requirements. The Environmental Partnership Foundation

assists us in this process by its contribution to the establishment of a farm-manager network that would help in selecting and setting up the theme farms.

# Technical Assistance

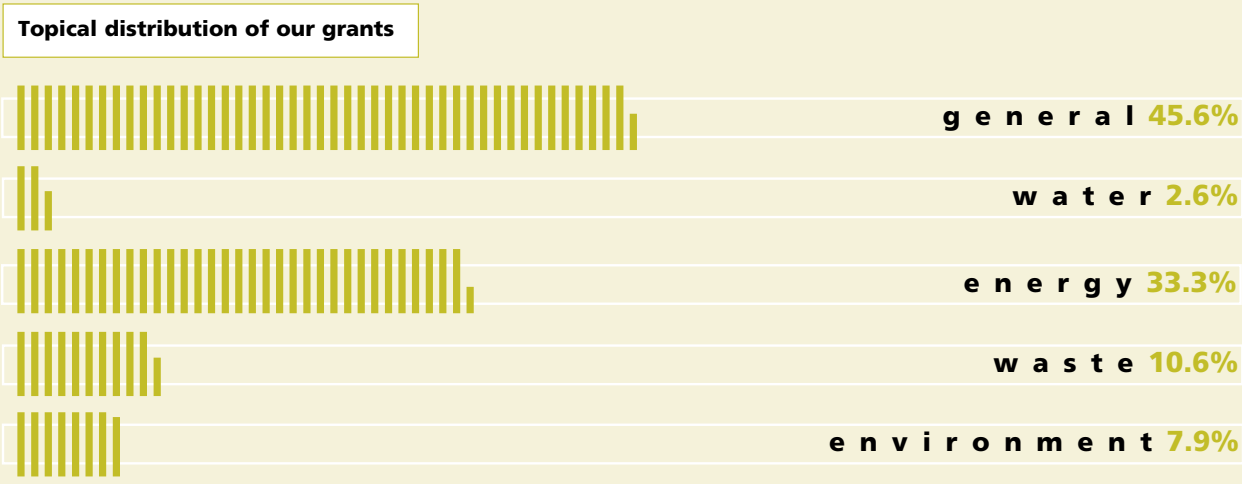
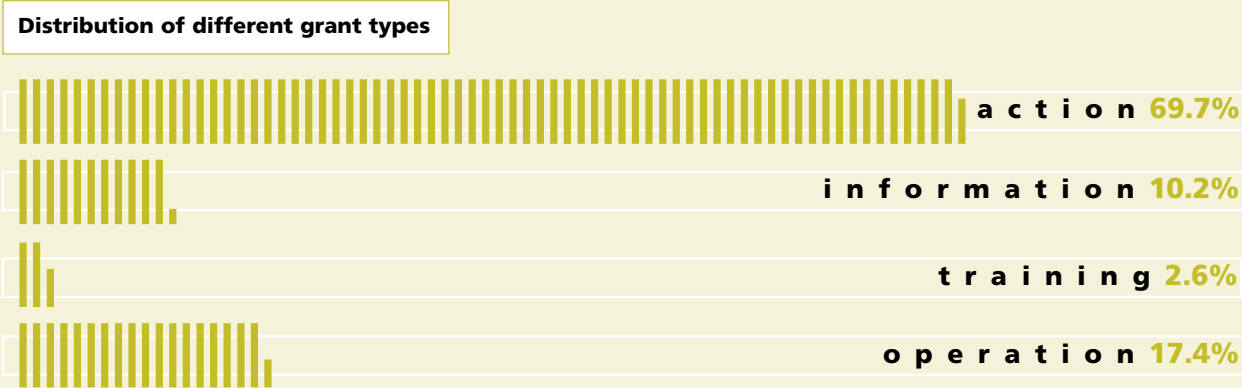
From the beginning, the grants of the Environmental Partnership Foundation were supplemented by elements of technical assistance. Financial aid, in itself, does not necessarily lead to the increase of efficiency and the strengthening of NGOs, if the proper knowledge, expertise and contacts are missing. This not-that-spectacular, yet the more important element of our work accompanies the whole history of the Environmental Partnership Foundation: we give assistance to our grantees, when necessary, by seeking legal or expert help, questing after cooperating partners, providing media contacts, or occasionally by putting our technical apparatus (for example Internet access) at their disposal.

It is very difficult to depict this activity by numbers or tangible results, as beside their own programs, all our employees do their share in this work: they give telephone numbers, they quest for and recommend names, organizations, information sources. However, for the favoured NGOs this form of assistance could be equivalent to, or even more valuable than the money we granted; as, for example, when an environmental conflict is brought before the court, it is a crucial step to find the adequate lawyer - and we can help in this.

In addition to such reactive activities - answering concrete requests mainly -, we also try to assist the

work of the greens in a proactive way, principally by providing occasions and forums to meet and cooperate. The spacious conference room of our office accommodates an increasing number of programs - press conferences, smaller meetings - organized by several NGOs. Among our own programs, the "Last Wednesday" forum series have the most notable traditions. These open meetings, organized at the end of each month, provide an opportunity for the representatives of the green movement to exchange views on recent topics, and many a time to meet and "encounter" members of the public administration. In 2003, seven such forums were organized. The extent of interest and participation and the topics of public interest on the agenda make it evident that there is a need and demand to carry on this tradition. Moreover, the memos of the meetings, which get to about 180 NGOs, are important means for many organizations, principally for those in the country, to keep pace with the developments and news and to obtain information.

# Grants Lists



## General Small Grants Program

### **Association of Conscientious Shoppers, Budapest – 2665 USD**

The association aims at promoting ecologically and socially aware consumption patterns and lifestyles; HEPF provided financial assistance to the development of their Internet portal on ethical consumption by creating a database on the environmental characteristics of certain products.

### **Association for Rákoscsaba-Újtelep, Budapest – 400 USD**

The association is engaged in local issues (construction of the motorways M0 and M3, preparation of zoning plans). HEPF contributed to their operational costs.

### **Association of Suburban Citizens, Kecskemét – 2 000 USD**

The association asked support to restore the natural state of a suburban grassy, wetland area and to hold open-air lessons in the forest. HEPF contributed to the operational costs of the program.

### **Citizens' Nature Protection Patrol, Budapest – 1366 USD**

HEPF supported the making of a film series on several topics that could make people recognize the beauty of nature and understand the importance of its protection.

### **"Creek" Environmental Association, Szeged – 809 USD**

The organization, established in 2003, requested and was granted support by the HEPF for Internet access and other operational costs.

### **Deep Smile Foundation, Budapest – 222 USD**

The foundation has organized its forest cleaning action on Earth Day for the third time, this year on the Széchenyi Hill and in its environs. HEPF supported the costs of the action.

### **Ecological Institute for Sustainable Development Foundation, Miskolc – 1333 USD**

The present program aims at building a network of "green families" in the county in order to promote sustainable consumption patterns. HEPF contributed to the program costs.

### **Ecoservice Foundation, Budapest – 1120 USD**

The associates of the Foundation started on organizational development in order to solve their internal problems. The process, assisted by an external facilitator, successfully concluded in 2003.

### **Environmental Association for Our Mountain Lakes, Miskolc-Járdánháza – 1555 USD**

HEPF supported the revitalization of the Hódos creek, contributing to the costs of mapping pollution sources, cleaning the creek and organizing a training in connection with this issue.

### **Environmental Association of Hatvan – 666 USD**

HEPF supported their "Green Corner" program: they have created an environmental reading corner in the public library of the town to promote environmental protection and to make the Association more popular.

### **Environmental Association of Hatvan – 666 USD**

The association asked for the support of their newsletter, the "Hatvan Green News", published in 2000 copies. HEPF contributed to the printing costs.

### **Foundation for Cultural Innovation, Budapest – 267 USD**

The library of the Foundation started digitalizing earlier publications (by now having a documentary value) on human ecology. HEPF supported them by covering the typing costs. .

### **Friends Club of Öröm, Öröm – 800 USD**

The local government offered the club the opportunity to edit an environmental page in the local newspaper. HEPF helped them to purchase the necessary technical equipment.



**Friends of the Waste Dump Association, Borsosgyőr – 222 USD**

The association has been fighting to eliminate the local illegal waste dump for ten years; they have cleared up a smaller area where they hold "Waste Dump Days" on May 1 every year, this time with the support of HEPF.

**GALGA Nature and Environmental Protection Association, Galgahévíz – 888 USD**

The association aims at conserving the natural and built environment of their micro-region, along the river Galga. HEPF contributed to their operational costs.

**Gaia Ecological Film Magazine, Budapest – 1333 USD**

The program, aired on the state channel M1, introduced a summary on the National Gathering of the Nature and Environmental Protection Organizations. HEPF contributed to the shooting and lab works of the film.

**"Gorse" Association for Landscape and Nature Research, Budapest – 1089 USD**

HEPF supported the association to create an advisory webpage providing information on nature and landscape protection, on the procedures of establishing local nature conservation areas and on the activities and structure of the Association.

**Green Point Association, Jászapáti – 2000 USD**

The prime target of this very active NGO is to eliminate the village waste dump and to survey its health effects. HEPF contributed to their operational costs.

**Green Youth, Budapest – 1333 USD**

The organization intends to promote the idea of sustainable development by making films and using the Internet. The grant covered the purchase of a camera.

**"Gyíkphár" Environmental Foundation, Gödöllő – 888 USD**

The foundation aims at improving the environmental awareness of the younger generation; they were given operational support by the HEPF to organize environmental protection campaigns, actions and to prepare educational films and TV programs.

**Independent Ecological center Foundation, Budapest – 1333 USD**

Most of the first publications of environmental NGOs were published only in small numbers; HEPF supported the Center to make these publicly available in electronic format.

**Kolizska – Cradle International Foundation, Budapest – 8885 USD**

HEPF gave the foundation a loan to cover the costs of a summer camp in Hungary for children living in areas polluted by the Chernobyl nuclear accident.

**Kőrös Club, Békéscsaba – 844 USD**

The financial aid of HEPF supported their program for the conservation and enhancement of the biological diversity and variety of the South-East Plain Region.

**National Society of Gardeners, Circle of Gardens' Friends in Csepel, Budapest – 444 USD**

The organization planned to celebrate the Day of Birds and Trees in the Youth Camp located on the coast of the Little Danube Bay, which is a locally protected area. HEPF contributed to the costs of promotional leaflets, a drawing contest for children and educational materials.

**Nature Conservation Association of Ibrány and its Environs, Ibrány – 178 USD**

HEPF supported the association in organizing a four-part lecture series for the local residents.

**Noah's Ark Association, Pécs – 267 USD**

The organization aims at protecting endangered herbs and forgotten garden plants; it intends to revitalize the old tradition of "monastery gardens". HEPF contributed to the purchase of professional books.

**Oak Nature Protection Association, Gödöllő – 360 USD**

HEPF supported their campaign against the construction of a supermarket by a multinational company by contributing to the costs of copying leaflets, stickers, as well as to the costs of renting a room and the overhead expenses.

**Őri Foundation, Óriszentpéter – 2000 USD, loan**

HEPF gave a loan to publish the third edition of the greatly successful "Appraisal of the Grain" by Ferenc Soós; previous editions have also been supported by HEPF.

**Palocsa Association for the Restoration of Our Living Environment, Nagykörű – 3472 USD**  
The association aims at reviving the nature-friendly floodplain management systems along the Tisza river. HEPF covered the 6 months salary of their program coordinator.

**Péter Beretz Nature Protection Association, Rösze – 1111 USD**  
The organization plans to introduce the significant natural values of the region by creating an educational path. HEPF supported the printing costs of the guidebook to the path.

**Péter Sárközi Foundation, Budapest – 1333 USD**  
HEPF assisted the foundation in publishing the "Bio-calendar", the second issue of their "Bio-Farmer Booklets" series.

**REX Dog Shelter Foundation, Budapest – 2133 USD**  
The financial assistance of HEPF enables the animal protection organization to employ a PR- and fundraising consultant, contributing to the development and popularity of the Foundation.

**Soft Energy Foundation, Budapest – 400 USD**  
The present project, supported by HEPF, aims at surveying the changes of the 3 years that passed since the publication of the booklet "How We Wash, How Should We Wash" on the environmental impacts of detergents.

**"Buds" Foundation for Environment and People Protection, Budapest – 2888 USD + 888 USD,loan**  
Apart from the interim credit provided because of the delay of a Ministry grant, HEPF also supported their web design training for the activists of green NGOs, lasting until January 2004.

**Telehouse Foundation of Kismaros, Kismaros – 133 USD**  
The organization, besides running a small village telecommunications center, also organizes a number of events related to nature and environmental protection. HEPF contributed to the organizational costs of the forum "Sustainability and Independence of Non-profit Organizations".

**Tolna County Group of the Hungarian Ornithological Society, Szekszárd – 1066 USD**  
This local group coordinates a number of ornithological and nature protection programs; it also runs a Nature Protection Service Agency. HEPF covered the salary of the office manager.

**Water Lily Nature and Environment Protection Association, Veresegyház – 773 USD**  
Their project aims at surveying the state of the wetlands and the catchment area of the Szódrákos creek, and rehabilitating the habitats; HEPF supported the mobilization of the authorities and the local population.

**Youth Nature Conservation Association of Hajdúböszörmény, Hajdúböszörmény – 1333 USD**  
The target of the organization is to propagate and promote the use of natural sewage treatment systems in the North Plain Region. HEPF contributed to the costs of study trips related to this effort.

**Central European Heritage Award**

**Walking Association of Kengyel, Kengyel – 1013 USD**  
The award the Environmental Partnership Consortium has been granted since 2002; this year, the Association was one of the winners, as a mark of our esteem for their work.

**Sustainability grants**

**Environmental Association of Dorog**  
**"Nettle" Environmental and Nature Protection Association, Veszprém**  
**"Buds" Foundation for Environment and People Protection, Budapest**  
Based on the at least 2-year strategic plans submitted, each organization was given a 4442 USD non-earmarked grant.

The following organizations, though did not receive financial support, have the opportunity to participate in the "Organizational Sustainability" training organized by HEPF.

- Association of Conscientious Shoppers
- Association for the Istenkút Community
- Association for Rákoscaba-Újtelep
- Association of Suburban Citizens
- "Bakonyalja" Environmental Association
- Bio-culture Association
- Ecoservice Foundation
- Environmental Association of Hatvan
- Friends of Animals Foundation
- Gaja Environmental Association
- Green Action Association
- Green Point Foundation
- "Holocene" Nature Conservation Association
- Hungarian Environmental Education Association
- Independent Ecological Center Foundation
- "Magosfa" Environmental Education and Eco-tourism Association
- Mountain Bike and Environmental Protection Club of Pécs
- Open Garden Foundation
- Palocsa Association
- South-Hungarian Regional Environmental Protection and Development Association

Alternatives to Nuclear Power

E-mission Association, Nyíregyháza – 2665 USD

The association organized a weeklong program series on the role and risks of nuclear energy at the Nyíregyháza College with the help of the Green Club of the College.

Energy Club, Budapest – 12 540 USD

Within the framework of a joint cooperative program, Energy Club participated in the evaluation of the changes in the Central European and EU nuclear energy sector together with NGO partners from both regions, also endeavoring to raise public awareness.

Energy Club, Budapest – 14549 USD

The project aims at further elaborating the capacity replacement plan for the decommissioning of the Paks NPP, and the coordinated mobilization of the Hungarian and international anti-nuclear movement on the Paks issue.

"Ferenc Kiss" Nature Protection Association of Csongrád County (CSEMETE), Szeged – 3110 USD

Joining the Nyíregyháza programs of the E-mission Association, they announced a drawing competition, and held a forum on nuclear energy, under the title "Pros and Cons", at the Szeged University.

Green Circle of Pécs – 4109 USD

The organization realized professional lecture series, study trips and media activity – all in connection with the topic - during the year.

Rural Development Grants

Bánya Panorama Association, Bánya – 2221 USD

The association aims at developing the small villages and the local tourism in the Zselic region. HEPF assisted them in putting up information panels to inform tourists about the local natural values and sights.



**Foundation for Ecseny Village, Ecseny – 886 USD, 444 USD**

HEPF gave financial support to the foundation to survey, map and make a publication of the many curiosities of folk architecture and other folkloristic values in this village in the Zselic region.

**Energy Club, Budapest – 444 USD + 333 USD**

The organization established Energy Brigades in the Zselic villages to insulate local public buildings (schools etc.). Within the framework of this project, they held theoretical and practical trainings for the maintainers of two schools, followed by actual insulation work.

**Ipoly Union, Balassagyarmat – 1555 USD**

Not far from the town, the organization owns an Educational Center; they have an awareness-raising program on energy efficiency as well. In order to put theory into practice, HEPF supported them to set up a complete solar collector system.

**Kacár Farm, Szokolya – 4442 USD, loan**

The loan serves to develop a complex energy system based on renewable sources in the open-air school of the farm. In the future, this system will also serve as a demonstration site of alternative energy utilization.

**Kacár Farm, Szokolya – 666 USD**

The farm exhibits folk crafts and buildings; a section introduces the life cycle of bread, from the wheat to its baking. HEPF gave assistance to this part of the exhibition, by providing financial aid to buy an antique thresher.

**Lanius Nature Conservation Foundation, Nagykanizsa – 2954 USD**

The association developed plans for a bicycle route along the Dráva river, linked to its Croatian counterpart. As a part of its construction, the route must be marked, and road signs and panels with a map have to be placed out; the HEPF grant supported these efforts.

**Péter Sárközy Foundation, Budapest – 2888 USD + 1333 USD**

HEPF grants contributed to the publication of the "Bio-calendar" booklets and a training course on ecological lifestyles.

**Association for Sports and Recreation, Budapest – 4442 USD**

In the course of their efforts to develop a uniform system for cycling tourism along the Danube bend, HEPF assisted the association in placing out 30 log-made information boards along the bicycle route.

**"Gorse" Association for Landscape and Nature Research, Budapest – 1555 USD**

In cooperation with the Danube-Ipoly National Park, the association prepared and put out 10 log-made information boards along the educational paths of the Park with the support of HEPF.

**Wine Trail Association of Vigadóhegy, Mosdós – 4331 USD**

With HEPF support, members of the association of Zselic winemakers could participate in a training course on winemaking in order to develop their advocaci and improve the quality of their products; in addition, they could purchase 10 steel wine tanks.

**Village Protection Association of Visnyeszéplak, Visnyeszéplak – 267 USD**

One of the association's aims is to conserve and cultivate ancient Hungarian fruit varieties. HEPF supported this by purchasing professional tools and equipment.

**Zselica Alliance, Kaposvár – 3732 USD + 3732 USD**

In response to the remarkable success of their earlier energy program carried out in cooperation with the Energy Club, HEPF decided to finance the salary of a full-time coordinator at the alliance. The new employee's task is to give advice and run programs on energy efficiency and renewables.

**Development program for the promotion of cycling in the 17th district of Budapest – 3696 USD**

HEPF announced a nature protection and cycling competition for the primary school pupils of the 17th district; pupils had to introduce the local values and development opportunities of the district in essays and drawings. The place-winners of the competition could participate in a study trip, cycling along the route of the Amber Trail Greenway Program to Krakow.

# Foundation

## Balance Sheet 2003

Assets	Figures in USD (=225.1 HUF)	
	Previous year	Current year
A] Fixed assets	495 562	625 127
I. Intangible assets	289	151
II. Tangible assets	396 162	327 552
III. Long term investments	99 111	297 424
IV. Invested assets value correction	-	
B] Current assets	746 899	832 563
I. Inventory	1 808	1 364
II. Accounts receivable	43 843	30 520
III. Short term investment (securities)	8 885	263 047
IV. Cash and cash equivalents	692 363	537 632
C] Prepaid expenses	43 594	22 030
Total assets	1 286 055	1 479 720
Sources		
D] Own capital	1 209 537	1 469 676
I. Start up fund balance	888	888
II. Change of fund balance	1 208 649	1 208 649
V. Result of current year	-81 386	260 139
IV. Reserves	38 471	
E] Marked reserves		
F] Liabilities	18 969	6 522
II. Long term liabilities		
III. Short term liabilities	18 969	6 522
G] Accrued expenses	19 075	3523
Total net worth and liabilities	1 286 055	1 479 720

# Foundation

## Activity Statement 2003

		Figures in USD (=225.1 HUF)	
A]	Capital opening balance		1 208 649
B]	Income		
	1. Funds received for public benefit activities	2 235	
	2. Grant support	734 345	
	3. Income of own activities	7 832	
	4. Income of enterprise	29 476	
	5. Bank income	103 562	
	Total income		877 450
C]	Expenses		
	6. Personnel	57 148	
	7. Programme costs	180 177	
	Grant-making and technical assistance	45 020	
	Energy	6 379	
	Training	25 966	
	Rural development	34 691	
	Trust programme	62 617	
	Regional fundraising	5 504	
	8. Grants	302 093*	
	9. Fixed assets and depreciation	19 831	
	10. Bank costs	32 852	
	11. Other expenses	25 211	
	Total expenses		617 312
D]	Result of current year	260 138	
E]	Capital closing balance		1 468 787
	Start up fund		888
	Capital reserve		1 469 675
	Carry-over		577 298
	Remaining balance		892 377

\* Including the grants received and further transferred by HEPF to the Polish, Czech, Slovak and Romanian consortium members.

# Auditor's Report

## AUDITOR'S REPORT

Simplified annual report of Hungarian Environmental Partnership  
Foundation's /„HEPF” / as at 31 December 2003.

I have audited the accompanying of the HEPF's the simplified annual report for the year 2003. Balance Sheet, Profit and Loss Statement and Supplementary Annex as at 31 December. The Balance Sheet total amounts to THUF 335.085 and the profit according to the balance Sheet is THUF 58.577.

The Annual Report is the responsibility of the Company's management. The task of the auditor is to attest the Balance Sheet, Profit and Loss Statement and Supplementary Annex on the basis of the audit.

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 itemized review of observance of the tax laws and the accuracy of the tax statements.

I believe that my audit provides a reasonable basis for issuing the attestation clause:

**"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, 10th of March 2004.



Entz Béláné  
Registered auditor  
Chamber registration no.:003159

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