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IN 2011, THE GERMAN MARSHALL FUND LOST A DEAR COLLEAGUE AND FRIEND, RONALD D. ASMUS, THE EXECUTIVE DIRECTOR OF GMF’S BRUSSELS OFFICE, DIED AFTER A LONG BATTLE WITH CANCER ON APRIL 30. MANY PEOPLE WILL REMEMBER HIM FOR HIS WORK AS DEPUTY ASSISTANT SECRETARY OF STATE IN THE 1990S, WHEN HE PUSHED TO ENLARGE NATO INTO CENTRAL AND EASTERN EUROPE. BUT WE REMEMBER HIM FOR THE LASTING IMPRESSION HE MADE ON THIS ORGANIZATION. HE PRESSED GMF TO EXPAND OUR RESEARCH PROGRAM, TO DEVELOP NEW PROGRAMMING IN THE MIDDLE EAST, ASIA, AND THE CAUCASUS, AND TO LAUNCH BRUSSELS FORUM, OUR SIGNATURE EVENT. WITHOUT RON’S BOLD IDEAS, DEEP INTELLECT, AND UNRELENTING CURIOUSITY, GMF WOULD BE A DIFFERENT ORGANIZATION TODAY.
As the German Marshall Fund celebrates its 40th anniversary in 2012, this moment of reflection also offers an opportunity to chart a new course for the transatlantic relationship — one that will keep the historic partnership vital to global affairs even as the geopolitical landscape continues to change.

Domestic problems, external competition, and a lack of common purpose have imperiled the transatlantic relationship. New challenges in Africa, Asia, and the Middle East have tested the ability and capacity of the alliance to operate effectively out-of-area. The financial crisis has weakened the United States and Europe and raised serious questions about the efficacy of the liberal economic model. The conflicts in Iraq and Afghanistan have tested both sides of the Atlantic and underscored differences in outlook and strategy.

And, as data from our Transatlantic Trends survey shows, there is a growing transatlantic gap in attitudes on the use of force, the threats we collectively face, and the role of Asia in the global community.

Some see this situation as indicative of the inevitable, irreversible decline of the transatlantic partnership. That prognosis could prove correct without serious efforts to revitalize the Atlantic community. Investment and trade will provide some basis for cooperation across the Atlantic. But, economics are not enough to sustain a real partnership, especially when both the United States and Europe are being pulled in so many different directions. Trying to maintain the status quo will ultimately lead to a situation in which the United States and Europe no longer see themselves as comprehensive allies but rather as tactical partners when and if there are compelling common interests.

So we must pursue a growth strategy for the transatlantic relationship. It is the only viable course for a strong transatlantic community. We must rethink and reinvent this partnership and make it work for the 21st century or else see our collective influence outstripped by new powers and new coalitions. That may mean an alliance that is less about hard power than in the past, and it may mean an alliance that includes new partners who share U.S. and European values, such as Japan, India, Brazil, South Korea, and Australia. It may mean significantly altering NATO, the G20, and other institutions dominated by the transatlantic community and building new, more global organizations and arrangements that meet the needs of this century while retaining a core of Western like-mindedness. Reinvention does not mean starting
anew. It does mean that we must take a hard look at the current arrangements and keep those elements that work while, at the same time, thinking creatively about how to build a new partnership based on common values and a broader purpose and scope.

There are three steps to this reinvention, and GMF is working on each of them. First, we have to take care of ourselves. The United States and Europe must help one another get through the financial and economic crises through direct financial support and through advice and the exchange of ideas. Our economies are deeply intertwined — U.S. investment in Europe is four times higher than in Asia, and the transatlantic economies still comprise almost half of global GDP. In good times, this means growth for our companies and financial stability for our countries. In bad times, it means our economies aren’t immune to the troubling financial ripples — or waves — that reach our shores. GMF’s EuroFuture project is contributing research, analysis, and convening power to this effort, and our Transatlantic Taskforce on Trade and Investment has recommended steps toward a new agenda for growth. In addition, without working to strengthen our cities and local regions, there will be little appetite for attention to global matters. Our Urban and Regional Policy program is devoted to helping cities in the United States and Europe develop sustainably and recover economically.

Second, we must expand the partnership to include liberal democracies that share our values and can provide new energy to our common vision for a good and decent world. One place to start is the Atlantic basin to our south, with Brazil as the most prominent of a group of democracies in South America and Africa that can contribute to global stability. Then there is Asia, where there are more people living under democracy than in any other part of the world. Americans and Europeans must approach these new partners with a sense of humility. Over a decade when emerging powers have enjoyed historic and sustained rates of economic growth, we have not managed our own affairs very well, and our management of global institutions has fallen short. We need these new partners to work with us in a process of revitalizing the global order to reflect more closely our common values. Rather than weakening the West, partnerships with these “global swing states” can, over time, help strengthen the liberal international order the Atlantic community built. They share our vision of a good and decent world and can work with us to help integrate that other rising giant, China, into it. The democratic-capitalist ideal can be reinforced rather than undermined as a growing number of non-Western powers embrace values that appear increasingly universal, and as rising democracies develop the capacities to help us provide global public goods. Our
new Atlantic Dialogues project and our standing program on Asia are working toward this end.

We talk a lot about “global problems,” and it is not lip service. Although once largely separate, the lines between “Atlantic” problems and “Pacific” ones have blurred significantly, and they should be tackled together in most cases. This brings me to the third step. These new partnerships of liberal democracies that connect the Atlantic and Pacific realms should address global security in a broad sense to include food, energy, migration, economics, democracy, law, and other aspects of human security. These are the baseline concerns of our societies as they attempt to grow and flourish.

GMF has gone through several evolutions in its history, tracking or even leading changes in the transatlantic relationship itself. As the first U.S. organization to open an office in East Berlin after the Berlin Wall fell, we were at the vanguard of working in Central and Eastern Europe. We were on the front lines of NATO expansion to include many of those countries. We continue to work in the Balkans, the Black Sea region, and Turkey — areas that can be integrated further still into Euroatlantic structures. And our seven offices in Europe have us uniquely positioned to integrate local, regional, and global perspectives in confronting the world’s challenges.

In recent years, GMF has talked about looking at the world through a transatlantic lens. It’s not just that anymore. We now need the Brazilians, the Japanese, and the Indians to look with us. Their perspectives — and growing willingness to play a shaping role in East Asia, North Africa and the Middle East, and Iran — will help all of us live in a safer and more prosperous world.

Craig Kennedy
President
CONVENING

GMF HOSTS MAJOR CONFERENCES AND MEDIUM- AND SMALL-SCALE MEETINGS AROUND THE GLOBE TO FOSTER DEBATE AND SHAPE FUTURE POLICY DISCUSSIONS ON A RANGE OF TRANSATLANTIC ISSUES. GMF EVENTS CENTER ON ISSUES SUCH AS IMMIGRATION, COUNTRIES SUCH AS CHINA, OR REGIONS SUCH AS THE MEDITERRANEAN, AND INVOLVE EXPERTS FROM AROUND THE WORLD.
The sixth Brussels Forum held March 25-27, featured participants from 50 countries, including heads of state, senior officials from the European Union institutions and the member states, U.S. officials, Congressional representatives, academics, and members of the media. This topics covered this year included trade and the economy, energy, the events in North Africa, Japan, China, Russia, Turkey, and the Balkans, among other issues of global concern.

The roster of speakers included European Commission President José Manuel Barroso, President of the European Council Herman Van Rompuy, President of the European Parliament Jerzy Buzek, EU High Representative for Foreign Affairs and Security Policy Baroness Catherine Ashton, Belgian Prime Minister Yves Leterme, Latvian President Valdis Zatlers, Serbian President Boris Tadić, Montenegrin Prime Minister Igor Lukšić, Chinese Vice Minister of Foreign Affairs Fu Ying, Former British Prime Minister Gordon Brown, and a delegation from the U.S. Congress, led by Senator Jeanne Shaheen (D-NH).

The conference closed with Belgian Foreign Minister Steven Vanackere awarding the new Brussels Forum Young Writers Award to Pierce O’Reilly and David Post for their essay on the future of the transatlantic relationship, “New Institutions for a New World: The Transatlantic Alliance and the Future of the Global Economic Order.” The Young Writers Award is an opportunity to showcase innovative thinking on issues that shape tomorrow’s transatlantic relationship.

This Brussels Forum was organized by GMF in partnership with the Federal Authorities of Belgium, the Egmont Institute, and Daimler. Additional sponsors include the European Union Delegation to the United States; Deloitte; BP; BNP Paribas Fortis; the Ministry of Foreign Affairs of Poland; the Ministry of Defence, Republic of Latvia; Centre for European Studies; European Liberal Forum; and the Japan Foundation Center for Global Partnership.
Last year saw the eighth (Jan. 21-22) and ninth (June 10-11) editions of the Stockholm China Forum. With support from the Riksbankens Jubileumsfond and the Swedish Ministry for Foreign Affairs, the Forum brings together policymakers, intellectuals, journalists, and business representatives from Europe, the United States, and Asia for an ongoing and systematic dialogue to assess the impact of China’s rise and its implications for European and U.S. foreign, economic, and security policy. The agenda for the January edition included discussions concerning the state visit of President Hu Jintao to the United States, security competition in East Asia, shared strategic interests in Central Asia, and cooperation on global economic issues. The June edition addressed the unfolding demonstrations in the Middle East, Chinese foreign investment, and governance and political reform within China.

India Forum brings together policymakers, intellectuals, journalists, and business representatives from Europe, the United States, and India twice a year to establish networks across diverse communities and facilitate cooperation and coordination through informal discussion. On April 9-10, GMF held the third India Forum in London in partnership with the Legatum Institute and the Swedish Ministry for Foreign Affairs. Sessions included conversations on Indian governance and economic reforms, perspectives on China’s rise, investment flows, developments in Pakistan, entrepreneurship, trade, and security in the Middle East. On November 11-12, GMF held the fourth India Forum in Stockholm in partnership with the Swedish Ministry for Foreign Affairs. Over the two days, participants debated issues such as challenges to democratic governance, developments in Afghanistan and China, labor migration policies, engagement with Pakistan, resource competition, and defense trade.
TRANSATLANTIC FORUM ON MIGRATION AND INTEGRATION

Over the past four years, the Transatlantic Forum on Migration and Integration (TFMI), held in partnership with the Robert Bosch Stiftung, has established itself as a leading international platform for young professionals to debate crucial immigration and integration issues. After past years in Germany and the United States, predominantly immigrant-receiving countries, and Turkey, a country of emigration and transit migration, TFMI 2011 moved to India to further understanding about immigration and integration in a non-Western society. The main topics discussed at the October 2011 event included diaspora relations and emigration to the Gulf States. This TFMI assembled a group of 50 young professionals in India from Europe, the United States, Morocco, Turkey, Mexico, China, and the Philippines. Apart from the annual conference, TFMI has developed into a sustainable network that supports multiple networking activities throughout the year. TFMI Fellows organize spin-off projects in all parts of the world, including study tours, workshops, regional meetings, and professional exchanges. Overall, the network consists of more than 100 Fellows from over 30 countries worldwide.

MEDITERRANEAN STRATEGY GROUP

The Mediterranean Strategy Group brings together 30-40 officials, experts, and private sector representatives for informal, off-the-record discussions on key policy questions affecting the region. The fifth meeting of the group was held in Barcelona from October 19-21, 2011, on the theme of “Rethinking Mediterranean Security in the Wake of the Revolutions,” and was organized in cooperation with the Patronat Catalunya Món. The debate engaged leading observers from Egypt, Morocco, Algeria, Tunisia, and Libya and considered the effect of the ongoing revolutions in the Middle East and North Africa on the domestic and regional security equation, including questions of food security, human security in light of migration, and the special challenges facing Mediterranean cities. The activities of the Mediterranean policy program are completed in partnership with the Compagnia di San Paolo, OCP Foundation, Enel, and Fundação Luso-Americana.
(Top left) Assia Bensalah Alaoui, ambassador at large for Morocco, speaks at Atlantic Forum.

(Top right) A participant at the Transatlantic Forum on Migration and Integration.

(Bottom) A delegation from Detroit and local guides at a neighborhood market in Turin, Italy.
For the last 50 years, at least, the center of gravity in transatlantic relations has been firmly rooted in the Northern Hemisphere. But the next decade is likely to bring a significant rebalancing within the Atlantic space, with southern Atlantic partners, including Brazil and Southern and West Africa, playing a larger role. In partnership with Morocco’s OCP Foundation, GMF runs the Wider Atlantic Program, which promotes dialogue, analysis, and cooperation in the Atlantic basin as a whole, north and south, including Latin America and Africa.

Research within the program in 2011 has produced major new studies on Morocco’s new geopolitics, energy in the Atlantic basin, and food security from the Atlantic perspective. Studies on Atlantic cities and regions, new actors in the Atlantic, and maritime policy challenges are underway in 2012.

Also coming in 2012 is a major new conference, The Atlantic Dialogues, modeled on Brussels Forum. This effort allows GMF to extend its convening, networking, and research to Brazil, Morocco, South Africa, and other emerging actors around the Atlantic basin.

In 2011, the Urban and Regional Policy Program conducted the second year of its three-year Cities in Transition initiative, which links city officials, foundation leaders, community developers, and other civic leaders from Detroit, Flint, Cleveland, Youngstown, and Pittsburgh with their counterparts in older industrial cities in Europe. Following up on a 2010 study tour, GMF convened high-level officials in Youngstown, Ohio, in June 2011 to discuss strategies for linking economic and community development in the implementation of the city’s lauded Youngstown 2010 plan.

In September 2011, GMF brought together delegates from all five cities, as well as representatives from the White House and the U.S. Department of Housing and Urban Development, to travel to Germany’s Ruhr Valley to examine strategies for promoting regional economic cooperation. The group then spent several intensive days in Barcelona, delving more deeply into a place-based economic development project, the 22@Barcelona district.

The Cities in Transition Initiative is completed in partnership with the Kresge Foundation, the Surdna Foundation, and the George Gund Foundation.
DETOUR-TORINO PARTNERSHIP

From July 18-22, 2011, as part of the Detroit-Torino Partnership sponsored by the Kresge Foundation, GMF led the second of a series of study tours that bring civic leaders from Detroit, Michigan, to Turin, Italy. The delegation featured high-level business and non-profit leaders and policymakers who are working to develop a network of urban markets in Detroit. Working closely with the Compagnia di San Paolo, the City of Turin, and Torino Internazionale, GMF crafted a study tour to examine Turin’s thriving network of urban markets in order to understand what goods and services are offered, how they operate, their impact on the regional economy and society, and how they are regulated. GMF, in conjunction with the study tour participants and the Kresge Foundation, are now working to adapt some of the lessons of Turin to the Detroit context.

TRILATERAL STRATEGY GROUP

The fourth meeting of the Trilateral Strategy Group convened in Istanbul from May 25-27, 2011, under the general theme of “Trilateral Perspectives on Power and Prosperity,” and featured in-depth discussions on global demographics, migration and integration, emerging powers and global governance, and the sweeping changes in Turkey’s neighborhood.

The fifth meeting of the group, titled “Geopolitics and Strategy in Revolutionary Times,” was held in Warsaw, Poland, during the rotating Polish Presidency of the European Union Council, from November 13-15, 2011. It included sessions on the revolutions in North Africa and the Middle East, new strategic games in Eurasia, the role of civil society organizations and new social networks in revolutions and transitions, and trilateral perspectives on global “wild cards.”

The twice-annual dialogue is conducted in partnership with the Swedish Ministry for Foreign Affairs, the Turkish Businessmen’s and Industrialists’ Association, and Koç Holding. The aim is to bring public- and private-sector leaders from Turkey, the United States, and Europe together for two days of debate on issues affecting all sides of the triangle — “a dialogue with Turks, but not just about Turkey.” The meetings host 40-50 participants, and rotate between Turkish, European, and U.S. venues.
In 2011, GMF announced that its Comparative Domestic Policy Program would be relaunched as the Urban and Regional Policy Program. In the years since the Comparative Domestic Policy Program was created, GMF built a broad, transatlantic network of local leaders with a particular focus on urban and regional policies that promote economic vitality, environmental sustainability, affordability, and social inclusion at the local level. In future years, the program’s intention is to become more deeply involved not just in fostering connections between local policymakers on both sides of the Atlantic, but also in conducting relevant urban policy analysis and developing programming that brings this analysis to bear on the practical and pressing problems faced by practitioners at the local level in the United States and Europe. The program took key steps in this direction in 2011, for example, by hosting a high-level convening of mayors and other city leaders on the municipal financial crisis, perhaps the most pressing issue facing cities today. The program develops analytical research on these and other urban issues, and works with a number of Fellows including:

- Nat Bottigheimer  
  Assistant General Manager, WMATA
- Rex Burkholder  
  Councilor, Portland Metro
- Frank Fernandez  
  Executive Director, Green Doors
- Denver Igarta  
  Urban Planner, City of Portland
- Carol Kuester  
  Principal Planning Coordinator, Bay Area Metropolitan Transportation Commission
- Thomas Straatemeier  
  Senior Advisor for Transportation and Land Use, Goudappel Coffeng
- Steve Wertheim  
  Urban Planner, City of San Francisco

As the Urban and Regional Policy Program renews its focus on those challenges and policy areas that are central to the strength and vitality of cities on both sides of the Atlantic, the program’s new name more accurately reflects its focus and expertise, as well as its vision for the coming years.
CONGRESS-BUNDESTAG FORUM

The eighth annual Congress-Bundestag Forum, a partnership with the Robert Bosch Stiftung, took place February 24-28, 2011, in Kronberg, Frankfurt, and Berlin, Germany, with 13 members of the German Bundestag and seven members of the U.S. House of Representa-
tives. The program began in Berlin with a luncheon hosted by U.S. Ambas-
sador to Germany Philip Murphy, and was followed by meetings with senior officials in the Ministry of Defense, Chancellery, and Federal Foreign Office. The delegation met with busi-
ness leaders and attended a reception given by the mayor of Frankfurt. Round-
table discussions in Kron-
berg focused on a variety of topics, including diplomacy with Iran, the euro crisis, India's role in a multipolar world, and bridging cultural divides using technology.

CRISIS IN THE EUROZONE: TRANSATLANTIC IMPLICATIONS

As the European sovereign debt crisis continued to occupy headlines on both sides of the Atlantic, the Economic Policy Program hosted a number of European policymakers and experts for roundtable discus-
sions and public events in Washington, DC. Highlighting different aspects and viewpoints on the eurozone crisis, GMF hosted events that featured, among others, German Deputy Finance Minister Steffen Kampeter, Latvian Finance Minister Andris Vilks, Governor of the Bank of Latvia Ilmars Rimse-
vics, and representatives of the European Central Bank, as well as Member of the European Parlia-
ment Reinhard Bütikofer. In December 2011, GMF, in cooperation with the German Federal Foreign Office, organized a “Euro Crisis Expert Seminar” that brought a group of

German financial and economic experts to the United States for meetings and discussions on the subject of “decoding the German eurozone debate.”

This programming was complemented by several analytical pieces on the eurozone crisis by GMF staff and Fellows. In addition, GMF Senior Transatlantic Fellow Bruce Stokes testified in front of several committees of the U.S. Congress, and GMF co-organized several brief-
ings with GMF staff and Fellows for Congressional staff on the euro crisis.
IMMIGRATION EVENTS SERIES

In 2011, the Immigration and Integration Program continued two event series in Washington, DC, and Berlin focused on key aspects of the broader immigration and integration debate. The series in Washington, “Taking the Immigration Debate Across Borders: GMF Embassy Event Series,” is conducted in cooperation with select embassies in Washington. The Berlin series, GMF’s “Immigration Roundtables: A View from Berlin,” convenes a regular group of participants to strengthen relations with the immigration community on the ground.

Embassy Events in 2011 were held with the Spanish and German embassies with speakers such as Spain’s State Secretary for Immigration and Emigration, Anna Terron i Cusi; Dr. Ralf Brauksiepe, Parliamentary State Secretary in the German Federal Ministry of Labor and Social Affairs; and Betsey Stevenson, Chief Economist at the U.S. Department of Labor. Discussions touched upon the topics of circular migration and impacts on integration in Spain and labor migration in Germany.

Berlin Immigration Roundtables in 2011 were held on “New Approaches to Muslim Engagement” featuring Farah Pandith, Special Representative to Muslim Communities for the U.S. Department of State, and on the birthright citizenship debate in the United States featuring Angela Kelley, Center for America Progress.

Additionally, in September 2011, the Black Sea Trust and the immigration program partnered with the German Embassy in Bucharest on “Migration within and to the EU” discussing the need for a coherent EU migration policy. A roundtable was held in Brussels in November on “Transatlantic Approaches to Promoting Immigrant Belonging,” and in December 2011, GMF hosted a discussion on “The Experience of Muslims in Europe and the U.S.: How have Germany and the U.S. Fared in Integrating Minority Religious Groups?”

HOSTING TRANSATLANTIC LEADERS

Throughout 2011, GMF facilitated policy debate and transatlantic discussions between North American and European leaders in Washington and European capitals, covering everything from Turkey-U.S. relations to the euro crisis to energy security. GMF sponsored a panel discussion featuring Voices from Belarus, a group of seven political figures, civic activists, and citizens Belarus activists Natalya Kalyada and Irina Krasovskaya.
who offered first-hand accounts of the effects of the December 2010 election. The discussion on February 16 followed an event hosted by the Washington, DC, office on January 6, when activists Natalya Kalyada and Irina Krasovskaya recounted the aftermath of the widely discounted election.

In Washington, DC, on March 2, GMF hosted Ambassador Selim Yenel, deputy undersecretary at the Turkish Ministry of Foreign Affairs, to discuss the latest trends in Turkey-U.S. relations. Ambassador Yenel explained that recent events in the Middle East and North Africa had strengthened cooperation between Turkey and the United States, but he emphasized that Libya would be treated “cautiously.”

On May 4, Croatian President Ivo Josipović spoke at GMF in Washington, DC, on the need for the European Courts to support the International Criminal Tribunal for the former Yugoslavia (ICTY) in their prosecution of war crimes at the national level. In his speech, “Reconciliation and Criminal Responsibility for War Crimes,” the newly elected president said that his administration was in complete compliance with the ICTY, but that prosecuting crimes on the national level has advantages as well.

On May 28, as part of the opening celebrations of GMF’s new Warsaw office, Polish Foreign Minister Radek Sikorski and U.S. Ambassador to Poland Lee Feinstein reflected on U.S. President Barack Obama’s just-concluded visit to Poland. Sikorski also honored Ron Asmus, former executive director of GMF’s Brussels office, with a posthumous medal for his work to expand democracy and security in the country.

On July 21, GMF welcomed Estonian Prime Minister Andrus Ansip to Washington, DC, to discuss energy production and new or unconventional energy sources. Ansip argued that increased interconnections of gas and electricity across country borders in the Baltic and Nordic regions are necessary to the planned development of nuclear power in the Baltic States.
WARSAW OFFICE OPENS

On May 27, 2011, GMF opened an office in Warsaw, Poland, marking the organization’s seventh in Europe. GMF is the first U.S. public policy institution to establish a permanent center in Poland, giving the organization a competitive edge in this dynamic and increasingly influential country. GMF has a long history of engagement with Poland, including grants to Polish organizations since 1990, the participation of many distinguished Poles in GMF’s Marshall Memorial Fellowship Program and other programming such as Brussels Forum, and Poland being a key country in the annual Transatlantic Trends survey.

The office serves as a forum and source of ideas for strengthening transatlantic cooperation, with a particular focus on issues critical to Poland and Central Europe. Led by Andrew A. Michta, the Warsaw office concentrates on U.S.-European relations, Central and Eastern Europe, transatlantic security issues, the EU’s Eastern Partnership, and energy.

Specifically, the Warsaw office has begun a series of policy dialogues on the role that shale gas deposits can play in Poland’s energy security. These dialogues involve energy companies, Polish government officials, and GMF’s in-house experts. In the area of hard security cooperation, the office held a half-day conference on “Defense Spending in the Era of Economic Crisis” featuring, among others, Polish Foreign Minister Radek Sikorski, the Chief of the General Staff Gen. Mieczysław Cieniuch, and U.S. Ambassador to Poland Lee Feinstein. The office also organized, in close cooperation with GMF’s Berlin and Bucharest offices, a number of public discussions and off-the-record meetings with a particular focus on transatlantic policy initiatives toward Belarus and Ukraine. In the coming year, the focus of the Warsaw office will be the development of research projects to strengthen the political and economic ties between the United States and Central Europe.
(Top) Gabriel Glöckler, European Relations Officer, European Central Bank (At left)
(Bottom left) Jerzy Pomianowski, Undersecretary of State at the Polish Ministry of Foreign Affairs
(Bottom right) Latvian Finance Minister Andris Vilks and Governor of the Bank of Latvia Ilmars Rimsevics
On September 9, GMF’s Urban Program hosted a summit on local leadership and innovation during the financial crisis, at which leaders from both sides of the Atlantic discussed how their cities are responding to the effects of the global recession. Over 60 policymakers and practitioners from the United States and Europe attended the event, which was co-sponsored by the Urban Land Institute.

On October 11, the leader of the Ukrainian Democratic Alliance for Reform, Vitali Klitschko, also the WBC heavyweight champion, spoke of the Ukrainian perspective of Europe in GMF’s Washington, DC, office. Klitschko championed the democratic voice of opposition and declared that Ukraine ultimately desires to join the EU and integrate its policies.

GMF and the German embassy hosted a roundtable discussion on October 18 on “Identifying the Future of Transatlantic Cooperation on Climate and Energy,” supported by the Transatlantic Climate Bridge initiative of the German government. The event fostered a discussion of the most promising ways that Europe and the United States could advance action on climate change, both domestically and in collaboration, in the light of evolving political conditions and priorities. Approximately 35 people helped make progress toward defining a new set of priorities for cooperation that will be communicated to funders and policy leaders on both sides of the Atlantic.

GMF’s Washington, DC, office hosted a roundtable discussion on October 28, on the EU’s Eastern Partnership with Jerzy Pomianowski, Undersecretary of State at the Polish Ministry of Foreign Affairs. The minister focused on Poland’s relationship with its neighbors, Ukraine and Belarus, who are planning to build nuclear plants, in the context of energy security. The conclusion: the language of discourse on energy security policy will change as European solidarity increases.

In addition, GMF’s Asia Program hosted leaders on Asia-Pacific affairs throughout the year in meetings with transatlantic policymakers in both Washington, DC, and Brussels. These included Afghan Ambassador to the United States Eklil Ahmad Hakimi; Principal Deputy Assistant Secretary of State Geoffrey Pyatt; Deputy Assistant Secretary of Defense Robert Scher; Wendy Chamberlin, President of the Middle East Institute; Australian Ambassador to the United States Kim Beazley; David Loevinger, Senior Coordinator for China at the U.S. Department of the Treasury; and Andrew Shearer of the Lowy Institute in Sydney, Australia.
GMF hosts the Transatlantic Academy to fund policy-relevant academic research around Transatlantic topics. GMF also produces publications ranging from the Transatlantic Trends series of surveys to policy paper and brief series in order to expand the information available to policymakers, thought leaders, media, and the business community.
The Transatlantic Academy serves as a forum for a select group of scholars from both sides of the Atlantic, and from different academic and policy disciplines, to examine a single set of issues. Working together from a transatlantic and interdisciplinary perspective, Academy Fellows use research, publications, and seminars to make policy-relevant contributions to transatlantic debates.

In June 2011, the Transatlantic Academy spent a week traveling through Europe to launch the Academy’s report *Global Shift: How the West Should Respond to the Rise of China*. Written collaboratively by the 2010-2011 Transatlantic Academy Fellows, *Global Shift* argues that Atlantic renewal is essential to safeguarding stability in global governance in the coming era. The Fellows spent 10 months collaborating on this report and took study trips to China and South Korea.

The theme for the fourth academic year (2011-2012) is “Natural Resources: The New Geopolitical Great Game?” Throughout the year, the Academy is focusing on the nexus of different resources including energy, water, food, land, and minerals and exploring how these challenges affect social, political, and economic institutions. The fourth class of Fellows includes:

- Philip Andrews-Speed, Chatham House
- Raimund Bleischwitz, the Wuppertal Institute
- Geoffrey Kemp, the Center for the National Interest
- Stacy Van Deveer, University of New Hampshire
- Tim Boersma, Groningen University
- Corey Johnson, University of North Carolina, Greensboro

The Fellows participated in a study tour to London, Oslo, and Germany in October 2011 to meet with organizations doing similar work on natural resources and gain a deeper understanding of the resource nexus. The Fellows will continue to organize events throughout the winter and spring on topics ranging from the Arctic to resource security. In May and June 2012, the Academy will spend three weeks in residence at the Bosch Academy in Berlin.

The Transatlantic Academy is supported by GMF, the ZEIT-Stiftung Ebelin und Gerd Bucerius, the Robert Bosch Stiftung, the Lynde and Harry Bradley Foundation, and the Fritz Thyssen Stiftung. The Academy also receives funding from the Compagnia di San Paolo, the Joachim Herz Stiftung, and the Volkswagen Stiftung.
The 10th annual Transatlantic Trends survey revealed that Americans may be turning their focus away from Europe, as a majority of U.S. respondents said that their national interests lie more with the countries of Asia than with the European Union.

Transatlantic Trends 2011 is a comprehensive annual survey of American and European public opinion in the United States, Turkey, and 12 European Union member states: Bulgaria, France, Germany, Italy, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden, and the United Kingdom. The survey is a project of GMF and the Compagnia di San Paolo, with additional support from the Fundação Luso-Americana, Fundación BBVA, the Communitas Foundation, and the Swedish Ministry for Foreign Affairs.

Transatlantic Trends 2011 shows that a slight majority of Americans (51%) feel that Asian countries, such as China, Japan, or South Korea, were more important to their country's national interests than were the countries of the EU (38%).

Other key findings include:

- A generation gap has emerged among Americans with regard to China. Close to three-in-five (59%) Americans between the ages of 18-24 had a favorable opinion of China, but that favorable opinion was only shared by 33% of the 45-54 age group.
- Only 40% of respondents in eurozone countries felt the euro had been good for their country's economy.
- For the first time, a majority of Americans (56%) were pessimistic about the prospects of stabilizing the situation in Afghanistan, and European pessimism remained high (66%).

Released in March 2011, Transatlantic Trends: Leaders served as a companion survey to Transatlantic Trends, covering the European Elite Survey of Members of the European Parliament and top-level officials of the European Commission and the European Council. For the first time, American leaders were included in order to offer a comparative analysis of the views of European and American leaders and their respective publics. A number of specific issues proved to be divisive for leaders and their publics, including the rising powers of Asia, military options in Iran, and Turkey.
**TRANSATLANTIC TRENDS: IMMIGRATION**

The 2011 Transatlantic Trends: Immigration survey showed that in the midst of the global economic crisis and Arab Spring, attitudes toward immigration remain stable in the United States and five European countries. According to the survey, slight majorities of Americans (53%) and Europeans (52%) see immigration as a problem, yet they remain optimistic about immigrant integration. The survey also shows that while most disapprove of government management of immigration, a majority of Americans and Europeans support centralized immigration policies over local ones.

According to this fourth-annual survey of public opinion in the United States and five European countries (France, Germany, Italy, Spain, and the United Kingdom), most also maintain a negative view of government management of immigration, with 68% of Europeans and 73% of Americans believing that their government is doing a poor or very poor job. Nevertheless, most Americans (56%) and Europeans (52%) remain optimistic about immigrant integration, and majorities are interested in letting in more highly educated immigrants.

The survey is a project of GMF, the Compagnia di San Paolo, and the Barrow Cadbury Trust, with additional support from the Fundación BBVA.

Other key findings include:

- Support for an EU responsibility to set national-level immigration numbers increased to 42% in 2011, though the Southern European countries still show far greater interest than other parts of Europe.
- Strong majorities in all countries polled in Europe supported European burden-sharing on the North African migration crisis, with 80% of respondents agreeing that responsibility should be shared by all countries in the EU rather than by the country where migrants first arrive. The lowest support was expressed in the U.K. (68%), and the highest support was found in Italy (88%).
- As in previous years, Americans and Europeans largely overestimated the percentage share of immigrants in their countries. British respondents, on average, estimated a foreign-born population of 31.8%, while just 11.3% of the population is actually foreign born. Americans, on average, estimated a foreign-born population of 37.8%, and the actual foreign-born population is only 12.5%.
GLOBAL SWING STATES

The Global Swing States Project is a new joint initiative of GMF and the Center for a New American Security, currently supported by the Swedish Ministry for Foreign Affairs. The project focuses on four rising democratic powers — Brazil, India, Indonesia, and Turkey — that have yet to decide whether to bolster, overturn, or ignore the prevailing international order. The project involves working group meetings in Washington, DC, commissioned papers, and study tours, and will culminate in a final report to be published in the fall of 2012 that will develop recommendations for how the United States and Europe can more effectively engage with rising democratic powers in the long-term objective of strengthening the rules-based global order.

TRANSFORMATIONAL PARTNERSHIPS IN FOOD SECURITY IN AFRICA

Continuing its work on transatlantic food security policies in the developing world, GMF launched Transformational Partnerships in Food Security in Africa: A Transatlantic Experts Group in July 2011 in partnership with the William and Flora Hewlett Foundation and the Swedish International Development Cooperation Agency. The group, co-chaired by GMF Senior Fellows Jim Kolbe and Jean-Michel Severino, consists of over 40 experts in food security and agriculture. Through intensive brainstorming sessions in the United States and Europe as well as on-the-ground work in sub-Saharan Africa, the group will make targeted policy recommendations in the spring of 2012. In a time of budget austerity and increasing concern about global access to food, the group’s recommendations will help transatlantic governments and other stakeholders make the most of limited development resources in order to promote food security.

ASIA POLICY PAPERS

Complementing its convening activities, GMF has developed a program of research on the larger strategic questions related to the wider Asia-Pacific region. GMF has continued producing policy-relevant research reports on human rights in Southeast Asia, international engagement with Burma, and U.S.-Australia cooperation. You can find all of GMF’s Asia publications at www.gmfus.org/regions/asia.
TRANSLATLANTIC TAKE SERIES

MF’s Transatlantic Take series attracted more attention and followers in its third year. The regular op-ed style pieces on the week’s most important news and events are written by GMF staff and Fellows from both sides of the Atlantic and distributed by email. The authors comment on current events from a transatlantic perspective, in some cases highlighting new issues that should be on the transatlantic agenda.

EXCELLENT ARTICLE AT LONG LAST SOMEONE HAS PUT THE FINGER ON WHERE THE PROBLEM IS. MICHAEL BASTIAN COMMENTING ON “WHY ISN’T GERMANY STEPPING UP TO SAVE THE EURO ZONE?”

Every Transatlantic Take can also be found on the GMF blog, where authors and readers can continue the conversation. In 2011, GMF published more than 100 Transatlantic Takes featuring stories ranging from the Arab Spring to Belarus to Germany’s role in the euro crisis.

POLICY BRIEFS

MF continues to publish dozens of policy briefs each year, on such varied subjects as Turkey’s relations with Central Asian countries, regional trade integration in Africa, and the expansion of the EU’s foreign service. The popular “On Turkey” series is required reading for analysts and scholars of that country, exploring domestic and international developments in and around Turkey. Topics have included Turkey’s reaction to the Arab Spring and possible restrictions on press freedom in the country, among many others. GMF’s Economic Policy team developed two new series, “Connections” (on transatlantic trade and development policy issues) and “Strengthening the Transatlantic Economy,” in addition to continuing the “G20 in the Global Economy” series that began in 2010. The Asia team inaugurated an “On Pakistan” series as well as publishing policy briefs written for their Stockholm China and India Forums. Look for all of GMF’s policy briefs at www.gmfus.org/publications.
Mediterranean Research

GMF’s strategic partnership with the Istituto Affari Internazionali in Rome, and a smaller grant to Paralleli in Turin, support an active program of research, analysis, and publications. In addition, GMF commissions its own Mediterranean policy papers with analyses by GMF experts. The 2010-2011 research agenda focused on evolving Southern European and Turkish policies in the Mediterranean. The 2011-2012 agenda focuses on new socio-economic and political actors in the Mediterranean region, with a particular emphasis on the new, post-revolutionary landscape in North Africa and the Middle East, including the paper, “Mediterranean 2020: The Future of Mediterranean Security and Politics.” In 2012, the program will launch a substantial new project on energy geopolitics and the risks of brinkmanship in the Eastern Mediterranean.

Accessing GMF’s Publications on e-readers

GMF’s policy briefs and policy papers are now available through www.amazon.com for the Kindle e-reader. If you have a Kindle, search for German Marshall Fund on the Kindle store to find a full list of titles and have access to insightful analysis on the go. Transatlantic Takes are also available in this format by subscribing to GMF’s blog, also on www.amazon.com. And if you have an iPad, GMF has begun to offer publications on iTunes as well. Just search the iTunes store at www.itunes.com for German Marshall Fund.
GMF FELLOWS PROGRAM

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former Visiting Fellow, Brookings Institution; Associate Fellow, Istituto Affari Internazionali, Rome

JUDITH BAROODY
Senior Foreign Service Officer, U.S. Department of State

LAURA BLUMENFELD
Author and journalist

PETER CHASE
Senior Representative for Europe, U.S. Chamber of Commerce, Europe Office

PAVOL DEMEŠ
former Director, GMF Bratislava Office

DANIEL FATA
Vice President, The Cohen Group; former U.S. Deputy Assistant Secretary for Defense for Europe and NATO Policy

AARON FRIEDBERG
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WILLIAM INBODEN
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DANIEL KILMAN
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JIM KOLBE
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JAMES KUNDER
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MICHAEL LEIGH
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DANIEL TWINING
former Member of the Policy Planning Staff, U.S. Department of State, and former Foreign Policy Advisor to Sen. John McCain

JOSHUA WALKER
former Post-Doctoral Fellow at Brandeis University and former Research Fellow at Harvard University
Networking

GMF works closely with partner organizations to sponsor a range of fellowship and exchange programs designed to provide both broad cultural exposure and more targeted opportunities for learning about specialized policy issues, and to build transatlantic networks among the political, media, business, and nonprofit communities.
THE MARSHALL MEMORIAL FELLOWSHIP PROGRAM

GMF’s flagship and longest-running program, the Marshall Memorial Fellowship (MMF) is a professional development and networking initiative that enables participants to delve into the inner workings of U.S. and European society through briefings and experiential learning opportunities with government officials, think tank leaders, media, and business representatives. The 2011 MMF program was made possible in part through partnership with the Kresge Foundation and the Cleveland Foundation, and with the support of European partners including the Council for the United States and Italy, ZEIT-Stiftung Ebelin und Gerd Bucerius, Fundação Luso-Americana, École Nationale d’Administration, and Patronat Catalunya Món.

2011 AMERICAN MARSHALL MEMORIAL FELLOWS

Over the course of 2011, 51 American Marshall Memorial Fellows from 17 states and the District of Columbia traveled to five European cities to explore issues such as economic development, immigration, and local politics. Destinations included Athens, Brussels, Lisbon, Madrid, Sofia, and Warsaw. Highlights of the 2011 American Fellows’ programs included a harbor cruise to see port operations in Hamburg, a visit to the Vallette Prison in Italy, and participation in a traditional Swabian-Alemannic carnival in Freiburg.

2011 EUROPEAN MARSHALL MEMORIAL FELLOWS

GMF welcomed 54 emerging European leaders from 22 countries to travel extensively throughout the United States as Marshall Memorial Fellows, exploring issues such as gun control, business, religion, and culture. The Fellows visited five different cities and towns across the United States, including Atlanta, GA; Chicago, IL; Houston, TX; Los Angeles, CA; Montgomery, AL; Pittsburgh, PA; and Spanish Fork, UT. Fellows were welcomed into the homes of American families to gain a better understanding of daily life in the United States.
In 2011, the German Marshall Fund reorganized its long-standing leadership development programs into one department, Transatlantic Leadership Initiatives, which now includes the Marshall Memorial Fellowship program, the Manfred Wörner Seminar program, alumni conferences, alumni relations, and the exploration of future leadership development programs. The repositioning of this new department will build on the 30 years that GMF has spent developing leaders throughout the United States and Europe to improve our core fellowships and explore new opportunities for future fellowships; better integrate, leverage, and deploy our alumni network; and increase alumni involvement in wider GMF programming.

Since 1982, the MMF program has created a vibrant transatlantic network of more than 2,000 professionals, many of whom continue to take on leadership roles throughout the United States and Europe. In 2011, many MMF alumni began new opportunities: Michael Hancock (2000) was elected mayor of the city of Denver; Patrick Jarreau (1988) was appointed editor-in-chief of the French newswire Agence Centrale Presse; Petar Miletic (2007) served as the deputy speaker of the Kosovar Parliament; Theresa Mintle (2002) became chief of staff to Rahm Emmanuel, mayor of Chicago; and Allen Wan (2002) moved to Shanghai to serve as the emerging markets editor for Bloomberg News.

The American Political Science Association (APSA) Congressional Fellowship is a highly selective, nonpartisan program devoted to expanding public knowledge of the U.S. Congress around the world. GMF provides support for two mid-career German professionals to participate in the prestigious ten-month Fellowship. Participants secure their own jobs as legislative Fellows in the personal office of a member of Congress or in a congressional committee, and gain an insider’s view of Capitol Hill and an intimate understanding of the functioning of the federal government as a whole. The 2010-2011 GMF APSA Fellows were Sebastian Bruns, a maritime security specialist who worked in the office of Congressman Todd Young (R-IN), and Rene Wildangel, a Middle East expert who worked in the office of Congressman Jim McDermott (D-WA).
MANFRED WÖRNER SEMINAR

The annual Manfred Wörner Seminar brings together 30 young Americans and Germans to examine German and European security policy and to discuss U.S.–German and U.S.–European security interests. In May 2011, participants in the Manfred Wörner Seminar traveled to Germany and Belgium for ten days. Fellows included representatives from the German Institute for International and Security Affairs, Hanns-Seidel-Stiftung, the German Bundestag, Airbus, the U.S. Department of Defense, the U.S. Department of State, the U.S. Navy, the National Security Council, the International Rescue Committee, and Lockheed Martin. The group’s program included meetings with senior representatives of the German Ministry of Defense, the European Commission, and the European Parliament, the commander of NATO’s Joint Forces Command in Brunssum, and the deputy chairman of the German Foreign Affairs Committee. The Manfred Wörner Seminar is co-sponsored by the German Defense Ministry with additional support from the U.S. Embassy in Berlin.

MARSHALL FORUM

In Turin, Italy, from June 23-26, 2011, the German Marshall Fund hosted the Marshall Forum on Transatlantic Affairs with the invaluable support of the Compagnia di San Paolo. The conference theme was “Regional Actions in Times of Global Challenges,” and panel discussions included the slow food movement, sustainability, the role of the G20, and the future of the Middle East and North Africa in light of the Arab Spring. From September 9–11, 2011, GMF and a Chicago committee of MMF alumni hosted the Marshall Forum on Transatlantic Affairs in Chicago, Illinois with additional support from the Chicago Community Trust. The theme of the conference, “Make No Little Plans,” was woven throughout the panel sessions and keynote speeches, which covered a range of topics including politics, science, education, immigration, energy, and transportation. Keynote speakers included Sen. Richard Durbin (D-IL); Roser Clavell I Soldevila, secretary general of the Patronat Catalunya Món; and Chris Kennedy, chair of the University of Illinois Board of Trustees. The conference included more than 100 participants and a broad range of speakers and panelists from inside the MMF network and beyond.
ASMUS POLICY ENTREPRENEURS

In December 2011, the German Marshall Fund announced the launch of the Asmus Policy Entrepreneurs Fellowship. In 2012, two young leaders will be selected to complete a proposed project that addresses an important foreign or economic policy issue and advances transatlantic cooperation. The Fellowship is in honor of Ronald D. Asmus, former GMF Brussels office executive director and director of strategic planning, who dedicated his life to the principles of freedom and passed away on April 30, 2011.

TRANSATLANTIC CITIES NETWORK

The Transatlantic Cities Network (TCN) is an initiative of GMF’s Urban and Regional Policy Program that supports the exchange of information about innovative policies, best practices, and local policy challenges among a select network of policymakers, practitioners, and civic leaders representing 23 cities in the United States and Europe. The TCN is made possible through partnerships with the Compagnia di San Paolo and the Bank of America Foundation.

TRANSATLANTIC CITIES NETWORK ANNUAL MEETING

In October 2011, GMF hosted the annual meeting of TCN members in Austin, Texas. Through a series of site visits and meetings with city and civic leaders, TCN representatives examined Austin’s evolution from sleepy college town into a high-tech hub. TCN members also explored the impact of Austin’s boom economy on its less fortunate citizens, with a tour of low-income housing.

WORKING GROUPS

In 2011, in an effort to increase the policy impact of the TCN, members organized themselves into four working groups focused on specific policy areas of interest to the TCN representatives. Current working group themes include sustainable transportation, the development of ecodistricts and innovation districts at the neighborhood level, and the role of public-private partnerships in promoting economic development. Each working group is developing its own projects and products, ranging from webinar series to white papers to policy convening. Highlights thus far include working group participation in an international ecodistrict conference in September 2011 and the launch of an international bike-sharing summit to be held in 2012.
RONALD D. ASMUS FREEDOM JOURNALISM CONTEST

The Ronald D. Asmus Freedom Journalism Contest was created through a partnership between the Embassy of the Republic of Poland in Washington, DC, and the German Marshall Fund of the United States. The contest promoted U.S. graduate and undergraduate journalism students’ awareness of international affairs, particularly in connection with democracy promotion and human rights. Reporting on the topic of democracy promotion in Belarus, Victoria Cook, from Johns Hopkins University, won the grand prize in the print category for her essay “Stand and Applaud: The Courage of Belarus’ Revolution via Social Networks.” Malgorzata Wojtunik, from the City University of New York, won the multimedia grand prize for her flash presentation “Freedom in Belarus.”

CONGRESS-BUNDESTAG INDIA STUDY TOUR

In August and September, GMF and the Robert Bosch Stiftung organized a four-day study tour to India for members of the U.S. Congress and the German Bundestag. Modeled after the classic Congress-Bundestag Forum, this marked the first time that participants traveled together outside the United States or Germany. Participants included bipartisan groups from each body. In New Delhi, the delegation met with senior U.S. and German diplomats, leading experts on India’s economy and foreign relations, senior Indian government officials — including National Security Advisor Shivshankar Menon, Deputy Chairman of the Planning Commission Montek Singh Ahluwalia, and Commerce Minister Anand Sharma — and more than a dozen Indian members of parliament. In Mumbai, the study tour included a meeting with industrialists and business leaders on issues such as financial regulation, the automobile industry, agriculture, and urbanization. The group also made a site visit to Dharavi, one of Mumbai’s largest slums, where they saw housing and sanitation initiatives undertaken by local NGOs.
GMF supports a wide range of institutions working on transatlantic policy issues through its major grantmaking programs. These programs support local and national NGOs, regional government organizations, and community groups working on democracy, local governance, and cultural exchange in the Balkans, Black Sea region, Belarus, and Central Europe.
The Balkan Trust for Democracy (BTD), an award-winning public-private partnership, was established in 2003 by GMF, USAID, and the Charles Stewart Mott Foundation. BTD is structured to allow both European and U.S. partners to join the effort to strengthen transatlantic cooperation in the Balkans. Since its founding, additional contributions from the Embassy of the Kingdom of the Netherlands in Belgrade, Compagnia di San Paolo, Ministry of Foreign Affairs of the Czech Republic, Ministry of Foreign Affairs of Denmark, Ministry of Foreign Affairs of Greece, Robert Bosch Stiftung, Rockefeller Brothers Fund, Swedish International Development Cooperation Agency, and Tipping Point Foundation have made BTD a true transatlantic partnership.

In 2011, BTD awarded more than $3 million in 122 grants to support democracy, good governance, and Euroatlantic integration throughout Southeastern Europe. In addition to grantmaking, BTD continually works to accelerate the region’s integration into Euroatlantic structures and build consensus on Balkan issues from a broader, multi-stakeholder perspective.

In one example of a BTD grant in 2011, the Mozaik Foundation received BTD support to implement a project to establish Youth Banks in five municipalities of Bosnia and Herzegovina. Each Youth Bank was led by ten people between the ages of 15 and 30 years who were responsible for allocating micro-grants to local initiatives. A total of 40 youth-led projects were chosen for support, such as improving sports facilities or playgrounds, creating youth gathering spaces, strengthening cultural life through performances and concerts, and promoting issues in ecology and environmental protection. Significantly, the amount of BTD’s support was matched by municipalities, which allocated amounts in their budgets to support nonformal groups in their rural community.

The Independent News Center, a network of local radio stations based in Pristina with the support of Kosovo radio stations, produced and broadcast weekly radio shows entitled “The Bridge: Pristina-Belgrade Civil Dialogue” through a BTD grant. The shows are available through broadcasters across Kosovo and Serbia, allowing communities to listen, in their own language, to serious talks attempting to improve relations between the two countries.
Since 2007, the Black Sea Trust for Regional Cooperation (BST) has awarded more than 280 grants totaling over $8 million to local and national NGOs, regional governmental entities, community groups, policy institutes, and other institutions in Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania, Russia, Turkey, and Ukraine.

BST promotes regional cooperation and good governance in the wider Black Sea region by awarding grants through civic participation, cross-border initiatives, and the Eastern Links. Starting in June 2011, BST initiated a fourth program, “Confidence Building in South Caucasus,” in cooperation with the Robert Bosch Stiftung. This program supports initiatives bringing together citizens of countries and regions in conflict.

In 2011, BST continued to promote regional development, awarding 57 grants totaling more than $1.7 million, with the majority of grants advancing democracy, promoting peace and security, or promoting the Black Sea region as a whole.

Efforts supported by BST to promote regional cooperation included the fourth Black Sea NGO Forum, an initiative that increases the level of dialogue and coordination among NGOs, as well as strengthen their advocacy capacity to influence development strategies in the Black Sea region. More than 300 civil society, government, and international organization participants from throughout the region and important actors in the wider Black Sea region are engaged in the Forum’s discussions. The 2011 edition of the Black Sea NGO Forum focused on vision, strategy, and policy, hosting dedicated panels on leadership; lessons learned from Eastern Europe’s transition period, democratization, regional cooperation; and the role of think tanks, as well as plenary sessions on national and regional developments.
FUND FOR BELARUS DEMOCRACY

The Fund for Belarus Democracy (FBD) is GMF’s contribution to supporting civil society, independent media, and democratic change in “Europe’s last dictatorship.” Launched in 2005, and modeled on GMF’s Balkan Trust for Democracy, FBD makes much-needed support available to agents of democratic change in Belarus. To date, it has awarded more than 350 grants totaling nearly $5 million in support of Belarusian civil society, human rights defenders, community initiatives, independent culture, and free media. While the bulk of FBD support is directed at the democratic movement inside of Belarus, some assistance has also gone to cross-border initiatives that make experiences with democratic change elsewhere available to Belarus, and that also help to raise awareness of the Belarus challenge in the West.

In addition to grantmaking, FBD utilizes the broad range of expertise, networks, and policy-oriented work to advance Belarus’ plight for democracy. GMF staff support Belarusian partners with capacity-building, advice, and access to Western audiences. In-house experts contribute regularly to transatlantic policy and public debate on Belarus, including analysis and commentary to members of the world media. Belarusian democrats present their cause at GMF-sponsored gatherings of international leaders and experts, including Brussels Forum.

TRUST FOR CIVIL SOCIETY IN CENTRAL AND EASTERN EUROPE

The Trust for Civil Society in Central and Eastern Europe was launched in 2001 as a 10-year sinking fund to support the long-term sustainable development of civil society and NGOs in Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia. Grant recipients include registered nonprofit organizations as well as other formally and informally organized citizen coalitions working for the advancement of the public good, and representatives of the media and educational institutions. The Trust encourages them to become efficient and professional and to expand their constituencies.

The Trust’s main contributors are the Ford Foundation, Open Society Institute, Charles Stewart Mott Foundation, GMF, and Rockefeller Brothers Fund. To date, the Trust has awarded about $60 million in grants to organizations in the target countries. The Trust will formally close operations at the end of 2012.
Successful transatlantic relations depend on strong partnerships built over time, across sectors, and between regions of the world. The German Marshall Fund has integrated this partnership model into its organizational strategy as a means to achieve greater cooperation between North America, Europe, and other regions. This approach has led to the inclusion in the transatlantic community and the GMF network of a broad range of individuals — policymakers, journalists, nonprofit leaders, and business leaders — and organizations cutting across the full spectrum of society.

GMF understands the crucial role that partnerships play in affecting and addressing the concerns facing the transatlantic community. GMF’s goal is to address the fundamental issues surrounding the North American-European relationship by drawing on an extensive network of individuals and institutions on both sides of the Atlantic. Through partnering with other organizations, GMF is able to ensure that its projects, programs, and activities bring a unique perspective and provide innovative solutions to transatlantic problems rather than recapitulate existing work. GMF actively seeks forward-looking solutions and partners to develop a sustainable, effective transatlantic community.

GMF pursues a variety of partnership models, such as developing joint initiatives, undertaking matching funding projects, providing grants for projects carried out by other institutions and individuals, developing fully granted programs, and seeking in-kind contributions. GMF is grateful to all of its partners for their contributions to furthering transatlantic cooperation. A number of organizations have made financial contributions to GMF’s activities, including:

- Airbus Americas, Inc.
- American Israel Education Foundation
- Bank of America Foundation
- Barrow Cadbury Trust
- Bayer
- BNP Paribas Fortis
- BP
- British Council
- Centre for European Studies
- Charles Stewart Mott Foundation
- Chicago Community Trust
- Cleveland Foundation
- Communitas Foundation
- Compagnia di San Paolo
- Daimler
- Deloitte
- Deutsche Post/DHL
- Duke Energy
- Economic Policy Research Foundation of Turkey
- Egmont Institute
- Embassy of South Korea
- Embassy of the Kingdom of the Netherlands, Belgrade
- Embassy of the Republic of Poland
- Embassy of the United States of America, Berlin
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# FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

**YEAR ENDED MAY 31, 2011**  
*(WITH COMPARATIVE TOTALS FOR 2010)*

### ASSETS

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<thead>
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<td>Property and Equipment, net</td>
<td>17,008,678</td>
<td>16,762,972</td>
</tr>
<tr>
<td>Other Assets</td>
<td>254,890</td>
<td>716,752</td>
</tr>
<tr>
<td>Bond Issuance Cost</td>
<td>261,785</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$227,153,417</strong></td>
<td><strong>$206,851,537</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

**Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$2,280,047</td>
<td>$2,158,463</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>15,567,980</td>
<td>17,854,922</td>
</tr>
<tr>
<td>Grants Payable</td>
<td>1,730,194</td>
<td>951,831</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>12,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>31,578,221</strong></td>
<td><strong>20,965,216</strong></td>
</tr>
</tbody>
</table>

**Commitments and Contingencies**

**Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>175,097,558</td>
<td>165,895,822</td>
</tr>
<tr>
<td>Board Designated</td>
<td>13,333,808</td>
<td>14,024,574</td>
</tr>
<tr>
<td><strong>Total Unrestricted</strong></td>
<td><strong>188,431,366</strong></td>
<td><strong>179,920,396</strong></td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>7,143,830</td>
<td>5,965,925</td>
</tr>
<tr>
<td><strong>Total Temporarily restricted</strong></td>
<td><strong>195,575,196</strong></td>
<td><strong>185,886,321</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$227,153,417</strong></td>
<td><strong>$206,851,537</strong></td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENT OF ACTIVITIES

**Year ended May 31, 2011**  
*With comparative totals for 2010*

### Support and revenue:

<table>
<thead>
<tr>
<th></th>
<th>Temporarily</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Restricted</td>
<td>Total</td>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>$25,741,383</td>
<td>$-</td>
<td>$25,741,383</td>
<td>$18,346,912</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-federal grants and contributions</td>
<td>1,194,916</td>
<td>17,145,194</td>
<td>18,340,110</td>
<td>10,093,609</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal grants</td>
<td>3,048,313</td>
<td>-</td>
<td>3,048,313</td>
<td>3,121,735</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>77,935</td>
<td>-</td>
<td>77,935</td>
<td>37,552</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>15,967,289</td>
<td>(15,967,289)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>46,029,836</td>
<td>1,177,905</td>
<td>47,207,741</td>
<td>31,599,808</td>
<td></td>
<td></td>
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</tbody>
</table>

### Expenses:

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal projects expense</td>
<td>17,812,340</td>
<td>-</td>
<td>17,812,340</td>
<td>17,028,438</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant expense</td>
<td>8,428,306</td>
<td>-</td>
<td>8,428,306</td>
<td>8,566,190</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>10,799,710</td>
<td>-</td>
<td>10,799,710</td>
<td>12,604,287</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>478,510</td>
<td>-</td>
<td>478,510</td>
<td>521,380</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>37,518,866</td>
<td>-</td>
<td>37,518,866</td>
<td>38,720,295</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### Change in net assets

<p>| | | | | | | | |</p>
<table>
<thead>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8,510,970</td>
<td>1,177,905</td>
<td>9,688,875</td>
<td>(7,120,487)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Net assets:

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning</td>
<td>179,920,396</td>
<td>5,965,925</td>
<td>185,886,321</td>
<td>193,006,808</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Ending

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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</tr>
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<tbody>
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<td></td>
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<td>$7,143,830</td>
<td>$195,575,196</td>
<td>$185,886,321</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
GMF ONLINE

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VERY INTERESTING INSIGHTS!

STEFANIE BABST COMMENTING ON “IN 8 MINUTES OR LESS: EVENTS IN LIBYA WON’T CHANGE THE FUTURE OF THE ARAB WORLD”

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