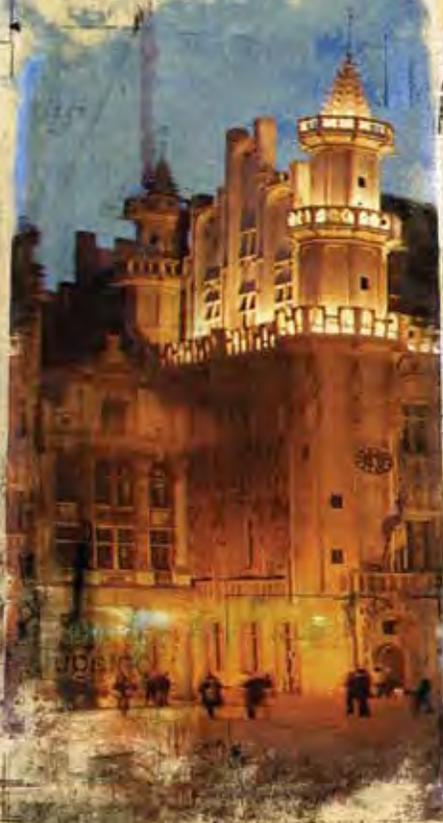


G|M|F

The German Marshall Fund  
of the United States

STRENGTHENING TRANSATLANTIC COOPERATION



*Annual Report 2007*

THE GERMAN MARSHALL FUND OF THE UNITED STATES (GMF) is a nonpartisan American public policy and grantmaking institution dedicated to promoting greater cooperation and understanding between the United States and Europe.

GMF does this by supporting individuals and institutions working on transatlantic issues, by convening leaders to discuss the most pressing transatlantic themes, and by examining ways in which transatlantic cooperation can address a variety of global policy challenges. In addition, GMF supports a number of initiatives to strengthen democracies.

Founded in 1972 through a gift from Germany as a permanent memorial to Marshall Plan assistance, GMF maintains a strong presence on both sides of the Atlantic. In addition to its headquarters in Washington, DC, GMF has seven offices in Europe: Berlin, Bratislava, Paris, Brussels, Belgrade, Ankara, and Bucharest.

ILLUSTRATIONS BY BRIAN HUBBLE

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# LETTER FROM THE PRESIDENT

Some people are predicting that a new U.S. president, along with the still-new leaders of France, Germany, and Great Britain, will mend the transatlantic relationship. Others argue that the rift is irreparable, or even worse, not worth worrying about in the first place.

At the German Marshall Fund of the United States (GMF), our mission is to strengthen the transatlantic relationship, and we aren't waiting for Election Day to begin that work. At multiple levels, on multiple issues, using multiple tools, and in multiple locations, GMF goes to great lengths to bring Americans and Europeans closer together.



German Miclotte

Over the course of our 35-year history, we have changed some of the ways we work. If you've known GMF for ten years or more, your exposure to GMF was likely first through our grantmaking or our networking and exchange programs, two of our longest-standing tools for strengthening the transatlantic relationship. In fact, our cornerstone exchange program, the Marshall Memorial Fellowship (MMF), celebrated its 25th year in 2007. Our networking work is both local and global. It includes briefings, testimony, and study tours we conduct to help the U.S. Congress stay current on developments in Europe and in the transatlantic sphere, and also our efforts to use new communications tools, like podcasts and the GMF blog, to bring the transatlantic debate to others around the world.

But in the last ten years, we've built two new "pillars" of our work. First, we've become a powerful convener on a host of issues, always striving to bring Americans and Europeans to the table together, in settings both large and small, to solve the pressing issues of the transatlantic relationship. Nowhere is this more evident than in our high-level Brussels Forum, which has become in just two years the key gathering for political and governmental figures, business leaders, journalists, and academics to discuss and debate the transatlantic agenda, which really is a global agenda. Second, we have stepped up research on the transatlantic agenda, whether through the work of in-house Transatlantic Fellows and staff or through grants to academics and think tanks

working on issues affecting the Euroatlantic partnership.

When it comes down to it, GMF is a hybrid organization, both giving grants to others for work on the transatlantic relationship and seeking grants from other foundations to work on our own transatlantic projects and programs.

You may also know GMF through one of our offices. Sometimes, people think the office they know is GMF's only office, or one of only a few offices. As an American organization, GMF's headquarters are in Washington, DC, which has us in prime position to be a resource for the think tank community, Capitol Hill, the administration and agencies, journalists, and the business community.

More than that, though, GMF has a transatlantic reach thanks to seven European offices—each with a unique focus—located in key cities and regions of Europe that tap into the local intellectual and policy communities. GMF would not be able to offer the breadth or depth of expertise on Europe without these European offices. Naturally, the Berlin office has been the longest-standing European office (moved from Bonn soon after the fall of the Berlin Wall), and it houses the bulk of our immigration and integration work. Our Bratislava office works broadly on Central and Eastern Europe, including new democracies like Ukraine. The Paris office, in addition to plugging into the important French policy community, runs the European component of our MMF Program.

The Brussels office, in addition to liaising with the European Union and NATO communities, organizes Brussels Forum and other high-level conferences in

Europe. The Balkan Trust for Democracy in GMF's Belgrade office gives grants to local and regional organizations working on cross-border reconciliation in the Balkans. The Ankara office works on all major GMF projects and programs while also focusing on Turkey as a strategic player in the transatlantic relationship. And the Bucharest-based Black Sea Trust for Regional Cooperation (BST), opened in 2007, is just underway in the Black Sea region giving grants that encourage democratic practices and civil society development.

BST is a good example of our reach, both into a region and out of a region. A public-private partnership involving donors like USAID, the Charles Stewart Mott Foundation, the Romanian government, and the Ministry of Defence of the Republic of Latvia, BST is modeled on our Balkan Trust for Democracy, which has been a smashing success since its inception in 2003. Together with our partners, we identified the Black Sea region as the next critical area that demands American and European cooperation to ensure the growth of peace and democracy in those countries bordering the Black Sea and to protect Europe's eastern borders. As such, BST's grantmaking responsibilities are critical to helping countries like Armenia, Azerbaijan, Georgia, and Moldova, among others, in their quests for political and governmental reform. And by having an office in the region, GMF is much better positioned to help those in Washington, Brussels, and European capitals understand the political and economic realities of life and government in the Black Sea countries. We will see an example of that on the sidelines of the April NATO Summit when GMF will convene the Bucharest Conference, which will address with Americans, Europeans, and those from the region strategic NATO issues—like energy security—that require cooperation and input from countries in the region.

Our immigration work is another example of how GMF tackles an issue across offices using multiple tools. With staff devoted to migration policy in both Berlin and



*“We’ve become a powerful convener on a host of issues, always striving to bring Americans and Europeans to the table together, in settings both large and small, to solve the pressing issues of the transatlantic relationship.”*



Washington, the Immigration and Integration Program gives grants to key institutions working in the field; convenes meetings on the topic in Washington, Berlin, and other cities throughout Europe; networks with the other institutions in the migration policy field; and with the debut of the *Transatlantic Trends on Immigration* public opinion survey this coming summer, will be doing original research work to further the migration discourse on both sides of the Atlantic. In 2008, we also will be launching a transatlantic conference for young leaders in the immigration field with the Robert Bosch Stiftung.

Similar examples could be made of our work on trade, development, and agriculture or our burgeoning work on climate and energy or our work on transatlantic approaches to China. Throughout this annual report, you will see a policy area springing up in different “toolboxes,” and I am confident you will be impressed by how broadly and effectively GMF is working to strengthen the transatlantic relationship.

Craig Kennedy  
President

2007 saw the departure from GMF of Vice President Phillip Henderson, who became president of the Surdna Foundation in New York. He had been with GMF for nine years, starting as a program officer. He was instrumental in GMF's growth, and especially in expanding GMF's work in wider Europe. GMF was greatly strengthened by Phil Henderson's extraordinary wisdom and good judgment.



# CONVENING

## *Strengthening Cooperation*

The German Marshall Fund of the United States (GMF) convenes annually a number of large and small events that support a wide range of institutions and individuals working on transatlantic policy issues. GMF's events bring together people and resources from both sides of the Atlantic to address how the United States and Europe can work together on common interests and shared challenges. GMF's most recognized event is its annual Brussels Forum, which welcomes more than 300 guests annually for intimate, high-level discussions on the future of the transatlantic agenda. But more than that, GMF hosts a variety of smaller events throughout the year both in Washington, DC, and in European cities that include participation by American and European policymakers, think tank scholars, academics, and business people on issues ranging from foreign policy to immigration, economic policy to comparative domestic policy, to name just a few.

### BRUSSELS FORUM

In April, GMF and its partners held the second annual Brussels Forum at the Conrad Hotel in Brussels, Belgium. GMF was honored to welcome among its more than 300 participants EU High Representative Dr. Javier Solana, U.S. Supreme Court Justice Stephen Breyer, Lithuanian President Valdas Adamkus, Chairman Christopher Cox of the U.S. Securities and Exchange Commission, Belgian Prime Minister Guy Verhofstadt, U.S. Senator Bob Bennett, World Bank President Robert Zoellick, and many other American and European government officials, think tank scholars, journalists, and business leaders. Building on the success of the past two years, Brussels Forum has become GMF's signature event, providing an annual opportunity for intense, honest dialogue and debate on some of the most important issues facing the transatlantic relationship. The forum's innovative "in-the-round" format combined with its popular night owl and breakfast sessions and its introduction this year of small power lunch sessions have elevated Brussels Forum to a sought-after event on the international calendar. Keynote and panel discussions provided opportunities for structured and informal

dialogue among speakers, partners, special guests, and participants. Topics included Afghanistan, the Middle East, globalization, the transatlantic marketplace, civil liberties, Russia, and China.

Brussels Forum is also a big news event, as evidenced by Solana's on-the-record conversation on Iran with *Washington Post* columnist David Ignatius. "We have to see how far the U.S. is willing to engage," Solana said. "I think at this point in time, to have also the U.S. opening a channel of communication with Iran will be worth thinking about."

Today, the United States and Europe are striving to deepen transatlantic cooperation on a vast array of distinctly new, global challenges, from promoting stable states and economic opportunities to confronting climate change and energy security, yet there was no single transatlantic forum focused on this broad and increasingly complex global agenda. Brussels Forum provides a venue for the transatlantic community to address these issues.

The second annual Brussels Forum was organized by GMF in partnership with the Bertelsmann Stiftung, Daimler-



Chrysler Corporation, and the Federal Authorities of Belgium & the Egmont Institute, with additional support from Fortis and the Ministry of Defence of the Republic of Latvia. Please visit the Brussels Forum web site for video, audio, transcripts, and other highlights: [www.brusselsforum.org](http://www.brusselsforum.org).

### MARSHALL PLAN 60TH ANNIVERSARY

On May 25, GMF's office in Berlin hosted an event to celebrate the 60th anniversary of the Marshall Plan, the 35th anniversary of the founding of the German Marshall Fund of the United States, and the 25th anniversary of the Marshall Memorial Fellowship (MMF) Program, as well as the Manfred Wörner Seminar (MWS). Over 100 alumni of the programs attended the event, which was co-hosted by the State Representation of Northrhine-Westfalia in Berlin. Dr. Rita Süßmuth, former president of the German Parliament; Dieter Berg, chairman of the Board of the Robert Bosch Stiftung; along with several Ambassadors representing Central and Eastern Europe helped celebrate the evening.

Dirk Schattschneider, deputy director of the State Representation of Northrhine-Westfalia and GMF alumnus (MMF and MWS), did the introductory honors. Schattschneider was followed by Karsten Voigt, transatlantic coordinator for the German government, who spoke about the past, present, and future of transatlantic relations, including a moving account of his own youthful encounters with GMF Board Co-Chairman Guido Goldman. He recounted Goldman's role in the 1972 negotiations with then-German Chancellor Willy Brandt that culminated into the creation of the German Marshall Fund of the United States. Craig Kennedy, GMF president, gave an overview of present and future activities. The evening finished with an interview between Heike MacKerron, GMF senior director for Europe, and Nike Irvin, GMF Board member and MMF alumna, on Irvin's fellowship experience. Irvin shared personal insights on how her fellowship experience had changed her understanding of the world around her.

*Washington Post columnist David Ignatius (right) has a conversation with EU High Representative for the Common Foreign and Security Policy and Secretary General of the Council of the European Union Javier Solana on Iran at Brussels Forum.*



Matthew Wojtkun (2)

*Left: Danish Minister of Environment Connie Hedegaard examines U.S.-EU climate change policy. Right: EU Commissioner Olli Rehn addresses future EU enlargement.*

### GMF HOSTS TRANSATLANTIC LEADERS

GMF convenes more than 100 events—large and small—each year. Topics during the 2007 year included the recent conclusion of the Troika process on the status of Kosovo, the elections in Turkey and France, EU enlargement, international security, globalization, climate change, and frozen conflicts in the Black Sea region, among others.



Each year, GMF is honored to host some of the world's leading policymakers, think tank scholars, and business people to speak with an audience of engaged policy professionals. Highlights from this year's calendar of events included a February 8 visit by Turkish Foreign Minister Abdullah Gul in Washington to discuss Iraq, the potential for a Turkish cross-border operation, the nuclearization of Iran, and the Armenian resolution pending in the U.S. Congress.

In February, Georgian President Mikheil Saakashvili spoke in Brussels about "Discos for Peace" as a way to resolve tensions in the frozen conflict area of South Ossetia. Saakashvili said that Georgia started by building a disco on the outskirts of Tskhinvali where young people from both sides of the conflict can mingle. Later in the year, GMF's office in Brussels hosted Georgian Prime Minister Lado Gurgenedze. That office also hosted Czech Foreign Minister Karel Schwarzenberg for a discussion on the role of Central European states on the EU's Eastern policy.

The High Representative for the Common Foreign and Security Policy and Secretary General of the Council of the European Union, Javier Solana, was hosted by GMF's headquarters in Washington where he discussed the challenges facing the transatlantic community in the Middle East. Other prominent European visitors to the United States included EU Commissioner for Economic and Monetary Affairs Joaquín Almunia, Danish Minister for Environment Connie Hedegaard, German Minister of the Interior Wolfgang Schäuble, and EU Commissioner for Enlargement Olli Rehn. Daniel Fried, assistant secretary for the bureau of European and Eurasian affairs at the U.S. Department of State and Ambassador Klaus Scharioth, permanent representative of Germany to the United States, also discussed Kosovo in a roundtable at GMF's Washington headquarters.

GMF is committed to bringing prominent leaders to Washington and to European capitals to strengthen understanding across the Atlantic.



Geetan Mielotte

### TRANSATLANTIC SPOTLIGHT ON BERLIN: GERMANY'S DUAL PRESIDENCIES

In 2007, GMF's office in Berlin held six events as part of a series that highlighted Germany's G-8 and EU presidencies. Each event partnered with a DC-based program or with another GMF office in Europe, or an external partner. Topics included democracy promotion in Egypt and Ukraine; the future of the Balkans; keeping Turkey anchored in the West; the role of the Visegrad-4 countries in the EU and the transatlantic relationship; and the impact of the French elections.

Just days before the G-8 Summit in Heiligendamm, GMF and the Alfred Herrhausen Society invited high-level representatives from the economic, scientific, and political communities to Berlin to discuss globalization, specifically addressing the ramifications of the G-8's shift in focus to Africa. Invited experts also examined Asia's increasing influence on the African continent.



*“The relationship between the United States and Europe is no longer just about bilateral relations, but also about how the U.S. and Europe together approach challenges around the world. China’s rise as a global power has already become a major new factor affecting shared transatlantic interests from Eurasia to Africa.”*



### STOCKHOLM CHINA FORUM

In March and September/October 2007, GMF held gatherings of the Stockholm China Forum. Although both were off-the-record events, participants at the first forum discussed the state of China’s economy, politics, and foreign policy as well as the successes and failures of previous EU and U.S. policy, while at the second forum, participants focused on U.S. and European approaches to China on trade, global economic imbalances, and a variety of East Asian security issues.

The Forum, held twice a year, aims to establish a deep and systematic transatlantic dialogue about China and the impact of its rise on the transatlantic alliance. It brings together policymakers, intellectuals, journalists, and businesspeople, drawing both on China experts and on the



*From left to right, Aaron Friedberg, professor at Princeton University; Bates Gill, Freeman Chair in China studies at CSIS; Hans Haekkeruup, former defense minister of Denmark; and François Godemont, president of the Asia Centre during a panel session of the Stockholm China Forum.*

broader transatlantic policy community. The Stockholm China Forum is a partnership of GMF, the Swedish Ministry for Foreign Affairs, the Swedish Foundation for International Cooperation in Research and Higher Education (STINT), and the Bank of Sweden Tercentenary Foundation.



Matthew Wojtkun

*U.S. Principal Deputy Assistant Secretary for European and Eurasian Affairs Kurt Volker.*

“Over the last several years, political and economic issues that involve China have moved into the handful of topics that dominate the transatlantic conversation,” said Craig Kennedy, GMF president. “The relationship between the United States and Europe is no longer just about bilateral relations, but also about how the U.S. and Europe together approach challenges around the world. China’s rise as a global power has already become a major new factor affecting shared transatlantic interests from Eurasia to Africa.”

### TRANSATLANTIC THINK TANK SYMPOSIUM

On June 17 and 18, the fifth annual Think Tank Symposium convened in Washington, DC. Working with the support of the European Commission, the Think Tank Symposium brings together over 40 leading experts from both sides of the Atlantic to discuss issues of mutual concern.

This year, the symposium assembled panel discussions on the future of the European constitution, U.S. and European behavior toward the Muslim world, the future of the Balkans, and transatlantic strategies for Iran. Panel discussions were led by Jan Techau, German Council on Foreign Relations; Tod Lindberg, Policy Review; Haizam Amirah-Fernández, Real Instituto Elcano; Daniel Benjamin, The Brookings Institution; Gerald Knaus, European Stability Initiative; James O’Brien, The Albright Group; Phil Gordon, The Brookings Institution; and Michael Lüders, expert on Middle Eastern affairs.

Discussions were launched with speeches by EU Ambassador to the United States, John Bruton, and Kurt Volker, principal deputy assistant secretary for European and Eurasian Affairs, U.S. Department of State. Final remarks were given by Dr. Ulrike Guérot, a leading scholar on the transatlantic relationship and a former transatlantic fellow with GMF’s office in Berlin.



Emilio Lanfranconi

*The organizers and participants of this year's Tremezzo Young Leaders Conference.*

### TREMEZZO YOUNG LEADERS CONFERENCE

From June 20–22, GMF and the Bertelsmann Stiftung held the seventh annual Transatlantic Young Leaders Conference in Tremezzo, Italy. This year's conference, "A New Transatlantic Pragmatism? Defining Areas for Cooperation," focused on how the United States and Europe can work together on issues such as democracy promotion, globalization, and addressing the nuclear threats of Iran and North Korea. There were also smaller breakout sessions on the 2008 U.S. presidential elections and EU leadership.

The three-day conference brought together 30 young European and American leaders for stimulating discussions and debates. Before opening up to a wide-ranging and engaging discussion, each session started with introductory remarks from both an American and European expert. The participants also enjoyed a special dinner session, where the host venue prepared a special menu highlighting inter-

national influence on regional Italian cuisine.

Every year since 2001, GMF, in cooperation with the Bertelsmann Stiftung, has convened the Transatlantic Conference for Young Leaders on the shores of Lake Como in Tremezzo, Italy. The annual conference brings together promising European and American leaders under the age of 40 to discuss and debate the challenges facing the Euroatlantic community. Participants come from a variety of professional backgrounds, including government, business, media, nongovernmental organizations, and think tanks. The conference helps promote transatlantic ties by developing lasting professional and personal connections on both sides of the Atlantic.

### CONGRESS-BUNDESTAG FORUM

From July 5–8, GMF, in cooperation with the Robert Bosch Stiftung, held the fourth annual Congress-Bundestag Forum in Berlin and Heiligendamm, bringing

together members of the U.S. Congress and the German Bundestag for an intimate transatlantic exchange. Nine members of the German Bundestag and two members of the United States Congress participated in the Forum.

The forum began unofficially with an informal dinner on July 5 with a dozen guests, including one Congressman and a host of Berlin's public policy figures. On July 6, official proceedings began with lunch at the Parlamentarische Gesellschaft, where U.S. Ambassador to Germany William Timken gave a keynote speech about German-American relations and the G-8 Summit. The forum then moved to Heiligendamm the next day, beginning with a panel on energy and climate change, chaired by Dr. Karsten Sach, head of the international relations department at the Federal Environment Ministry, and one of the government's top climate change regulation negotiators. Later sessions included the balance of homeland security and civil liberties, the G-8 Summit, Afghanistan, and immigration and integration.



*U.S. Ambassador to Germany William Timken speaks at this year's Congress-Bundestag Forum.*

### REALIZING THE DOHA DEVELOPMENT AGENDA AS IF THE FUTURE MATTERED

From February 16–19, GMF, the William and Flora Hewlett Foundation, and the Salzburg Global Seminar convened 50 key stakeholders in Salzburg, Austria. The seminar sought new ways of understanding what is at stake in the Doha Round of the World Trade Organization (WTO) negotiations, unblocking the process, and laying the political groundwork in the WTO, in country capitals, and among constituencies and interest groups. Participants represented government, business, and civil society from developed, developing, and least-developed countries, along with the WTO secretariat itself. Significant expertise and program support was provided by the International Centre for Trade and Sustainable Development.

Participants came away from the retreat more optimistic about the prospects of obtaining a Doha agreement. Participants from Africa, Brazil, Europe, India, and the United States all asserted that their leaders understand the economic and geopolitical importance of reaching a multilateral trade agreement, but they are not doing enough to convince their constituents back home. Participants identified four major constraints that are standing in the way of a strong conclusion to the negotiations. These included a lack of vision, a lack of trust, a limited process, and a narrow vision for development. The group departed with a firm commitment to return home to speak to their governments and citizens about the importance of a Doha agreement, and to build the necessary coalitions among diverse stakeholders for a final agreement.

### GETTING THE BALANCE ON MOBILITY RIGHT

On October 29 and 30, GMF hosted a joint workshop in Dublin, Ireland, with the European Foundation to address the ongoing debate on the improvement of living and working conditions. Dealing with labor mobility in a transatlantic perspective, this two-day workshop succeeded in addressing fundamental questions: How much mobility do Europe and the United States need? Is there an optimal point? How many employees are on the move? Is there a different culture of mobility? Are Americans “movers” and are Europeans “stayers”? Speakers from both sides of the Atlantic included Sean Gorman, secretary general of the Irish Department of Enterprise, Trade, and Employment; Ron Bird, chief economist for the Bureau of International Labor Affairs, U.S. Department of Labor; Catalene Passchier from the European Trade Union Congress (ETUC); and Heide Loughheed from the Irish Business and Employers Confederation (IBEC).

## THE RIGA CONFERENCE: TRANSFORMING NATO IN A NEW GLOBAL ERA

In November 2006, GMF, the Latvian Transatlantic Organization, and the Commission of Strategic Analysis held “The Riga Conference: Transforming NATO in a New Global Era” alongside the NATO Summit in Riga, Latvia. Riga Conference speakers and panelists included U.S. President George W. Bush, former New York City Mayor Rudolph Giuliani, NATO Secretary General Jaap de Hoop Scheffer, Estonian President Toomas Hendrik Ilves, U.S. Senate Foreign Relations Committee Chairman Richard G. Lugar, Latvian President Vaira Vike-Freiberga, and many other American and European government officials, think tank scholars, journalists, and business leaders. Building on the success of Brussels Forum, the Riga Conference convened decision-makers who shape, enact, and exercise the policies at the core of NATO’s agenda. The Riga Conference focused on NATO’s continuing transformation—on its outreach and new

relationships around the world, the question of expanding NATO’s role in global crises, energy security, Afghanistan, and the Balkans, its future with Russia, and its own future for enlargement.



*The Riga Conference focused on NATO’s continuing transformation—on its outreach and new relationships around the world, the question of expanding NATO’s role in global crises, energy security, Afghanistan, and the Balkans, its future with Russia, and its own future for enlargement.*



Ojars Jansons, Juris Krūmīns

# RESEARCH

## *Digging Deeper*

The German Marshall Fund of the United States (GMF) invites policy practitioners, journalists, business leaders, and academics to conduct research on a wide range of issues affecting the U.S.–Europe agenda. Such research helps to not only shape policy but also further the transatlantic debate. At the heart of GMF’s research initiatives are its public opinion surveys. These surveys seek to gauge the transatlantic relationship and mood on a variety of foreign policy and economic and development issues.

### TRANSATLANTIC TRENDS 2007

The results of this year’s *Transatlantic Trends* public opinion survey showed that, despite new leaders in Britain, France, and Germany pledging to work with the United States, public expectations for a renewed transatlantic partnership continues to lag behind leaders’ rhetoric.

Gordon Brown in the U.K., Nicolas Sarkozy in France, and Angela Merkel in Germany have all pledged to improve ties to the United States, and many observers see the 2008 U.S. presidential election as a chance for a renewed relationship between the United States and Europe. The survey showed, however, that regardless of who is elected U.S. president in 2008, more than a third of Europeans (35%) feel that relations will improve, while 46% believe relations will remain the same. In the United States, more Americans feel relations will improve after the 2008 elections (42%),

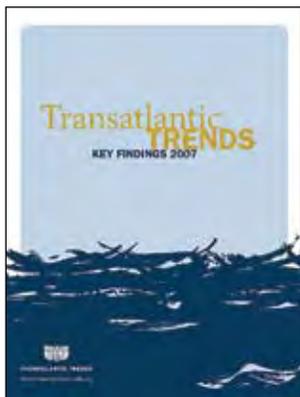
compared with 37% who feel relations will stay the same.

*Transatlantic Trends* ([www.transatlantictrends.org](http://www.transatlantictrends.org)) is a project of GMF and the Compagnia di San Paolo in Turin, Italy, with additional support from the Fundação Luso-Americana (Portugal), the Fundación BBVA (Spain), and the Tipping Point Foundation (Bulgaria). It measures broad public opinion in the United States and 12 European

countries and gauges transatlantic relations. For the sixth consecutive year, participants were asked their views on each other and on global threats, foreign policy objectives, world leadership, and multilateral institutions.

#### *Key findings include:*

- **Shared concerns on energy dependence and international terrorism:** There was an overall rise in threat perceptions among Europeans, nearing American levels in many cases. Europeans felt most likely to be personally affected by global warming (85%), energy dependence (78%), and international terrorism (66%). Americans felt most likely to be personally affected by energy dependence (88%), an economic downturn (80%), and international terrorism (74%).
- **Divides on use of force in Iran and Afghanistan:** Majorities on both sides of the Atlantic agree we should do more to keep Iran from acquiring nuclear capabilities. Should an increase in diplomatic pressure on Iran fail, 47% percent of Americans feel that the option of military force should be maintained, compared with 32% who felt it should be ruled out. Just 18% of Europeans feel the military option should be maintained, and 47% feel it should not. Most Europeans (64%) and Americans (64%) support contributing troops





to international reconstruction efforts in Afghanistan, but differ on whether their troops should combat the Taliban (68% of Americans approve, 30% of Europeans).

- **Russia and China seen as potential threats:** Americans (79%) and Europeans (65%) express concern about Russia's role in providing weapons to the Middle East, its weakening democracy (75% of Americans, 57% of Europeans); and its role as an energy provider (58% of Americans, 59% of Europeans). Americans and Europeans (54% and 48%, respectively) view China more as an economic threat than as an economic opportunity. By contrast, more Americans (50%) than Europeans (32%) viewed China as a military threat.
- **Europeans more critical of Bush than of the U.S.:** Europeans have remained critical of President Bush and his international policies (77% disapproval compared to 17% approval). There has been a consistent 20-percentage-point gap between European approval for Bush's international policies and the European public's desire for U.S. leadership in global affairs, suggesting that, while views of the United States are influenced by views of the President's policies, Europeans continue to distinguish between them. When asked to choose the most important factor behind the decline in transatlantic relations, Europeans were divided between the U.S.'s management of the Iraq war (38%) and Bush himself (34%).
- **Majority feels EU should work with the U.S. on Global Threats:** Majority of Europeans feel that the EU should take greater responsibility for global threats, with a majority feeling that should happen in partnership with the United States. Of those Europeans who feel the EU should take greater responsibility, top support was for more money on aid for development (84%), the use of trade to influence other countries (74%), and committing troops for peacekeeping missions (68%). There was little support (20%) for committing troops for combat missions.
- **Turkey moving toward isolation, pessimistic about EU chances:** Continuing its cooling since 2004, Turkish "warmth" toward the United States (on a 100-point

"thermometer" scale) declined from 28 degrees in 2004 and 20 in 2006 to 11 in 2007, and toward the European Union from 52 degrees in 2004 and 45 in 2006 to 26 in 2007. Turkish warmth toward Iran, which had risen last year, fell from 43 degrees to 30, and Turkey is cooler toward China (28 degrees) and Russia (21 degrees) than is any other surveyed country.

### TRANSATLANTIC FELLOWS PROGRAM

The Transatlantic Fellows (TAF) Program fuels GMF's capacity to help shape important policy debates between the United States and Europe. Each year GMF invites a small number of senior policy practitioners, journalists, business people, and academics to develop a range of programs and initiatives and build important networks of policymakers and analysts in the Euroatlantic community. Spending their residency in Washington, DC, or Europe, fellows work with GMF staff to generate innovative policy approaches to transatlantic issues and provide advice on programs of strategic interest. Recent TAF pieces have appeared in *The Washington Post*, the *Financial Times*, *NRC Handelsblad*, the *International Herald Tribune*, *Policy Review*, *Foreign Affairs*, *Foreign Policy*, *Die Zeit*, *The Wall Street Journal*, and many other news and opinion outlets.

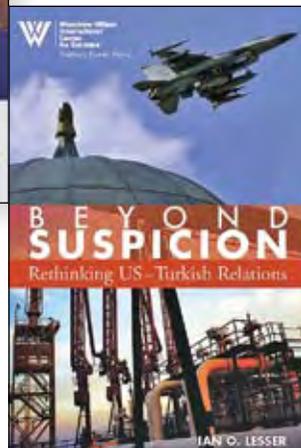
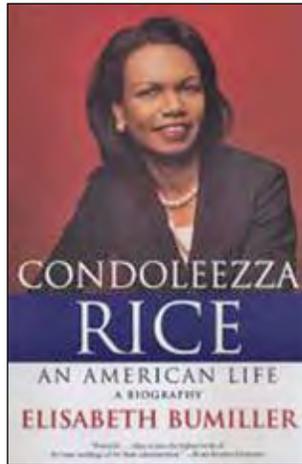
In addition, TAFs have organized major transatlantic conferences. Among the 2007 highlights were high-level seminars on transatlantic approaches to the Mediterranean region and on transatlantic responses to a newly assertive Russia. Both conferences attracted leaders from the policy, analyst, and academic communities.



GMF Transatlantic Fellow Ian Lesser (left) with former GMF Ankara Office Director Suat Kiniklioglu speak during a GMF-hosted seminar on Turkey.

### 2006-07 Transatlantic Fellows

- **Elisabeth Bumiller**, Washington correspondent, *The New York Times*; and author of *Condoleezza Rice: An American Life*
- **Laurie Dundon**, advisor, The Albright Group LLC
- **Charles W. Fluharty**, founding director and former president of the Rural Policy Research Institute (RUPRI)
- **Anya Landau French**, former international trade advisor, Senate Finance Committee
- **Ulrike Guérot**, former head of the EU Unit, German Council on Foreign Relations; and member, French Order national du Merit
- **Jörg Himmelreich**, former member, policy planning staff, German Foreign Office
- **Robert Kagan**, contributing editor, *The Weekly Standard* and the *New Republic*; senior associate, Carnegie Endowment for International Peace; and columnist, *The Washington Post*
- **Jim Kolbe**, former member, U.S. House of Representatives representing the 8th Congressional District of Arizona
- **Ian Lesser**, public policy scholar, Woodrow Wilson International Center for Scholars; president, Mediterranean Advisors, LLC; senior advisor, Luso-American Foundation in Lisbon; and author of *Beyond Suspicion: Rethinking US-Turkish Relations*
- **Dan Morgan**, journalist, author, and former correspondent, *The Washington Post*
- **Sean Mulvaney**, former assistant to the speaker, U.S. House of Representatives
- **Alessandra Nervi**, former program officer and acting-director, GMF's Berlin office
- **Michael Polt**, former U.S. Ambassador to Serbia; and career member of the Foreign Service with U.S. Department of State
- **Joseph Quinlan**, chief market strategist, Banc of America Capital Management
- **Richard Salt**, U.K. civil servant, former economic adviser, HM Treasury



- **Tim Searchinger**, former co-director, Center for Conservation Incentives at Environmental Defense
- **Susan Sechler**, former senior advisor for biotechnology, Rockefeller Foundation, New York
- **Stefan Theil**, European economic correspondent, *Newsweek*
- **Jack Thurston**, former associate at the Foreign Policy Centre; and former special advisor to British Agriculture Minister Nick Brown
- **Daniel Twining**, former foreign policy advisor to U.S. Senator John McCain; and Fulbright scholar, Oxford University
- **Patrick Weil**, director, Center for the Study of Immigration, Integration, and Citizenship Policies, University of Paris 1 Panthéon-Sorbonne
- **Michael Werz**, director, New York office, Hessen Universities Consortium

### TRANSATLANTIC ACADEMY

In June, GMF and the ZEIT-Stiftung Ebelin und Gerd Bucerius of Germany announced the appointment of Stephen F. Szabo, professor of European Studies at Johns Hopkins University's School for Advanced International Studies (SAIS), to direct the Transatlantic Academy, a new joint initiative launching in fall 2008. GMF

and ZEIT-Stiftung were joined a few months later by the Robert Bosch Stiftung.

The Transatlantic Academy will serve as a forum for a select group of scholars, policy experts, and authors from both sides of the Atlantic and from different academic and policy disciplines to examine a particular issue for a year or longer. Transatlantic Academy fellows will collaborate to tackle one thematic issue at a time, from a transatlantic and interdisciplinary perspective, and will use research, publications, and ideas to make policy-relevant contributions to policy debates on both sides of the Atlantic.

The Transatlantic Academy's initial focus will be on migration and the movement of peoples, with junior and

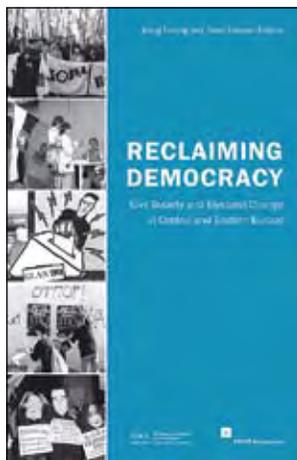
senior scholars arriving in fall 2008 after a competitive selection process over the next year. The Transatlantic Academy will be housed at GMF's Washington, DC, headquarters.

Szabo was a professor of European studies at The Paul H. Nitze School of Advanced International Studies at The Johns Hopkins University, and is Director of Research at the American Institute for Contemporary German Studies. He taught in the areas of European security, European politics, and leadership, with a specialization on contemporary Germany, and he served as interim dean of the Nitze School from February 2001 until June 2002. He had published extensively on transatlantic relations, including his most recent book, *Parting Ways: The Crisis in German-American Relations*.

### RECLAIMING DEMOCRACY BOOK

In February, GMF and the Erste Foundation of Austria published *Reclaiming Democracy: Civil Society and Electoral Change in Central and Eastern Europe*. The book was edited by Joerg Forbrig, GMF program officer, and Pavol Demeš, GMF's director for Central and Eastern Europe.

The book focuses on the democratic transitions in Slovakia, Croatia, Serbia, Georgia, and Ukraine. Various labeled "color revolutions," "transitions from postcommunism," or "electoral breakthroughs," and for some representing even a new "wave of democracy," the recent changes in the five countries have fascinated scholarly observers and democratic activists alike. For this reason, this book provides a cross-section of perspectives on recent democratic breakthroughs in Central and Eastern Europe. Case studies drafted by civic leaders present inside accounts of how civil society helped to assert democracy, while

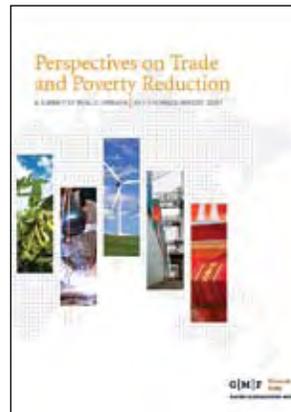


comparative analyses by academic experts shed light on a range of further factors that facilitated these changes, including the semi-authoritarian nature of postcommunism, economic aspects, civil society strategies and resources, and youth participation.

Reviewing the book in *Alliance* magazine,

Michael Edwards, director of the Ford Foundation's Governance and Civil Society Program, writes, "What we lack—and what the democracy debate urgently requires—are objective and rigorous accounts of what happened from which we can learn and improve. This is exactly what Joerg Forbrig and Pavol Demeš provide in their excellent new edited volume, *Reclaiming Democracy*." The book is available for download at [www.gmfus.org](http://www.gmfus.org).

### PERSPECTIVES ON TRADE AND POVERTY REDUCTION 2007



The results of this year's *Perspectives on Trade and Poverty Reduction* shows that majorities of Americans and Europeans support deepening trade and investment between the European Union and the United States in the face of concerns regarding trade-related job loss, immigration, currency manipulation, and China's

economic rise. Opportunities to wield global regulatory influence, achieve higher productivity, and, to some extent, increased competition from China, are driving American and European support for a stronger transatlantic marketplace. About two-thirds of Americans and Europeans—64% and 69%, respectively—support a new initiative aimed at deepening transatlantic trade and investment.

In fact, majorities in the United States and Europe appreciate aid and trade as development tools and believe they can help reduce poverty, build democracy, and enhance global stability. And despite anxieties over outsourcing and China's economic rise, support for freer trade and other pro-globalization policies remains relatively high on both sides of the Atlantic.

A project of GMF's Economic Policy Program, *Perspectives on Trade and Poverty Reduction* is a survey of transatlantic public opinion on international trade, economic development, and poverty reduction. The survey, in its fourth year, is conducted in France, Germany, Italy, Poland, Slovakia, the United Kingdom, and the United States.



Pavol Demes



*“What we lack—and what the democracy debate urgently requires—are objective and rigorous accounts of what happened from which we can learn and improve.”*



*Key findings include:*

- **Dissatisfaction with the economy persists, though optimism is growing in Europe:** Majorities of Americans (58%) and Europeans (64%) remain dissatisfied with the direction their country is headed. American dissatisfaction with the economy rose slightly since last year, increasing from 56% to 60%, while European dissatisfaction has dropped from 70% to 64%.
- **Uncertainty over globalization, but most favor pro-globalization policies:** Support for globalization remains the same over last year with only slight majorities in the United States (52%) and Europe (53%) in favor. Thirty-four percent of Americans and 38% of Europeans view globalization unfavorably. But Americans and Europeans are more certain about policies related to globalization, and majorities see economic and foreign policy benefits from pro-globalization policies. Sixty-four percent of Americans and 75% of Europeans favored international trade, and 60% of Americans and 69% of Europeans support “freer trade”—that is, trade liberalization.
- **Most favor deepening transatlantic ties and regulatory cooperation:** Sixty-three percent of Americans and Europeans support deepening trade and investment between the European Union and the United States. When asked about support for a specific “new effort to deepen the economic ties between the EU and

the United States by making transatlantic trade and investment easier,” about two-thirds of Americans and Europeans support the idea (64% and 69%, respectively).

- **Declining U.S. global engagement:** Although majorities are still globally engaged, compared to last year, American support for trade is softening while European support remains relatively stable in most cases. Compared to last year, fewer Americans believe that freer trade leads to shared prosperity (68% in 2006 to 62% in 2007) and global stability (71% to 63%). American views on the foreign policy benefits from freer trade and support for trade and aid as tools for development follow a similar pattern. While majorities in all cases still agree with trade, aid, and the potential benefits they offer, American confidence is dipping across many indicators.
- **Majorities want to trade with and give aid to developing countries:** Again this year, majorities of Americans (69%) and Europeans (76%) believe in promoting international trade with poor countries. At the same time, majorities of Americans (66%) and Europeans (75%) supported providing development assistance to poor countries. Most Americans and Europeans believe trade and aid strengthens democracy in developing countries. Fifty-five percent of Americans and 59% of Europeans believe that freer trade supports democratic

institutions in developing countries. Sixty-four percent of Americans and 73% of Europeans think foreign assistance also strengthens democracy in developing countries. When it comes to Africa specifically, Americans and Europeans see a lowering of trade barriers contributing to threat reduction (62% and 67%, respectively) and don't see it as a source of job loss at home (46% and 37%).

- **Most see immigrant workers as a burden on social services:** Sixty-eight percent of Americans and 59% of Europeans view immigrant workers as a burden on social services. Sixty-three percent of Americans and 57% of Europeans believe that they reduce the wages of national unskilled workers. Polish and Slovak respondents express the greatest concern over the negative impact on unskilled-worker wages (67% and 66%, respectively).
- **“Trade” not as threatening to jobs as outsourcing, immigration, and currency manipulation:** Outsourcing is a form of international trade. However, when Americans and Europeans were asked whether outsourcing or trade causes job loss, outsourcing is seen as being substantially more responsible for job loss than trade is. Majorities of American, German, French, and Italian respondents indicate that outsourcing was among the top reasons for job loss. Immigration and currency manipulation are also viewed as bigger causes of job loss than trade, with about one quarter of Americans and Europeans indicating these as leading causes of job loss.

## AID EFFECTIVENESS

In July, GMF launched a new Aid Effectiveness project led by GMF Senior Transatlantic Fellow and former U.S. Congressman Jim Kolbe.

GMF's Aid Effectiveness project analyzes and seeks to improve the effect foreign aid has in the developing world by convening American and European practitioners, policymakers, and business leaders to exchange views on the evolving aid architecture and new aid delivery platforms and approaches with an emphasis on private sector development.



GMF Senior Transatlantic Fellow and former U.S. Congressman Jim Kolbe.

The international aid system has become increasingly fragmented, complicating the tasks of tracking development assistance, measuring its performance and impact, and fostering greater aid coordination. New questions have emerged in the foreign assistance debate: How can we design performance-based programs and ensure monitoring and evaluation? How can we make aid more predictable? How do we harness local systems and foster local ownership in extremely fragile states that are most in need, but suffer from severe corruption?

In the spirit of the Marshall Plan, GMF's Aid Effectiveness project explores how the United States and Europe can work together to enhance aid effectiveness. Through a transatlantic policy dialogue that includes an “Innovations in Aid” series and strategic research, the project promotes a comprehensive set of policies for aid and trade that will have a transformative impact on the developing world and is consistent with the 2005 Paris Declarations of the Organisation for Economic Co-operation and Development, which laid down a practical, action-orientated road map to improve the quality of aid and its impact on development. Since the launching of the project, GMF has hosted leaders from some of the world's most important donor organizations, such as the Millennium Challenge Corporation (MCC), the French Development Agency (AFD), the German Technical Cooperation (GTZ), and the United Nations Development Programme (UNDP), to discuss how their organizations are addressing the aid effectiveness challenge. GMF is also commissioning strategic research on the role of civil society in development assistance, local country ownership, and accountability in aid.

## BIOFUELS

Over the past few years, biofuels have rapidly moved to the forefront of the public policy agenda on both sides of the Atlantic. The intense interest among policymakers deriving from high expectations placed on ethanol and biodiesel as a solution to a range of critical problems, including global warming, economic development, and energy security. Both the United States and the European Union have established policy instruments including mandates, tariffs, and subsidies designed to expand the production and use of biofuels.

In addition to convening meetings with relevant stakeholders on transatlantic approaches to biofuels in 2007, GMF commissioned research and policy papers by scholars to assess the various risks and opportunities involved in the production of biofuels. Biofuels research commissioned in 2007 included:

- **International Food and Agricultural Trade Policy Council:** “WTO Disciplines and Biofuels: Opportunities and Constraints in the Creation of a Global Marketplace;” February 2007
- **David Tilman:** “Energy Gains and Greenhouse Gas Reductions from Food-Based versus Biomass-Based Biofuels;” February 2007
- **Bruce Babcock:** “Impacts of Increased Corn-Based Ethanol Production in the United States;” March 2007
- **R. Andreas Kraemer and Stephanie Schlegel:** “European Union Policy on Bioenergy;” March 2007
- **Marcos J. Jank, Géraldine Kutas, Luiz Fernando do Amaral and André M. Nassar:** “EU and U.S. Policies on Biofuels: Potential Impacts on Developing Countries;” April 2007
- **Keith Good:** “The Impact of Renewable Energy on U.S. Farm Policy Debate;” May 2007

All papers and briefs can be found on GMF’s web site, [www.gmfus.org](http://www.gmfus.org).

*Keith Good, GMF journalism fellow and president of Farmpolicy.com (right) traveled with GMF in May/June 2007 as part of a journalism study tour that examined European agriculture systems and government policies.*



Carrie Chesnik (3)

# NETWORKING

## *Making Connections*

Since its inception, the German Marshall Fund of the United States (GMF) has worked to increase the world's understanding of the transatlantic partnership by linking Americans and Europeans through exchange programs, fellowships, travel, and site visits. Building an interconnected transatlantic network of people and organizations furthers GMF's goals to strengthen transatlantic relations. Helping people from the political, media, business, and nonprofit communities meet their counterparts on each side of the Atlantic leads to knowledge-sharing, international perspective, and new solutions to common problems, whether through broad cultural exposure or targeted learning opportunities.

### MMF 25TH ANNIVERSARY

In 2007, GMF celebrated the 25th anniversary of the Marshall Memorial Fellowship (MMF) Program. The celebration began in Washington, DC, on March 8 with a reception on Capitol Hill attended by the spring 2007 Fellows, numerous program alumni from the United States and Europe, and diplomats from the original MMF countries: Germany, France, Denmark, and the Netherlands. GMF also featured the anniversary at our Marshall Forum June and September events in Elmau, Germany and Atlanta, Georgia, respectively. Both events included presentations on the anniversary and GMF's goals for the program moving forward. In addition, GMF's office in Berlin hosted a reception in May that celebrated the anniversary, and MMF Program partners in Denmark and Greece held events as well.

One of the featured items at all of the events was *MMF at 25: Reflections on a Transatlantic Legacy*. This publication was a compilation of reflections on the program written by MMFs dating back to the program's inception in 1982. Over the course of the year, GMF also interviewed MMFs about their experience and collected photos. These photos and audio clips are included in a slide show featured on the GMF web site.

The 25th anniversary year of MMF brought 110 new fellows (61 Europeans and 49 Americans) into our network

on programs in March, June, and October. Collectively, they traveled throughout the United States and Europe, visiting more than 30 cities and experiencing all that the transatlantic community has to offer.

The goal of the MMF Program is to educate the next generation of American and European leaders on the importance of the transatlantic relationship and encourage them to work with each other on a range of international and domestic policy challenges. Fellows are selected in each European country through a competitive process and come from politics, government, media, business, and the nonprofit sector.

### APSA CONGRESSIONAL FELLOWSHIP

Each year, the American Political Science Association (APSA) Congressional Fellowship Program, with the support of GMF, provides support for two mid-career German professionals to participate in a 10-month fellowship on Capitol Hill to gain an insider's view of the interworkings of the federal government. Fellows secure their own jobs as legislative assistants in the U.S. Congress by contacting member offices directly. The program provides participants with a unique perspective of the American political system that they then take home with them. To date, GMF has supported the participation of 48 German Fellows.





Matthew Wojtkun

*Diplomats, government officials, and MMF alumni gather on Capitol Hill to celebrate the 25th anniversary of the MMF Program.*

The 2006-07 APSA fellows were Andrea-Victoria Noelle and Joern Holtmeier. They found assignments in the offices of Senator Olympia Snowe (R-Maine) and Representative Joseph Crowley (D-New York). For the 2007-08 APSA program, GMF has selected: Immanuel Steinhilper, a young diplomat working for the German foreign office, and Antonia Schabel, chief of staff for a member of the German Bundestag. Fellows arrived in Washington, DC, in fall 2007.

### MANFRED WÖRNER SEMINAR

The 25th Manfred Wörner Seminar, which brings together 15 American and 15 German young leaders to discuss U.S.–German and U.S.–European defense and security policies,

was held in Berlin, Brussels, and Bonn in May.

Highlights of this year’s agenda were visits to the German Ministry of Defense, the AWACS NATO Base in Geilenkirchen, and the Allied Joint Forces Command in Brunssum, Netherlands, as well as discussions at NATO HQ with Jamie Shea, head of policy planning, Private Office of the Secretary General; Ambassador Victoria Nuland, permanent representative of the United States to NATO; Ruediger Koenig, minister and political counselor, German Delegation to NATO; and Hans-Christian von Reibnitz, deputy director, Private Office of the Secretary General.

Discussions centered on the transformation of the Bundeswehr and its integration into multinational organizations, the transformation of NATO and its complementarities with the European Security and Defense Policy, and, last but not least, the state of transatlantic relations with regard to global challenges like the negotiations with Iran, the political developments in Russia, and climate change.

A primary message that was threaded throughout the briefings was NATO’s need to develop a more comprehensive approach for its reconstruction efforts in Afghanistan. NATO is already thinking about creating positions for liaison officers from the World Bank and the United Nations at its headquarters in Brussels in order to facilitate a better dialogue between the military and the development community.



German Ministry of Defense

*Participants of the 2007 Manfred Wörner Seminar.*

## 2007 AMERICAN AND EUROPEAN MARSHALL FORUMS

The seventh annual European and American Marshall Forums on Transatlantic Affairs were held from June 28-July 1 in Elmau, Germany, and from September 27-30 in Atlanta, Georgia, respectively.

This year's forums focused on recurring themes in the transatlantic relationship in a more global world. In Europe, panel sessions focused on globalization and how this affects Americans and Europeans at the local, national, and international levels; economic challenges; American and European values; international cooperation in poverty reduction; Turkey and the Middle East; democracy promotion; Russia; and the rise of China. In the United States, panel sessions focused on global health, immigration and refugee issues, global business, civil rights, U.S. and European voting systems and the 2008 U.S. presidential election, Turkey at a crossroads, *Transatlantic Trends*, and climate change. In honor of the MMF Program's 25th anniversary, GMF announced the creation of the MMF Legacy Fund, which is intended to provide sustaining support of the fellowship program.

Notable 2007 forum speakers included Lisa Borders, Atlanta City Council president; Dr. Barbara Botos, MMF 2007, strategic and environmental manager for the Municipality of Tatabayna in Hungary; Caroline de Gruyter, MMF 1985, correspondent, NRC Handelsblad and author of *De Europeanen*; John Harris, editor-in-chief of *Politico*; Kristian Jensen, MMF 1999, Danish Minister of Taxation; Jackson Kelly, vice president and director of marketing services for the Coca-Cola Company; Johannes Laitenberger, MMF 1998, European Commission spokesperson; Ivan Mikloš, MMF 1995, member of the Slovak Parliament; Ambassador Klaus Scharioth, permanent representative of Germany to the United States; Nadya K. Shmavonian, vice president of the Rockefeller Foundation; Dr. Michael Webber, MMF 2007, associate director of the Center for International Energy and Environmental Policy at the University of Texas at Austin; and Jim Woolsey, vice president of Booz Allen Hamilton and former director of the Central Intelligence Agency.

An alumni event of the Marshall Memorial Fellowship (MMF) Program, the forums brought together more than 150 political, business, media, and community leaders from the United States and Europe to discuss the transatlantic relationship in a global context. GMF established the gatherings in 2001 as a venue for MMF alumni and other GMF program alumni to exchange ideas and learn about new policy initiatives in an informal atmosphere.



Kristina Field



Elizabeth Boswell Rega

*Top: Jackson Kelly, vice president of Coca-Cola International and director of international marketing services for The Coca-Cola Company addresses MMF alumni and guests at the Marshall Forum in Atlanta, Georgia. Below: MMF alumni gather for the Marshall Forum in Elmau, Germany.*

## JOURNALISM STUDY TOURS

Established in 1999, GMF's journalism programs promote in-depth coverage of transatlantic issues by American and European journalists and encourage open and spirited exchange between media professionals on both sides of the Atlantic. GMF's journalism study tours offer journalists the means to continue independent and balanced coverage on transatlantic issues and increase understanding of the U.S.–Europe relationship. In addition to regularly including journalists in GMF programs, GMF offers a range of awards and fellowship opportunities tailored specifically to members of the media.

From May 26 to June 3, with the U.S. Farm Bill being debated in the U.S. Congress and the EU struggling with

its own Common Agricultural Policy and the 2008 “Health Check,” 11 journalists representing some of the top U.S. radio and print media outlets traveled to Poland, Belgium, the Netherlands, and France to study European agriculture in the 21st century. Traveling the EU together, journalists did first-hand reporting from European farms on issues ranging from decoupling of farm payments and the relationship between farm and food policy to rural development and environmental stewardship policies.

Building on the successful economic journalism trips to India, Brazil, and South Africa, GMF's Economic Policy Program brought nine European and American economic journalists to Vietnam and Cambodia in November. The study tour focused on issues like international trade,

### PETER R. WEITZ PRIZE AWARDED

**O**n July 18, GMF awarded the eighth annual Peter R. Weitz Journalism Prize for excellence in reporting on European affairs to *The Boston Globe's* Colin Nickerson and *The Wall Street Journal's* Marcus Walker.

Nickerson, former European bureau chief for the *Globe*, was awarded the \$10,000 senior prize for his reporting on Europe and transatlantic affairs published between January and November 2006. Focusing mainly on Germany, Nickerson's stories looked at how modern Europe has grappled with the legacies of past conflicts. Whether writing about Germany's war babies in search of their GI fathers, a film opening a debate on the activities of East Germany's Ministry of State Security (Stasi), or the city of Berlin being redefined culturally by its past guest worker program, his portraits of individuals and neighborhoods provided insights into European society that help explain the differences and narrows the separation between Europeans and Americans. The \$5,000 junior prize went to Walker, staff reporter of *The Wall Street Journal*, for his insightful work examining employment and social welfare systems throughout Europe. In his articles, Walker detailed numerous just-launched policies and programs that could lead to economic revival of countries currently struggling with joblessness and high welfare costs.

The Peter R. Weitz Prize was established in 1999



*From left to right, GMF President Craig Kennedy, junior prize winner Marcus Walker of The Wall Street Journal, Danish Foreign Minister Per Stig Møller, senior prize winner Colin Nickerson of the Boston Globe, and GMF Board Co-Chairman Marc Leland.*

to honor the memory of Peter R. Weitz, former director of programs at GMF's Washington headquarters, for his interest in promoting coverage of European affairs by American journalists. Past winners of the senior prize include Sebastian Rotella of the *Los Angeles Times*, Craig Whitlock and Peter Finn of the *The Washington Post*, Roger Cohen of *The New York Times* and James Kitfield of the *National Journal*. The senior prize is open to all journalists working for American publications; the junior prize is for journalists 35 and under. Winners are selected by a jury of distinguished American and European journalists.

regional integration, foreign direct investment, entrepreneurship, and the agriculture, textile, and service industries. In addition, it explored how U.S. and EU trade, agriculture, and aid policies impact developing countries like Vietnam and Cambodia.

Through meetings with government officials, business leaders, NGOs, local journalists, and students, participants were able to gain a comprehensive view of the economic and political challenges of the two countries and how their government policies have been designed to integrate their countries into the global economy. *Newsweek*, the *International Herald Tribune*, *Les Echos*, the *San Francisco Chronicle*, *Handelsblatt*, *USA Today*, and *The Washington Post* were among the news organizations represented.

Print articles from GMF's 2007 study tours have appeared in the *Des Moines Register*, the *International Herald Tribune*, *Les Echos*, *Slate*, *Newsweek*, the *St. Louis Dispatch*, *The Kansas City Star*, *The Washington Post*,



*Traveling the EU together, journalists did first-hand reporting from European farms on issues ranging from decoupling of farm payments and the relationship between farm and food policy to rural development and environmental stewardship policies.*



Ulrike Lais



Carrie Chesnik (2)

Top: From left to right, Todd Gleason of WILL AM-580, GMF Transatlantic Fellow Jack Thurston, and Charles Ray of South Dakota Public Broadcasting. Below: Participants of GMF's study tour on European agriculture file trip stories during a layover in Poland. At left: A streetscape in Hanoi, Vietnam.



Courtesy Phillips-Youman

*From left to right, Ilene Grossman, staff director of the Midwestern Governors Association; Richard Benda, secretary of tourism and state department for South Dakota; Bill Even, secretary of agriculture for South Dakota; William Hughes, administrator for the division of agricultural development in Wisconsin; Courtney Phillips-Youman, program assistant at GMF; Jamie Cashman, legislative aide for Iowa; and Douglas O'Brien, assistant director of agriculture for Ohio, visit the European parliament in Brussels as part of a CDP-led study tour that examined rural development strategies in Europe.*

*USA Today*, and many other news and opinion outlets. Radio broadcasts included KSMU Radio in Springfield, Missouri, and South Dakota Public Broadcasting.

### CDP STUDY TOURS

Recognizing the importance of sustained transatlantic cooperation and exchange at the grassroots level, the Comparative Domestic Policy (CDP) Program continues GMF's long tradition of facilitating and promoting the exchange of best-practices across the Atlantic in the urban, regional, and social policy arenas. Through partnerships with community foundations, think tanks, and major European and American foundations, the CDP Program exposes civic leaders to alternative approaches to urban and regional challenges and provides a forum for brainstorming and networking among leaders in European and American cities and regions. It also encourages an active exchange of information and

best-practices on pressing societal challenges that are applicable beyond the local level, and informs national policymakers and practitioners of innovative approaches to local and regional policy challenges.

GMF works with its partners—including the Compagnia di San Paolo and the Hertie Foundation—and fellows to identify domestic policy challenges where the sharing of transatlantic experiences and knowledge would be particularly timely and welcome. GMF does this by concentrating primarily on urban communities, energy and the environment, and changing demographics and social policy.

In 2007, the CDP Program led study tours, organized conferences, and continued its fellowship program to help cities on both continents address these challenges.

In October, GMF, in cooperation with the Midwestern Governors Association, led a study tour to Belgium, Scotland, and Germany to examine European efforts to

craft innovative rural development strategies in the wake of reform of the Common Agricultural Policy (CAP), with an eye toward developing more effective rural development strategies in the United States. The delegation of ten senior Midwestern officials engaged in U.S. rural development and agriculture policies was led by Governor Mike Rounds (R-SD) from October 9–13, and by Lieutenant Governor Patty Judge (D-IA) from October 14–18. The delegation also included agriculture and rural development officials from Wisconsin, Ohio, and South Dakota.

From October 21–28, GMF, in partnership with the Portland Schools Foundation, led a delegation of civic, political, and education leaders from Portland, Oregon, on a study tour of Europe to look at how the cities of London, Dublin, and Amsterdam are incorporating education and the development of the city's youth into their overall vision for the city. City briefings and meetings focused on innovative new programs and practices designed to provide the cities' youth with the skills needed to adapt to and succeed in future industries and employment sectors, as well as programs geared toward decreasing the achievement gap between students of varying socioeconomics backgrounds. The delegation returned to Portland to develop a comprehensive plan for reforming and retooling the greater Portland area's approach to educating its youth and preparing them for active citizenship.

## ONE YEAR BEFORE THE 2008 U.S. ELECTIONS

In an advance of the 2008 U.S. Presidential elections, GMF led a speaker tour comprised of three insiders on American politics to the European cities of Amsterdam, Brussels, and Berlin from November 13–16. Speakers Richard L. Berke, assistant managing editor of *The New York Times*; Carroll Doherty, associate director of the Pew Research Center; and Jonathan Weisman, congressional reporter of *The Washington Post* shared their thoughts on the developments that lay ahead for the U.S. presidential race, profiled individual candidates, and offered in-depth analysis on candidates' views on foreign policy and economic issues. Events were held with experts from politics, the media, and the think tank community.

During the tour, speakers said the most dominant issues in this year's election campaign were going to be reforms in health care and education and a possible economic downturn. In addition to Iraq, other foreign policy issues such as Iran and global warming are gaining prominence in the debate. According to Dougherty, climate change is an issue that is particularly emphasized on the Democratic side because polls show that this subject is very important to Democratic voters. All three speakers emphasized that the U.S. presidential campaign is still wide open and the message of all candidates would be one of "change." Berke predicted a very narrow race for the presidency and pointed out the unpredictability of the campaign.

"If anyone tells you today who will be elected the next Presidential candidate or even the next President, don't believe him."

*From left to right, Carroll Doherty, Pew Research Center for the People and the Press; Richard Berke, The New York Times; Ursula Soyez, GMF; and Jonathan Weisman, The Washington Post, at the Bavarian State Representation in Berlin.*



Robert Völker

## CLIMATE STUDY TOUR

In October, GMF led a study tour for five climate change experts from American foundations to Berlin, Copenhagen, and Brussels. The tour illustrated firsthand what scientific, political, and economic steps Europe is taking to combat the effects of climate change and, more importantly, how some of these practices can be realistically and effectively implemented in the United States. Highlights from the tour included a visit to an off-shore windmill cooperative

in the Copenhagen harbor, a discussion on carbon emissions trading with the 3C Carbon Group, and a meeting with the Danish American Business Council. The study tour served as an important first step toward establishing GMF's ability to bridge the transatlantic gap in addressing climate change. Participants included representatives from the Doris Duke Charitable Foundation, the Joyce Foundation, the Bullitt Foundation, the Cleveland Foundation, and the Climate and Energy Funders Group.

## EU CONGRESSIONAL CAUCUS AND GMF

In partnership with the EU Congressional Caucus, GMF hosted five morning coffee sessions for members of the U.S. House of Representatives. The series was kicked off with a briefing by German Ambassador Klaus Scharioth and EU Ambassador John Bruton in May 2007. Thereafter, GMF hosted one coffee session per month with various European Ambassadors and/or public officials. The EU Caucus was formed during the 109th Congressional Caucus to help facilitate and further the strong ties between the United States and the European Union. Given the European Union's growing importance, many members of Congress recognize the need to ensure that both sides of the Atlantic work together in a positive, results-oriented partnership.



*EU Ambassador John Bruton, EU Congressional Caucus Co-Chair Ron Kind (D-WI), and EU Trade Commissioner Peter Mandelson.*



*EU Trade Commissioner Peter Mandelson addresses members of Congress during a GMF-hosted coffee session.*

Andrew Fishbein (2)



Carrie Chesnik

# GRANTMAKING

## *Laying Foundations*

**G**rantmaking has been one of the German Marshall Fund of the United States' (GMF) core missions from its creation, and through this process, GMF supports a wide range of institutions and individuals working on transatlantic policy issues. Whether anchored in a region like the Black Sea or Balkans, or in a policy area like immigration, economic policy, or foreign policy, GMF awards grants that help build the structures to support the transatlantic relationship. Grants are awarded to institutions and individuals that make a transatlantic cooperation a core element of their projects and programs.

### BLACK SEA TRUST LAUNCH

GMF and its partners launched the Black Sea Trust for Regional Cooperation (BST) in fall 2007, with major events in Romania and Washington, DC.

In Bucharest, a two-day conference brought together policymakers, academics, civil society representatives, and members of the media to debate the most pressing issues facing the region, including illegal trafficking, energy security, the environment, and good governance. Romanian President Traian Băsescu personally welcomed participants to the event and reiterated the importance of tackling regional issues through common efforts and dialogue with the participation of all countries involved.

BST, which is based in Bucharest, provides grants to local and national NGOs, governmental entities, community groups, policy institutes, and other associations located in the wider Black Sea region to implement projects in three programmatic areas: civic participation, cross-border initiatives, and East-East cooperation. Grants are awarded in Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania, Turkey, Ukraine, and Russia (specifically the Black Sea oblasts of Krasnodar and Rostov).

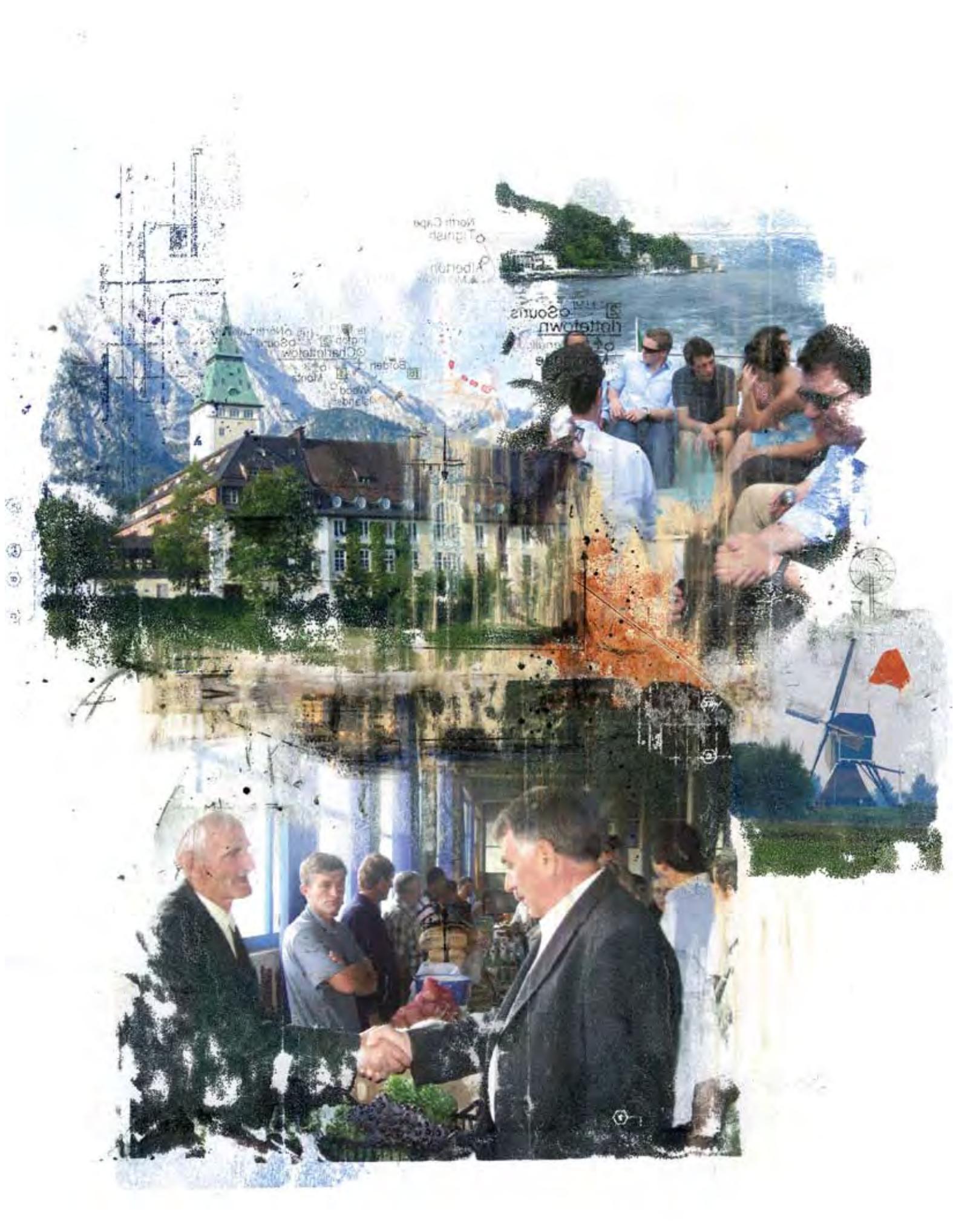
BST is a project of GMF along with its partners, the United States Agency for International Development (USAID), the Charles Stewart Mott Foundation, the government of Romania, and the Ministry of Defence of the Government of Latvia. The Trust is based on the successful,

Belgrade-based Balkan Trust for Democracy, an award-winning public-private partnership that is in its fifth year of dispersing grants throughout the Balkans.

In Washington, USAID Administrator Henrietta Fore marked the launch by highlighting the value of public-private partnerships in front of a crowd of policymakers, government officials, opinion leaders, and members of the media. "I believe we are entering into a new era of development—an era of inter-dependence, when special emphasis will be placed on leveraging information, ideas, technology, and public-private partnerships to spur innovation and results," she said. Administrator Fore was joined in Washington by Craig Kennedy, president of the GMF; Maureen Smyth, senior vice president at the Charles Stewart Mott Foundation; Andrejs Pildegovics, Latvian Ambassador to the United States; and Daniela Gitman, charge d'affairs at the Romanian Embassy.

### BALKAN TRUST FOR DEMOCRACY

Since its inception in 2003, the Balkan Trust for Democracy (BTD) has invested over \$11 million in 515 indigent initiatives that work toward building productive, democratic, and peaceful societies in Southeastern Europe. Based in Belgrade, Serbia, BTD awards grants to civic groups, nongovernmental organizations, news media, think tanks, governments, and educational institutions





Ceylan Aktman

*Romanian President Traian Băsescu inaugurates the opening of BST in Bucharest.*

in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, and Serbia, including Kosovo.

BTD has built a strong reputation as an organization able to identify projects that will have significant impact in local communities or region-wide. Among the varied project types that BTD supports, successes in 2007 included many projects that used effective and innovative means to provide the space for informed debates, including a Bulgarian project that enabled citizen debate on issues affecting the country's Roma population, resulting in positive changes in public opinion regarding policy toward this marginalized group. BTD has also played a strong role in supporting the creation and strengthening of regional networks that cooperate on shared problems, such as regional teams that collectively monitor war crimes trials, efforts to create common curricula in schools, projects that share experiences of new EU states with those working toward accession, and regional approaches to security sector reform. And with the support of the Robert Bosch Stiftung, BTD was instrumental in the expansion of a highly-praised project that sends top Serbian students to Europe. In 2007, the BTD initiative helped students from five additional Western Balkan countries with strict visa regimes participate in the project, drawing attention to the need for visa liberalization and a committed investment in Balkan youth.

Recognizing the successful model of BTD, the United States Agency for International Development (USAID) chose the Balkan Trust as the legacy mechanism to continue the work of their program in Bulgaria, which has

closed. A three-year, \$3-million grantmaking initiative of USAID and GMF managed by BTD, the new Bulgaria Fund was launched in November 2007. The Bulgaria Fund is the first new major program implemented by BTD and continues the work of USAID in Bulgaria by supporting initiatives in three program areas: good governance, to advance the rule of law and judicial and government reform; support for vulnerable groups, ensuring economic opportunities and social integration of marginalized populations; and competitiveness, to generate a more competitive workforce and labor market through advanced training and other programs.

Since 1991, USAID has supported programs in Bulgaria that have made significant progress in a number of different areas such as reform of the judicial system, increasing transparency in local and national government, the provision of public services to citizens, and enhancing economic opportunities as a whole.

Created by GMF, USAID, and the Charles Stewart Mott Foundation, BTD is a 10-year, \$30-million grant-making initiative that supports democracy, good governance, and Euroatlantic integration in Southeastern Europe. BTD has since received additional contributions from the Rockefeller Brothers Fund, the Royal Netherlands Embassy in Belgrade, the Greek Ministry of Foreign Affairs, the Swedish International Development Cooperation Agency, the Tipping Point Foundation, Compagnia di San Paolo, the Robert Bosch Stiftung, and the Danish Foreign Ministry, making BTD a true transatlantic partnership.



Mary Kate Boughton

*Inauguration of the Bulgaria Fund with GMF and USAID in Sofia.*

## TRUST FOR CIVIL SOCIETY IN CENTRAL AND EASTERN EUROPE

The Trust for Civil Society in Central and Eastern Europe was launched in 2001 as a joint \$75-million, 10-year project of GMF, the Ford Foundation, the Charles Stewart Mott Foundation, the Open Society Institute, and the Rockefeller Brothers Fund. Additional donors include Atlantic Philanthropies and the Pfizer Foundation. Today, the Trust is an independent public charity organization. The Trust's mission is to strengthen the long-term sustainable development of civil societies in Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia. The Trust's grantmaking programs support civil society institutions, activities, and projects in each country. To date, the Trust has awarded nearly \$26 million in grants to organizations in the target countries. The Trust is managed under the leadership of Executive Director Rayna Gavrilova with nine staff members. Distinguished advisory committees in each country of the Trust's operations assist with the proposal review process.

## FOREIGN POLICY GRANTMAKING

Transatlantic Network Building grants support ongoing lecture or seminar series, as well as recurrent small conferences targeting specific audiences, with an emphasis on transatlantic issues. Grants were awarded in 2007 to the following institutions:



*Balkan Trust for Democracy Executive Director (right) Ivan Vejvoda meets with Knut Neumayer (left) and Boris Marte (center) of the Erste Foundation in Vienna.*

- American Council on Germany
- Atlantic Council of the United States
- Center on the United States and Europe, Brookings Institution
- Center for International Relations, Poland
- Center for Strategic and International Studies
- Centre d'Etudes et de Recherches Internationales
- Centrum für Angewandte Politikforschung
- Deutsche Gesellschaft für Auswärtige Politik
- Hellenic Foundation for European and Foreign Policy
- Istituto Affari Internazionali
- Transatlantic Policy Network
- United States Association of Former Members of Congress

Transatlantic Policy Research grants support think tanks and policy institutions conducting research that challenges and fosters transatlantic policy debate through fieldwork, collaborative conferences, and/or publications. Grants were awarded in 2007 to the following institutions:

- American Enterprise Institute
- American Institute for Contemporary German Studies
- Atlantic Council of the United States
- Center on the United States and Europe, Brookings Institution
- Center for Strategic and International Studies
- Centre for European Reform
- Chatham House
- Council on Foreign Relations
- Estonian International Center for Defense Studies
- Europeum
- Fundacion Para Las Relaciones Internacionales y El Dialogo Exterior
- Global Public Policy Institute
- Institute for Public Affairs, Bratislava
- Institute of Public Affairs, Poland
- Istituto Affari Internazionali
- Nixon Center
- Prague Security Studies Institute
- Slovak Foreign Policy Association
- Stiftung Wissenschaft und Politik

## ACADEMIC POLICY RESEARCH GRANTS

Developed in 2006, GMF's Academic Policy Research Grants support university professors and researchers for academic policy research conferences. In 2007, GMF awarded seven grants that encouraged convening on policy-relevant transatlantic topics in academic settings. Topics included China as a transatlantic challenge, transatlantic regulatory cooperation, and energy security as a transatlantic challenge. Grants were awarded to:

- **Robert Stern**, University of Michigan, and **Simon Evenett**, University of St. Gallen, *Systemic Implications of Transatlantic Regulatory Cooperation and Competition*
- **Vincent Della Sala**, University of Trento, *Energy in Europe and North America: from National to Human Security?*
- **David Shambaugh**, The George Washington University, and **Volker Perthes**, Stiftung Wissenschaft und Politik, *Transatlantic Dialogue on China: Deepening the Cooperation*
- **Jeronim Perovic**, Swiss Federal Institute of Technology, and **Robert Ortung**, American University, *Promoting*

*U.S. and European Energy Security: Working with Russia, Developing Alternative Sources*

- **Rolf Tamnes**, Norwegian Institute for Defence Studies, and **David Betz**, King's College London, *U.S.-EU-China Relations: A New Strategic Triangle?*
- **Daniel Hamilton** and **Joseph Quinlan**, Johns Hopkins University, and **Eberhard Sandschneider**, German Council on Foreign Relations, *China Rising: Implications for Transatlantic Relations*
- **Lutz Mez** and **Danyel Reiche**, Free University, and **Daniel Hamilton**, Johns Hopkins University.



Matthew Wojtkun



Nebojsa Milenkovic

*More than 300 women, who support a pro-democratic, pro-European Serbia, assembled in January to participate in "Let Women Decide," a project of European Movement Serbia. The project was supported by BTB.*

## IMMIGRATION AND INTEGRATION KEY INSTITUTIONS GRANTMAKING

A cornerstone of GMF's migration work, the Immigration and Integration Key Institutions grantmaking supplies important research to the ongoing debate on these issues. In May 2007, GMF awarded grants to eight U.S. and European institutions working on timely issues in this area:

- **Center for International and European Law on Immigration and Asylum**, Konstanz
- **European Forum for Migration Studies**, Bamberg
- **Institute for the Study of International Migration**, Washington, DC
- **Migration Dialogue**, University of California, Davis
- **Center for International Relations**, Warsaw
- **Economic Policy Institute**, Sofia
- **Centro Studi di Politica Internazionale**, Rome
- **Institute for European Studies**, Brussels

These institutions went through a competitive selection process and were invited to Berlin for a launch event at the end of May. The meeting opened with a discussion dinner accompanied by remarks from GMF Transatlantic Fellows Jim Kolbe and Patrick Weil along with other immigration experts.

## ECONOMIC POLICY PROGRAM GRANTMAKING

In an increasingly interconnected world, the two-way transatlantic trade and investment relationship has a profound influence on the overall functioning of the global economy. Opportunities for extensive transatlantic learning and cooperation are numerous, and the potential for multiplier effects from that interaction for the rest of the international community are substantial. As an initiative of GMF dedicated to promoting cooperation between the United States and Europe on domestic and international economic and development policies as vital instruments of global prosperity, especially for the poor and those affected by shifts in the global economy, the Economic Policy Program seeks to ensure that the benefits of globalization are distributed equitably and fairly. In partnership with the William and Flora Hewlett Foundation, the Economic Policy Program grants support ongoing dialogue events, transatlantic fellowships, policy research and analysis, and study tours. Grants were awarded in 2007 to the following individuals and institutions:

- **Aspen Institute**, Washington, DC
- **Bruegel**, Brussels
- **Center for Social and Economic Research (CASE)**, Warsaw
- **CEPII News**, Paris
- **The Chicago Council on Global Affairs**, Chicago
- **European Foundation Centre (EFC)**, Brussels
- **Ecologic – Institute for International and European Environmental Policy**
- **Simon Evenett**, professor of international trade and economic development, University of St. Gallen, Switzerland
- **Chuck Fluharty**, founding director and former president, Rural Policy Research Institute (RUPRI)
- **Martina Garcia**, senior trade policy analyst, Organisation for Economic Co-operation and Development (OECD)
- **Keith Good**, president, FarmPolicy.com
- **International Food and Agricultural Trade Policy Council (IPC)**, Washington, DC
- **Robert Kuttner**, co-founder and current editor-in-chief, *The American Prospect*
- **Philippe Legrain**, freelance writer and author of *Immigrants: Your Country Needs Them*
- **The Lisbon Council**, Lisbon
- **Patrick Messerlin**, director, Groupe d'Economie Mondiale
- **The Milken Institute**, Santa Monica, Calif.
- **Dan Morgan**, correspondent, *Washington Post*
- **Abraham Newman**, assistant professor, BMW Center for German and European Studies, Georgetown University
- **Yale University Renewable Energy and International Law (REIL) Conference**, United States
- **Salzburg Seminar**, Salzburg
- **South Centre**, Geneva
- **Tim Searchinger**, former co-director, Center for Conservation Incentives at Environmental Defense
- **Bruce Stokes**, international economics columnist, *National Journal*
- **University of California**, Berkeley
- **Harald von Witzke**, professor, Humboldt University of Berlin
- **Simon Zadek**, chief executive, AccountAbility

# PARTNERSHIPS

Successful transatlantic relations depend on strong partnerships built up over time, across sectors, and between regions of the world. The German Marshall Fund of the United States (GMF) has integrated this model of partnership into its organizational strategy as a means to achieve greater cooperation among the United States, Europe, and other regions. This approach has led to the inclusion in the transatlantic community and the GMF network of a broad range of individuals—policymakers, journalists, nonprofit leaders, and business leaders—and organizations cutting across the full spectrum of society.

GMF understands the crucial role that partnerships play in affecting and addressing the concerns facing the transatlantic community. Our goal is to tackle the fundamental issues surrounding the U.S.–European relationship by drawing on an extensive network of individuals and institutions on both sides of the Atlantic. Through partnering with other organizations, GMF is able to ensure that its projects, programs, and activities bring a unique perspective and provide forward-looking solutions to transatlantic problems, rather than recapitulate existing work. We actively seek partners with whom we can work to

develop a sustainable, effective transatlantic community.

GMF pursues a variety of partnership models based on a shared vision, such as developing joint initiatives, undertaking matching funding projects, providing grants for projects carried out by other institutions and individuals, developing fully granted programs, and seeking in-kind contributions. We are grateful to all of our partners for their contributions to furthering transatlantic cooperation. We also wish to thank those governments, businesses, and organizations, too numerous to list here, whose in-kind support has been invaluable.



Gaetan Micolette



Pavol Demes

*A number of organizations have made financial contributions to GMF's activities, including:*

- Alfred Herrhausen Society
- Bank of America Foundation
- Bank of Sweden Tercentenary Foundation
- Barrow Cadbury Trust
- Bertelsmann Stiftung
- BP
- Charles Stewart Mott Foundation
- Cleveland Foundation
- Compagnia di San Paolo
- Connect US Fund
- Daimler
- ERSTE Stiftung
- European Commission
- European Cultural Foundation
- Farm Foundation
- Federal Government of Belgium
- Fortis
- Foundation for the Carolinas
- Fundação Calouste Gulbenkian
- Fundação Luso-Americana
- Fundación BBVA
- Gemeinnützige Hertie-Stiftung
- General Electric Foundation
- German Federal Foreign Office
- Heinrich Böll Stiftung
- J.A. Turner Family Foundation
- Lexington-Fayette Urban County Government
- Lynde and Harry Bradley Foundation
- Ministry for Foreign Affairs of Sweden
- Ministry of Defence Republic of Latvia
- Ministry of Foreign Affairs of Denmark
- Ministry of Foreign Affairs of Greece
- Ministry of Foreign Affairs of Romania
- Portland Schools Foundation
- Rockefeller Brothers Fund
- Robert Bosch Stiftung
- Royal Netherlands Embassy, Belgrade
- Stavros S. Niarchos Foundation
- Swedish Foundation for International Cooperation in Research and Higher Education
- Swedish International Development Cooperation Agency
- Tipping Point Foundation
- TOBB University of Economics and Technology
- U.S. Agency for International Development
- U.S. Mission to the European Union
- U.S. Mission to NATO
- William and Flora Hewlett Foundation
- ZEIT-Stiftung Ebelin und Gerd Bucerius

# FINANCIAL STATEMENTS

## GERMAN MARSHALL FUND OF THE UNITED STATES A MEMORIAL TO THE MARSHALL PLAN AND SUBSIDIARY

### *Statement of Financial Position* *Years Ended May 31, 2007 and 2006*

<b>Assets</b>	<b>2007</b>	<b>2006</b>
Cash and Cash Equivalents	\$ 15,007,399	\$17,365,854
Investments	218,034,274	195,608,435
Grants Receivable	2,261,661	1,953,914
Property and Equipment, net	17,830,771	17,913,001
Other Assets	921,476	480,000
	<b>\$254,055,581</b>	<b>\$233,321,204</b>
 <b>Liabilities And Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$2,733,873	\$2,070,669
Deferred revenue	11,748,894	11,769,154
Grants payable	1,591,000	2,608,812
<b>Total liabilities</b>	<b>16,073,767</b>	<b>16,448,635</b>
 <b>Commitments and Contingencies</b>		
<b>Net Assets:</b>		
Unrestricted		
Undesignated	226,735,399	205,213,883
Board-designated – Balkan Trust for Democracy	7,045,744	7,598,473
	233,781,143	212,812,356
Temporarily restricted	4,200,671	4,060,213
	237,981,814	216,872,569
	<b>\$254,055,581</b>	<b>\$233,321,204</b>

*A copy of the organization's audited financial statement is available upon request.*

CONSOLIDATED STATEMENT OF ACTIVITIES  
YEARS ENDED MAY 31, 2007 AND 2006

	2007			
	Unrestricted	Temporarily Restricted	Total	2006
<b>Support and revenue:</b>				
Investment Income	\$38,191,619	-	\$38,191,619	\$21,971,597
Non-federal grants	-	8,323,838	8,323,838	10,176,227
Federal grants	1,479,300	-	1,479,300	1,584,617
Royalties and other	411,334	-	411,334	147,431
Net assets released from restrictions	8,183,380	(8,183,380)	-	-
<b>Total support and revenue</b>	<b>48,265,633</b>	<b>140,458</b>	<b>48,406,091</b>	<b>33,879,872</b>
<b>Expenses:</b>				
Program services:				
Internal projects expense	11,485,284	-	11,485,284	9,393,639
Grant expense	6,326,804	-	6,326,804	8,398,572
Management and general	9,255,831	-	9,255,831	9,204,140
Fundraising	228,927	-	228,927	149,054
<b>Total expenses</b>	<b>27,296,846</b>	<b>-</b>	<b>27,296,846</b>	<b>27,145,405</b>
<b>Change in net assets</b>	<b>20,968,787</b>	<b>140,458</b>	<b>21,109,245</b>	<b>6,734,467</b>
<b>Net assets:</b>				
Beginning	212,812,356	4,060,213	216,872,569	210,138,102
<b>Ending</b>	<b>\$233,781,143</b>	<b>\$4,200,671</b>	<b>\$237,981,814</b>	<b>\$216,872,569</b>

# MULTIMEDIA

**G**MF's web site, [www.gmfus.org](http://www.gmfus.org), is the best way to stay informed about GMF. In addition, in 2007, GMF launched two new multimedia initiatives—a podcast series and a blog. Such expanded capability allows us to continue bringing expertise on transatlantic issues to the wider public. GMF podcasts and the GMF blog can be accessed from the GMF web site at [www.gmfus.org](http://www.gmfus.org). GMF podcasts are also available through Apple's iTunes at [www.apple.com](http://www.apple.com). After installing the software, navigate to the podcast section of the iTunes Store and search for the "German Marshall Fund" in the search field. When the GMF icon appears, click "Subscribe." When new content is posted, iTunes will automatically download the latest podcast. There is no charge for subscribing to podcasts through iTunes.

Podcasts include discussions, interviews, and keynote speeches that examine the most challenging issues facing the United States and Europe. Among others, GMF has conducted interviews with Joaquin Almunia, EU commissioner for Economic and Monetary Affairs; Ambassador John Danilovich, CEO of the Millennium Challenge Corporation; Uri Dadush, director of international trade at the World Bank; Daniel Fried, assistant secretary for the bureau of European and Eurasian affairs; Kemal Derviş, administrator of the United Nations Development Programme; Henrietta Fore, administrator for the United States Agency for International Development; David Ignatius, columnist for *The Washington Post*; Aleksander Kwaćeniewski, former president of Poland; Dr. Wolfgang Schäuble, minister of the interior for Germany; Javier Solana, the EU high representative for the Common and Foreign Security Policy and secretary general for the European Union; and Kurt Volker, U.S. principal deputy assistant secretary of state for the bureau of European and Eurasian Affairs.

The GMF blog addresses a variety of critical issues currently being debated within the transatlantic community. In 2007, blog posts by GMF staff and scholars covered a variety of topics, including the UN Climate Change Conference, Iran policy after the National Intelligence Estimate, the election of French President Nicolas



Gaetan Michotte

Sarkozy, Kosovo, German Chancellor Angela Merkel's visit with U.S. President George W. Bush, the election of U.K. Prime Minister Gordon Brown, the EU's plans for fostering new trade deals on biofuels, the elections in Turkey, among others.

The GMF blog is an open platform for continued dialogue. New items are posted weekly and we encourage individuals wishing to stay actively engaged on the U.S.–Europe agenda to comment on the blog. The blog can be accessed from the GMF home page or at <http://blog.gmfus.org>.

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