

Annual Report
For
The Cultural Heritage without Borders Foundation
802401-1259

Fiscal year
2010

12/05/2011

Contents	Page
Directors' Report	2-13
List of Cultural Heritage without Borders' projects and programs in 2010	14-15
Income statement	16
Balance sheet	17-18
Notes with accounting policies and remarks	19-23
Signatures	24



The Cultural Heritage without Borders Foundation
Corporate ID number 802401-1259

DIRECTORS' REPORT FOR 2010

SUMMARY

In 2010, the Cultural Heritage without Borders Foundation has continued its mission to strengthen the reconstruction of societies that have been affected by conflict or are in need of assistance. We conduct cultural initiatives with special emphasis on the need for dialogue and interaction as a means to promote democratic values and practices. Cultural heritage is constantly under threat in many parts of the world in a number of ways. The loss of people's cultural heritage through deliberate actions or negligence is a serious form of cultural and spiritual impoverishment.

Christina von Arbin was appointed as new Chair and Margaret Husén as new Director General in 2010. The Foundation has been pursuing a developmental and strategic plan during the year in order to expand its operations in terms of both geographical area of work and funding. This plan has involved organisational meetings in Kosovo, new contacts, feasibility studies and minor projects including in Afghanistan, Tibet/Dharamsala India and south-eastern Turkey, and new publications about our activities and our work.

While much of the work at our headquarters in Stockholm is focused on this important development work, the progress of operations in the Western Balkans continues at a brisk pace. Regional activities are conducted from offices with local staff in Bosnia-Herzegovina, Kosovo and Albania where organisations and institutions from several countries in the Balkans participate, and there are country-specific activities in Kosovo, Albania and Serbia. The Foundation's support to the regional network for non-governmental organisations focusing on cultural heritage issues as well as the support for the regional museum network has leveraged good results. The first has expanded its network with more members and its own office. The regional museum network has become more closely knit and has spent much of the year preparing for an upcoming joint exhibition project for the spring of 2011. Operations in Kosovo are focusing increasingly more on the use of cultural heritage for social and economic development, including cultural tourism. In Albania, the restoration of the World Heritage site of Gjirokastra continues apace, and restoration camps with participants from the region have been engaged. Capacity development of local and national authorities and other institutions is an important component of this work. In Serbia, roofs are being repaired to increase the opportunities for the development of a culturally valuable area.

The agreement that the Foundation has with SIDA means that SIDA is currently the Foundation's main funders. This contract expires at the end of 2011 and the preparations for an application for a new multi-year agreement began in 2010. Other major funders are the European Union and a number of foundations such as the Stavros Niarchos Foundation. In addition, Headley Trust in London and the Swiss Heritage Society have been added as new donors. Several of the Foundation's partner organisations in the Western Balkans contribute with their own funds. This applies particularly to authorities that we work together with in various projects and programs.

The biggest challenge this year has been to plan for and address possible future collaborations in Afghanistan, however, the security situation is obviously cause for great concern.

In the coming years the Foundation expects to continue operations in the Western Balkans, while working on the continued geographical expansion in a number of countries.

PURPOSE

Cultural Heritage without Borders is a Swedish registered foundation headquartered in Stockholm, and with field offices with local staff in Albania, Bosnia and Herzegovina and in Kosovo. The Foundation works to promote the conservation of cultural property in conflict-affected areas, in disaster situations of different kinds or in circumstances of acute threat, along with research in connection to this. The Foundation must also promote the conservation of cultural property that is in immediate need of action in a variety of ways.

Cultural Heritage without Borders is neutral when it comes to conflicting parties, but not to the rights of all people to their cultural heritage.

Vision

The Foundation's vision is that cultural heritage is an integral and active part of the reconciliation process, social and economic development, as well as the strengthening of human rights.

Mission

Cultural Heritage without Borders' mission is to strengthen civil society, institutions and authorities through local and regional heritage initiatives in the areas affected by conflict or in need of emergency and development aid. The Foundation works with a focus on the promotion and strengthening of cultural freedom and diversity, conflict prevention and reconciliation work, democracy and human rights and social, economic and environmental development.

PURPOSE COMPLIANCE 2010

General 2010

Operations have developed over the years and been adapted to changing circumstances in the Western Balkan countries where the Foundation's principal operations have been based since 1995. Given the nature of the mainly long-term character of programs and projects lasting several years, major changes and results are not always apparent from year to year. However, in 2010 we can point to a number of successes and results which are presented in this directors' report.

Our objective to promote peace and reconciliation is evident in our projects where people who were previously separated come together to work in both constructive and challenging activities and assignments. We operate at several levels by working directly with capacity development for museum staff and other cultural heritage organisations, while we rely on local businesses, work together with local and national authorities and with international and local aid agencies.

Country-specific activities have continued in Kosovo, Serbia and Albania, through projects like the restoration of historically and culturally significant buildings, various types of training in cultural heritage-related issues and support for urban and development plans to ensure that cultural heritage issues are identified in these. In addition, the Foundation has been supporting three regional networks since 2006; one that seeks to promote the development of museums into becoming more democratic and creative institutions, *Balkan Museum*; one to strengthen non-governmental organisations in the Balkans working with heritage issues, *SEE Heritag*;; and one for education in particular through regional restoration camps in the world heritage site of Gjirokastra in Albania.

When the new Chair, Christina von Arbin, and new Director General, Margaret Husén were appointed at the beginning of the year, a development plan was initiated with particular attention paid to future strategic issues. This work has included a review of the organization's vision and mission and how these should be formulated and communicated to the general public, partners and donors. The strategy work has involved the Board, headquarters and staff in the three field offices in the Balkans. As part of this work, a communications strategy and new information material will also be developed to publicise the mission of the Foundation.

The strategy and information work is an important part of a more conscious effort for geographical and financial expansion. The Foundation's work in the Balkans has evolved and expanded over the 15 years since Cultural Heritage without Borders was founded in accordance with the development of the Western Balkan countries and their rapprochement with the European Union. However, there is still a lot to contribute in this region which is why the work of the Foundation is expected to continue there for several more years. We also see a great need for our services elsewhere in the world. In 2010, feasibility studies and minor projects were implemented in India with The Tibet Museum in Dharamsala, and in Turkey to assess the options for working with dialogue and minorities. A visit was also made to Afghanistan to review potential partnerships with museums in an effort to promote and safeguard cultural heritage in the conflicted situation that prevails there. A few more contacts have been initiated to explore interests and partners. A couple of new donors have announced grants for the Foundation for 2011.

A concrete and encouraging result of our operations was highlighted in *Småland Academy Prize to Hammarskjöld's memory* that was awarded to Cultural Heritage without Borders in November 2010 "... for the promotion of mankind's cultural heritage through efforts for the restoration of cultural monuments in the former Yugoslavia. Through its work, Cultural Heritage without Borders has shown that efforts to preserve and develop cultural environments can promote reconciliation and strengthen the pride and identity of people. Cultural heritage issues have their given place in the development of states built on peace and human rights".

Ongoing and completed projects and other activities, Western Balkans

Operations as a whole have progressed well in 2010 and there have been no significant deviations from the plan. A certain focus of operations will result in some projects being completed during the year, especially in Kosovo.

Regional cooperation

The Foundation's support to the regional network *SEE Heritage* is coming to an end. SEE Heritage was formed on the initiative of the Foundation in 2006 by 12 non-governmental heritage organisations. The organizations work together to generate interest and knowledge about cultural heritage among the general public, and also serve as a watch dog putting pressure on authorities when valuable cultural heritage sites are being neglected. Several initiatives were taken in 2010 to stop illegal construction on cultural heritage sites around the region. The network was particularly successful in drawing attention to and preventing such an action at the Novi Sads fortress in Serbia. In addition, the network also succeeded in influencing the development plan for Boka Kotorska ensuring the protection of valuable cultural heritage sites included in the affected part of Montenegro. The network has become very active over the years and has grown into 24 organisations in seven countries in the Western Balkans. An office has also been established in Kotor, Montenegro. As it has expanded, the potency of the network has grown and the first external financial contribution has been granted to SEE Heritage. 2011 is scheduled to be the last year with grants from Cultural Heritage without Borders.

Over the year, the *regional museum network* has planned and prepared exhibitions with the common theme *1 +1 Life and Love* to be opened simultaneously on March 11, 2011 in all the eleven museums in six countries participating in the network. The project will also include a travelling exhibition. The 1+1 Life and Love exhibition is unique in its kind and has the overall goal to demonstrate the ability to work creatively together across borders by taking specific steps towards peace and reconciliation. Under the all-encompassing title of 1+1 Life and Love, each museum has designed their own exhibition to be presented in conjunction with the others in a joint exhibition catalogue. Their own objects include everything from contemporary sculptures and cartoons to traditional embroideries and classical archaeology. The title 1+1: Life and Love reflects the museums' will to show the richness that their common cultural heritage and collections represent. 1+1 is a symbol for relationships, meetings and collaborations, and the concepts of Life and Love are universal that unite us all. The exhibition is the result of several years of collaboration in the network that has created both unwavering trust and mutual understanding. Over the year the museum network met twice to jointly plan the exhibition, from content to marketing as well as the practical issues. The group has convened in Shkodra, Albania and Sweden and will meet again in Kotor, Montenegro prior to the exhibition opening. The same day as the opening, the network's joint website will be launched which will include live broadcasts from the museums. Cultural Heritage without Borders has a mentoring and support role. In this *Sida-supported* program, Museum Gustavianum at Uppsala University as well as the National Historical Museum in Stockholm have been key partners. In January 2011 Swedish Radio's international cultural program *Kosmo* will broadcast a feature on this museum work and the joint exhibition 1+1 Life and Love.

The museum network that Cultural Heritage without Borders has developed within the framework of the *Sida-funded* activities in the Western Balkans is also the basis for the Greek *Stavros Niarchos Foundation* supported projects. The two components complement each other well. *Sida* and the *Stavros Niarchos Foundation* have roughly funded the museum network equally and therefore have taken significant steps towards both increased cooperation between the museums in the region and openness to the general public as well as improving accessibility for visiting children and adults.

The Stavros Niarchos Foundation grants have been used to make the eleven museums of the network more accessible for everyone. Changing attitudes and working practices have begun to change, and measures to identify and remove barriers for disabled visitors have been taken at the museums. A number of activities have been implemented over the years such as large-scale training initiatives for museum staff, preparation of various good examples and the provision of various aids and structural solutions for the museum buildings. The project has been aimed at improving the access to museums for children and adults with special needs.

The Foundation's museum coordinator Diana Walters article "Pushing the margins: improving access for women and disabled people in the Balkans" was published in the anthology 'The museum as actor and forum,' in a collaboration between *the National Historical Museum, the Swedish Institute, and the Swedish Embassy in Belgrade* among others.

In April 2010 the Foundation organised an international conference in Sarajevo entitled "*Centres and Peripheries in Ottoman Architecture: Rediscovering a Balkan Heritage*". The conference was a collaboration with the Faculty of Philosophy at the University of Sarajevo and had 17 speakers from various universities and institutions from cities such as Sarajevo, Istanbul, Venice, Ankara, Stockholm, Skopje, Bonn, Cambridge, Belgrade, Budapest and Birmingham. Some 100 people attended the conference specifically focused on the Balkans' cultural heritage in historical descriptions of European and Ottoman culture, which today are either absent or only marginally integrated. A publication from the conference will be completed in early 2011.

The Foundation has developed and published two reports on museum activities. One presents the museum network's general *Sida-funded* work. The second concerns the accessibility project funded by *The Stavros Niarchos Foundation*. These reports were sent out to contacts and donors just before the New Year together with an annual newsletter.

Albania

Some delay in the sensitive restoration work in the world heritage site of Gjirokastra in southern Albania can be observed due to dissatisfaction with the work executed by a domestic contractor. Views differ a lot in terms of quality and methods for restoration of historic buildings. In this case, another contractor may possibly replace the current one. However, a continuation of the restoration work in Gjirokastra during the coming year is planned.

Two restoration camps have been implemented during the year by the Foundation in Gjirokastra. These have not been affected by the delay in the restoration work. The camps have had a total of 70 students and young professionals from the Balkans in which Swedish and other international experts have participated. The operation has attracted media interest, not only in Albania but also by the radio stations Voice of America and Deutsche Welle. The restoration camps have been a success. It should be noted that it is critical to bring people together in this way in joint professional efforts on various levels of education, in order to continue to promote reconciliatory initiatives. This finding has become an increasingly topical example for us as prejudiced comments have been made against identified groups of people in one of the camps.

As the first university in Albania, the POLIS University in Tirana (International School of Architecture and Urban Development) has introduced restoration issues as part of the formal syllabus for their architectural courses after participating in some of the Foundation's arranged restoration camps. The plan is to, over the next few years, gradually take over the responsibility for these camps which are currently arranged twice a year in Gjirokastra.

An exhibition of Cultural Heritage without Borders' restoration and education work in the region opened in Tirana, Albania in April 2010 with the formal inauguration by senior representatives from the Ministry of Culture. The exhibition enjoyed extensive media coverage. At the same time the Foundation-funded Albanian translation of the book, *Management Guidelines for World Cultural Heritage Sites*, written by B. Feilden and J. Jokilehto was launched.

Serbia

Cultural Heritage without Borders operations in Serbia have been conducted together with the Serbian Republic Institute for Protection of Monuments where the work field has been to restore building roofs and thereby preserve the cultural heritage buildings that are in a critical state. The aim is to provide development opportunities and bring life to an area that might otherwise be depopulated. Cooperation with the restoration of the roofs over a number of wine cellars in the Negotin region has led to the entire Negotin complex of wine cellars now becoming a candidate for UNESCO's World Heritage List.

Kosovo

From having worked on several smaller projects, the Foundation's Kosovo office has chosen to focus efforts on fewer, and larger projects in 2010. This is in order to work more strategically and facilitate monitoring and reporting.

Operations in Kosovo in 2010 continued to focus on strengthening the cultural heritage's status in the municipal as well as regional and national development plans for urban and rural areas. This also means a focus on strengthening cultural heritage as part of the development of cultural tourism. Over the year, the Kosovo office has assisted seven municipalities to integrate cultural heritage into local development plans. Several institutions at both local and central levels have increased their

involvement and commitment to this work, which is a result of the Foundation's working strategies where participatory activities such as workshops, focus groups and seminars have been promoted and organised.

With a focus on cultural tourism, Cultural Heritage without Borders also supported the production of a tourist guide for the historical town of Prizren and its surrounding municipalities under the name of *Prizren in Your Pocket*. More than 4,000 guides have been printed and distributed, and opportunities for local communities to operate bed and breakfast hostels in the region have been looked into. In 2010 an organised bike ride also took place throughout Kosovo. Tour de Culture gathered over 200 participants from Kosovo and several European countries in order to experience Kosovo's rich cultural heritage in a healthy and environmentally friendly way.

Operations in Kosovo have also focused on gender equality and have encouraged women's organisations participating in various activities including the development of cultural tourism in the country. In the latter case, they have a particularly strong role as a driving force for bed and breakfast hostels, and for the maintenance and operation of traditional stone houses known as *kullas*. After the restoration supported by the Foundation, these *kullas* now serve as working premises for a range of purposes and target groups. This female entrepreneurship contributes to women's opportunities for self-support and enhances their roles, knowledge and position in society.

EU contributions to several of the Foundation's projects in Kosovo are an important complement to the *Sida-supported* activities. EU funding is provided, among other things, for the promotion of tourism and to develop a regional institution for education in cultural heritage issues. Through the EU/Council of Europe, the Foundation has received grants for the enhancement of cultural diversity in the interaction between non-governmental organisations and different institutions.

One of the main objectives of the operation in Kosovo is to promote reconciliation and reconstruction of societies after the war. With special assistance funds from *Sida* targeted at minorities and the Serb enclaves, a number of initiatives have been undertaken by the Foundation over the past three years. These were concluded in 2010 but a further development of this activity is planned in the future. Below is a graphic of these projects.

In 2010, a major activity in the divided town of Mitrovica in northern Kosovo on the Serbian border was arranged. The local "community" building was renovated and hosted the conference *The Forum for Cities in Transition*. Participants were not only Albanian and Serbian local residents, but included several representatives from organisations and businesses with similar situations such as Israel, Cyprus and Ireland. After the conference, several local associations used the building to arrange events like science fairs and theatre productions for both young and old. The two organisers of the conference, a Kosovo Albanian and a Kosovo Serb, were each awarded a scholarship to study at the University of Massachusetts, Boston USA, for one year beginning in the autumn of 2011. The idea is that following their studies they will return to Mitrovica with the necessary knowledge in order to pass on to, and benefit the whole society.

Velika Hoca is a Serbian enclave that is embedded into a Kosovo Albanian district in Southern Kosovo. Here, the Foundation's enduring commitment over five years of work with groups from different cultural and religious backgrounds yielded major results of significance. A project has recently been completed in which traditional private houses have been restored in order for residents to be able to offer bed and breakfast accommodation to tourists and other visitors. The collaboration between local authorities and Cultural Heritage without Borders staff from Kosovo have led to the restoration of Serbian monuments and historic buildings that now function as art galleries and Internet café principally for young people. In 2005, Velika Hoca was a closed and distrustful enclave. In 2010, Velika Hoca has opened up to its surroundings and the peripheral Kosovo Albanian villages and enjoys many kinds of visitors. Another positive result of this is that about 60 % of the inhabitants of

the enclave voted in the general elections in Kosovo. Work in Velika Hoca and other parts of the Foundation's operations have been highlighted in the media in Kosovo.

The bell tower in the town of Rahovec/Orahovac has not only been renovated in 2010, but after 50 years without a functioning clock, has now been equipped with a new one. This is a result of a collaboration across borders, where people with different backgrounds have worked together and made use of traditional techniques and materials to rebuild a cultural heritage of importance to the whole community.

At the end of the year, what is known as a Visioning Workshop was organised in Gracanica, a municipality with a Serbian majority, and famous for its monastery which is on UNESCO's World Heritage List. As an initial step to begin to formulate a development plan for the municipality, citizens were invited to discuss and share their thoughts and opinions about the municipality, and discuss the future and how Gracanica could be improved for everyone.

Other

Presentation of our operations in Sweden

When the Foundation was awarded the Småland Academy Prize to Dag Hammarskjöld's memory, our operations were presented and showcased in a number of ways.

In November 2010, Sida organised a meeting in Stockholm on local ownership and human rights in the Western Balkan countries to draw lessons from these issues. Cultural Heritage without Borders was one of four organisations presenting such lessons which were then also summarised on Sida's website.

At the Swedish UNESCO Council conference "*Once the ink has dried. What do we do now?*" in December 2010, the Foundation's regional coordinator Lejla Hadzic presented experiences from the World Heritage Convention based on our restoration work in Gjirokastra and how an organisation like Cultural Heritage without Borders can influence local and national authorities to take greater responsibility.

Operations outside the Western Balkans

Resources have been added over the year to widen the Foundation's geographic and economic plan outside the Balkans. This included a seminar which was held in Tur Abdin, south-eastern Turkey, in October 2010 in cooperation with the Friends of St Lazarus Monastery in Gothenburg. The seminar was funded by the *Swedish General Consulate in Istanbul* and was designed to develop a plan for the monastery's conservation and possible function as a dialogue centre. Meetings were held with international and local experts, locally committed organisations and individuals as well as museums, government agencies, universities and associations from both the field and various countries in Europe. Following visits and discussions, the recommendation was that the monastery would not undergo any major restoration, but rather needed a stabilising preservation project, and the work should be directed towards a broader dialogue platform to promote reconciliation and meetings between different groups living in the area and to visitors from different countries. A further development of the project requires skilled local partners - an investigative process that may be developed further in 2011.

In 2010, a museum project was initiated in cooperation with the Tibet Museum in Dharamsala, India where there is an urgent need to preserve the museum's extensive photo archive. The archive's more than 27,000 photos are slowly being destroyed because of substandard archiving possibilities, which in turn is due to inadequate knowledge and limited financial resources. A feasibility study was conducted in 2010 which formed the basis for a situation report and project application being

produced. These will now be used as a platform for seeking financial assistance for the project in 2011.

Two trips to Afghanistan have been undertaken to investigate a possible future role in the work on the National Museum in Kabul. Potential partners have been identified and discussions have been initiated which will continue in 2011. However, one difficulty is the security situation in the country.

In addition, a number of potential collaborative projects outside the Balkans are currently being explored.

Collaborations with other organisations/funders

Sida is Cultural Heritage without Borders' main funder and partner. With the available provision from 2009, *Sida*'s contribution in 2010 was almost SEK 11 million, which represents about two-thirds of the Foundation's total assistance efforts over the year. The multi-annual contracts that the Foundation has with *Sida* apply to regional and country-specific activities in the Western Balkans and run until December 31, 2011. The cooperation with *Sida* is constructive and rewarding, yielding results related to work with reconciliation, human rights, economic development and EU integration. During the latter part of 2010, talks began on a new application from the Foundation to *Sida* for continued support for operations in the Balkans over the 2012 – 2015 period. This application was submitted to *Sida* in May 2011.

The agreement with the Greek *Stavros Niarchos Foundation* has included EUR 345,000 over the period 2007 – 2010 for regional museum cooperation in the Western Balkans. It expired in December 2010 and a new application for continued support for the important accessibility issues at the museums was submitted to the *Niarchos Foundation* in early 2011.

The EU and the *US* and *Dutch embassies* contribute to a number of earmarked projects, including those in the Balkans. In cooperation with the French *Patrimoine sans Frontières*, funded by *UNESCO*, the Foundation has restored the Orthodox Church of St. Savior in Prizren, Kosovo.

New partners for 2011 are the Swiss architectural heritage organisation *Swiss Heritage Society* and English *Headley Trust* Foundation in London, which will be supporting the development of cultural tourism projects in Kosovo and the restoration of a hamam in Albania. It is the first time that the *Swiss Heritage Society* has been involved in a project outside of Switzerland.

In addition, domestic authorities and organisations in the Western Balkans are funding additional elements of the activities that the Foundation carries out together with them.

As in previous years, the *Swedish National Heritage Board* has provided support to the Foundation's outreach activities. The contribution for 2010 amounted to SEK 125,000.

The *Swedish General Consulate* in Istanbul allocated SEK 150,000 for a planned seminar on the St. Lazarus Monastery "Tur Abdin" in south-eastern Turkey in December 2009. The seminar was held in October 2010. The Foundation paid for both the preparation work and part of the seminar with its own resources. The general consulate responded positively to the request for continued support.

Own funds have also been used for the situation report at the Tibet Museum in Dharamsala, India and the feasibility study in Afghanistan.

A list of Cultural Heritage without Borders' projects and programs in 2010 can be found on pages 14 – 15.

EXTERNAL IMPACTING FACTORS

Cultural heritage issues are often politically charged. This is also the case in the Western Balkans, where relations are sensitive. However, we note that by adopting a receptive, creative and persevering approach one can achieve results even in situations like these. The regional networks have therefore grown in strength and participants collaborate actively in joint activities. This applies to the now 24 non-governmental organisations that are members of *SEE Heritage* and the 11 museums that formed the *Balkans Museum network*. The same is true for the extremely difficult partnership that started in the Serb enclave of Velika Hoca in Kosovo, which in 2005 was a closed place, but which has now opened up for both domestic and foreign visitors.

In Afghanistan the security situation affects our ability to take action. Discussions have begun on the comprehensive needs of the National Museum in Kabul in which the Foundation could assist with various forms of capacity building. However, the security situation in the country is of crucial importance for being able to carry out the work even in Kabul. The Foundation is monitoring the situation and is expected to take a decision in the first half of 2011.

RISKS

Political and security risks

Cultural Heritage without Borders operates in conflict and post conflict countries which are associated with both political and security risks. Our preparations for, and implementation of, projects is often affected by unpredictable events in the country. Long time projects can be overturned by political change or a deterioration in security. Corruption flourishes too often in this type of environment meaning that there is a risk that constantly needs to be highlighted in order to be countered.

Project risks

The volume of the Foundation's initiatives and activities fluctuates over time. This is partly because we work in countries exposed to risks, but also the funders have different orientations and the length of the contracts that they want to enter into is also a factor.

The nature of the Foundation's projects is sometimes such that the financial magnitude is difficult to calculate when the contracts are to be signed, which means there is a risk of financial loss. Fluctuations in exchange rates can contribute to some uncertainty, sometimes to our advantage and sometimes to our disadvantage. To ensure endurance and the ability to cope with the different types of risks facing the Foundation in its ongoing activities and still have room to explore and develop new projects, it is of utmost importance that the Foundation's equity can grow in line with the operations and thereby can contribute to long-term stability.

ORGANISATION AND ADMINISTRATION

In September 2010, a major organisational seminar was held in Prizren, Kosovo, which brought together the Board and all the offices both in the Balkans and Sweden. The purpose was to discuss the Foundation's vision and mission and to develop new working methods with respect to current project planning primarily ahead of the new Sida application, but also to attract new donors. The seminar included presentations by the various operations throughout the Western Balkans, project visits and more interactive exercises regarding upcoming project planning.

The Foundation's server and thereby all the computers in the office and field offices were affected by a serious crash at the end of the year. Substantial resources were spent on recovering information and improving data security.

Offices

The office continued to rent premises in the building at Sabbatsbergsvägen 6 in 2010. Swedish ICOMOS and Circonova are sub-tenants to Cultural Heritage without Borders.

Cultural Heritage without Borders local offices in the Western Balkans

In late 2009 the Foundation established an office in Tirana, Albania as a base for conducting local operations. In 2010, this office expanded and now has four employees. Lejla Hadzic, manager of the regional office in Sarajevo, is now also responsible for the operations in Albania.

The office in Sarajevo is responsible for Cultural Heritage without Borders' regional operations in the Western Balkans and for certain publications. However, the plan is that this office will close in late 2011 because much of the work will be taken over by the regional networks, particularly non-governmental organisations, SEE Heritage. The office in Albania where the regional coordinator is located will have continued responsibility for regional operations and for Serbia.

The Foundation's office in Kosovo has grown in terms of staff and capacity since it opened, almost ten years ago. Operations have also expanded considerably.

BOARD OF DIRECTORS, AUDITORS AND STAFF

The Board had the following composition in 2010:

- Christina von Arbin, Chair, elected by the Board, (started in April 2010)
- Andreas Heymowski, vice Chair elected by the Board
- Johan Martelius, Secretary (until September 2010), appointed by the Swedish Association of Architects
- Lena Hejll, Secretary (from September 2010) appointed by ICOM
- Sven-Erik Köhlin, Treasurer, elected by the Board
- Karin Schibbye, appointed by the Swedish National Heritage Board
- Ing-Marie Munktell, appointed by ICOM
- Malin Myrin appointed by ICOMOS
- Hanna Gårdstedt appointed by ICOMOS

As the Foundation's former Chair Andrew Ådahl regrettably passed away, Andreas Heymowski held the office of Chair up until the current Chair Christina von Arbin took office.

Margareta Biörnstad and Bengt O.H. Johansson have been co-opted to the Board as honorary members.

In 2010 the Board met on January 28, March 26, June 17, September 9, and November 26. As in previous years, a presiding function was maintained through meetings with the Chair, Vice Chair, Secretary, Treasurer, Secretary, and the two former Chairs and honorary members, Margaret Biörnstad and Bengt O.H. Johansson.

The auditors have been chartered accountant Benny Wieweg, KPMG and architect Dick Lindberg, Swedish Association of Architects, formerly Swedish Architects Association (SAR). Benny Wieweg has also been appointed to be the office supervisor for the Foundation's postgiro account 90 14 04-4 for collections by Svensk Insamlingskontroll (*Sweden's Foundation for Fundraising Control*).

Sweden

At Cultural Heritage without Borders headquarters in Stockholm the following persons have been employed in 2010:

- Per-Arne Ströberg, (part time until March)
- Margareta Husén, (full time), the Director General from February
- Diana Walters, (part time), Museum Coordinator
- January Aleby, (part time), Architect and Project Manager for the Tur Abdin project
- Gunnel Almberg, (part time), Head of Finance
- Patric Moreno, (part time) Coordinator until September 2010
- Karin Båge (part time) Coordinator from August 2010

Kosovo/Pristina

At the local office in Pristina, Kosovo, the following persons have been employed:

- Sali Shoshi, (full time), Office Manager, Architect and Project Manager
- Sezair Gafurri, (full time) MSc, Project Manager
- Nol Binakaj, (full time), Architect, contracted employee
- Naim Uka, (full time) Financial Manager
- Enes Toska, (full time) Project Manager
- Ardita Dobroshi, (full time) Lawyer, Administrator
- Liburna Aliu, Architect, January - June 2010
- Nora Arapi, Assistant Project Manager, January - September 2010
- Senat Haliti, Architect, Designer and Web Administrator, January - September 2010
- Berat Osdautaj, Assistant Project Manager, January - December 2010
- Besart Dajqi, Architect, Assistant Project Manager, January - December 2010
- Bardha Meka, Assistant Project Manager, April - December 2010
- Miroslav Lukiq, Assistant Project Manager, May - October 2010
- Menor Pajaziti, Architect, June - December 2010
- Jehona Valla, Assistant Project Manager, July - December 2010
- Lan Bajrami, artisan, January - December 2010
- Muhamet Islamaj, artisan, January - December 2010

Bosnia-Herzegovina/Sarajevo

At the regional office in Sarajevo, Bosnia-Herzegovina the following persons have been employed:

- Lejla Hadzic, (50 %) Architect, Regional Coordinator
- Adisa Dinzo, (full time) Assistant Project Manager, Administrator

Albania/Tirana

At the local office in Tirana, Albania, the following persons have been employed

- Lejla Hadzic, (50 %) Architect, Regional Coordinator
- Boiken Abizo, (full time) for operations in Albania
- Elena Mamani, Architect
- Kreshnik Merxhani, Architect

GOVERNMENT GRANTS AND COLLECTION ACTIVITIES

The Foundation's operations are funded primarily with the support of *Sida*, *The Stavros Niarchos Foundation*, various *EU* programmes and contributions from some *embassies* in the Western Balkans.

Over the year the Foundation received SEK 15,940 from the general public. This amount includes contributions to the major earthquake in Haiti. Cultural Heritage without Borders called for an appeal to run an initiative together with the French sister organisation Patrimoine sans Frontières. Unfortunately it was not possible to implement this. After letters to the donors who made contributions for Haiti, the Foundation was able to retain collected funds for operations in the Balkans.

In 2010, Gåvofondsparandet (*gift fund*) has provided the Foundation with shares in Aktie-Ansvar at a market value of SEK 1,149.

Board members have, as with previous years, in addition to the Board's work provided extensive volunteer work for the Foundation, both in Sweden and abroad.

Other contributions have been reported above under "Collaborations with other organisations/funders."

IMPORTANT EVENTS AFTER BALANCE SHEET DATE

As the ongoing multi-year agreement with *Sida* expires on December 31, 2011, the Foundation will be presenting an application for continued support to the Foundation's regional and country-specific operations in the Balkans covering the period 2012 – 2015.

For the successful work to make museums in the Balkans more accessible for the disabled, the Foundation has applied for a continuation grant from *The Stavros Niarchos Foundation*.

Three applications for grants for projects in the Balkans have been submitted to the EU and the US Embassy in Pristina, Kosovo. Decisions from these are expected in the first half of 2011.

FUTURE DEVELOPMENTS

We see a continued major need in the Western Balkans and that our services there are needed for several years to come. During this time, we want to enhance and develop the skills and capabilities of the various partners in the region. The aim is that both non-governmental organisations and institutions will be able to use cultural heritage in their relevant activities for the promotion of human rights and social and economic development.

The above also applies to our field offices in the Balkans that have gone from having Swedish management to only local staff. A survey of the possibilities for the Kosovo office to create its own local organisation or enterprise has begun. This is another important step in building local expertise and ensuring the protection of cultural heritage issues even after the Foundation has left the Western Balkans.

The Foundation will continue to work for geographic diversification as there are many areas in need of this type of operation. Cooperation opportunities in Iraq, Afghanistan, Turkey, Tibet and Palestine are under examination. This preparatory work will demand Foundation resources, both human and financial. As it is not directly related to specific projects, there are no grants that will fund these preparations, which means they will be paid for from the Foundation's limited resources. This is a development process that will take time, but that will hopefully yield results in terms of new projects and new aid funding.

An important element in the development of partners and projects in new geographical areas is information about our organisation's work and experiences to date and how we envisage our future direction. Further work on our vision and our mission in 2011 as well as a communications strategy is vital.

LIST OF ALL CHwB PROJECTS AND THEIR EXPENDITURE 2010

Country	Project name	Project period	Contribution/Funder	CHwB Exp. 2010
Regional & Albania, Serbia, Kosovo, BiH	KuG - Sida agreement	2008-2011	SEK 33,722,000/ Sida incl. SEK 4,000,000 for New Swedish Initiative (enclave project, Kosovo)	SEK 10,907,470
Regional Western Balkans	Museum Education Project for Children and Adults with Special Needs	May 2007 - Feb 2011	€345,000/ The Stavros Niarchos Foundation	SEK 990,520
Regional Western Balkans	Conference: Rediscovering a Balkan Heritage - Centres and Peripheries in Ottoman Architecture.	2010	SEK 33,879/ CHwB and contribution to Andreas Ådahl's memory, former Chair of CHwB	SEK 72,364
Kosovo	Episcopal Building	2007-2010	€ 278,024/ EAR/EU	SEK 89,396
Kosovo	Municipal Development. Plan of Junik	2010-2011	€ 5,000/ Junik Municipality	SEK 35,457
Kosovo	European Heritage days	2010	€ 4,983.15/ Council of Europe	SEK 45,864
Kosovo	Design for Shuaip Pasha House in Prizren	2010	€ 5.800 / Prizren Municipality	SEK 9,651
Kosovo	Prizren in Your Pocket	2010	€ 1,200 / Dutch Embassy in Kosovo	SEK 5,575
Kosovo	Restoration of Church St. George	2010	€ 28,418/ Patrimoine sans Frontiers (UNESCO)	SEK 308,296
Kosovo	Kosovo Tour de Culture	2008-2010	€ 3,761.61/ YIHR*	SEK 33,840
Kosovo	Development of Regional Cultural Heritage Facility Center <i>Beledije</i> , Prizren	Oct 2010 - Oct 2012	€179,840/ European Commission, PHARE (EU/PEM)	SEK 44,657
Kosovo	Tourism Development Project 'See you in Dukagjini'	Nov 2010- Nov 2012	€438,322/ European Commission	SEK 1,795
Kosovo	Support to the promotion of cultural diversity in Kosovo	Sep 2010- Mar 2011	€18,520/ EU/Council of Europe	SEK 112,787
Kosovo	Emergency Conservation of Vushtrri's Castle	Aug 2010 - Aug 2011	\$ 53,870/ U.S. Embassy in Kosovo	SEK 6,658
Turkey	Seminar at St. Lazarus monastery	Jan 2010 - Feb 2011	SEK 150,000/ Swedish Consulate General in Istanbul + SEK 27,285 from CHwB	SEK 177,285
Turkey	Measurement of St. Lazarus monastery	2010	SEK 309,401/ funded by CHwB	SEK 176,258
Tibet/India	Investigating Tibet Museums Photo archive.	Oct - Nov 2010	SEK 20,219/ funded by CHwB	SEK 20,219
TOTAL				SEK 13,038,092

*Youth Initiative for Human Rights and Cultural Heritage without Borders

The total amount in this table does not match the income statement expenses for non-profit operations because of a different distribution method for the fund's own expenses and the allocation of the projects' financial items and other income.

MULTI-YEAR COMPARISON

The Foundation's economic development in brief

	2010	2009	2008	2007	2006
Revenue	13,816,854	13,984,049	12,780,552	10,962,389	13,396,575
Expenses	-13,181,267	-14,030,067	-13,176,937	-11,015,072	-13,496,096
Financial items	-116,982	-14,732	134,323	70,922	-97,138
Appropriations	8,369	66,044	75,392	83,235	214,318
Surplus/deficit for the year	526,974	5,294	-186,670	101,474	17,659

PROPOSED APPROPRIATION OF FOUNDATION SURPLUS

The Board decides that the unappropriated surplus (SEK):

balanced surplus	1,584,953
surplus for the year	526,974

is appropriated so that the amount

carried forward is	2,111,927 *)
--------------------	--------------

*) Of which 200,000 has been allocated for specific purpose funds. According to the resolution of the Board, the equivalent amount will be used to cover the cost of information and communication work in 2011.

The Foundation's profit and financial position are shown in the following income statement and balance sheet with additional disclosures.

Foundation Cultural Heritage without Borders
802401-1259

Please note: all figures are in Swedish Krona SEK

Income statement	Note	2010-01-01 2010-12-31	2009-01-01 2009-12-31
Organisation's revenues			
Contributions from the public	1	83 819	14 821
Contributions from gvmt agencies and organisation	1	2 707 786	3 066 596
Contributions from SIDA	1	10 907 470	10 809 057
Other income		116 630	92 430
Gift fund Aktie-Ansvar		1 149	1 145
		13 816 854	13 984 049
Organisation costs			
Fund raising costs, mailings to the public		-6 026	-2 200
Costs for non-profit operations	2, 3	-12 936 206	-13 808 547
Administrative expenses	4	-239 035	-219 320
		-13 181 267	-14 030 067
Results of operating activities		635 587	-46 018
Profit from financial investments			
Currency differences		-135 307	-84 112
Interest and similar income items		25 061	41 551
Interest costs and similar charges		-119	-1 320
Reversal, impairment of securities		0	32 595
Capital losses, impairment of securities		-6 617	-3 446
Profit after financial items		518 605	-60 750
Appropriations	5, 6	8 369	66 044
Surplus/deficit for the year		526 974	5 294

Foundation Cultural Heritage without Borders
802401-1259

Balance sheet	Note	2010-12-31	2009-12-31
ASSETS			
Non-current assets			
<i>Property, plant and equipment.</i>			
Machinery and equipment	3, 7	403 404	422 690
Total non-current assets		403 404	422 690
Current assets			
<i>Current receivables</i>			
Other receivables		94 449	0
Prepaid expenses and accrued revenue		67 700	67 700
		162 149	67 700
<i>Current investments</i>			
Other current investments	8	864 132	851 593
Cash and bank balances		5 693 526	5 270 122
Total current assets		6 719 807	6 189 415
Total assets		7 123 211	6 612 105

Foundation Cultural Heritage without Borders
802401-1259

Balance sheet	Note	2010-12-31	2009-12-31
EQUITY AND LIABILITIES			
Equity	11		
<i>Unrestricted equity</i>			
Donated capital		87 300	87 300
Retained surplus		1 384 953	1 579 659
Dedicated resources		200 000	0
Surplus for the year		526 974	5 294
		2 199 227	1 672 253
Total equity		2 199 227	1 672 253
Accumulated accelerated depreciation	6	0	8 369
Provisions			
Provision for future rem. to employee	9	0	231 441
Current liabilities			
Trade payables		140 936	15 667
Debt to SIDA and other agencies		4 151 952	4 171 301
Other liabilities		380 675	178 434
Accrued expenses and prepaid income	10	250 421	334 640
		4 923 984	4 700 042
Total equity and liabilities		7 123 211	6 612 105
Pledged assets		None	None
Contingent liabilities		None	None

Supplementary disclosures

Accounting and valuation principles

The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general advice.

The policies are unchanged from the previous year.

Receivables are recognised at the amounts expected to be received.

Other assets and liabilities are recognised at cost of acquisition, except where noted.

Income and expenses have been accrued using generally accepted accounting principles.

The revenue recognition, received contributions from SIDA and other donors, means that the income statement reports contributions as the amount corresponding to the year's expenses.

Received but unused contributions have been recognised in the balance sheet as current liabilities to the donors.

Notes

Note 1 Revenue from operations

Raised funds are distributed as follows

	2010	2009
The general public, collected via 90 account	15 940	14 821
Reserve contr from 2009, Andreas Ådahl's memory	37 879	0
Scholarship, Dag Hammarskjöld's memory	30 000	0
Total	83 819	14 821

External contributions were distributed as follows:

	2010	2009
SIDA	10 907 470	10 809 057
Other donors		
EU	671 207	208 281
The Stavros Niarchos Foundation	990 520	973 951
Swedish National Heritage Board	125 000	125 000
UNESCO	0	959 417
British Embassy	0	145 192
US Embassy	6 658	342 200
Municipality of Rahove	0	101 847
Council of Europe	158 651	0
Swedish Institute, Istanbul	150 000	0
Patrimoine sans frontière	308 295	0
Other donors	297 455	210 708
Total other contributions	2 707 786	3 066 596
Total contributions received	13 699 075	13 890 474

Note 2 Personnel, salaries, other allowances and social security contributions

Average number of employees

	2010	2009
Sweden, total employees	3	3
<i>Of which male</i>	<i>1</i>	<i>2</i>
Kosovo, total employees	17	17
<i>Of which male</i>	<i>14</i>	<i>13</i>
Bosnia, total employees (Regional Office Balkans)	2	3
<i>Of which male</i>	<i>0</i>	<i>1</i>
Albania, total employees	4	0
<i>Of which male</i>	<i>2</i>	<i>0</i>
Total employees	26	23
<i>Of which male</i>	<i>17</i>	<i>16</i>

Board directors and senior executives

	2010	2009
	Number at	Number at
	closing day	closing day
Board directors	9	8
<i>Of which male</i>	<i>3</i>	<i>3</i>
General secretary and other senior executives	3	3
<i>Of which male</i>	<i>1</i>	<i>2</i>

Salaries, other allowances and social security contributions

	2010	2009
Director General and Board	564 678	531 552
Other employees	3 205 366	3 165 654
Total salaries and benefits	3 770 044	3 697 206

Social security contributions

<i>of which pension costs</i>	<i>378 950</i>	<i>313 999</i>
-------------------------------	----------------	----------------

Remuneration paid to temporarily employed personnel in Kosovo for project work	550 305	461 999
Expenditure on pension costs for temporarily employed personnel in Kosovo for project work	67 671	72 759

Of the pension costs SEK 98 thousand (0 thousand) relate to the Foundation's Director General.

No remuneration has been paid to the Board

**Salaries and other remuneration by country
are as follows:**

	2010	2009
Sweden	1 294 471	1 195 718
Kosovo	1 929 962	2 088 740
Bosnia	253 980	412 748
Albania	291 631	0
Total	3 770 044	3 697 206

Note 3 Machinery and equipment

Accumulated cost of acquisition	2010	2009
Opening cost of acquisition	1 153 881	1 186 738
Purchases	157 717	148 374
Disposals	-226 008	-181 231
Closing accumulated cost of acquisition	1 085 590	1 153 881

Accumulated depreciation		
Opening depreciation	-731 191	-691 974
Depreciation for the year	-177 003	-214 648
Disposals	226 008	175 431
Closing accumulated depreciation	-682 186	-731 191

Closing carrying amount	403 404	422 690
--------------------------------	----------------	----------------

Note 4 Administrative expenses

Fees and expenses for auditors

Auditing assignments involve the examination of financial statements and accounting records and management's stewardship. Everything else is other assignments.

Audit fees in the income statement are divided into administrative costs and expenses regarding non-profit activities.

KPMG AB

	2010	2009
Audit assignments	98 125	105 750
Other assignments		6 250
	98 125	112 000

Note 5 Change in accelerated depreciation

	2010	2009
Accelerated depreciation equipment Kosovo and Bosnia	8 369	66 044
Total	8 369	66 044

Note 6 Accumulated accelerated depreciation

Accelerated depreciation is equivalent to the residual value according to plan that has been applied to fixed assets in Bosnia and Kosovo, to reflect the uncertainty regarding plant value. Changes in accelerated depreciation are recognised in appropriations in the income statement.

From 2007, the Foundation has made the assessment that the level of uncertainty has declined sufficiently that accelerated depreciation on fixed assets in Bosnia and Kosovo acquired in 2007, 2008, 2009 and 2010 is no longer necessary.

Note 7 Depreciation according to plan

Fixed assets are depreciated over their expected useful life.

The following depreciation rates apply:

Property, plant and equipment.

Machinery and equipment	20%	20%
-------------------------	-----	-----

Note 8 Shares and participations

	AktieAnsvar 2010	AktieAnsvar 2009
Opening balance	555 039	295 752
Purchased during the year	0	200 000
Dividend	17 370	25 547
Gifts	1 149	1 145
Impairment losses	0	0
Reversal of impairment	0	32 595
Total AktieAnsvar	573 558	555 039
Market value AktieAnsvar	841 980	671 889
	East Capital 2010	East Capital 2009
Opening balance	296 554	0
Purchased during the year	0	300 000
Dividend	637	0
Impairment losses	-6 617	-3 446
Total East Capital	290 574	296 554
Market value East Capital	348 653	322 488
Total shares and participations	864 132	851 593
Market value total shares and participations	1 190 633	994 377

Foundation Cultural Heritage without Borders
802401-1259

Note 9 Provisions

	2010	2009
Obligations future rem. to Director General	0	231 441

Note 10 Accrued expenses and prepaid income

	2010	2009
Special payroll tax	21 860	39 079
Estimated audit fees	112 000	125 000
Accrued salaries	19 206	0
Holiday pay	74 520	143 205
Accrued social security contributions	22 835	27 356
Total	250 421	334 640

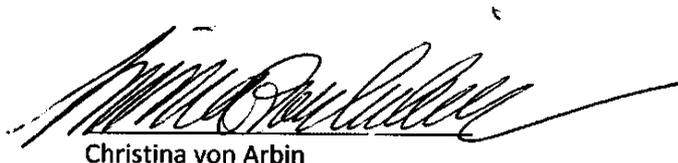
Note 11 Changes in equity

	Donations capital	Retained earnings	Dedicated resources	Profit/loss for the year
Opening balance	87 300	1 579 659	0	5 294
Appropriation of prior year results		5 294		-5 294
Allocation for dedicated resources		-200 000	200 000	
Profit/loss for the year				526 974
Closing balance	87 300	1 384 953	200 000	526 974

Stiftelsen Kulturarv utan Gränser

802401-1259

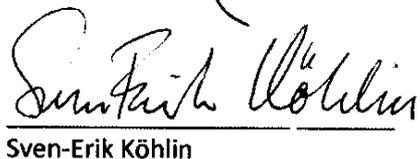
Stockholm den 16 juni 2011


Christina von Arbin

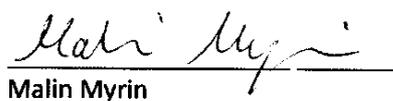

Karin Schibbye


Andreas Heymowski


Lena Hejll


Sven-Erik Köhlin


Ing-Marie Munktell


Malin Myrin


Johan Mårtelius

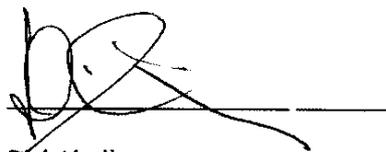

Hanna Gårdstedt

Vår revisionsberättelse har lämnats den 16 juni 2011

KPMG AB



Benny Wieweg
Auktoriserad revisor



Dick Lindberg
Förtroendevald revisor

Audit report

To the board of Cultural Heritage without Borders

Registered company number 802401-1259

We have reviewed the annual report, accounting records and administration by the board of directors for Cultural Heritage without Borders for 2010. The board is responsible for the financial statements and administration, and for ensuring that the annual report is prepared in accordance with the Swedish Annual Accounts Act. Our responsibility is to comment on the annual report and administration, on the basis of our audit.

Our audit has been carried out in accordance with generally accepted Swedish accounting standards. This means that we have planned and carried out our audit in order to assure ourselves to a high (but not absolute) degree that there are no material errors in the annual report. An audit involves reviewing a selection of the documentation relating to the figures and other information in the accounting documentation. An audit also involves testing the accounting principles and the board's application of these principles, assessing significant estimates made by the board in preparing the annual report, and evaluating the collated information within the annual report. We have reviewed significant decisions, measures and circumstances within the foundation in order to ascertain whether the members of the board could be liable to pay compensation to the foundation, whether there is cause for dismissal from office or whether the members of the board have in any other way acted in contravention of the Swedish Foundations Act or the Swedish Foundations Ordinance. We believe that our audit provides reasonable grounds for our opinions given below.

The annual report and has been prepared in accordance with the Swedish Annual Accounts Act, and presents an accurate view of the performance and financial position of the foundation based on generally accepted Swedish accounting standards. The board of directors' report is consistent with the rest of the annual report.

The members of the board have not acted in contravention of the Swedish Foundations Act or the Swedish Foundations Ordinance.

Stockholm, 16 June 2011

KPMG AB

Benny Wieweg
Authorised public accountant

Dick Lindberg
Elected auditor