



2005

ROOTS OF PEACE: GLOBAL PROJECTS AND FINANCIAL STATEMENTS

A NON-PROFIT HUMANITARIAN ORGANIZATION DEDICATED
TO THE ERADICATION OF LANDMINES AND REPLANTING-
REBUILDING IN WORN-TORN REGIONS OF THE WORLD.

2005 THE YEAR IN REVIEW

ROOTS OF PEACE IS NOW ACTIVE IN THREE OF THE MOST HEAVILY MINED COUNTRIES IN THE WORLD. RESTORING HOPE AND ECONOMIC PROSPERITY ONE SAFE STEP AT A TIME..

During 2005, Roots of Peace programs grew dramatically. Roots of Peace annual budget is now \$3.4 million, up from \$2.1 million. The overhead rate continues to drop and is expected to be 14.0% this year, down from 15.75%. The overall program funding grew 63%, led by our Afghan programs which grew in both scope and size, furthering our mission to replace the scourge of landmines with the nectar of fresh grapes in Afghanistan.

But the most important numbers relate to the impact for our programs. In Afghanistan, our programs directly helped over 100,000 grape and almond farmers and broadly impacted over 500,000 Afghan people. The introduction of basic viticulture methods, cold storage for fresh fruit and the historic export of refrigerated Afghan produce to eight countries—Russian, Ukraine, Saudi Arabia, Kuwait, India, Pakistan, Germany, and United Arab Emirates—were among Roots of Peace's many accomplishments. Our current on-farm trials have already surpassed our goal of doubling farmer income.


Our MINES TO VINES initiative continued along the panoramic Danube River near the city of Vukovar—once the frontline of the Serb/Croat war. Through a generous donation by Diane Disney Miller (daughter of Walt Disney,) Roots of Peace removed deadly minefields and restored the bountiful Roman vineyards of Ilok. All funds were matched by the International Trust Fund (ITF) funded by the U.S. Department of State. Croatian-

born vintner, Miljenko Grgich, continues to be a Roots of Peace advocate in the Napa Valley raising both funds and awareness for his homeland.

The African drum for funding is beating for Angola—the most heavily mined country on the African continent. Roots of Peace is grateful to the U.S. Department of State for providing lead funding, via a \$200,000 grant, enabling us to open an office in Luanda, Angola, to launch our new programs. Roots of Peace and World Vision have initiated a formal partnership to jointly raise funds and implement programs in the Huambo region of Angola. We will work collaboratively to open roads that are currently mined and develop agriculture, restoring dignity to farmers by helping them move from poverty to self-sufficiency, without the fear of landmines beneath their plow.

Giant footsteps forward in landmine removal were also taken, as Roots of Peace signed partnership with Conservation International. Elephants are another casualty of the Angolan civil war where an estimated 130,000 elephants, currently isolated in Botswana, have lost their traditional foraging lands in southeast Angola due to landmines. Traditional elephant rangeland will be restored only when these deadly seeds of terror are removed—creating pathways for peace.

Heidi Kuhn



ROOTS OF PEACE WAS FOUNDED TO RID THE WORLD OF LANDMINES BY TRANSFORMING TOXIC MINEFIELDS INTO THRIVING FARMLAND. LANDMINES NOT ONLY KILL AND MAIM INNOCENT LIVES BUT ALSO HAVE RIPPLING EFFECT IMPEDING A COUNTRY'S ECONOMIC RECOVERY AND DEVELOPMENT. LANDMINE REMOVAL IS THE FIRST STEP IN ROOTS OF PEACE'S BROADER MISSION OF RESTORING THE LIVELIHOOD OF AGRICULTURAL COMMUNITIES IN MINE-AFFECTED COUNTRIES. IN 2005, ROOTS OF PEACE HAD ACTIVE PROGRAMS IN AFGHANISTAN, ANGOLA AND CROATIA.

OUR DEMINE-REPLANT-REBUILD MODEL

RoP's innovative demine-replant-rebuild model offers a unique, holistic approach to restoring rural, agricultural communities to vitality and self-sufficiency in post-conflict war zones. Typically, demining and redevelopment are viewed and funded as separate, unrelated efforts, often prioritized on differing sets of needs. This lack of a coordinated approach severely restricts delivery of aid or redirects relief and development to mine-free areas, furthering the plight of poverty and dependence for populations in mine-affected areas. RoP has developed unique capabilities and partnerships to link members of the mine action and development communities and orchestrate programs that allows for a more rapid and comprehensive restoration of agricultural communities to stability and prosperity. Roots of Peace focuses on developing countries where agriculture is a fundamental industry and major source of employment. Our demining programs set out to clear landmines and remnants of war from farmland, related agricultural infrastructure, and transportation infrastructure to ensure access to markets. Our replant and rebuild programs typically have three major components - technical assistance to the farmers, assistance to the processors, and agricultural marketing. Working with expert horticultural and ag marketing experts, we select, crops based upon market demand and the ability for these farmers to meet that market

demand. All technical interventions are driven by the need to meet the market demand and maximize farmer income, benefiting large numbers of small-holder farmers and stimulating growth of "service and supply industries" such as trading, processing, ag input suppliers (fertilizers, seed, tools, etc.), distribution, and credit.

programs

AFGHANISTAN MINES TO VINES

Initiated Spring 2002

Funding from USAID and private donations

REVITALIZING THE GRAPE AND RAISIN INDUSTRY IN AFGHANISTAN

Roots of Peace has funded demining programs in the Shomali Plain region of Afghanistan since 2002. These efforts have removed over 100,000 landmines and unexploded ordinance cleared 40 vineyards, two major Parwan irrigation canals, and 40 local villages.

In 2004, Root of Peace launched a multi-year program to rebuild the grape and raisin industry. Our programs have completed two annual harvests of grapes and in 2005 expanded into pomegranates, almonds, raisins, and melons. Through its innovative demine-replant program Roots of Peace has transferred vital know-how to farmers; established table grape nursery systems, farmer business associations, and marketing groups; and created vital linkages between Afghan farmers and international markets.

Roots of Peace has completed many "firsts" in this program, including establishing the first "cold chain" in Afghanistan for the export of fresh produce. Other firsts include organizing the first governmental meetings between Afghanistan and Russia, Saudi Arabia, Kuwait, and Ukraine.

PENNIES FOR PEACE

Initiated Fall 2003

Funding from private donations

RETURNING CHILDHOOD TO AFGHAN KIDS

The Roots of Peace Penny Campaign, Making Change Work, is an annual student-to-student program inspiring students to organize their schools' student body to collect pennies and spare change for converting minefields into safe schools and playgrounds for kids in war-torn countries. The program engages students to look beyond their own borders with compassion to other nations who struggle to achieve peace and empowers students to take positive action to help those less fortunate. Founded by Heidi Kuhn, her teenaged daughter Kyleigh, and ABC 7/KGO TV News Anchor Cheryl Jennings in 2003, the annual campaign has involved more than 50 schools and raised over \$100,000 since its inception. The campaign has been lauded by Secretary General Kofi Annan, US Secretary of State Collin Powell, US Senators and Congress, Dr. Jane Goodall, and many others. Kyleigh was honored for her leadership by the Center for International Rehabilitation's Youth Leadership Award in 2004 and again by WANGO in 2005.

Pennies for Peace donations enabled Roots of Peace to fund a \$70,000 demining project to clear

a minefield next to Bajgah School (a remote village in the mountains in northern Afghanistan) where landmines threatened nearly 900 school children. The remaining funds were used to build soccer fields, purchase soccer equipment and make building infrastructure improvements at the boys' and girls' schools in Bagram, located in the Shomali, north of Kabul.

ANGOLA HARVESTING HOPE

Funded by US Dept of State and private donors

FULFILLING ANGOLA'S AGRICULTURAL POTENTIAL

Angola's central highlands have the agricultural potential to satisfy the nation's demands for basic foodstuffs, provide a surplus for export, and rapidly increase incomes for the rural population. Unfortunately, a protracted civil war sowed landmines across Angola's agricultural countryside, leaving much of it inaccessible. Roots of Peace is partnering with World Vision, an international Christian relief and development organization, to revitalize the agricultural economy in Angola. Roots of Peace expertise in clearing landmines and restoring vital roadways will help pave the way for Pro-Rural agricultural programs to farmers in rural communities. Roots of Peace will work in concert to help grow and market high-value crops for the export market.



Afghan grape farmer in his field (left), school kids near Pennies For Peace school project in Bagram, Afghanistan (right).

This innovative program promises to save lives, lift people out of abject poverty, and help them to become economically self-reliant. These are all vital steps in securing a lasting peace in Angola.

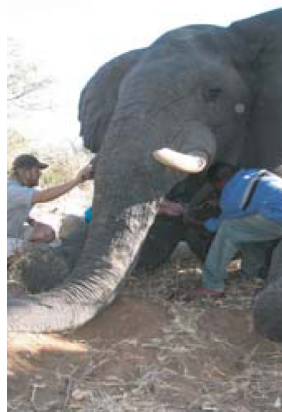
PATHWAYS FOR PEACE

Funded by private donors

RESTORING NATURE'S BALANCE IN ANGOLA

The elephants of northern Botswana make up the single largest surviving elephant population in the world. These elephants once used rangelands that were historically contiguous with northwestern Zimbabwe, the Caprivi Strip of northern Namibia, southeastern Angola and Zambia. Unfortunately, landmines sown during Angola's 26-year civil war have now made impassable traditional rangeland used by the elephants between northern Botswana and prime wildlife regions in southeastern Angola.

Roots of Peace and Conservation International are collaborating to reopen this rangeland—pathways of peace—in order to reduce elephant conflict with human populations, conserve wildlife, and stimulate much-needed economic development in southeastern Angola. Enabling southeastern Angola to develop ecotourism will stimulate and significantly improve quality of life in the region—both for people and for elephants.



CROATIA

Funded by US Dept of State and private donors

REBUILDING LIVES, RECLAIMING LOST HERITAGE

Since 1999, Roots of Peace has been turning mines to vines in war-torn regions of Croatia. Roots of Peace has supported projects in Dragalic, Bebinge, Èista Mala, Èista Velika, Ilok, and Karlovac. In collaboration with the International Trust Fund of Slovenia, U.S. State Department, Adopt-a-Mine-field, and the Croatian government's demining organization (CROMAC) Roots of Peace has initiated numerous demining and rebuilding projects in Croatia.

In 2005, Roots of Peace started funded demining of vineyards in the town of Ilok, a grape-growing region just south of Vukovar, on the Danube River. Ilok witnessed some of the most intense fighting of the Croat-Serbian war: Towns and cities along this border region were leveled and heavily mined.

Demining efforts at Ilok will continue into the spring of 2006. The US Department of State and the Austrian Government matched Roots of Peace funds to clear the adjacent vineyards, enabling Roots of Peace to leverage \$400,000 for demining projects. The grape growers and winemakers in this region are in the process of reclaiming their vineyards and restarting their wineries. Some of

the best Croatian white wines came from this region—and will do so again in the future.



directors and key staff



MANAGING DIRECTORS

Heidi Kühn, Chairwoman
Chief Executive Officer
Roots of Peace

Diane Baker
Director of Motion Pictures
Academy of Art University, San Francisco

Marguerite Blanchard President & CEO San
Francisco School Alliance

Chris Benzinger
President, Owner
Benzinger Family Winery

Noel Brown
Director (former)
United Nations Environmental Programs

Edwin Epstein
University of California, Berkeley Professor
Emeritus Haas Business and Public Policy
Group Chair, Peace and Conflict Studies
Group Major, International Studies

Jan Harke
Clinton Global Initiatives
Tor Kenward
Senior Vice President Beringer Blass Wine
Owner, TOR Kenward Family Wines

Gary Kühn
Executive Director
Roots of Peace

Anne Laurence
President
Red Cross, Marin County

Jody Williams
Ambassador, International Campaign
to Ban Landmines
Nobel Peace Prize Laureate

KEY STAFF

United States of America

Heidi Kühn, Founder & Chief Executive
Gary Kühn, Executive Director
Mitra Mavadaat, Financial Director
Lynn Davison, Field Programs
Jennifer Fleisch, Operations

Afghanistan

J. D. Zach Lea PhD, Country Manager
Jean-Pierre Detry PhD, Lead Extension
Advisor
Guy Ewald, Chief of Party - Kandahar
Saleem Mohammed, Financial Manager
Sherzai Nasruddin, National Extension
Manager

Angola

Gerry McGahan, Chief of Party - Angola

KEY PARTNERS & FUNDING

Agland Investment Services
Chemonics International
Conservation International
Croatian Mine Action Center
Global Partnership For Afghanistan
Grgich Hills Cellars
Halo Trust
Islamic Republic of Afghanistan
International Fertilizer Development
Corp.
Mines Action Group
UN Mine Action Center Afghanistan
UN Mine Action Service
US Agency for International Development
United States Dept of State,
Office of Weapons Removal and Abatement
University of California, Davis,
World Vision South Africa
World Vision International

Restoring Communities



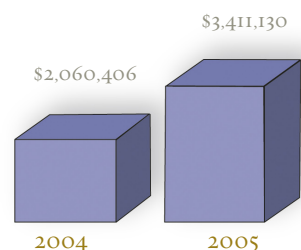
financials

STATEMENT OF FINANCIAL POSITION

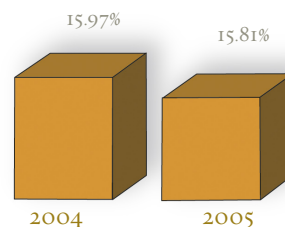
For the year ended December 31

	2005	2004
ASSETS		
Cash	\$ 614,001	\$ 137,426
Accounts Receivable	\$ 60,000	\$ 906,938
Prepaid Expenses	\$ 400	\$ -
Total Assets	<u>\$ 674,401</u>	<u>\$ 1,044,364</u>
LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 515,800	\$ 892,231
Accrued Liabilities	\$ 60,293	\$ -
Deferred Revenue	\$ 152,543	\$ -
Loan	\$ -	\$ 87,010
Total Liabilities	<u>\$ 728,636</u>	<u>\$ 979,241</u>
NET ASSETS		
Unrestricted	\$ (54,235)	\$ 65,123
Total Net Assets	<u>\$ (54,235)</u>	<u>\$ 65,123</u>
Total Liabilities and Net Assets	<u>\$ 674,401</u>	<u>\$ 1,044,364</u>

TOTAL FUNDING UP 66%



OPERATIONS OVERHEAD DOWN 0.16%



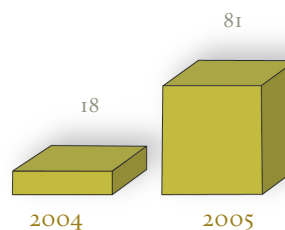
STATEMENT OF ACTIVITIES

For the year ended December 31

REVENUE AND SUPPORT

Contract & Grant Revenue	\$ 3,080,378	\$ 1,684,139
Contributions	\$ 305,679	\$ 375,124
Interest Income	\$ 5,073	\$ 1,143
Other Income	\$ 20,000	\$ -
Total Revenue & Support	<u>\$ 3,411,130</u>	<u>\$ 2,060,406</u>

EMPLOYEES UP 63 EMPLOYEES



EXPENSES

Program Services	\$ 2,926,894	\$ 1,707,910
Management & General	\$ 328,237	\$ 183,649
Fundraising	\$ 221,440	\$ 140,840
Total Expenses	<u>\$ 3,476,571</u>	<u>\$ 2,032,398</u>

NET ASSETS

Change in Net Assets	\$ (65,441)	\$ 28,008
Net Assets, Beginning of Year	\$ 11,206	\$ (16,802)
Net Assets, End of Year	<u>\$ (54,235)</u>	<u>\$ 11,206</u>

