



Roots of Peace
Annual Report 2009

A non-profit humanitarian organization dedicated to
the eradication of landmines, replanting of crops, and
rebuilding of communities in war-torn regions of the world.





Roots of Peace Annual Report 2009

Roots of Peace (ROP) is dedicated to ridding the world of landmines and transforming minefields into thriving farmland. Landmines not only kill and maim innocent people but also impede a country's economic recovery and development. Landmine removal is the first step in ROP's mission to restore the livelihood of agricultural communities in mine-affected countries. Since 1997, RoP has worked in eight countries: Afghanistan, Angola, Bosnia-Herzegovina, Cambodia, Croatia, Iraq, the Kyrgyz Republic, Vietnam and West Bank. In 2009, RoP had active programs in Afghanistan, Croatia and Vietnam.



Anne

Somali Rain 2009

The Year in Review

2009

Roots of Peace (ROP) continued our replanting programs in Afghanistan with nine replanting programs and our ROP Penny Campaign school construction. During the year we completed our most recent replanting program in Croatia and initiated demine and replant activities in Viet Nam.

ROP ended the year with 11 programs worth \$29 million in funded programs in Afghanistan and Viet Nam. Program revenues were slightly down for the year as compared with 2008. Program revenues were \$4.8 million, down 4%.

ROP is expanding our agricultural activities beyond the perennial crops and products. Our replanting programs are now supporting work with perennial crops (orchards and vineyards), annual crops (vegetable, fodder and grain crops), livestock, carpet production and forestry.

Afghanistan continues to be our main focus of program activities. ROP has one project in Croatia and one just starting in Viet Nam. The programs are focused on improving entire value chains, including work with production, processing and marketing. By considering the entire value chain, we can work from farm to fork and have sustainable impact.

ROP extension teams have worked directly with more than 35,000 farmers. In Afghanistan we continue to plant hope in the form of fruit trees. By the end of the year, ROP had planted over 1.5 million fruit trees establishing over 6,000 new orchards for small rural farmers

Each orchard will increase the farmer's income 2-4 times when the fruit trees mature. ROP works with the farmers on production, and processors and traders on post harvest and marketing activities.

We continue our steady growth within Afghanistan and have initiated programs in post-conflict countries in South-east Asia. ROP has initiated our replanting programs in the Southern Province of Binh Phuoc with cacao planting and are evaluating programs to remove unexploded bombs in Quang Tri Province (former DMZ area). Thirty five years after the war has ended in Vietnam, there are still 3.5 million landmines and 300,000 tons of unexploded ordnance

ROP's efforts have contributed to the stabilization of 7 countries after prolonged conflict. Our focus on economic and social systems has yielded successes in very trying circumstances. We thank all our donors, partners and most of all, our dedicated team of employees. Thank you all for your support and efforts to improve the plight of those who have suffered many years of conflict.


Heidi Kuhn
Founder & CEO


Gary Kuhn
Executive Director



Newly planted fields

August 2010



A weeks harvest

June 2008

Our Demine-Replant-Rebuild Model

The innovative demine-replant-rebuild model of RoP offers a comprehensive approach to restoring rural agricultural communities to economic self-sufficiency. RoP focuses on post-conflict countries where agriculture is a fundamental industry and major source of employment. Our demining programs clear landmines and remnants of war from fertile farmlands, agricultural infrastructure, and routes to markets so farmers can work their fields, process their crops, and sell their produce safely.



A morning's harvest

August 2010

Our replant and rebuild programs provide technical assistance to farmers and processors, helping them meet the demands of local, regional, and international markets in order to maximize their income. This benefits large numbers of small-holder farmers while stimulating service and supply industries such as trading, credit, processing, distribution, and agricultural input suppliers.

Roots of Peace Programs 2009



ROOTS OF PEACE

Afghanistan

orchards/exports/carpets/potatoes/oils

ROP's focus in Afghanistan is to improve the economic situation of as many Afghan farmers as possible. Our targets are to double net income within 4 years. By the end of 2009, ROP was working directly with over 35,000 farmers, weavers, spinners, traders and processors. We are adding an additional 26,000 farmers in 2010.

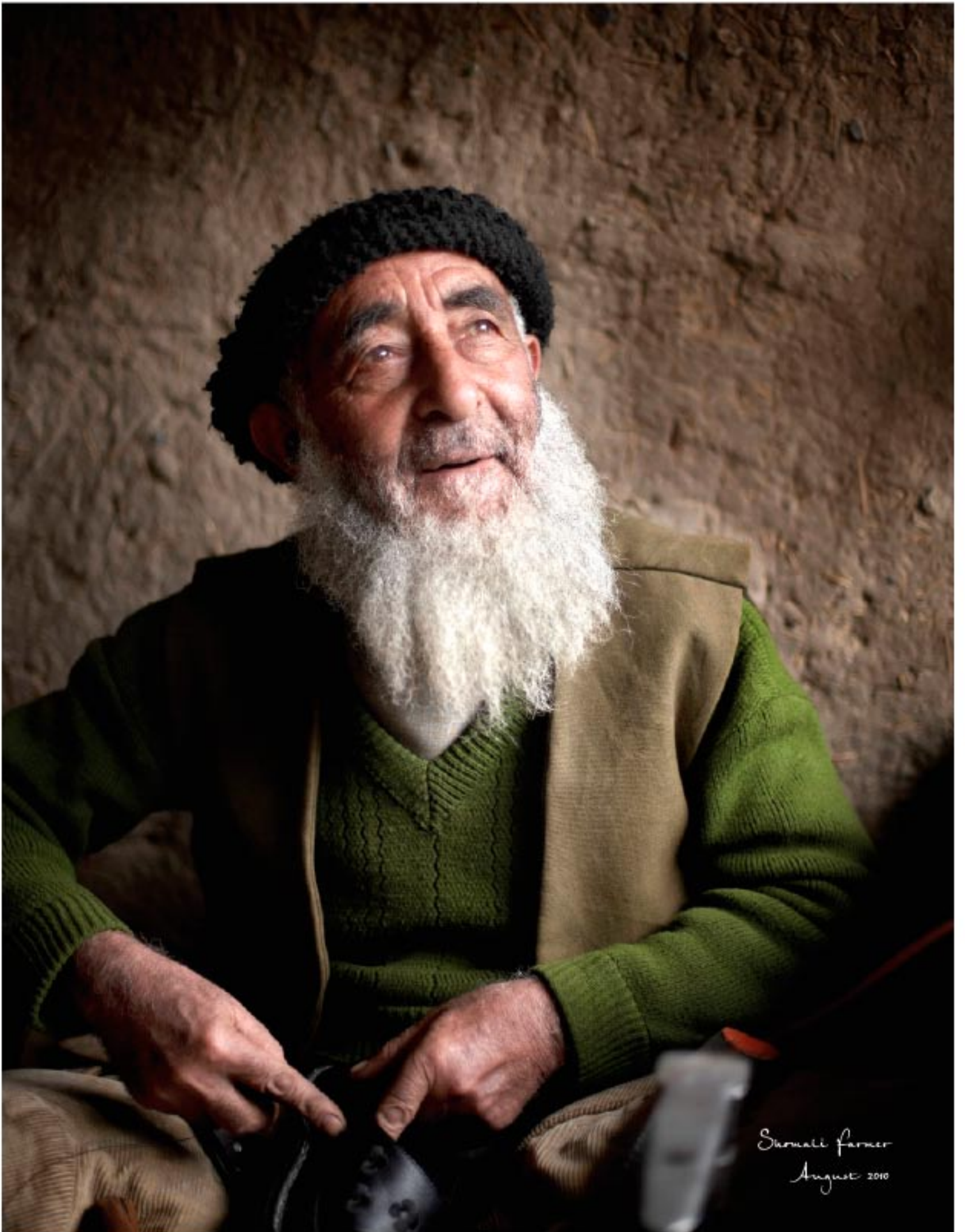
ORCHARDS | Funding from USDA, World Bank, USAID,
U.S. Dept. of Defense, European Community

ROP has analyzed the different economic alternatives for Afghans living in rural regions. We evaluated grain crops, livestock, poppies, vegetables and perennial crops. Our conclusions were that perennial crops held the most promise.

Afghanistan is blessed with an ideal climate for perennial crops, similar to the central valley of California. Grapes, almonds, walnuts, cherries, apples, plums and many others thrive in this dry climate with snow-fed rivers for irrigation. Fresh grapes, almonds, apricots and pomegranates are the top crops currently grown. There are over 300,000 grape growers in Afghanistan. ROP found that if these crops are cultivated properly, they will provide an income 2-4 times that of the grain crops many farmers grow and far exceed income from opium.

ROP started our orchard planting programs in 2006 and have planted over 2 million fruit and nut trees in Northern and Eastern Afghanistan. Our programs now have expanded to Central and Southern Regions of the country with plans for planting an additional 3.5 million trees.

New orchards planted will increase average
income for small rural farmers from below \$1,000 per year to over \$3,500.



*Shomali farmer
August 2010*



Carpet Seller in Bamyan

August 2010



EXPORTS | Funding from USDA, USAID, World Bank, European Community

ROP has been working to increase yields and plant new orchards and vineyards throughout Afghanistan. In addition to this work to increase production, we are working to support improved processing and value add for the Afghan products and connect these products with larger markets in India, the Gulf States and Europe. ROP has pioneered new trade corridors from Afghanistan to India, Dubai, Moscow and Kiev. We now have export programs to markets throughout Central and South Asia and the Middle East. To meet the quality standards for these more advanced markets, ROP trains Afghan traders on improved post-harvest techniques, packaging and has established the first cold chain in Afghanistan.

CARPETS | Funding from Asian Development Bank

ROP teams work with all aspects of carpets in Afghanistan. The carpet industry was severely disrupted during the prolonged conflict. Most of the industry went into exile in Peshawar in the refugee camps. Peshawar became a melting pot of differing Afghan tribes. When the refugees returned, they brought back with them skills learned in Peshawar. Today carpets are weaved throughout the country with Mazar and the northern provinces remaining the largest concentration. Bamyan, Jalalabad and Kabul are all now heavily involved. ROP has been working to introduce improvements for wool spinning, dying, pattern designs, weaving, cut and wash finishing operations and marketing. With ownership of looms, women are able to negotiate with multiple traders on designs and prices. Funding for this program has come from the Japanese Fund For Poverty Reduction through Asian Development Bank.

POTATOES | Funding from Asian Development Bank

ROP has implemented a number of improvements for the potato value chain in Afghanistan's central province of Bamyan. ROP agriculture advisors have helped to improve yields of potato farmers and to improve the storage of seed potatoes for the following planting season. 109 potato storage units were built and were so successful that an additional 500 will be built in 2010.

EDIBLE OILS | Funding from Asian Development Bank

ROP is working with 4,000 farmers in the Eastern and Northern Regions to introduce production and processing of edible oils. Afghanistan currently imports almost all of the edible oil consumed in Afghanistan. Production, processing and marketing of edible oil in Afghanistan represents new jobs for the country.



Pennies for Peace School in Bamyan

July 2010

Roots of Peace Programs 2009		 ROOTS OF PEACE
Afghanistan	Roots of Peace Penny Campaign	



ROOTS OF PEACE

Afghanistan

Roots of Peace Penny Campaign

Roots of Peace Penny Campaign

The Roots of Peace Penny Campaign has now raised over 50 million pennies (\$500,000) since our inception on September 11, 2003.

Our annual ROP 'kick-off' in tribute to the September 11th attacks has inspired global communities to donate the smallest amount of coins-making change work! Thousands of schools, elderly homes, churches, synagogues, mosques, and homeless people have been proud philanthropists by donating 'a penny' found on the street or earned through chores. In the spirit of the Silicon Valley, our 2009 launch began with a SKYPE call between the children of Afghanistan (early morning of September 11th) and the children of America (late evening on September 10th). Together, they spoke of their mutual desire to turn 'seeds of hatred' into 'seeds of hope' for future generations.

ABC7 News Anchor, Cheryl Jennings, co-founder of the Roots of Peace Penny Campaign was on site after her broadcast to speak directly with the Afghan students to hear the results of a school in Mir Batcha Kot located near Bagram AFB in the Shamali Plains which grew from 40 students studying beneath a tent and a large grapevine-to over 450 students lifted from the dust and now sitting in desks funded by the Italians. The ABC7 news story aired in the San Francisco Bay Area to an estimated 1.5 million viewers-including those from Fremont, California-the highest concentration of Afghan/Americans living in the United States.

Her Excellency, Homaira Wali, grand-daughter of King Zahir, and Ms. Flavia Taggiasco, Roots of Peace European Director, hosted a fundraiser in Rome which raised over \$15,000 by selling Afghan artifacts, jewelry, and rugs. These funds went directly towards providing desks, distributing clothing, and providing food during the harsh winters. Over 44.6% of the population in Afghanistan is under the age of 14 years old, so education is the way forward-one penny at a time!



VIETNAM

CACAO

After multiple failed attempts at developing the cacao industry, Vietnam is now on the verge of becoming a major player on the international market. Through improved varieties and government support over the past five years, more and more farmers are starting to convert their farms to support cacao intercropping. However, there is still a lot of work to be done and as seen from experience in the past with other crops, Vietnamese farmers' exuberance in switching to the latest popular crop has often seen quality sacrificed in the name of quantity.

The Roots of Peace Sustainable Horticulture and Agriculture Development Project (SHADE) is targeted at helping the rural farmers of Vietnam to sustainably develop cacao orchards and connect to the international market with a high quality product. The project is designed to initially work with 1,100 farmers in Binh Phuoc Province, an area containing a large ethnic minority population, which saw heavy fighting in the Vietnam Conflict. Through ROP interventions of teaching the farmers how to successfully intercrop cacao trees with cashew trees and deliver a more finished product to the buyer, these farmers can increase their income by up to threefold.

ROP will also explore other value chains in the Quang Tri Province for expansion. Initial demining will take place in this region, with demonstration plots of highland coffee, bamboo and pepper being developed to find alternative high value crops to diversify production.

Focus on high market value crops, like cocoa,
can lift rural highland peoples from poverty





Kids in Kayan

February 2007



Cacao planting in Binh Phuoc

August 2010

UXO

ROP team is evaluating mine and bomb clearance projects in the DMZ provinces of Quang Nam, Quang Tri and Quang Bien. We plan to initiate these activities in the spring of 2011. The DMZ and Ho Chi Minh trail areas were heavily bombed during the Viet Nam conflict. A percentage of those bombs dropped by American bombers did not explode upon impact, and remain lethal. The most predominant unexploded bombs are cluster munitions. These small metal fragmentary explosives were dropped by the millions. Cluster munitions are a bit smaller than a baseball. They can kill or maim people in a 35 yard radius. Large tracts of land lay dormant due to their presence. ROP is investigating ideas for self-sustaining clearance activities.



Financials

ROP revenues decreased by 4% during 2009 from \$5,033,405 to \$4,813,041. Revenue was less than expected due to a delayed program start-up for a major program in Afghanistan. General and Administrative expenses fell for the second consecutive year. Overhead costs as a percent of total income declined from 19.84% to 19.21%. Our goal for the coming year is to reduce this overhead rate to below 17%. For the year, ROP had a gain of \$27,247.

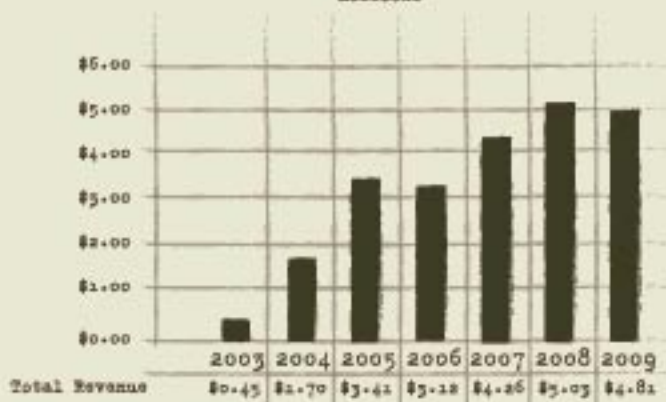
Cash flow remains an issue with lengthy collection periods for receivables from certain donors.

The 2009 audit was completed with no substantial issues. All noted issues in previous audits were addressed, except one. ROP did not substantially improve monthly reporting cycles. ROP is focusing on this area and has already implemented corrections to improve our reporting systems.

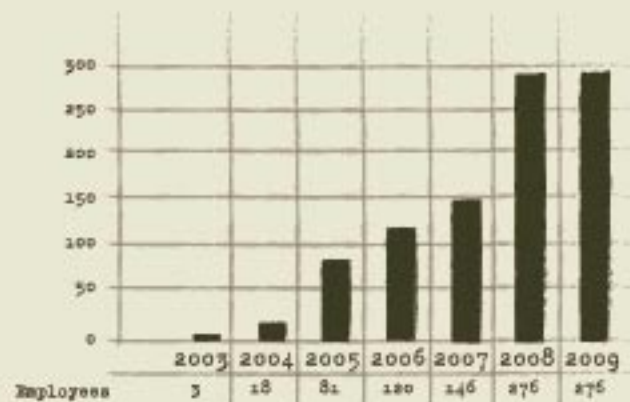
ROP projects substantial growth for revenues in 2010. A major program was initiated in February of 2010. Our budget for 2010 is over \$8,000,000, a 66% increase over 2009 revenues.

Total Revenue

millions



Employees



Income Statement

	2009	2008
Revenue	\$1,709,005	\$2,967,400
Fees from Gov't Agencies	543,256	136,498
Contributions	2,314,256	1,810,241
Program Service Fees	168,600	0
In Kind Contributions	49	2,152
Interest	77,199	117,114
Other Revenue		
Total Revenue	<u>\$4,813,041</u>	<u>\$5,033,405</u>
Expenses		
Program Services	\$3,866,164	\$4,087,283
Management & General	688,854	714,632
Fundraising	230,776	297,266
Total Expenses	<u>\$4,785,794</u>	<u>\$5,099,181</u>
Change in Net Assets	<u>\$27,247</u>	<u>(\$65,776)</u>
Net Assets, Beginning of Year	<u>(\$766)</u>	<u>\$65,010</u>
Net Assets, End of Year	<u>\$26,481</u>	<u>(\$766)</u>

Balance Sheet

	2009	2008
Assets		
Cash	\$427,270	\$1,047,787
Cash (Temporary Restricted)	218,511	89,967
Accounts Receivable	1,445,643	1,144,889
Prepaid Expenses	11,080	35,509
Inventory	139,046	
Property & Equipment	35,100	
	<hr/>	<hr/>
Total Assets	\$2,276,641	\$2,228,185
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Liabilities		
Accounts Payable	\$363,261	\$660,328
Accrued Liabilities	99,137	182,308
Deferred Revenue	1,492,762	1,135,155
Line of Credit	295,000	251,160
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Total Liabilities	\$2,250,160	\$2,228,951
	<hr/>	<hr/>
Net Assets		
Unrestricted	(192,030)	(90,733)
Temporary Restricted	218,511	89,967
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Total Net Assets	\$26,481	\$(766)
	<hr/>	<hr/>
Total Liabilities & Net Assets	\$2,276,641	\$2,228,185
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Chief Executive Officer

Roots of Peace

Gary Kühn

Secretary of the Board

Executive Director

Roots of Peace

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Former Chapter President, American Red Cross

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Consultant

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Pictures and Television, SF Academy of Art

Joel Brown

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Senior Advisor,

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Environment Center, John Hopkins University,

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Group Director, Engineering

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Tucker Kuhn, Deputy Country Director, Vietnam

Afghanistan

Haji Saleem Mohammed, Deputy Country Director

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Viet Nam

Tucker Köhn, Deputy Country Director

Nguyen Quang Ngan, Project Manager

Nguyen Ngoc Ha, Office Manager

Israel

Dhyan Or, Country Manager

Key Partners & Funding

Anonymous donor

Asian Development Bank

Bank of Marin

Chemonics International

Croatian Mine Action Center

Development Alternatives Inc.

European Community

Global Partnership For Afghanistan

Grgich Hills Cellars

International Relief and Development (IRD)

Islamic Republic of Afghanistan

Ministry of Agriculture, Irrigation & Livestock

Ministry of Economics

Ministry of Finance

Rotary Club of San Francisco

Rotary District #5150

Socialist Republic of Viet Nam

Ministry of Agriculture & Rural Development

Skoll Foundation

Spiriterra Vineyards

UN Mine Action Service

United States Government

Agency for Int'l Development (USAID)

Department of Agriculture (USDA)

Department of Commerce

Department of State, Office of Weapons Removal
and Abatement

University of California, Davis

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Baghdad-Bagram-Baharak-Bamyan-Battambang-Bibijme-Bao Dang-Ciste Male Ciste Velika-Dong
Kocai-Dragnalic-Ghazni-Ghorband-Herat-Ilok-Jalalabad-Kabul-Kandahar
Karlovac-Keshon-Kandus-Kunar-Laghman-Lashkagar-Logar-Luanda-Mazar-e-Sherif-Mir Bocha
Kot-Panjshir-Paktika-Paktiya-Qalat-Quang Tri-Samanghan-Saripol-Shohada-Tel Aviv
Urasghan-Yukovar-Wardak



ROOTS OF PEACE

Roots of Peace
990 A Street, Suite 402
San Rafael, California, 94901
United States of America
+1 415 455 8008
www.rootsofpeace.org