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G|M|F The German Marshall Fund
of the United States

STRENGTHENING TRANSATLANTIC COOPERATION

A B O U T G M F

THE GERMAN MARSHALL FUND OF THE UNITED STATES (GMF) IS AN AMERICAN INSTITUTION THAT STIMULATES THE EXCHANGE OF IDEAS AND PROMOTES COOPERATION BETWEEN THE UNITED STATES AND EUROPE IN THE SPIRIT OF THE POSTWAR MARSHALL PLAN. GMF WAS CREATED IN 1972 BY A GIFT FROM GERMANY AS A PERMANENT MEMORIAL TO MARSHALL PLAN AID.

THROUGH ITS WORK IN THE UNITED STATES AND EUROPE, GMF HAS PURSUED ITS FOUNDING MISSION TO CREATE A CLOSER UNDERSTANDING BETWEEN PARTNERS ON BOTH SIDES OF THE ATLANTIC. GMF'S GRANTMAKING PROMOTES THE STUDY OF INTERNATIONAL AND DOMESTIC POLICIES, SUPPORTS COMPARATIVE RESEARCH AND DEBATE ON KEY ISSUES, AND ASSISTS POLICY AND OPINION LEADERS' UNDERSTANDING OF THESE ISSUES.



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TABLE OF CONTENTS

LETTER FROM THE PRESIDENT	04
LOOKING AHEAD	06
GRANTMAKING	08
ECONOMICS	09
ENVIRONMENT	12
FOREIGN POLICY	15
IMMIGRATION & INTEGRATION	23
SPECIAL OPPORTUNITIES	25
FELLOWSHIPS	26
JOURNALISM FELLOWSHIP PROGRAM	27
CAMPUS FELLOWSHIP PROGRAM — A JOINT PROJECT WITH THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION	30
COMMUNITY FOUNDATION TRANSATLANTIC FELLOWSHIP — A JOINT PROJECT WITH THE KING BAUDOIN FOUNDATION	30
ENVIRONMENTAL FELLOWSHIP PROGRAM	31
MANFRED WÖRNER SEMINAR	31
MARSHALL MEMORIAL FELLOWSHIP	32
RESEARCH FELLOWSHIP PROGRAM	33
U.S.-SPAIN YOUNG LEADERS PROGRAM	33
PARTNERSHIPS	34
THE TRUST FOR CIVIL SOCIETY IN CENTRAL & EASTERN EUROPE	35
THE ENVIRONMENTAL PARTNERSHIP FOR CENTRAL & EASTERN EUROPE	35
BUILDING CIVIC CAPACITY IN ROMANIA	36
CIVIC PARTICIPATION IN THE FEDERAL REPUBLIC OF YUGOSLAVIA	37
FINANCIAL STATEMENTS	42
STAFF	52
BOARD OF TRUSTEES	53

LETTER FROM THE PRESIDENT

SEPTEMBER 11, 2001. UNFORTUNATELY, THIS YEAR, THIS LETTER MUST DEAL WITH THE AFTERMATH OF THE TERRORIST ATTACKS ON NEW YORK CITY AND WASHINGTON, DC BECAUSE OF THE IMPORTANCE OF THAT AWFUL TUESDAY TO WHAT WE DO AS AN INSTITUTION AND TO THE FUTURE OF U.S.–EUROPEAN RELATIONS.

Like many Americans, we at GMF were deluged with hundreds of letters, faxes, e-mails, and calls from European friends and partners. It is hard to convey how much this outpouring of concern, anger, and solidarity meant to us. The events of September 11th highlighted the strong emotional bonds that exist across the Atlantic.

These tragic events also underscored how interdependent we are. America may have been the target, but people from Germany, France, Britain, Spain, Italy, and many other European countries fell victim as well. We are fond of citing statistics about the amount of transatlantic investment, the number of European-American companies, and so forth, but the lists of the dead and missing serve as a stark testament to our common economies and societies.

In addition to confirming transatlantic ties on many levels, September 11th presented both sides of the Atlantic with a new common enemy. U.S.-European relations were shaped during the Cold War era by the presence of the Soviet threat. With its demise, the relationship fell prey to petty bickering over beef and bananas, missile defense, and climate change. Now there is a significant common challenge, even if it is hard to define. September 11th has altered perceptions on both sides of the Atlantic, and forced the United States and Europe to come together to tackle this new shared threat.

While U.S.-European cooperation is necessary, it will also be difficult. American and European political leaders have widely divergent perspectives and approaches for dealing with international threats. Americans have tended to believe that military power and other hard assets are the most effective means for dealing with global challenges, while Europeans have often put more emphasis on nonmilitary tools such as development assistance, diplomacy, conflict prevention, and post-conflict reconstruction programs.

In some areas, such as internal security, the challenge of transatlantic cooperation is even greater as the institutions for collaboration are poorly developed and not very effective for coordinating large international operations. In other cases, established coalitions, like NATO, will have to be reexamined and revamped to meet new challenges.

Creating new institutions and refurbishing old ones are daunting tasks in the best times. But it will be especially difficult now because of the wide differences between European and American policymakers on fundamental questions of leadership, mission, and strategy. Finding a proper response to the events of September 11th as well as a means to prevent similar events in the future will require nothing short of a complete revitalization of the transatlantic relationship.

This challenge is central to the mission of GMF. For the past thirty years, GMF has sought to foster greater understanding and cooperation between the United States and Europe. In light of recent events, we see our role going forward as one of catalyst — for a new kind of transatlantic partnership. Through our grantmaking, fellowships, and partnerships, we will attempt to seed new ideas as to how the United States and Europe can pragmatically work together to counter terrorism and a broader range of global threats. We will also seek to build a new generation of Americans and Europeans interested and engaged in transatlantic relations. Finally, we will endeavor to remind Americans and Europeans that we will not succeed in addressing the challenges posed by this new era if either side decides to go it alone.

As one of our American Marshall Memorial Fellows, a young Dallas journalist, remarked in the days immediately after the tragedy:

“WE’VE QUARRELED WITH EUROPEANS OVER TRADE AND ENVIRONMENTAL ISSUES. IN A BROAD STEREOTYPE, WE SEE THEM AS ALL TALK AND NO ACTION, WHILE THEY SEE US AS ALL ACTION AND NO THOUGHT. AND YET, EUROPEAN NATIONS ARE OUR MOST NATURAL ALLIES. THEY HAVE AS MUCH TO LOSE AS WE DO. THEIR APPROACH MAY BE DIFFERENT, MORE SUBTLE, AND CAUTIOUS. BUT WE NEED THEIR WHOLEHEARTED COMMITMENT. WE CANNOT FIGHT THIS BATTLE ALONE.”

LOOKING AHEAD

2000-2001 saw a number of changes at GMF, which will have a significant impact on its programs in the years ahead. GMF broadened its presence in Europe with the addition of an office in Bratislava and the Transatlantic Center in Brussels. The Bratislava office will strengthen our work in Central and Eastern Europe. The Transatlantic Center will provide a base where distinguished American scholars, journalists, and policy advisors will conduct research and write about the EU and its institutions as part of GMF's new Transatlantic Fellows Program.

BRATISLAVA IN FY 2001

GMF's Bratislava office was established in January 2000 when Pavol Demeš assumed the position of Director for Central and Eastern Europe. The office has focused on strengthening and expanding GMF's partnerships and grantmaking activities in the six countries of Central and Eastern Europe: Bulgaria, Czech Republic, Hungary, Poland, Romania, and Slovakia. In these countries, GMF supports policy institutes and other nongovernmental organizations for work related to policy reform, foreign policy, the strengthening of civic institutions, economic development, and the environment. GMF budgets approximately \$2,780,000 annually for grantmaking and fellowship programs in Central and Eastern Europe.

In July 2000, GMF expanded its work into the Federal Republic of Yugoslavia with a small-grants program to increase civic participation in the FRY prior to the local and federal elections. The Bratislava office also aided in the establishment of the Trust for a Civil Society for Central and Eastern Europe, a joint venture of five American donors, which is now situated in Warsaw, Poland.

In the year ahead, GMF-Bratislava will put a stronger focus on the Balkans, and on aiding the integration of Central and Eastern Europe into western structures.

THE TRANSATLANTIC FELLOWS PROGRAM

GMF created the Transatlantic Fellows Program in 1997 in an effort to seed new ideas regarding the U.S.-European partnership. Transatlantic Fellows are European and American policymakers and analysts who work out of GMF offices to explore critical transatlantic issues. The Transatlantic Fellows Program invests directly in generating and disseminating new ideas, connects Fellows with GMF's extensive networks on both sides of the Atlantic, and brings policy specialists into GMF's offices to advise GMF on specific programs and grants.

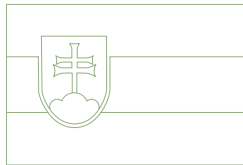
In the fiscal year 2000-2001, GMF had an impressive group of Fellows, including: Ambassador Robert Zoellick, currently the U.S. Trade Representative; Ambassador Hugo Paemen, former Permanent Representative of the European Union to the United States; Todd Stern, former Staff Secretary and Assistant to President Clinton for Special Projects; Lee Feinstein, former Deputy Director of Policy Planning at the U.S. State Department; Nicole Metzenbach, Economic Advisor to the Foreign Minister of Germany; William Antholis, former Director of International Economic Affairs at the National Security Council; Jacques Beltran, Research Fellow, Institut Français des Relations Internationales (IFRI); and Laurence Nardon, Research Associate at the French Center on the United States at IFRI.

GMF plans to expand the Transatlantic Fellows Program to its new Transatlantic Center in Brussels.

THE TRANSATLANTIC CENTER IN BRUSSELS

Increasingly, U.S. policymakers find that on many of the issues on which it seeks to engage Europe, decision making is shifting from national capitals to Brussels. Yet, the United States has invested relatively little in understanding the institutions of the European Union, not to mention the longer-term implications of a more integrated Europe for U.S.-European relations. Most U.S. think tanks and research institutes continue to house experts on particular countries or sub-regions of Europe. Concomitantly, there are few policy institutions in Brussels focused on U.S.-European relations or on facilitating dialogue across the Atlantic.

To help address this gap, GMF opened a Transatlantic Center in Brussels in Fall 2001. The Center will provide a base for American policy analysts, journalists, and scholars to research and write about the European Union and its institutions. Initially, the Center will host four to six Transatlantic Fellows each year. In addition to providing a venue for U.S.-European dialogue, the Center will also serve as the base for GMF's expanded programming in Brussels and as a home for representatives of other American and European institutions. William Drozdiak will direct the Center. Prior to joining GMF, Drozdiak was a journalist with the *Washington Post* for 19 years where he held a variety of posts, including Chief Europe Correspondent, Central Europe Bureau Chief, and Foreign Editor.



GRANTMAKING

GMF'S GRANTMAKING PROMOTES THE STUDY OF INTERNATIONAL AND DOMESTIC POLICIES, SUPPORTS COMPARATIVE RESEARCH AND DEBATE ON KEY ISSUES, AND ASSISTS POLICY AND OPINION LEADERS' UNDERSTANDING OF THESE ISSUES. GMF HAS A TOTAL GRANTMAKING BUDGET OF APPROXIMATELY \$11 MILLION OF WHICH \$2 MILLION IS SPENT ON GMF-MANAGED FELLOWSHIPS. THE REMAINDER IS ALLOCATED FOR GRANTS IN THE AREAS OF ECONOMICS, ENVIRONMENT, FOREIGN POLICY, AND IMMIGRATION AND INTEGRATION. ON OCCASION, GMF MAKES SPECIAL GRANTS TO FUND PROJECTS OR INSTITUTIONS THAT ARE WORTHY OF SUPPORT BUT THAT DO NOT FALL WITHIN ONE OF GMF'S ESTABLISHED PROGRAM AREAS.

ECONOMICS

Globalization and increasing competition bring new challenges to the economies of Europe and the United States. Since domestic and international concerns are inextricably linked, GMF's Economics program looks at policies and practice at both levels: internationally, addressing trade and cross-border issues and domestically, promoting the exchange of best practices that advance local economic development.

The program explores innovative solutions to international challenges facing our societies and seeks to improve policymakers' understanding of the most effective ways to strengthen international cooperation. Grants are awarded for conferences, study tours, and forums that bring together Americans and Europeans. While GMF lacks the resources to support basic analysis, it does support the dissemination of information through publications and meetings.

Within the trade policy area, GMF concentrates on the new policy challenges associated with the information economy and the growth of electronic commerce. A large portion of the resources in the comparative domestic area is targeted at the Economic Development Fellowship program. The Fellowship focuses on local economic development strategies and enterprise growth models in the United States. A reciprocal part of the program offers American professionals opportunities to examine European economies.

E-BUSINESS & POLICY FORUM

GMF held the E-Business and Policy Forum in November 2000 in Heidelberg, Germany. The Forum provided a select group of European and American political and business leaders the opportunity to discuss important policy questions faced by the United States and Europe in information technology and electronic commerce.

The two-day event explored such topics as information technology policy priorities, electronic government, wireless communications, and data protection and privacy. A highlight of the event was a presentation by Henning Kagermann, Co-Chairman of the Executive Board of one of the event sponsors, SAP, who discussed the future of electronic government in Europe and the United States.

Congressman Rick Boucher was instrumental in developing the Forum. He was joined at the event by Rep. Karen McCarthy, Rep. Gene Green, and Thomas Sugrue from the Federal Communications Commission. Ana Palacio Vallelersundi, member of the European Parliament, and representatives from several state and federal ministries in Germany were also present.

In addition to the formal meetings, participants were given a private tour of Heidelberg castle, were greeted by Beate Weber, the mayor of Heidelberg and a former GMF fellow, and had a traditional dinner in the central district of the city.

GMF developed the event in cooperation with the corporate sponsorship of Nortel Networks, the American Institute of Certified Public Accountants, the Electronic Commerce Forum, and SAP, which served as host at its corporate headquarters outside Heidelberg. Each sponsoring organization sent senior level executives to the Forum.

2001 ECONOMIC GRANTS

**CORPORATION FOR
ENTERPRISE DEVELOPMENT
DURHAM, NC
\$286,000**

To support fellowships for policymakers and practitioners to encourage the transfer of ideas, approaches, and strategies in employment and regional economic development between the United States and Europe.

**INSTITUTE FOR MARKET ECONOMICS
SOFIA, BULGARIA
\$49,500**

To support a Web-based knowledge exchange about applied economics.

**INSTITUTE FOR PRIVATE
ENTERPRISE & DEMOCRACY
WARSAW, POLAND
\$50,000**

To encourage regional governments to establish business-friendly development policies for small and medium technology enterprises in Poland.

**ROMANIAN CENTER FOR
ECONOMIC POLICIES
BUCHAREST, ROMANIA
\$14,500**

To study the effects of Romanian regional development.

**ORGANIZATION FOR ECONOMIC
COOPERATION & DEVELOPMENT
PARIS, FRANCE
\$94,000**

To support activities within the Forum on Social Innovations that assess social innovations across OECD countries and foster exchange of best practices between policymakers and practitioners.

**INSTITUT ASPEN FRANCE – LYON
LYON, FRANCE
\$25,000**

To support an international conference on the information society in Lyon, "Collective Action in the Face of the Digital Divide."

**CENTER FOR LABOR &
COMMUNITY RESEARCH
CHICAGO, IL
\$40,700**

To support a European study tour for Americans working on a comprehensive manufacturing and local economic development plan for Chicago.

**NATIONAL COUNCIL FOR URBAN
ECONOMIC DEVELOPMENT
WASHINGTON, DC
\$15,520**

To support an exchange of technical expertise and economic development strategies between U.S. experts in technology-led economic development and their Central and Eastern European colleagues.

**BROOKINGS INSTITUTION
WASHINGTON, DC
\$25,600**

To support workshops on transatlantic regulatory issues, such as regulatory reform in product liability, regulatory aspects of e-commerce, data protection, and electricity liberalization in the United States and EU. This is a project of the American Enterprise Institute's Joint Center for Regulatory Studies and the Brookings Institution's Center for European Policy.

**DEUTSCHE GESELLSCHAFT FÜR
AUSWÄRTIGE POLITIK
BERLIN, GERMANY
\$37,000**

To support a joint research project with Institut Français Des Relations Internationales and the Institute for International Economics on reactions in Germany, France, and the United States to globalization.

**INSTITUT FRANÇAIS DES
RÉLATIONS INTERNATIONALES
PARIS, FRANCE
\$38,000**

To support a joint research project with the Deutsche Gesellschaft für Auswärtige Politik and the Institute for International Economics on reactions in Germany, France, and the United States to globalization.

**FRENCH – AMERICAN FOUNDATION
PARIS, FRANCE
\$35,942**

To support exchanges on pension reform, a conference between French and American patent specialists, and the visit of senior French officials to the United States in Winter 2001.

**GMF – ADMINISTERED
WASHINGTON, DC
\$50,000**

To support a transatlantic forum of American, German, and EU politicians and business leaders on e-business and policy issues.

**ENVIRONMENTAL DEFENSE
NEW YORK, NY
\$27,800**

To support a transatlantic exchange on agricultural biotechnology issues among the policy community and NGOs in other sectors.

**EMBASSY OF FRANCE
WASHINGTON, DC
\$10,000**

To support a conference in Washington, DC on the role of agriculture in rural development.

**INSTITUTE FOR INTERNATIONAL
ECONOMICS
WASHINGTON, DC
\$100,000**

To support a book examining the German economy, sources of its persistent high unemployment, the relationship between unemployment challenges and German international economic policies, and changes in monetary policy and corporate governance.

**BERKELEY ROUNDTABLE ON THE
INTERNATIONAL ECONOMY
BERKELEY, CA
\$95,000**

To support European participation in policy meetings on the new economy. These meetings over 18 months are part of BRIE's ongoing research project on the new economy.

**ECONOMIC POLICY INSTITUTE –
BULGARIA
SOFIA, BULGARIA
\$35,000**

To support a program that broadens Bulgaria's small and medium-size enterprises' (SMEs) understanding of their position in the global economy. The program educates policymakers on how regulation affects the ability of SMEs to compete globally.

**INTERNATIONAL CENTER FOR
ENTREPRENEURIAL STUDIES
BUCHAREST, ROMANIA
\$35,000**

To support a government-business dialogue on how to improve the business environment in Romania, focusing on altering the tax code.

**PROJECT SYNDICATE
PRAGUE, CZECH REPUBLIC
\$14,800**

To support further development of an economic journalists club in Bucharest through hosting Romanian and international speakers.

**ECONOMIC POLICY INSTITUTE –
BULGARIA
SOFIA, BULGARIA
\$23,800**

To support Bulgarian small and medium-size enterprises' work through seminars and a guidebook on how to engage foreign partners.

**AMERICAN UNIVERSITY
WASHINGTON, DC
\$100,000**

To support a symposium of scholars, policymakers, and business leaders on the impact and use of information technology in Central and Eastern European countries.

ENVIRONMENT

Transatlantic environmental differences are growing. GMF seeks to lessen those differences by strengthening transatlantic cooperation among policy institutions, NGOs, and individuals concerned with the environment. GMF is shifting its agenda from practitioner exchanges and comparative domestic policies to new challenges confronting the transatlantic relationship. Thus, the program has begun to focus on global environmental issues, such as climate change, trade and environment, and biodiversity. Under the new program, grants are awarded to select institutions for sustained transatlantic work, fellowships that promote transatlantic leadership, and other forms of dialogue and exchange.

In Central and Eastern Europe, the program currently provides significant support for the Consortium of Environmental Partnership Foundations in the Czech Republic, Hungary, Poland, Romania, and Slovakia, and to select policy institutions working on urban growth and transportation issues. The in-country foundations award grants to local nongovernmental organizations to support environmental problem solving and to encourage public participation.

WARSAW TRANSPORTATION ROUNDTABLE: AN EXPERIMENT IN PARTICIPATORY DEMOCRACY & SUSTAINABLE URBAN TRANSPORTATION

More than two years ago, with the cooperation of the Public Communication and Dialogue Center of Warsaw, the Institute for Sustainable Development (ISD), a Polish public policy institute, started the Warsaw Transportation Roundtable (WTRT). Like most cities in Poland, Warsaw faces serious and growing transportation and urban development problems. With little or no coordinated investment or management at governmental and expert levels and almost a total lack of public consultation and involvement in Poland, ISD grasped the opportunity to create a city-wide forum for broad-based consultation and policy recommendations.

With support and advice from GMF, ISD and its partner, the International Center for Sustainable Cities in Vancouver, Canada, assembled a group of city leaders, NGOs, academic experts, and politicians to address traffic zoning policy, road network infrastructure development, and public transportation issues. ISD organized study tours for select WTRT members to cities in the United States and Canada, including New York, Minneapolis, Chicago, Pittsburgh, Seattle, Vancouver, and Washington, DC to see firsthand how neglected urban problems can lead to decay and how a concerted commitment by the community as a whole is required to remedy them. In its third year, the WTRT is now managed by the Deputy Mayor of Warsaw, who appoints its 17 members.

2001 ENVIRONMENT GRANTS

GMF – ADMINISTERED WASHINGTON, DC \$70,000

To support the creation of a Romanian Environmental Partnership foundation, cosponsored with the Charles Stewart Mott Foundation and the Rockefeller Brothers Fund.

CENTER FOR CLEAN AIR POLICY WASHINGTON, DC \$106,407

To support a U.S.-European fellowship for practitioners and policymakers working on transportation, land use, urban sprawl, and environmental protection. The Wuppertal Institute for Climate, Environment, and Energy jointly administers the program.

WUPPERTAL INSTITUT FÜR KLIMA, UMWELT, ENERGIE GMBH WUPPERTAL, GERMANY \$61,110

To support a U.S.-European fellowship for practitioners and policymakers working on transportation, land use, urban sprawl, and environmental protection. The Center for Clean Air Policy jointly administers this program.

CENTER FOR ENVIRONMENTAL STUDIES BUDAPEST, HUNGARY \$48,000

To support the "Effective Policies to Limit Urban Sprawl" program.

CRACOW REAL ESTATE INSTITUTE FOUNDATION CRACOW, POLAND \$45,000

To support a project that examines and encourages land use and urban redevelopment.

INSTITUTE FOR ENVIRONMENTAL POLICY PRAGUE, CZECH REPUBLIC \$40,000

To support a program to examine and develop sustainable transportation solutions in expanding cities.

INSTITUTE FOR SUSTAINABLE DEVELOPMENT – POLAND WARSAW, POLAND \$48,000

To support a project to increase public participation in the transportation sector and to promote the sharing of experiences in urban sprawl control.

GMF – ADMINISTERED WASHINGTON, DC \$20,000

To supplement grants for biotechnology workshops.

GMF – ADMINISTERED WASHINGTON, DC \$15,000

To support the participation of six Europeans in a global warming workshop jointly organized by the World Resources Institute, Council on Foreign Relations, and GMF.

CENTER FOR CLEAN AIR POLICY WASHINGTON, DC \$6,500

To support additional European participation in the CCAP fellows summit meeting in Baltimore, MD in February 2001.

HEINRICH BÖLL FOUNDATION WASHINGTON, DC \$25,000

To support transatlantic workshops and roundtables leading up to the 2002 Earthsummit in Johannesburg, South Africa.

EUROPEAN PARTNERS FOR THE ENVIRONMENT BRUSSELS, BELGIUM \$13,000

To support a transatlantic workshop in Lisbon on sustainable agriculture and rural development in January 2001.

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW WASHINGTON, DC \$3,000

To support the opening event of the United Nations Environment Program's North American office in Washington, D.C. in October 2000.

**PRATT INSTITUTE CENTER FOR
COMMUNITY & ENVIRONMENTAL
DEVELOPMENT****BROOKLYN, NY
\$15,000**

To support a transatlantic workshop on innovative approaches to sustainable, equitable urban redevelopment.

**FOUNDATION FOR THE DEVELOPMENT
OF POLISH AGRICULTURE****WARSAW, POLAND
\$110,480**

To support the Foundation for the Development of Polish Agriculture and the Institute for Sustainable Development's joint dialogue on biotechnology and agriculture in Poland as that country prepares to join the European Union.

ENVIRONMENTAL DEFENSE**NEW YORK, NY
\$27,800**

To support an educational transatlantic exchange on agricultural biotechnology issues among the policy community and NGOs in other sectors.

HARRIS, LIS**NEW YORK, NY
\$7,000**

To support a study tour to examine the European experience in progressive solid waste management and economic development.

ECOLOGIC**BERLIN, GERMANY
\$6,000**

To support a policy briefing paper resulting from a February 2000 workshop in Lisbon on the prospects for transatlantic and international environmental leadership.

**GMF – ADMINISTERED
WASHINGTON, DC****\$150,000**

To continue funding for the Environmental Partnership for Central Europe for July 1, 2000-December 31, 2001.

WOLF FOREST PROTECTION MOVEMENT**TULCIK, SLOVAKIA
\$24,500**

To support a public and legislative education campaign in Slovakia to link forest management with growing flood threats and to develop a preventive national program drawing on U.S. and European policies.

CENTRE FOR SOCIAL PRACTICES**SOFIA, BULGARIA
\$7,500**

To support dialogue between Bulgaria and Oregon on the unexpected pollution problem resulting from CSP's watershed reform efforts in Southern Bulgaria.

**DOPPELT, ROBERT
SPRINGFIELD, OR****\$2,000**

To support the coordination of resources and expertise from Oregon to aid Bulgaria's watershed reform efforts, a project funded by a GMF grant to the Centre for Social Practices in Bulgaria.

F O R E I G N P O L I C Y

The resolution of a growing range of global problems — from the proliferation of weapons of mass destruction to the problem of failed states, from terrorism to transnational crime, and from AIDS to larger questions of global governance — depends upon the cooperation of the United States and Europe. The Foreign Policy program aims to strengthen and enlarge the community of U.S. and European policymakers and opinion leaders working together to find pragmatic solutions to common global challenges.

Through study tours, fellowships, and leadership programs, GMF endeavors to acquaint politicians, journalists, business leaders, and scholars with colleagues, issues, and institutions on the other side of the Atlantic. In addition, GMF seeks to engage a new generation of emerging leaders throughout Europe and the United States in transatlantic — as well as more global — issues.

Through support for policy institutes and other grantmaking, GMF aims to generate new ideas about how the United States and Europe can address emerging transnational threats. Issues covered range from U.S.-European approaches to different regions of the globe to more traditional transatlantic topics like NATO and the European security architecture.

TRANSATLANTIC POLICY NETWORK

One successful example of efforts to build networks of policymakers and opinion leaders across the Atlantic is the Transatlantic Policy Network (TPN), an organization that GMF has supported since its founding in 1992. Created by members of the European Parliament, TPN's core mission has been to build a network of policymakers and business leaders from the United States and Europe to strengthen the transatlantic relationship.

TPN members participate in two major annual meetings, a series of policy briefings, workshops, and study tours throughout the year. TPN endeavors to foster informed policymaking on either side of the Atlantic on a host of economic and security issues. These issues are examined through five working groups — Economic Partnership, Internet Dialogue, Monetary Dialogue, Science and Technology Cooperation, and Transatlantic Cooperation — which are co-chaired by a member of Congress and a member of the European Parliament. As evidence of its success, TPN now counts more than 100 members of Congress and members of the European Parliament among its active membership, along with more than 25 corporate partners.

In addition to its core work, TPN was a driving force behind the founding of the Transatlantic Business Dialogue and the European Internet Foundation. TPN cooperates closely with the Congressional Economic Leadership Initiative to defray TPN's travel costs for members of Congress.

2001 FOREIGN POLICY GRANTS**GMF – ADMINISTERED****WASHINGTON, DC****\$72,852**

To support the Research Fellowship program in FY 2001.

AMERICAN COUNCIL ON GERMANY**NEW YORK, NY****\$105,000**

To support transatlantic programs offered by ACG, including their Young Leaders Conference, German-American Policy Conferences, and other policy symposia.

BROOKINGS INSTITUTION**WASHINGTON, DC****\$80,000**

To support Brookings' "Program on Transatlantic Relations," which includes monthly Transatlantic Roundtables on international issues, a workshop on U.S.-European views of missile defense, and a biannual U.S.-European forum on "Global Issues and World Order."

ATLANTIC COUNCIL OF THE UNITED STATES**WASHINGTON, DC****\$100,000**

To support the Atlantic Council's transatlantic activities, including the creation of groups studying U.S.-European security and economic relations, as well as exchanges and study tours by congressional staff and their European counterparts.

DEUTSCHE GESELLSCHAFT FÜR AUSWÄRTIGE POLITIK**BERLIN, GERMANY****\$80,000**

To support transatlantic dialogues on several contentious issues — ESDI, the environment, trade relations, export controls, arms control, energy security, and relations with Russia and China.

ASPEN INSTITUTE BERLIN**BERLIN, GERMANY****\$90,000**

To support Aspen Berlin's transatlantic programs — TRANSFUSE, a Franco-German dialogue, the Berlin Young Leaders Alumni program, "Tracking the IGC," and Women in Leadership in International Affairs — emphasizing the Balkans and EU reform.

CONGRESSIONAL STUDY GROUP ON GERMANY**WASHINGTON, DC****\$100,000**

To support the Study Group's Visitors Program and Business Advisory Group, the annual Congress-Bundestag Seminar, and other transatlantic policy symposia.

CENTRUM FÜR ANGEWANDTE POLITIKFORSCHUNG**MUNICH, GERMANY****\$120,000**

To support the continuation of the program "Improving Responsiveness to International Change," geared toward young foreign policy leaders to evaluate and recommend policy.

INSTITUT FRANÇAIS DES RÉLATIONS INTERNATIONALES**PARIS, FRANCE****\$80,000**

To support the continuation of IFRI's transatlantic programs, including seminars, policy papers, and cooperation with other institutions on joint conferences and research projects.

CENTER FOR STRATEGIC & INTERNATIONAL STUDIES**WASHINGTON, DC****\$125,000**

To support CSIS's transatlantic activities, including its "Senior European Dialogues," "Congressional Forum," and "Transatlantic Briefings."

NIXON CENTER**WASHINGTON, DC****\$50,000**

To support a "U.S.-European Dialogue on Iran and Iraq," directed by Geoff Kemp.

COUNCIL ON FOREIGN RELATIONS – DC**WASHINGTON, DC****\$100,000**

To support CFR's Atlantic Partnership Program, which engages emerging decision makers in issues affecting U.S.-European relations, and a Next Generation Fellow who will help lead the program.

EUROPEAN INSTITUTE**WASHINGTON, DC****\$80,000**

To support the continuation of EI's transatlantic roundtables and seminars.

ISTITUTO AFFARI INTERNAZIONALI**ROME, ITALY****\$110,000**

To support IAI's program on "The Future Transatlantic Agenda," a research project examining growing regionalism and problems of global governance, and seminars examining the use of force in the post-Cold War era.

AMERICAN INSTITUTE FOR CONTEMPORARY GERMAN STUDIES**WASHINGTON, DC****\$100,000**

To support three study groups on U.S.-German policy issues and seminars on domestic political developments in Germany. These include Germany's role in the EU, challenges to U.S. and German foreign policy, trade relations, and the cultural impact of German unification.

TRANSATLANTIC POLICY NETWORK**BRUSSELS, BELGIUM****\$100,000**

To support TPN's transatlantic activities, particularly the development of a transatlantic network of policymakers, business professionals, and journalists.

AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH**WASHINGTON, DC****\$125,000**

To support the activities of the New Atlantic Initiative, including Balkan fact-finding missions, a Senate working group on CEE, a dinner series on Turkey and Regional Issues, and a European roundtable conference series.

CENTER FOR THE STUDY OF DEMOCRACY**SOFIA, BULGARIA****\$40,000**

To support a project to monitor smuggling and corruption in Bulgaria and Southeastern Europe.

INSTITUTE FOR STRATEGIC STUDIES**KRAKOW, POLAND****\$50,000**

To support the project, "A New Shape for European Security."

ROMANIAN ACADEMIC SOCIETY**BUCHAREST, ROMANIA****\$40,000**

To support a permanent "Education Center for Executives of the Public Sector."

INSTITUTE OF PUBLIC AFFAIRS**WARSAW, POLAND****\$50,000**

To support a program to address migration and return migration issues in Poland.

HUNGARIAN ATLANTIC COUNCIL**BUDAPEST, HUNGARY****\$50,000**

To support the development of a Euro-Atlantic foreign policy research center in Budapest.

CENTRE FOR LIBERAL STRATEGIES**SOFIA, BULGARIA****\$50,000**

To support a project to examine Balkan security.

INSTITUTE FOR PUBLIC AFFAIRS**BRATISLAVA, SLOVAKIA****\$50,000**

To support a project to examine and foster transatlantic cooperation in the era of an enlarged NATO and EU.

INSTITUTE FOR REGIONAL & INTERNATIONAL STUDIES**SOFIA, BULGARIA****\$49,706**

To support a program to promote security and regional cooperation in the Balkans.

GMF – ADMINISTERED**WASHINGTON, DC****\$526,850**

To support the Marshall Memorial Fellowship program in FY 2001.

GMF – ADMINISTERED**WASHINGTON, DC****\$260,000**

To support the American Marshall Memorial Fellowship program in FY 2001.

GMF – ADMINISTERED**WASHINGTON, DC****\$115,250**

To support a third MMF alumni conference.

SCHOOL OF ADVANCED INTERNATIONAL STUDIES**WASHINGTON, DC****\$25,000**

To support travel and accommodation expenses for six policymakers to participate in an EU colloquium, hosted by the University of Paris and SAIS, on the future constitution of Europe.

**SONNENFELDT, HELMUT
CHEVY CHASE, MD****\$10,000**

To support attendance at conferences on transatlantic issues.

**SLOAN, STANLEY
MIDDLEBURY, VT****\$10,000**

To support research and writing expenses for a book on NATO.

**BRITISH AMERICAN SECURITY
INFORMATION COUNCIL
WASHINGTON, DC****\$25,000**

To support a one-year transatlantic program on civilian crisis management.

**JOHN SLOAN DICKEY CENTER FOR
INTERNATIONAL UNDERSTANDING
HANOVER, NH****\$21,000**

To support a conference of European and American "grand strategists" to discuss the strategic security choices the United States and Europe will face this century.

**BARTSCH, SEBASTIAN
SAN DOMENICO, ITALY****\$4,000**

To support a Washington, DC trip to research and conduct interviews on the role of economic sanctions in U.S. and EU foreign policy.

**WOODROW WILSON NATIONAL
FELLOWSHIP FOUNDATION****PRINCETON, NJ****\$68,430**

To support two more years of Campus Fellow placement through the Woodrow Wilson Foundation.

**VESPER SOCIETY
HAYWARD, CA****\$24,000**

To support travel and accommodation costs for 20 young leaders from the United States and Europe to attend a conference hosted by the Evangelical Academy at Loccum on transatlantic security cooperation.

**HENRY L. STIMSON CENTER
WASHINGTON, DC****\$50,000**

To support study groups, luncheons, and a half-day conference to educate Congressional staff about transatlantic security issues.

**COUNCIL FOR THE UNITED STATES
& ITALY****WASHINGTON, DC****\$15,000**

To support the Council's annual Young Leaders Conference in Pittsburgh, PA, focusing this year on Internet issues.

**CENTRE FRANÇAIS SUR LES ETATS-UNIS
PARIS, FRANCE****\$20,000**

To support the activities of the Center on the United States and France, including a guide to foreign policy leadership in the 107th U.S. Congress, a project on the U.S. nonprofit sector, and a study of U.S. federalism.

**BROOKINGS INSTITUTION
WASHINGTON, DC****\$4,800**

To support the travel of four French participants to a French and American workshop on Iraq.

**LAIDI, ZAKI
PARIS, FRANCE****\$17,000**

To support Laidi's work on transatlantic politics in the age of globalization.

**ATLANTIK-BRÜCKE E.V.
BERLIN, GERMANY****\$25,000**

To support the Atlantik-Brücke's 2001 Young Leaders program with the American Council on Germany, which brings together 50 German and American leaders for a one-week conference.

**FRIEDRICH EBERT STIFTUNG
WASHINGTON, DC****\$25,000**

To support transatlantic activities with German and American policymakers.

**FOREIGN POLICY
WASHINGTON, DC****\$25,000**

To support the publication and distribution of Foreign Policy to MMF alumni.

**ROSANVALLON, PIERRE
PARIS, FRANCE****\$44,875**

To support the development of a transatlantic network of institutions and think tanks to monitor, analyze, and assess new trends in the social sciences and their impact on public policy in Europe and the United States.

**CENTRE FOR EUROPEAN REFORM
LONDON, UNITED KINGDOM****\$80,000**

To support a conference that generates new ideas for the management and reduction of transatlantic tensions, with emphasis on trade relations, European defense and NATO, and economic reform.

**ZENTRUM FÜR NORDAMERIKA
FORSCHUNG – ZENAF****FRANKFURT/MAIN, GERMANY****\$6,000**

To support the Congressional Fellowship Program.

**COUNCIL FOR THE UNITED STATES
& ITALY****WASHINGTON, DC****\$10,550**

To support the travel of 10 American participants to the Council's June 2000 Young Leaders Conference in Turin, Italy.

**ASPEN INSTITUTE BERLIN
BERLIN, GERMANY****\$75,000**

To support the second annual Transatlantic Mayors Summit, which convenes American, French, and German mayors to discuss the challenges globalization poses to urban centers.

**GMF – ADMINISTERED
WASHINGTON, DC****\$30,000**

To convene, in collaboration with the Bertelsmann Foundation, young European and American foreign policy analysts to discuss the new terms of the U.S.-EU partnership.

**COUNCIL FOR EUROPEAN STUDIES
NEW YORK, NY****\$200,000**

To support the Council's 2001-2002 projects, including the 13th biennial Conference of Europeanists, the publication of the "European Studies Newsletter," the Council's web site, and European scholars' visits to U.S. campuses.

**AMERICAN ENTERPRISE INSTITUTE
FOR PUBLIC POLICY RESEARCH****WASHINGTON, DC****\$85,300**

To support a fact-finding mission to Kosovo and Montenegro to examine the international community's role in the Balkans.

**TRUST FOR CIVIL SOCIETY IN CENTRAL
& EASTERN EUROPE****WASHINGTON, DC****\$500,000**

To support the activities of the Trust for Civil Society in Central and Eastern Europe.

**CONGRESSIONAL STUDY GROUP
ON GERMANY****WASHINGTON, DC****\$20,000**

To cover expenses of the Congress and Bundestag delegations attending the 17th Annual Congress-Bundestag Seminar in Niagara Falls, NY in April, 2000.

**ARBEITSKREIS DEMOKRATIE
KONSTANZ, GERMANY****\$22,000**

To support a workshop that will serve to create a transatlantic network of European and American think tanks and political consulting groups.

**GMF – ADMINISTERED
WASHINGTON, DC****\$1,500**

To support a conference on migration in education and business for alumni of the German-American Fulbright Commission, the Alexander von Humboldt Foundation, and the German Marshall Fund.

**AMERICAN COUNCIL OF YOUNG
POLITICAL LEADERS****WASHINGTON, DC****\$92,500**

To support a program that brings young Balkan leaders from Romania, Greece, and Turkey to the United States to examine American culture, economics, and politics.

**HUDSON INSTITUTE – INDIANAPOLIS
INDIANAPOLIS, IN****\$35,000**

To support the next Heartland Symposium, a four-day conference bringing together American and European policymakers to discuss the progress and prospects of work-based welfare systems in the United States and Europe.

**CHEMICAL & BIOLOGICAL ARMS
CONTROL INSTITUTE****ALEXANDRIA, VA****\$37,500**

To support meetings among U.S. and European policy and opinion leaders on transnational security threats, such as the evolving proliferation challenge, the global diffusion of security-relevant technology, cyber-terrorism, and the problem of failed states.

**AMERICAN POLITICAL SCIENCE
ASSOCIATION****WASHINGTON, DC****\$87,996**

To support two German participants and one French participant in the Congressional Fellowship Program.

ATLANTIK-BRÜCKE E.V.
BERLIN, GERMANY**\$25,000**

To support the Brücke's Young Leader Program.

FRIEDRICH EBERT STIFTUNG**BONN, GERMANY****\$19,000**

To support a conference of scholars, politicians, administrators, and journalists from Europe, the United States, and northeast Asia to examine the future of inter-regional relationships.

SOUTHERN CENTER FOR INTERNATIONAL STUDIES**ATLANTA, GA****\$25,000**

To support visits by high-level Europeans, a faculty workshop in European Studies, and the Center's annual Europe Seminar, which will focus on political and business relations between Europe and North America.

KONRAD ADENAUER STIFTUNG**WASHINGTON, DC****\$20,000**

To support dialogues between young German and American politicians, in Washington, DC and New York, on the future of transatlantic economic and political relations.

FRIEDRICH NAUMANN STIFTUNG**WASHINGTON, DC****\$1,760**

To partially support a conference on U.S.-German foreign policy, "Transatlantic.com: New Generation, New Relations."

FRENCH – AMERICAN FOUNDATION**NEW YORK, NY****\$45,000**

To support FAF's Young Leaders Program.

COUNCIL FOR EUROPEAN STUDIES**NEW YORK, NY****\$24,000**

To support the hiring of Dr. John Glenn, as director of the Council for European Studies.

CENTRE FRANÇAIS SUR LES ETATS-UNIS**PARIS, FRANCE****\$17,428**

To support the Center's first biannual conference.

BROOKINGS INSTITUTION**WASHINGTON, DC****\$125,000**

To establish a Center for France and U.S.-French relations. Activities include meetings, roundtables, visiting fellows, an annual conference, book production, monographs, articles, and policy briefs.

GMF – ADMINISTERED**WASHINGTON, DC****\$20,000**

To support the Dräger Stiftung's Young Leaders program with the Chicago Council.

GMF – ADMINISTERED**WASHINGTON, DC****\$5,000**

To host a reception at GMF's Berlin office as part of the Congress-Bundestag Seminar.

COUNCIL FOR EUROPEAN STUDIES**NEW YORK, NY****\$120,000**

To support the Council for European Studies' programs, including travel subsidies, a European Studies newsletter, maintenance and improvement of the Europanet Web site, predissertation fellowships, and administrative expenses.

ZENTRUM FÜR NORDAMERIKA**FORSCHUNG – ZENAF****FRANKFURT/MAIN, GERMANY****\$6,000**

To support the selection of two German participants in the Congressional Fellowship Program, administered by the American Political Science Association.

UNIVERSITY OF NORTH CAROLINA –**CENTER FOR SLAVIC, EURASIAN, & EAST EUROPEAN STUDIES****CHAPEL HILL, NC****\$10,000**

To support a conference on the future of the Balkans.

CENTER FOR DEMOCRACY**& FREE ENTERPRISE****PRAGUE, CZECH REPUBLIC****\$23,085**

To support a project to create a network of NGOs committed to improving civic participation in elections in the Czech Republic and the responsiveness of governments to citizen concerns.

GMF – ADMINISTERED**WASHINGTON, DC****\$20,000**

To support a delegation of opinion leaders from the former Yugoslav states to meet with officials in Washington, D.C. to discuss the future of the Balkans.

EUROPEAN FOUNDATION CENTRE**BRUSSELS, BELGIUM****\$10,000**

To support meetings of the Grantmakers East Group.

CIVIC EDUCATION PROJECT**BUDAPEST, HUNGARY****\$24,000**

To support ten fellowships for young Romanian and Bulgarian scholars to hold joint teaching appointments at local universities and research positions at policy think tanks.

TRANSITIONS ONLINE**PRAGUE, CZECH REPUBLIC****\$25,000**

To support the activities of Transitions Online, an Internet news source that covers key issues in Central and Eastern Europe.

EAST WEST INSTITUTE – PRAGUE**PRAGUE, CZECH REPUBLIC****\$10,000**

To support a conference of policymakers from the United States, Central and Eastern Europe, and the former Yugoslavia to discuss Yugoslavia's future.

GMF – ADMINISTERED**WASHINGTON, DC****\$20,000**

To support meetings, conferences, and GMF's work in Serbian voter education and civic participation.

NATIONAL ENDOWMENT**FOR DEMOCRACY****WASHINGTON, DC****\$10,000**

To support the participation of Central and Eastern Europeans at the second assembly of the World Movement for Democracy on November 12-15, 2000 in São Paulo, Brazil.

NONPROFIT ENTERPRISE & SELF-SUSTAINABILITY TEAM**BUDAPEST, HUNGARY****\$25,000**

To support U.S. and European participation in the Venture Philanthropy Forum, which will address strategies to improve the financial and human capital of nonprofit enterprises.

SLOVAK FOREIGN POLICY ASSOCIATION**BRATISLAVA, SLOVAKIA****\$7,888**

To support a conference of think tank experts from Visegrad countries to discuss transition policy, EU enlargement, and cooperation with NATO.

ARTHUR F. BURNS FELLOWSHIP**WASHINGTON, DC****\$20,000**

To support a two-way exchange to foster greater understanding of transatlantic relations.

ASSOCIATION FOR THE FORUM OF NON-GOVERNMENTAL INITIATIVES**WARSAW, POLAND****\$25,000**

To support the creation of a federation of Polish foundations and nongovernmental associations to lobby on behalf of nonprofit and third sector entities.

TRANSITIONS ONLINE**PRAGUE, CZECH REPUBLIC****\$60,000**

To support an online analytical forum for think tanks in the region.

SOCIETY FOR SUSTAINABLE LIVING – BIELE KARPATY**TRENCIN, SLOVAKIA****\$54,910**

To support a project to bring together women leaders from rural areas of the Czech Republic, Slovakia, Poland, and the U.S. for four workshops in the United States and CEE.

GMF – ADMINISTERED**WASHINGTON, DC****\$20,000**

To support a visit by German parliamentarians to Washington, DC and San Francisco to meet with American security and trade experts.

GMF – ADMINISTERED**WASHINGTON, DC****\$60,000**

To support a one-week study tour by 10 to 15 congressional staff to Brussels and Paris to examine the European Union's role in foreign policy.

GMF – ADMINISTERED**WASHINGTON, DC****\$250,000**

To support GMF's Transatlantic Fellows Program.

WOODROW WILSON NATIONAL**FELLOWSHIP FOUNDATION****PRINCETON, NJ****\$68,135**

To support the continuation of the Woodrow Wilson National Fellowship Foundation's Campus Fellows Program by funding 14 visiting scholars over two academic years.

GMF – ADMINISTERED**WASHINGTON, DC****\$30,000**

To support day-long conferences, designed by and for Marshall Memorial Fellowship alumni, as part of an ongoing Dialogue on Europe's Future.

RESEARCH FELLOWS

FURUYA, HARUMI
CAMBRIDGE, MA

\$20,000

To support research on immigration policies in Germany, France, and Sweden.

FOHLIN, CAROLINE
PASADENA, CA

\$40,000

To support research on financial system design and the performance of securities markets.

KROOK, MONA
NEW YORK, NY

\$20,000

To support research on strategies that increase women's political representation in Western Europe.

PASOTTI, ELEONORA
FOREST HILLS, NY

\$20,000

To support research on the political system in Naples, Italy.

QUATAERT, JOAN
BINGHAMTON, NY

\$40,000

To support research on the role of humanitarianism in promoting international cooperation.

DUNN, ALLYSON
CHARLOTTESVILLE, VA

\$20,000

To support research on the relationship between French citizens and their overseas empire during the nineteenth century.

MOONEY, PATRICK
LEXINGTON, KY

\$24,148

To support research on Polish agriculture and European integration.

CASTELLANOS, ERICK
PROVIDENCE, RI

\$20,000

To support research on the impact of immigration policy on the Bergamo, Italy community.

CURRIE, SCOTT
URBANA, IL

\$20,000

To support research on the ability of free-music improvisation to empower urban communities.

EGAN, MICHELLE
WASHINGTON, DC

\$40,000

To support research on European and American economic integration.

KAISER-HOLT, SARA
MINNEAPOLIS, MN

\$20,000

To support research on transitions in Hungary's formal and informal economy.

MARTINEAU, ERIN
LONG ISLAND CITY, NY

\$3,000

To support research on cultural differences and tolerance in the Netherlands.

FINK, CAROLE
COLUMBUS, OH

\$40,000

To support research on European human-rights legislation.

MARES, ISABEL
STANFORD, CA

\$40,000

To support research on the tax-structure of European welfare states.

GROSSMAN, ATINA
NEW YORK, NY

\$40,000

To support research on victimization and survival strategies of defeated Germans and Jews in displaced persons camps after World War II.

BRANCATI, DAWN
NEW YORK, NY

\$20,000

To support research on ethnic conflict and secessionism.

I M M I G R A T I O N & I N T E G R A T I O N

During the past two decades, Europe and the United States have experienced record levels of immigration. The experience has been nearly universal, and no receiving country has been fully prepared for the consequences. The Immigration and Integration program seeks to enhance understanding, among policymakers and the media, of the challenges and opportunities that increased immigration poses for societies.

The program provides institutional support for comparative research and its dissemination on immigration and integration policies. To encourage exchanges on integration policies, GMF also supports policy research and exchanges between regions with large immigrant communities in the United States and in Europe.

Uncontrolled migration can be detrimental to immigrants' integration and to relations between countries that send and receive migrants. The Immigration and Integration program supports projects on how Europe and the United States can coordinate movements and reduce emigration pressures in countries that send and transit migrants. Finally, GMF also provides support for comparative policy work on refugee policy and humanitarian assistance.

MIGRATION DIALOGUE

Philip Martin (University of California at Davis) and Michael Teitelbaum (Sloan Foundation) launched Migration Dialogue in 1992, at a Marshall Memorial Fellowship conference sponsored by the German Marshall Fund. After eight years of seminars alternating between the United States and EU countries, Migration Dialogue turned in 1999 to the challenges that emigration and transit countries face.

In Istanbul, the seminar included meetings with Turkish experts and policymakers as well as visits to the German Consulate, the third largest in the German foreign service, and to Kadikoy, a bedroom community on the Asian side of Istanbul. Kadikoy established family assistance centers in 1994 to help women who had migrated with their families to shantytowns achieve literacy and skills to improve their earnings and prospects for self-employment. Seminar participants also visited APS Textile, a 550-employee sewing factory that produces clothes for such firms as Banana Republic and Liz Clairborne.

The purpose of Migration Dialogue is to educate and inform North American and Western European policy makers and opinion leaders about immigration and integration issues. Migration Dialogue seeks to bolster the middle ground often polarized between no borders or no migrants, and thus accelerate the development of durable immigration and integration policies. The transatlantic seminar has become the model for comparative dialogue and the sharing of best practices on immigration issues in the United States and Europe and has fostered many other contacts and exchanges among policymakers and opinion leaders.



Kadikoy women learning stitching at a family assistance center, one of the off-site visits during the Istanbul seminar.

2001 IMMIGRATION & INTEGRATION GRANTS**HUMBOLDT – UNIVERSITÄT ZU BERLIN
BERLIN, GERMANY****\$110,000**

To support a comparative program on immigration, ethnicity, and politics in the United States, Central and Eastern Europe, and Germany.

MIGRATION DIALOGUE**DAVIS, CA****\$125,000**

To support Migration Dialogue, a seminar and news service to educate North American and European opinion leaders about immigration and integration issues faced by industrial democracies.

**CENTRE D'ETUDE DES POLITIQUES
D'IMMIGRATION, D'INTEGRATION
ET DE LA CITOYENNETE****PARIS, FRANCE****\$80,000**

To support workshops on integration and anti-discrimination policies in France, the United Kingdom, and the United States.

**CENTER FOR INTERNATIONAL &
EUROPEAN LAW ON IMMIGRATION
& ASYLUM****KONSTANZ, GERMANY****\$116,000**

To support a transatlantic program on developments in nationality and asylum law, and policy briefings on current immigration and integration issues in the United States and Europe.

**INSTITUTE FOR THE STUDY OF
INTERNATIONAL MIGRATION****WASHINGTON, DC****\$125,000**

To support the Institute's transatlantic exchange of information on immigration and integration policies.

MIGRATION DIALOGUE**DAVIS, CA****\$70,000**

To support a transatlantic dialogue between countries that send and receive migrants and to make recommendations on migration policy to U.S. and European governments.

GMF – ADMINISTERED**WASHINGTON, DC****\$25,000**

To support a Transatlantic Donors Dialogue meeting. This is a joint project of the Luso-American Development Foundation and GMF that assembles leaders from foundations and governments to discuss donors' views on immigration, integration, and asylum in the United States and Europe.

**EUROPEAN COUNCIL ON
REFUGEES & EXILES****LONDON, UNITED KINGDOM****\$125,096**

To support a joint one-year project with the United States Committee for Refugees to stimulate debate about refugee and asylum policies between European, American, and international organizations.

**CENTRE D'ETUDE DES POLITIQUES
D'IMMIGRATION, D'INTEGRATION
ET DE LA CITOYENNETE****PARIS, FRANCE****\$35,000**

To support a conference at Middlebury College, Vermont on the challenges of discrimination and integration for governments crafting social, immigration, and citizenship policies.

**UNITED STATES COMMITTEE
FOR REFUGEES****WASHINGTON, DC****\$99,904**

To support a joint one-year project with the European Council on Refugees and Exiles to stimulate debate about refugee and asylum policies between European, American, and international organizations.

**UNITED STATES COMMITTEE
FOR REFUGEES****WASHINGTON, DC****\$23,000**

To support European and American NGO participation in a tripartite steering group to organize a conference to discuss best practices in the integration of resettled refugees.

**STADT FRANKFURT AM MAIN
FRANKFURT/MAIN, GERMANY****\$20,000**

To support the production of two 30-minute television documentary films on immigration and ethnic diversity in Frankfurt and New York.

**MIGRATION POLICY GROUP – BELGIUM
BRUSSELS, BELGIUM****\$50,000**

To support a project that will examine public and private procurement policies toward North American and European ethnic minorities and immigrant-owned businesses.

**MEDIA WITH A HUMAN FACE
PLOVDIV, BULGARIA****\$22,820**

To support the continuation of "Neighborhood" television programs, which promote inter-ethnic relationships among Romanian, Turkish, Armenian, and Jewish citizens.

SPECIAL OPPORTUNITIES

From time to time GMF makes grants that do not fall within one of its program areas. The grants listed below support projects or institutions considered worthy of funding even though they fall outside of the four program areas of economics, environment, foreign policy, and immigration and integration.

SPECIAL OPPORTUNITIES**BERTELSMANN FOUNDATION
GÜTERSLOH, GERMANY****\$37,500**

To support the International Network on Strategic Philanthropy, a U.S.-European partnership to encourage philanthropic innovation and effective management.

**GERMAN HISTORICAL INSTITUTE
WASHINGTON, DC****\$10,000**

To support the Fritz Stern Dissertation Prize competition.

**FOUNDATION CENTER
NEW YORK, NY****\$3,000**

To provide institutional support for the Foundation Center's upcoming relocation to Washington, DC.

**WOODROW WILSON INTERNATIONAL
CENTER FOR SCHOLARS****WASHINGTON, DC****\$15,000**

To support the Woodrow Wilson Center's European Alumni Association conference, "Challenges to European Stability" in S'Agaro, Spain in September 2000.

**PHILANTHROPY ROUNDTABLE
WASHINGTON, DC****\$10,000**

To support the Roundtable's 2001 projects.

**EUROPEAN FOUNDATION CENTRE
BRUSSELS, BELGIUM****\$34,760**

To support the European Foundation Centre's activities as an EFC patron.

F E L L O W S H I P S

IN ADDITION TO GRANTMAKING, GMF MANAGES A NUMBER OF FELLOWSHIP PROGRAMS DESIGNED TO ENGAGE AND EDUCATE EMERGING AND ESTABLISHED LEADERS IN U.S.-EUROPEAN RELATIONS. THESE FELLOWSHIPS INCLUDE THE JOURNALISM FELLOWSHIP PROGRAM, THE MARSHALL MEMORIAL FELLOWSHIP PROGRAM, AND THE RESEARCH FELLOWSHIP PROGRAM. GMF ALSO WORKS CLOSELY WITH PARTNER ORGANIZATIONS TO SUPPORT THE FOLLOWING FELLOWSHIPS: CAMPUS FELLOWS PROGRAM, THE COMMUNITY FOUNDATION TRANSATLANTIC FELLOWSHIP, ENVIRONMENTAL FELLOWSHIP PROGRAM, THE MANFRED WÖRNER SEMINAR, AND THE U.S.-SPAIN YOUNG LEADERS PROGRAM.

JOURNALISM FELLOWSHIP PROGRAM

GMF created the Journalism Fellowship program in 1999 to expand the U.S. media and public's interest in and understanding of European issues. The program aims to widen the small corps of American journalists who currently have European reporting experience, as well as to keep journalists with European experience up to date on events, ideas, and policy issues.

Between 20 and 30 fellowships are awarded each year to enable American journalists to investigate and report on European subjects they would not otherwise have been able to cover. Grants under the fellowship program are also available to American journalists to write books on European and transatlantic issues. The program is intended to help journalists cover a broad range of European topics, including issues of European economic and political integration, transatlantic relations, and the internal affairs of individual European countries.

PETER R. WEITZ PRIZES

As part of its Journalism Fellowship Program, GMF annually awards two prizes for excellence in reporting and analyzing European and transatlantic affairs. The prizes are named after Peter R. Weitz, former Director of Programs at GMF. Like the journalism fellowships, the Peter R. Weitz prizes are intended to encourage the coverage of European issues and events by the American media.

The winners are selected each spring by a jury of senior American and European journalists based on work published in American newspapers and magazines or electronically during the previous calendar year.

The second annual Peter R. Weitz journalism prizes were awarded at a dinner at Meridian International Center on June 6, at which the main speakers were Hubert Védrine, French Foreign Minister, and Senator Chuck Hagel.

The \$10,000 senior prize went to Roger Cohen, Berlin Bureau Chief of the *New York Times*, for an outstanding series of articles on the problems of immigrants in Europe published during the year 2000. A second prize, worth \$5,000, was awarded to James Kitfield of the *National Journal* for a series of articles examining the political and security implications for Europe of the 1999 NATO air war in Kosovo.



Senator Chuck Hagel (left) congratulating Peter R. Weitz Prize recipient, Roger Cohen.



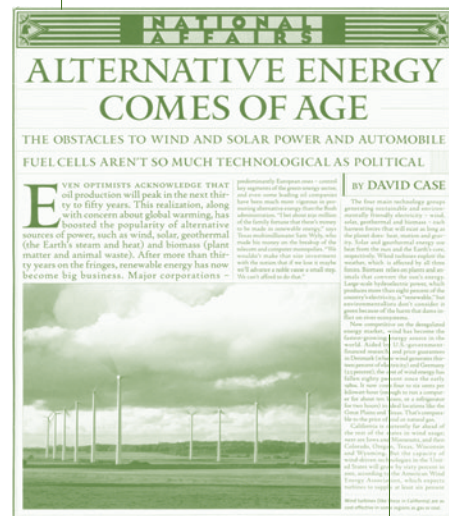
JOURNALISM FELLOW: DAVID CASE

David Case, the Executive Editor of TomPaine.com, is one of over 20 journalists who have taken part in GMF’s Journalism Fellowship Program. David received a grant to support a two week trip to Europe to report on Europe’s accomplishments under the Kyoto climate change treaty. In addition to covering his proposed topic, he published a series of articles on renewable energy, Iceland’s drive to eliminate greenhouse gas emissions, and wind turbines in Germany. In Fall 2001, *Rolling Stone Magazine* commissioned David to write a piece on the political obstacles to wind and solar power and automobile fuelcells. He used his research in Europe to compare European and American approaches to alternative energy.

“A modest amount of money can go a long way: a year later, the GMF grant continues to keep me busy. With the \$3,500 I traveled to Britain, Germany, Spain and Iceland, and published four articles on Europe’s efforts to combat climate change. A *Rolling Stone* editor saw these articles on TomPaine.com, and commissioned me to write a feature, which appeared in the September 13th issue. I’ve also been a guest on three radio shows in Florida and Ohio, and calls for more information have come in from NPR, BBC, and the Singapore Embassy. The GMF journalism program plays a vital role — none of this would have been possible without your grant!”

David Case

“More than seventy-five percent of American-made panels are sold in Europe, especially in Germany, and in Japan. European countries are offering strong subsidies for solar, seeking to replicate their success catalyzing the wind industry.”



By David Case From *Rolling Stone*, September 13, 2001
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“Now competitive on the deregulated energy market, wind has become the fastest-growing energy source in the world. Aided by U.S.-government-financed research, and price guarantees in Denmark and Germany, the cost of wind energy has fallen eighty percent since the early 1980s.”

2001 JOURNALISM GRANTS

PARRISH, KATHLEEN
ALLENTOWN, PA
\$2,500

To chronicle a group of high school students' journey to Belarus.

SELL, LOUIS
WHITEFIELD, ME
\$4,000

To support a political biography of Milosevic that examines his impact on the Balkans.

SKERRY, PETER
CLAREMONT, CA
\$3,440

To explore how the German Green Party came to be Germany's most innovative political force.

LOEWENBERG, SAM
WASHINGTON, DC
\$5,700

To support an article about how corporations lobby European Union officials.

KONVISER, BRUCE
PRAGUE, CZECH REPUBLIC
\$15,000

To support a book on the Czech Republic after Communism, focusing on the development of democracy and a market economy.

CALDWELL, CHRISTOPHER
WASHINGTON, DC
\$5,000

To examine France's conception of itself ten years after the Cold War, focusing on American and French attitudes toward a new role in a bipolar ideological alignment.

DONOVAN, JEFFREY
LONG ISLAND CITY, NY
\$12,000

To support a book on Belarus, Europe's last authoritarian regime.

MCQUEENEY MITRIC, JOAN
KENSINGTON, MD
\$3,400

To support a trip to Serbia to research draft resisters in Serbia, Jews in Serbia, and the health sector under sanctions.

GOLD, PHILIP
MERCER ISLAND, WA
\$19,700

To support research and writing on European defense and its relevance to U.S. foreign policy.

ISRAELSEN, BRENT
SALT LAKE CITY, UT
\$2,200

To support attendance at the conference, "The Media: A Decisive Force in Building a Free and Just Society," to be covered in the *Salt Lake Tribune*.

HOCKENOS, PAUL
BERLIN, GERMANY
\$24,950

To support the completion of a book on the role that emigre and diaspora communities played in the last decade of the Balkan conflicts.

MATUS, VICTORINO
WASHINGTON, DC
\$2,700

To support research for a story on Berlin's future.

SULLIVAN, STACY
NEW YORK, NY
\$25,000

To support a book on the war in Kosovo and the role of Albanian emigres who supplied the Kosovo Liberation Army with weapons and money.

HENRY, MARILYN
TEANECK, NJ
\$11,540

To support research on the foreign policy and economic and legal issues in the recovery of Jewish Holocaust-era assets in Europe.

WOODARD, COLIN
WASHINGTON, DC
\$4,050

To support a project in Denmark and in the Netherlands on European innovations in energy, transportation, and resource management.

“Our Campus Fellow from the Czech Republic helped us — students and faculty alike — grasp the nature of life in Communist Czechoslovakia and at the same time to see the complexities of life in the post-Communist Czech Republic.”

Ms. Ryslinkova,
a faculty member at Lake
Forest College, Illinois

CAMPUS FELLOWSHIP PROGRAM — A JOINT PROJECT WITH THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

The Campus Fellowship Program brings approximately 10-14 prominent European politicians, journalists, and civic leaders to small liberal arts colleges in the United States for week-long exchanges with students, faculty, administration, and the host university community. GMF selects Fellows, and then the Woodrow Wilson National Fellowship Foundation assigns them based on the requests of colleges participating in the program, as well as the Fellows’ experience and availability.

The Campus Fellowship program continues to be an unparalleled opportunity for American students and faculty to learn about modern-day Europe and transatlantic relations, and for European visitors to learn about small liberal arts colleges and their communities in America’s heartland. Continued connections between the Campus Fellows and their host campuses have become an intrinsic part of the program.

COMMUNITY FOUNDATION TRANSATLANTIC FELLOWSHIP — A JOINT PROJECT WITH THE KING BAUDOIN FOUNDATION (WITH SUPPORT FROM THE CHARLES STEWART MOTT FOUNDATION AND THE ASSISTANCE OF THE EUROPEAN FOUNDATION CENTRE)

Community foundations got their start in the United States some 80 years ago, but only recently in Europe. With 500 foundations in the United States and a rapidly growing sector in Europe, foundation professionals can benefit from the experiences, cultures, and traditions of counterparts across the Atlantic. European fellows take advantage of the management and programming tools that their American colleagues have developed, such as strategic planning, investment policies, creative community involvement, and grantmaking. American Fellows gain a renewed sense of the basic mission of a community foundation, a European understanding of community, the need for an engaged civil society, and the possibilities of political change.

Ten Fellows each year, five European and five American, participate in the Community Foundation Transatlantic Fellowship program. The program begins with a two-day orientation for all Fellows in Washington, DC to raise awareness of transatlantic differences and similarities. They then spend two-and-a-half weeks in residence at their respective host foundations on the other side of the Atlantic. Finally, Fellows meet in Brussels, Belgium to review and exchange their experiences and impressions.

ENVIRONMENTAL FELLOWSHIP PROGRAM

As in other programs, professional fellowships are a mainstay of the environmental program. Fellowships nurture leadership, link professional interests, encourage lifelong exchange and learning, promote deeper understanding of problems at home and abroad, and stimulate new approaches for how to deal with them.

Since 1992, the Center for Clean Air Policy in Washington, DC and the Wuppertal Institute for Climate, Environment, and Energy in Wuppertal, Germany have successfully coordinated the Environmental Fellowship program. Together, they have managed almost 150 Fellows, of whom half are European and half are American, while continually striving to improve the program and its outreach. In addition to the four-week individual fellowships, small group fellowships of two weeks were recently added in an effort to expand the number of participants and to take advantage of the dynamics of group travel.

The fellowships focused on climate change, transportation, land use, and energy efficiency.

MANFRED WÖRNER SEMINAR

Co-sponsored by the German government, the Manfred Wörner Seminar (MWS) is a professional development program on German and European security. The program annually brings fifteen talented young American professionals to Europe to meet with their German counterparts and discuss shared security interests.

The ten day program takes place in Bonn, Brussels, and Berlin. Seminar-style discussions are led by experts and address important security and defense dimensions of the German-American bilateral relationship within a regional and transatlantic framework. However, the program is not limited to these topics. Rather, it also examines business, economic, political, and cultural issues. A typical itinerary includes briefings by senior representatives of the Bundeswehr, the German defense, foreign affairs, and/or economics ministries; staff and members of the Bundestag and Berlin Senate; and senior staff at NATO, SHAPE, NATO Parliamentary Assembly, and the EU.

The seminar is conducted by the Armed Forces Office of the German Ministry of Defense and the German Marshall Fund. As the seminar’s American partner, GMF assembles the American delegation through a competitive selection process and assists with the planning of the program.

With the recent shift in the Environment Program from comparative domestic issues to common global problems, GMF recently announced a new fellows program, the Transatlantic Environmental Fellows Program, to deepen understanding of differences in environmental approaches across the Atlantic.



Manfred Wörner Seminar participants
(from left to right) Jason Rabbino,
Jennifer Demmert, and Erica Tuttle
at the American Academy in Berlin.

MARSHALL MEMORIAL FELLOWSHIP

The Marshall Memorial Fellowship program provides a unique opportunity for young policy and opinion leaders from 14 European countries and the United States to gain an in-depth understanding of societies, institutions, and people on the opposite side of the Atlantic from their home country. During the 3-4 week traveling program, Fellows develop a broad knowledge of political, economic, cultural, and social issues in their host countries through meetings with city officials, school teachers, police officers, government officials, business leaders, labor organizers, farmers, activists, religious leaders, and academics. Fellows also often stay with members of the community who open their homes to them.

European Fellows travel to Washington, DC in multinational groups of 18-21 for briefings on American politics and policy before dividing into smaller groups to continue their travels to four geographically and demographically different cities and towns across the United States and complete their Fellowship in New York. A similar number of American Fellows travel in diverse groups to Brussels, Belgium for briefings on European and transatlantic institutions before dividing into small groups to visit cities and small towns in Northern, Southern, and Central Europe. American Fellows complete their Fellowship as a group in Berlin or Paris.

On the eve of the program's twentieth anniversary, the MMF network includes over 900 European and American leaders knowledgeable about and committed to the transatlantic relationship. GMF keeps this network actively engaged in transatlantic issues through annual conferences, smaller regional meetings, newsletters, e-mail news services, and involvement in other GMF program areas.

In May 2001, GMF held its third annual Marshall Memorial Fellowship Conference at Royal Parc Evian on Lake Geneva in France. Over 150 Marshall Memorial Fellows, panelists, speakers, and guests gathered for three days to discuss and debate this year's theme, "Confronting Change in the New Century: Economic Innovation, Political Reform, and Cultural Renewal." Highlights included opening remarks from Lord Robertson, Secretary General of NATO; a Friday morning session with Emil Constantinescu, former President of Romania; a dinner discussion with French television commentator, Christine Ockrent; and a discussion of technological change and the challenges it brings with John Gage, Director of the Science Office and Chief Researcher for Sun Microsystems.



John Gage, Director of the Science Office and Chief Researcher for Sun Microsystems, speaking at the third annual Marshall Memorial Fellowship Conference.

RESEARCH FELLOWSHIP PROGRAM

The GMF Research Fellowship Program offers research grants to Ph.D. candidates and senior scholars to improve understanding of significant contemporary economic, political, and social developments relating to Europe, European integration, and relations between Europe and the United States. Projects can involve either comparative analysis of a specific issue in more than one country or the exploration of an issue in a single country in ways that can be expected to have relevance for other countries. The geographic scope of the program includes Western, Central, and Eastern Europe, including Russia and Turkey as they relate to Europe, but not the Central Asian countries formerly part of the Soviet Union.

This year's award recommendations were made by a selection committee that included Sidney Tarrow, Cornell University; (chair) John Campbell, Dartmouth College; Randall Henning, Institute for International Economics; David Kertzer, Brown University; Gary Marks, University of North Carolina at Chapel Hill; and Wayne Te Brake, State University of New York at Purchase.

U.S.-SPAIN YOUNG LEADERS PROGRAM

In 2001, the German Marshall Fund, U.S.-Spain Council, and the Consejo España-EEUU launched a new program to bring young American leaders to Spain to familiarize them with the social, cultural, economic, and political realities of contemporary Spain, and in the process, to foster stronger understanding between Spain and the United States. The program aims to bring two groups of at least ten young American leaders to Spain each year. Visits are seven days in duration, inclusive of travel, with each trip oriented around a particular theme.

The theme for the first visit, which took place in June 2001, was "The New Economy in Spain." Ten young leaders, ranging in age from 30 to 40 years, were selected from the private and public sectors to participate in the program, which started in Madrid and ended in Barcelona. CEOs, managers, journalists, academics, and government officials briefed the group on domestic and international issues. Highlights of the trip included a visit with the Prince of Spain and a tour of the Freixenet Caves outside of Barcelona. The program was organized with the assistance of the Fundación José Ortega y Gasset.



Jacob Park (right), a participant in the U.S.-Spain Young Leaders Program, meeting the Prince of Spain.

PARTNERSHIPS

GMF OCCASIONALLY PARTNERS WITH OTHER FOUNDATIONS, GOVERNMENT ORGANIZATIONS, OR POLICY INSTITUTIONS TO DEVELOP AND IMPLEMENT PROJECTS THAT FALL WITHIN ONE OF GMF'S FOUR PROGRAM AREAS. IN 2001, THESE PARTNERSHIPS PRIMARILY FOCUSED ON PROJECTS IN CENTRAL AND EASTERN EUROPE AND THE BALKANS, INCLUDING GREATER CIVIC PARTICIPATION IN SERBIA AND ROMANIA, THE DEVELOPMENT OF CIVIL SOCIETY IN CENTRAL AND EASTERN EUROPE, AND HEIGHTENED ENVIRONMENTAL AWARENESS IN THE CZECH REPUBLIC, HUNGARY, POLAND, AND SLOVAKIA. GMF ALSO FORGED A NUMBER OF PARTNERSHIPS — LOCALLY AND NATIONALLY — IN SUPPORT OF ITS MARSHALL MEMORIAL FELLOWSHIP PROGRAM.

THE TRUST FOR CIVIL SOCIETY IN CENTRAL & EASTERN EUROPE

The German Marshall Fund joined a small consortium of grantmaking organizations to establish a Trust to promote the development of civil society in Central and Eastern Europe. The founding donors have pledged a total of \$60.5 million toward the goal of \$75 million. The Trust's mission is to support the development and long-term stabilization of civil society and nongovernmental organizations (NGOs) in Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia by pursuing the following mutually-reinforcing objectives: to contribute to a supportive legal, fiscal, and political environment in which civil society can flourish; to strengthen the nonprofit sector through institutional capacity building; and to enhance the long-term financial sustainability of nonprofit organizations. The Trust made its first grants in Slovakia in the fall of 2001.

The Trust is directed by Jacek Wojnarowski; its offices are based in Warsaw, Poland.

"The Trust for Civil Society is an unprecedented example of international cooperation in the grantmaking world, which could not have materialized at a better time."

Jacek Wojnarowski,
Executive Director of the Trust for Civil Society in Central and Eastern Europe

THE ENVIRONMENTAL PARTNERSHIP FOR CENTRAL & EASTERN EUROPE

In 1990, after the fall of Communism in Central and Eastern Europe, the German Marshall Fund and a small group of core funders — including the Rockefeller Brothers Fund, the Charles Stewart Mott Foundation, and Transatlantic Philanthropies — launched locally-managed small grants programs in the Czech Republic, Hungary, Poland, and Slovakia to support environmental awareness, reform, and the development of civil society. Since 1997, these programs have developed into independent foundations in the four countries with a fifth foundation recently added in Romania. While grantmaking remains integral to each foundation, they are now also a resource and catalyst for the broader environmental community in their countries and throughout the region. They address country-specific problems and problems common to the region regarding land use, land stewardship, flood management, and right-to-know legislation. Currently they jointly are supporting an initiative to create community models for sustainable rural development to assist in the accession process into the European Union. The foundations fund primarily nongovernmental organizations, but encourage collaboration with the government and business sectors.

GMF remains responsible for the management of the core support for the Environmental Partnership foundations, which is expected to run out at the end of 2003. While this support is increasingly a smaller percentage of the foundations' annual budgets, it has enabled them to continue their work while learning how to establish their own funding base. Between 1991 and 2001, over 18 foundations contributed \$10.8 million to the GMF-managed core funds.

"The Environmental Partnership not only gives financial support for valuable environmental activities but is also an important partner in solving problems and regenerating communities. In Zawoja and Babia Gora National Park, it is a key mediating body concerned with building local support for the national park."

Jerzy Sawicki,
President of the National Parks Unit of the Polish Ecological Club

BUILDING CIVIC CAPACITY IN ROMANIA

“The small grants program in Romania, funded by the German Marshall Fund and the Charles Stewart Mott Foundation, gave NGOs and citizens the unique opportunity to improve their capacity to assess their community needs and to define new models for citizen involvement in the future.”

Alina Porumb,
Coordinator for the Building Civil Capacity in Romania program

During 2000-01, GMF partnered with the Charles Stewart Mott Foundation on a grantmaking program to increase civic participation in Romania’s 2000 elections. GMF received a Mott Foundation grant of \$200,000 and contributed \$75,000 of its own funds, plus substantial staff and administrative resources, to this project.

Through the project “Building Civic Capacity in Romania,” GMF made over 25 small grants to NGOs throughout Romania that were working locally and nationally to educate voters and to help citizens communicate with their elected representatives. As anticipated, 2000 proved to be critical in the development of Romanian democracy. Local and national elections in the spring and fall of 2000 showed the fragility of Romania’s nascent democratic political institutions. Romanians were disenchanted by the political infighting and economic stagnation that their country experienced throughout the 1990s, but were faced with few moderate political choices. Largely through the efforts of civil society and NGOs, Romanians turned away from the extreme nationalist party that had received strong support in the first round of the national elections, choosing instead the party of Ion Iliescu, which supports Romanian accession to NATO and to the EU.

At a time when most major private donors have curtailed or ended their funding in Romania, this modest program had substantial impact in the country. In addition to providing grants directly through this program, GMF and the Mott Foundation worked with other donors to channel their funds into the NGO sector during this crucial period. Through these efforts, GMF and Mott were successful in securing over \$80,000 in grants from the National Endowment for Democracy, the Royal Netherlands Embassy in Bucharest, and the Westminster Foundation (UK) for projects developed by Romanian NGOs under the auspices of the GMF/Mott program.

GMF remembers project coordinator Cristian Pop who was killed in a car accident in March 2000 near Cluj-Napoca, Romania. With his tireless efforts and passion, Cristian developed this project from its early stages until his untimely death. Much of the eventual success of the project was due to his work. He will be missed.

CIVIC PARTICIPATION IN THE FEDERAL REPUBLIC OF YUGOSLAVIA

In partnership with the United States Agency for International Development, GMF issued a series of small, election-related grants in the Federal Republic of Yugoslavia (FRY). The grants were designed to enhance civic participation and educate voters on the issues leading up to the September 2000 and December 2000 elections in FRY — the elections which toppled Slobodan Milosevic and his Serbian Democratic Party from power. Over 50 grants were made to Serbian nonprofit, nongovernmental organizations and civic groups to help them strengthen their abilities to conduct public information and civic participation campaigns. While the program targeted specifically Serbian organizations, GMF did consider and, in a few cases, approved proposals submitted by Central and Eastern European organizations. All projects were nonpartisan and open to all citizens.

Pavol Demeš, the Director of GMF’s Bratislava office, received two awards (Civil Society and Democracy Award, November 2000; European Movement in Serbia Award, February 2001) from Serbian NGOs for his energetic participation and dedication to NGO activity and the process of democratization in FRY.

“The Civic Participation program has taught the people of Yugoslavia a lot about both their ability and right to participate in the transition of their society. The support from outside organizations helps them realize that they are not ostracized as a nation but rather that friendships exist outside their own borders. This lesson will be important in attacking xenophobia in the region, which was caused by years of isolation. The German Marshall Fund, with its fast response time, flexibility, and respect for the needs of the region, played a significant role in this historical moment in our country.”

Miljenko Dereta,
Director, Civic Initiatives,
Belgrade

CIVIC PARTICIPATION IN THE FEDERAL REPUBLIC OF YUGOSLAVIA

TIMOK CLUB
KNJAZEVAČ, YUGOSLAVIA
\$17,640

To support a conference of NGOs from southeast Serbia, Macedonia, and Bulgaria to foster cooperation and encourage joint initiatives.

STUDENT UNION OF THE UNIVERSITY IN NOVI SAD (SUUNS)
NOVI SAD, YUGOSLAVIA
\$25,000

To support a Balkan-wide youth festival to encourage tolerance, creativity, and cooperation through films, exhibitions, and concerts.

CENTER FOR REGIONALISM
NOVI SAD, YUGOSLAVIA
\$25,000

To support two workshops in Serbia, Bosnia, and Croatia to bring together activists and academics from the Balkans, EU, and U.S. to initiate long-term cross-border initiatives.

G17 PLUS
BELGRADE, YUGOSLAVIA
\$11,783

To support the publication and dissemination of 100,000 copies of the pamphlet, “Program for a Democratic Serbia,” to inform the Serbian public of their voting rights and responsibilities.

CENTER FOR THE DEVELOPMENT OF THE NON-PROFIT SECTOR
BELGRADE, YUGOSLAVIA
\$4,174

To support the creation and publication of an NGO Atlas of Serbia for NGOs working on a common pro-election campaign.

SUMADIAN INITIATIVE
KRAGUJEVAČ, YUGOSLAVIA
\$9,224

To implement programs in 32 urban and 19 rural communities to make women aware of their role in effecting change in their communities.

CIVIC FORUM
NOVI PAZAR, YUGOSLAVIA
\$6,024

To support grassroots campaigns and media spots to increase Serbian citizens’ interest in the elections and encourage them to vote.

CENTER FOR FREE ELECTIONS & DEMOCRACY
BELGRADE, YUGOSLAVIA
\$9,412

To support a program to educate local Serbian election officials about electoral rules and procedures.

**WOMEN'S ACTIVE CENTER ANIMA
KRAGUJEVAC, YUGOSLAVIA****\$5,821**

To support a project to encourage women in Kragujevac, Raca, Topola, and Arandjelovac to be active in politics and to vote in the elections.

GENERATION 21**BELGRADE, YUGOSLAVIA****\$23,529**

To support a project that motivates first-time voters to vote.

**HUMANITARIAN ASSOCIATION
NEW WAY****KRAGUJEVAC, YUGOSLAVIA****\$6,913**

To support a program to encourage Romanians in Serbia to vote, to understand their role in effecting societal change, and to protect their own rights.

**LOCAL COUNCIL OF THE EUROPEAN
MOVEMENT OF SERBIA****ZRENJANIN, YUGOSLAVIA****\$932**

To support the publication and distribution of a leaflet in Serbian, Hungarian, Romanian, and Slovak informing citizens of their responsibility to vote.

CIVIC PARLIAMENT - CACAK**CACAK, YUGOSLAVIA****\$2,824**

To support the creation and distribution of posters targeted at apathetic voters.

**DEMOCRATIC INITIATIVES
SUPPORT CENTER****BELGRADE, YUGOSLAVIA****\$23,529**

To support a program to improve voters' attitudes towards the elections by distributing promotional material, organizing TV and radio spots, and conducting panels addressing the importance of the democratic process.

**UNION OF SMALL AND MEDIUM SIZE
ENTREPRENEURS****VRSAC, YUGOSLAVIA****\$2,118**

To support a program to distribute promotional and educational material to entrepreneurs, families, and employees that encourages and motivates them to participate in the elections.

ACTION**INDJIJA, YUGOSLAVIA****\$8,875**

To support a project to encourage national minorities, refugees, youth, rural populations, and women to vote, check electoral polls, supervise the electoral process, and to foster cooperation with other organizations.

**CENTER FOR INTERETHNIC RELATIONS &
MULTICULTURAL DEVELOPMENT
MULTIVOX****NIS, YUGOSLAVIA****\$4,400**

To support 15-minute TV programs on TV-Nis to motivate and increase women's participation in local and national politics.

SOUTHEASTERN NETWORK OF SERBIA**KNJAZEVAC, YUGOSLAVIA****\$23,191**

To support the distribution of pamphlets and the organization of conferences, roundtables, and concerts in cooperation with the free media in order to increase voter turnout.

MEMO 98**BRATISLAVA, SLOVAKIA****\$12,740**

To support a program to train young journalists how to fairly cover campaigns and to recognize subjective media coverage, propaganda, and unbalanced news reporting.

**ASSOCIATION OF YOUNG JOURNALISTS
OF MONTENEGRO****PODGORICA, MONTENEGRO****\$6,000**

To support journalists' efforts to monitor all TV, radio, and press, and to report on any violations of journalistic ethics.

OPEN CLUB-NIS**NIS, YUGOSLAVIA****\$48,303**

To support a campaign to educate citizens on the importance of voting, voter rights, and electoral laws through conferences, public gatherings, TV commercials, and promotional materials.

**EUROPEAN MOVEMENT IN SERBIA -
KRALJEVO****KRALJEVO, YUGOSLAVIA****\$18,988**

To support a series of forums to encourage participation in the elections.

CENTER FOR WOMEN'S STUDIES**BELGRADE, YUGOSLAVIA****\$13,921**

To support a campaign to raise women's consciousness about the need to vote and to strengthen women's networks throughout the country through initiatives and debates.

EUROPEAN VOJVODINA**NOVI SAD, YUGOSLAVIA****\$1,838**

To support the distribution of a multi-language leaflet on the importance of voting.

**ASSOCIATION OF THE CREATIVE
DEVELOPMENT OF CHILDREN,
YOUTH, & ADULTS****VALJEVO, YUGOSLAVIA****\$13,689**

To support a project to increase women's participation in the upcoming elections.

WOMEN'S CIVIC INITIATIVE**KRALJEVO, YUGOSLAVIA****\$19,816**

To support a campaign to raise controversial questions and encourage women's participation in the elections.

VILLAGE DOORSTEP 98**SABAC, YUGOSLAVIA****\$5,005**

To support a campaign using flyers, posters, and promotional material to encourage youths to participate in the elections.

CENTER FOR MULTIETHNIC DIALOGUE**NOVI PAZAR, YUGOSLAVIA****\$12,451**

To support 14 forums and other activities to motivate youth in the Sandzak region to vote.

MOVEMENT FROM THE MARGIN**KRALJEVO, YUGOSLAVIA****\$17,030**

To support activities in cooperation with Women's Civic Initiative and EMinS in Kraljevo, including Internet presentations, sport and cultural events, workshops, and pro-election materials that motivate Kraljevo youth to vote.

CIVIL LIBRARY EUROPE**BOR, YUGOSLAVIA****\$9,281**

To support an educational project to inform Bor agricultural workers about the importance of voting.

EUROPEAN VOJVODINA**NOVI SAD, YUGOSLAVIA****\$1,856**

To support activities including roundtables, seminars, and presentations to educate the public on the importance of voting and participating in the democratic process.

**CENTER FOR FREE ELECTIONS
& DEMOCRACY****BELGRADE, YUGOSLAVIA****\$23,028**

To support CeSID's Website that will provide access to election materials and news, discussion groups, a directory of sites of electoral institutions, and an overview of CeSID's activities and publications.

THINKING CENTER**NOVI SAD, YUGOSLAVIA****\$12,000**

To support TV, radio, and newspaper advertising to encourage Serbian voter participation.

BLUE RIDER GROUP**BELGRADE, YUGOSLAVIA****\$6,766**

To support discussions for women at cultural activities, such as literature evenings, plays, and concerts, in 30 villages and 15 town municipalities, that educate them on the importance of voting.

**GENERAL ASSOCIATION OF SMALL
BUSINESS OWNERS & ENTREPRENEURS****BELGRADE, YUGOSLAVIA****\$23,508**

To support ten young professionals from the Association to distribute materials to motivate their members to vote and to increase their awareness of private property protection.

**CENTER FOR THE
LIBERAL-DEMOCRACY STUDIES****SMEDERAVSKA PALANKA, YUGOSLAVIA****\$10,671**

To support a project to educate citizens in the Smedeverska Palanka region about the importance of voting.

FORCA FORUM OF THE CIVIC ACTION**POZEGA, YUGOSLAVIA****\$5,033**

To support activities for Serbian citizens and an essay contest for high-school students to educate them on the importance of voting.

BELGRADE POST PESSIMISTS**BELGRADE, YUGOSLAVIA****\$8,353**

To support a campaign using flyers, posters and radio spots to encourage 18-45 year olds to vote.

PEOPLE'S PARLIAMENT LESKOVAC**LESKOVAC, YUGOSLAVIA****\$3,383**

To support a brochure on the electoral process, citizens' legal rights, and the importance of elections for citizens from Leskovac.

CENTER FOR CIVIL CONSCIOUSNESS DEVELOPMENT**BABUSNICA, YUGOSLAVIA****\$10,060**

To support the opening of an info-center in downtown Babusnica to provide free election information to the public and transportation services for the sick and elderly on election day.

STUDENT UNION OF SERBIA**BELGRADE, YUGOSLAVIA****\$9,826**

To support a campaign at university centers in Belgrade, Nis, Novi Sad, and Kragujevac to educate students about the need to vote in the upcoming elections.

WEEKLY INDEPENDENT NEWS – VIN**BELGRADE, YUGOSLAVIA****\$50,000**

To support the daily production of cassette tapes highlighting the pre-election campaign for distribution to over 25 TV stations in Serbia and Montenegro.

NOVI SAD SCHOOL OF JOURNALISM**NOVI SAD, YUGOSLAVIA****\$1,278**

To support a project to educate journalism students in monitoring majority and minority language newspapers.

G17 PLUS**BELGRADE, YUGOSLAVIA****\$22,973**

To support the distribution of pro-election T-shirts, baseball caps, and posters as part of the GOTV campaign.

EUROPEAN VOJVODINA**NOVI SAD, YUGOSLAVIA****\$4,028**

To support a project to motivate Serbian farmers to vote.

URBAN IN**NOVI PAZAR, YUGOSLAVIA****\$12,120**

To support a project to encourage youth in the Sandzak region to register to vote and vote.

URBAN IN**NOVI PAZAR, YUGOSLAVIA****\$14,366**

To support a campaign, in cooperation with the Cultural Center "DamaD" and the Association of Women and Mothers "Anna," to encourage women in five selected cities to vote.

CENTER FOR POLICY STUDIES**BELGRADE, YUGOSLAVIA****\$17,970**

To support polls designed to aid NGOs participating in the GOTV campaign.

CITIZENS ASSOCIATION TERRA**BACKI PETROVAC, YUGOSLAVIA****\$4,533**

To support a project to educate the Slovak minority on Serbian election-related issues and to encourage voting.

ALTERNATIVE CULTURE CENTER CIVIS**KRAGUJEVIC, YUGOSLAVIA****\$9,034**

To support a door-to-door campaign aimed at peasants and displaced persons, explaining the role of voting in the elections in creating a democratic society.

MAGAZINE BOULEVARD**VOJVODINA, YUGOSLAVIA****\$5,706**

To support special election editions of *Magazine Boulevard* to be handed out to Serbian citizens.

HUMAN RIGHTS COMMITTEE –**KRUSEVAC****KRUSEVAC, YUGOSLAVIA****\$5,119**

To support a project to motivate youth and the elderly to vote.

CENTER FOR ANTIWAR ACTION**BELGRADE, YUGOSLAVIA****\$5,000**

To support posters as part of the GOTV campaign to be distributed in small towns and at village fairs.

CIVIC INITIATIVES**BELGRADE, YUGOSLAVIA****\$19,576**

To support stickers, T-shirts, leaflets, bags, newspaper supplements, human rights booklets, and posters in support of the EXIT 2000 pre-election campaign.

ASSOCIATION OF YOUNG JOURNALISTS OF MONTENEGRO**PODGORICA, MONTENEGRO****\$17,150**

To support a project to monitor three public and six private media outlets.

BLUE RIDER GROUP**BELGRADE, YUGOSLAVIA****\$4,750**

To offer supplemental support for a campaign to encourage women's political participation.

CREATIVE YOUTH OF NOVI SAD**NOVI SAD, YUGOSLAVIA****\$15,873**

To support distribution of T-shirts and other activities to encourage people between 18-24 years old to vote in the Serbian parliamentary elections.

EUROPEAN VOJVODINA**NOVI SAD, YUGOSLAVIA****\$19,694**

To support a project to encourage minorities to vote in Serbia's republican elections by circulating multilanguage pro-election material.

BANATSKI FORUM**PANCEVO, YUGOSLAVIA****\$3,702**

To support a campaign to encourage people in the Banatski region to vote in the Serbian parliamentary elections.

FORCA – FORUM OF THE CIVIC ACTION**POZEGA, YUGOSLAVIA****\$6,499**

To support a print media and greeting card campaign to encourage Serbian citizens to vote in the upcoming elections.

EUROPEAN MOVEMENT IN SERBIA**BELGRADE, YUGOSLAVIA****\$25,000**

To support a campaign to increase voter turnout in the Serbian parliamentary elections.

CIVIC INITIATIVES**BELGRADE, YUGOSLAVIA****\$25,000**

To support a pro-election campaign before the Serbian parliamentary elections.

GENERATION 21**BELGRADE, YUGOSLAVIA****\$19,693**

To support a pro-election campaign for Serbian youth.

WOMAN – NIS WOMEN ACTION**NIS, YUGOSLAVIA****\$7,915**

To support a campaign to educate women about their rights and to encourage them to be more politically active.

OTPOR (“RESISTANCE”)**BELGRADE, SERBIA****\$25,140**

To support election-related promotional material for a door-to-door campaign in advance of the federal elections.

EUROPEAN MOVEMENT IN SERBIA**BELGRADE, YUGOSLAVIA****\$90,000**

To partially support a program to educate young voters about their civic responsibilities and their ability to promote change.



FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

THE BOARD OF TRUSTEES
THE GERMAN MARSHALL FUND OF THE UNITED STATES

We have audited the accompanying statements of financial position of The German Marshall Fund of the United States (GMF) as of May 31, 2001, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of GMF's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of GMF as of and for the year ended May 31, 2000, were audited by other auditors whose report dated July 25, 2000.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GMF as of May 31, 2001, and the statements of activities and changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP
Vienna, VA
July 31, 2001

STATEMENTS OF FINANCIAL POSITION

MAY 31, 2001 & 2000

ASSETS:

Cash and cash equivalents	\$ 11,455,268	\$ 4,014,658
Accrued income from investments	—	89,533
Investments	221,576,586	218,902,278
Pledges receivable	170,000	1,280,000
Due from broker	—	11,954
Other assets	316,324	251,519
Total Assets	\$ 233,518,178	\$ 224,549,942

LIABILITIES AND NET ASSETS:

Liabilities:		
Accounts payable and accrued expenses	\$ 969,282	\$ 343,043
Grants payable	4,416,793	5,405,576
Other liabilities	2,820	18,224
Total Liabilities	5,388,895	5,766,843
Commitments and Contingency	—	—
Unrestricted net assets	213,623,233	217,340,599
Temporarily restricted net assets	14,506,050	1,442,500
Total Net Assets	228,129,283	218,783,099
Total Liabilities & Net Assets	\$ 233,518,178	\$ 224,549,942

STATEMENTS OF ACTIVITIES

MAY 31, 2001 & 2000

CHANGES IN UNRESTRICTED NET ASSETS:

Revenues and grants:		
Income on investments	\$ 8,617,784	\$ 15,627,995
Federal awards	725,309	—
Other	552,194	85,284
Grants	60,250	—
Total unrestricted revenues and grants	9,955,537	15,713,279
Net assets released from restrictions	1,151,450	901,042
Total unrestricted revenues, grants and other support	11,106,987	16,614,321
Expenses:		
Grant expense	11,296,995	9,507,776
Prior year grant expirations	(478,654)	(479,749)
Grant management costs	1,173,397	1,426,207
Total program services	11,991,738	10,454,234
Fundraising	247,679	121,515
Supporting services — management & administration	2,584,936	1,456,437
Total expenses	14,824,353	12,032,186
Increase in unrestricted net assets	(3,717,366)	4,582,135

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Grants	14,215,000	2,255,480
Net assets released from restrictions	(1,151,450)	(901,042)
Increase in temporarily restricted net assets	13,063,550	1,354,438
Increase in net assets	9,346,184	5,936,573
Net assets, beginning of year	218,783,099	212,846,526
Net assets, end of year	\$228,129,283	\$ 218,783,099

STATEMENTS OF CASH FLOWS

MAY 31, 2001 & 2000

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 9,346,184	\$ 5,936,573
Adjustments to reconcile increase in net assets to cash used by operating activities:		
Depreciation	53,415	53,581
Unrealized and realized gains on investments	(3,728,126)	(11,002,923)
Decrease (increase) in assets:		
Grants receivable	1,110,000	—
Pledges receivable	—	(870,000)
Accrued income	(2,966)	(8,884)
Other assets	4,655	(64,390)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	493,799	187,188
Grants payable	(868,783)	20,283
Other liabilities	—	(69,557)
Net Cash Used by (Provided by) Operating Activities	6,408,178	(5,818,129)
Cash Flows from Investing Activities:		
Purchases of investments	(68,392,699)	(136,041,635)
Proceeds from sales of investments	69,446,517	138,723,452
Purchases of fixed assets	(21,386)	(86,696)
Net Cash (Provided by) Used by Investing Activities	1,032,432	2,595,121
Net Decrease (Increase) in Cash and Cash Equivalents	7,440,610	(3,223,008)
Cash and Cash Equivalents, beginning of year	4,014,658	7,237,666
Cash and Cash Equivalents, end of year	\$ 11,455,268	\$ 4,014,658

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2001 & 2000

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Organization and Nature of Business**

The German Marshall Fund of the United States — A Memorial to the Marshall Plan (GMF) was incorporated on March 15, 1972, under the laws of the District of Columbia. GMF is an American institution that stimulates the exchange of ideas and promotes cooperation between the United States and Europe in the spirit of the postwar Marshall Plan.

The German Bundestag, on two occasions, has approved funding for GMF as an independent, American grant making institution. In 1972, contributions totaling DM 147 million were approved; the final payment under this initial funding was received in June 1986. Additionally, contributions totaling DM 100 million, including DM 5 million designated by the government of the Federal Republic of Germany for the Chicago Council on Foreign Relations (the Council), were approved in 1985; the first of 10 equal payments under this additional funding was received in June 1987.

GMF no longer receives annual contributions from the German Government; therefore, there may be a change in GMF's federal income tax classification in the future. However, GMF is actively fundraising and is making every effort to maintain its public charity status.

GMF makes grants in the following areas:

- Economics
- Environment
- Foreign Policy
- Immigration and Integration
- Special Opportunities

Basis of Presentation

The financial statements of GMF are prepared using the accrual basis of accounting.

Revenue, expense, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Also, satisfaction of donor-imposed restrictions is reported as net assets released from restrictions in the statements of activities.

Unrestricted Net Assets — Net assets that are not subject to any donor-imposed stipulations, or other legal limitations.

Temporarily Restricted Net Assets — Net assets subject to donor-imposed stipulations on the use of the assets that may be met either by actions of GMF and/or the passage of time.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit, repurchase agreements, and short-term investments in money market funds. Cash equivalents at May 31, 2001 and 2000, were approximately \$11,455,000 and \$4,015,000, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

contingent assets and liabilities at the date of the financial statements. Estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are reported in the financial statements at fair value.

Contributions

Unconditional contributions to GMF are recognized in the period promised by the donor. Contributions due in future periods are considered temporarily restricted until they are collected, at which time the restriction is released. All contribution receivables are due in less than one year.

Grants

Grants to other parties are recognized as expenses and liabilities when GMF makes an unconditional promise to fund particular organizations or programs. Prior year grant expirations represent prior year grants no longer expected to be paid.

GMF has made grants to organizations, which have at least one board member in common with GMF. For the years ended May 31, 2001 and 2000, these grants totaled \$490,942 and \$735,000, respectively. These grants are made on the same basis as other grants. Related board members do not participate in the approval process.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, due to broker, and accounts payable approximates fair value because of the short maturity of these financial instruments.

The fair value of investments is based upon values provided by the external investment managers or quoted market values. Fair value of investments in limited partnerships is determined by quoted market values or the general partners.

Retirement Program

Eligible employees who have attained age 21 and have completed six months employment may participate in GMF's defined contribution retirement program. GMF contributes an amount equal to 15 percent of a participant's annual salary subject to social security tax and 10 percent of the annual salary in excess of the social security base up to the maximum annual salary allowed by Employee Retirement Income Security Act of 1974 (ERISA) regulations. Retirement expense was approximately \$115,000 and \$105,000 for the years ended May 31, 2001 and 2000, respectively. Vesting is immediate for all participants.

Federal Income Tax

GMF is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is currently classified as an organization that is not a private foundation within the meaning of Section 509(a) of the Code.

Administrative Expenses

Certain program management expenses are allocated to program expenses. This includes a portion of the Washington, DC and German office salaries and related benefit costs and other office expenses.

INVESTMENTS

Investments consisted of the following at May 31:

	2001		2000	
	COST	FAIR VALUE	COST	FAIR VALUE
Common stocks	\$ 140,407,760	\$ 162,483,378	\$ 130,264,406	\$ 157,901,799
Mutual funds	132,618	105,800	38,722,661	35,267,132
Corporate bond	44,113,834	44,008,739	—	—
Limited partnerships	15,669,813	14,978,669	20,393,250	25,733,347
	<u>\$ 200,324,025</u>	<u>\$ 221,576,586</u>	<u>\$ 189,380,317</u>	<u>\$ 218,902,278</u>

Income on investments was comprised of the following for the years ended May 31:

	2001	2000
Interest and dividends	\$ 4,889,658	\$ 5,333,493
Realized gain on investments	12,269,391	20,542,642
Unrealized loss on investments	(8,541,265)	(9,539,719)
	8,617,784	16,336,416
Less — investment management fees	683,639	708,421
	<u>\$ 7,934,145</u>	<u>\$ 15,627,995</u>

Limited partnerships comprise approximately 6 percent and 7 percent of GMF's total investments at fair value at May 31, 2001 and 2000, respectively. The fair value of the limited partnerships is either determined using quoted prices listed on national exchanges or are determined by the general partners of the limited partnerships. Approximately 5 percent and 26 percent of the limited partnership investments were determined by the general partners at May 31, 2001 and 2000, respectively.

LEASES

GMF occupies its Washington, DC office space under a 15-year operating lease, which has been extended through April 2002. The lease provides for monthly rental payments of \$13,993 through April 2002, subject to CPI increases and a prorated portion of the building operating costs. GMF's office in the Federal Republic of Germany is leased until April 2010 and requires monthly rental payments, with annual adjustments. GMF's office in France is leased until May 2010 and requires monthly rental payments, with annual adjustments.

The future minimum lease payments under noncancelable operating leases as of May 31, 2001, are:		Future minimum sublease payments to be received by GMF under noncancelable leases as of May 31, 2001, are approximately as follows:	
<i>Year ending May 31,</i>		<i>Year ending May 31,</i>	
2002	\$ 242,000	2002	\$ 34,000
2003	70,000	2003	37,000
2004	70,000	2004	37,000
2005	79,000	2005	43,000
2006	81,000	2006	44,000
Thereafter	93,000	Thereafter	93,000
	<u>\$ 635,000</u>		<u>\$ 288,000</u>

Total rental expense was approximately \$250,000 and \$271,000 in 2001 and 2000, respectively.

GMF received approximately \$54,000 for these subleases in 2001.

FEDERAL AWARDS

Federal awards consisted of a grant received from the Agency for International Development (AID) to be expended and administered by GMF on projects in Central and Eastern Europe, in the areas in which GMF operates. The grant was restricted to the use set forth in the grant agreement between AID and GMF. The related expense is included in grant expense in the accompanying financial statements.

The portion of GMF's revenue from federal awards is subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported in accordance with and audited under government audit requirements. Until such audits have been completed and final settlement is reached, there exists a contingency to refund any amounts received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets included the following at:

MAY 31,	2001	2000
Environmental Partnership for Central Europe	\$ 416,773	\$ 295,792
Marshall Memorial Fellowship Program	55,922	65,177
Trust for Civil Society in Central and Eastern Europe	13,993,285	1,000,000
Community Foundation Exchange Fellowship	40,070	81,531
	\$ 14,506,050	\$ 1,442,500

Environmental Partnership for Central Europe

During 1991 GMF established, and now administers, the Environmental Partnership for Central Europe (the Partnership), a foundation consortium supporting environmental action through projects in the Czech Republic, Hungary, Poland, Slovakia, and Romania. Contributions to the Partnership are included in the accompanying financial statements as temporarily restricted grants, which are expensed and released from restriction when pledged to the Czech Republic, Hungary, Poland, Slovakia, or Romania.

Pledges receivable totaling \$170,000 and \$280,000 at May 31, 2001 and 2000, respectively, related to the Partnership. In addition to contributions from third parties, GMF pledged \$200,000 and \$267,500 for 2001 and 2000, respectively, to the Partnership. For the year ended May 31, 2001, GMF recognized \$815,000 in contributions and \$694,019 in grant expense related to the Partnership.

Marshall Memorial Fellowship Program

During 1998, GMF received a pledge of \$75,000 for the Marshall Memorial Fellowship Program to include fellows from Greece in 2001. In 2001 and 2000, GMF recognized \$9,755 and \$9,823 in expense, respectively. Therefore, \$55,922 of this contribution is included in the temporarily restricted net assets, as the purpose and time restrictions have not yet been met.

Trust for Civil Society in Central and Eastern Europe

A consortium of grantmaking organizations formed the Trust to promote the development of civil society in Central and Eastern Europe. The Trust was launched as a project of GMF. The Trust's status as an exempt organization under the Internal Revenue Code Section 501(c)3 has been approved. During 2000, GMF received a pledge of \$13,400,000 for support of the Trust for Civil Society in Central and Eastern Europe. Therefore, \$13,400,000 of this pledge is included in the temporarily restricted net assets, as the purpose and time restrictions have not yet been met. In addition to contributions from third parties, GMF pledged \$500,000 for both 2001 and 2000, to the Trust. In 2001 and 2000, GMF recognized \$406,715 and \$77,268 in expenses, respectively.

Community Foundation Exchange Fellowship

The Community Foundation Exchange Fellowship enables senior staff of community foundations to collaborate with their colleagues across the Atlantic, exchange ideas and experiences, and learn about the social, cultural, and economic circumstances affecting community foundations in a country other than their own. Temporarily restricted contributions were \$-0- and amounts released from restriction related to this program were \$41,461 for the year ended May 31, 2001. Temporarily restricted net assets at May 31, 2001, were \$40,070 representing the balance for which the purpose restriction had not yet been met.

GRANTS PAYABLE

At May 31, 2001 and 2000, GMF had grants payable amounting to approximately \$4,417,000 and \$5,406,000, respectively, for grants that will be funded or closed in future years. The 2001 grants payable balance is expected to be paid within one year.

WASHINGTON

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