



Ukraine National Initiatives to Enhance Reforms Project

Semi-Annual Performance Report

1 October 2009 – 31 March 2010

Cooperative Agreement No. 121-A-00-08-00707-00

Submitted by Pact, Inc.

I. Executive Summary

The Ukraine National Initiatives to Enhance Reforms (UNITER)* project's second year rolls out of a wide range of activities across project components, utilizing an array of flexible tools and touching virtually every oblast in Ukraine. Grass-roots initiatives supported with UNITER funding address a broad selection of local issues ranging from governance through corruption and regional development to issues affecting vulnerable population. National level advocacy campaigns address energy efficiency, civil society infrastructure, foreign policy, corporate social responsibility and philanthropy development, and offering public expertise of the government activities. The close cooperation with organizations and partnership relations that Pact builds with grant recipients began to bring results and a gradual – albeit slow – behavioral change of civil society activists.

UNITER's results in the past performance period depicted in output numbers include:

- 257 publications, about the project activities in mass-media.
- 13 presentations about the project activities, grants and capacity building opportunities offered by the UNITER project done by the UNITER staff during different events;
- 258 applications, managed under the local and election grant competitions, as well as another 97 applications managed under Crimean grant competitions;
- 150 participants, taking part in the second Capacity Building Marketplace Fair; 29 training providers exposed their services during the event; 11 parallel workshops organized.
- 150 consultations as part of the Crimea Civil Society Strengthening program; about 80 consultations with over 27 NGOs, provided to applicants for local and national level grants programming;
- 7 trainings provided to the UNITER grantees NGOs with participation of more than 130 representatives; 27 coach sessions; 25 participants took part in the organizational capacity assessment workshops (OCA);
- 47 meetings held by different NGOs, partners of the UNITER at the Conference Rooms provided by Pact office.

More importantly, national advocacy grants began to bear fruit:

- The Academy for Strategy Sciences, which implements GREENCUBATOR project established partnerships with large national universities and have agreed with them to establish energy efficient systems on campus.
- As part of its project, the International Center for Policy Studies (ICPS) published six monthly editions of Inside Ukraine that received positive feedback from national and foreign policy makers and fill an analytical vacuum on Ukraine by providing foreigners with timely English-language analysis.
- The Media Law Institute (MLI) prepared 3 requests to conduct public expertise of the activities of the State Cinematography Service, Expert Commission of Ukraine on Public Morals, and State Committee on Television and Radio as well as drafted and sent 28 information requests to the National Television and Radio Broadcasting Council of Ukraine, the Central Interregional Administration of Statistics in Kyiv, District State Administrations in Kyiv and others government bodies.
- As a result of the working group it established, the Institute for Socio-Cultural Management signed an agreement with Ministry of Culture and Tourism on the cooperation in the framework of its project to revitalize some remnants of the Soviet times: to re-use the “Houses of Culture” for civil society activities.

* The UNITER brand reflects USAID's Strengthening Civil Society in Ukraine program description.

- Election partners such as Center UA, Garage Gang and Nasha Sprava introduced a new model of civic engagement entailing the widespread use of traditional and new media, public service announcement and employing art in communicating messages.

During the current reporting period, UNITER:

- In partnership with the East Europe Foundation, continued to encourage and support grass-roots advocacy of local and regional NGOs.
- In close collaboration with domestic donors, featured the Ukrainian Reform Forum as a unique voice of civil society in the multitude of policy advises in the quest of deep-seated reforms in the country.
- Launched local and national policy initiatives addressing critical human service matters in the Autonomous Republic of Crimea and train a cadre of civil society leaders in Crimea.
- Initiated and bolstered nation-wide and local branding and civic campaigns to increase NGOs' capacity to be able to identify and advocate for policies relevant to citizens' interest and reinvigorate the demand side of the 2010 Presidential electoral process;
- Initiated cross-border initiatives linking Ukrainian civil society activists with counterparts from Moldova to help increase regional cooperation, share experience and develop joint initiatives to advance "Europeanization" and reforms common to these countries.
- Advocated for consolidated draft legislations and the adoption of those governing association and charities.
- Forged partnerships among UNITER partners to collectively advocate for important policy reforms relevant to democratic processes and Ukrainian civil society.
- Provided capacity building and organizational development assistance in key competencies such as public policy advocacy, communication, sectoral networking and financial prudence.

Pact's method of intervention in this reporting period to attain its objectives and addressing civil society needs were based on:

- Facilitation and networking – encouraging issue-based relationships to influence the local constituency's mindset change and assists in changing donor practices.
- Infusing innovative and entrepreneurial approaches in civil society – supporting market-based, entrepreneurial approaches in civil society projects and capacity building to sustain Ukrainian civic courage and NGOs and preparing them for the post-donor environment.
- Reinforcing home-grown leadership in civil society – identifying and matching local needs with local solutions by reaching out to spheres of public life that are not traditionally considered as part of the "third sector."
- Bolstering Pact's internal capacity – expanding Pact's internal capacity in human resources in order to meet the challenge of communication hub, capacity building advise, monitoring and evaluation as well as prudent administering of financial support to Ukrainian civil society.

Pact undertakes these to meet the four core UNITER program objectives (and their thematic sub-objectives):

- Objective 1: NGOs better represent citizen interests and drive reform through more effective advocacy, monitoring and activism.

In addition, sub-objectives of UNITER theme or region-specific project components (UNITER's election-oriented project component falls under the general objective 1):

Crimea component:

Sub-Objective 1: Crimean NGOs better represent citizens' interests on the local level.

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Sub-Objective 2: Increase the quantity and quality of policy interaction on Crimean issues.

Cross-border:

Sub-Objective 1: Enhance Ukraine’s position as a regional democratic leader.

Sub-Objective 2: Support policy-oriented cross-border initiatives moving the region towards “Europeanization.”

- Objective 2: The relevant legislative framework for civil society approaches European standards.
- Objective 3: NGOs are transparently governed and capably managed.
- Objective 4: Civil society organizations are more financially sustainable and less dependent on foreign donors.

Facilitating mindset change for NGOs to refocus to issues relevant to citizens’ interest offers long-term behavioral sustainability. Pact’s capacity building and support program strengthens the systems of select partners to become successful opinion leaders of crucial policy reforms and to pave the way for accessing international development support. The following activity report, after reviewing Pact’s overall strategy, discusses the external and internal factors affecting civil society in the past performance period, Pact’s approaches to revive civic activism, followed by a detailed activity performance description.

Background and Strategy

The Ukraine National Initiatives to Enhance Reforms (UNITER) is a five-year project funded by USAID and implemented by Pact, Inc. The primary goal of UNITER is to strengthen and assist leading pro-reform Ukrainian non-governmental organizations (NGOs) to sustain and consolidate democratic gains. The project addresses systemic sector-wide challenges to civil society and supports NGO monitoring and advocacy initiatives from various spheres of public life, which are essential in advancing Ukraine’s reform process.

Pact has observed that many CSOs are more concerned with generating grants than facilitating significant changes in society or improvements in the lives of their constituents. Pact is particularly interested in shifting civic organizations toward mission driven behavior, in a way that spurs innovation, builds collaboration in advocacy, and inspires critical thinking about their organizational development. The result at the conclusion of the UNITER project will be a third sector better equipped to represent citizens’ interest, promote reform and resist politicization, and to do so without dependence on continuous infusions of foreign donor funding.

<p>Project Purpose: To help consolidate democratic governance in Ukraine by strengthening and developing a more vibrant civil society and more robust NGOs</p>

To address the core challenges to civil society development in Ukraine and to achieve its program objectives, the UNITER project focuses on the following set of mutually reinforcing activities that are largely implemented by Ukrainian partner NGOs via sub-awards. In most cases, competition is used as a way of awarding sub-grants; key project stakeholders are selected on a sole source basis if they meet the criteria of:

- Inclusiveness in terms of engaging various stakeholders

- Sector-wide networking and management potential to unite civil society stakeholders under their umbrella;
- Proven capacity, experience and potential for overall sustainability;
- Bringing innovative approaches and tools that civil society is missing.

Grant sums vary depending on the type of project and the capacity of the grantee with the maximum annual amount of \$300,000 for one organization. (For the most up-to-date list of grants please refer to Annex 1.)

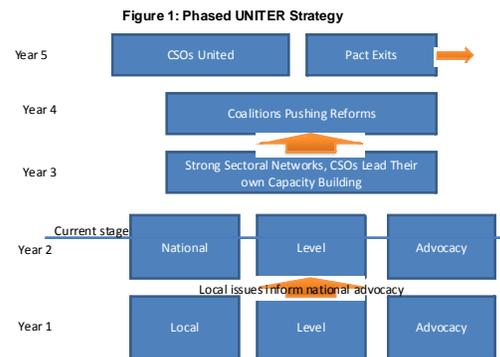
Core Project Activities

Grants to advance national and local level advocacy (objective 1) – UNITER applies Pact’s proven grants management system, blending sub-grant support, technical assistance and capacity building to support reform efforts in Ukraine at the national and sub-national levels. Proposals are inclusively solicited and transparently awarded to NGOs initiating policy change at both the national and local levels.

Eliminating legal and legislative barriers (objective 2) – Working with its recognized local and international partners, Pact forges sectoral consensus around key amendments required for the existing legal framework governing the formation and operations of NGOs; increases the financial viability of NGOs by cultivating a culture of philanthropy and supports those NGOs working for legal reforms and their implementation.

Organizational support to NGOs and networks to reach international standards (objective 3) – By working with Pact as peers and not merely grantees, Ukrainian NGOs receive not only the technical skills required to play their role, but also support to strengthen their core capacities to become effective, autonomous and sustainable. Assistance consolidates new skills acquired over the past years by emphasizing an underlying set of core capabilities rarely instilled through training programs.

Engaging the private and public sector (objective 4) – Ukrainian corporate philanthropy, as well as the government in all levels, represents a growing source of funding for communities, towns and cities. Community-business partnerships support progress on shared interests. Pact uses its cutting-edge corporate community engagement tools to assist partners to tap into local funding sources, work toward increasing the possibility of social and public outsourcing, and build enduring partnerships. Pact also supports selected NGOs efforts to tap into individual giving.



Phased Strategy

The UNITER team treats organizations not just as grant recipients, but as partners, working and collaborating with them and providing support as needed. The whole UNITER civil society strengthening intervention is a phased process designed to occur over a 5 year period (see figure 1). In year one UNITER engaged with local level grantees throughout Ukraine through the Local

Advocacy Grants Program (LAGP). This grant program was designed to change policies at the local level and to later feed into national dialogue about reform priorities and experience. Pact currently works with 19 local level grantees. In year 2 the National Grants Program (NGP) began offering support to grantees interested in making policy changes on the national level. Pact currently works with 6 national level grantees that are developing advocacy campaigns for policy change across Ukraine. These national level advocacy campaigns fall under the categories of energy efficiency, civil society infrastructure, foreign policy, corporate social responsibility and philanthropy development, and access to information. For the next round Pact plans to focus more on the sectoral based approach, providing national grants to specific sectors. In year 3 Pact intends to focus on building stronger sector-based networks and deep capacity building. UNITER will use the advocacy experiences of the previous 2 years to help CSOs identify shortcomings in advocacy processes, while also helping CSOs recognize how they could be working together more effectively. By year 4, Pact hopes to see stronger coalitions united under the banners of prioritized reform issues. Sector analysis should feed into evidence-based advocacy efforts and the Roadmap for reform or another grassroots-led analysis of reform priorities should inform a large number of CSOs about their role in building a stronger Ukraine. By year 5, Pact hopes that civil society will have been strengthened sufficiently for Pact to gracefully exit the Ukrainian civil society environment. Pact hopes that at this stage, several strong CSOs will have emerged that can lead their counterparts in identifying reform priorities, demonstrating effective advocacy techniques, and leading coalitions of reformers where appropriate.

II. Trends in Civil Society during Reporting Period

Factors that Influenced Civil Society

External

One of the major events that influenced civil society this reporting period was the presidential election, which ended with the switch of power from pro-Orange leaders to the leader of the Party of Regions, Victor Yanukovich. This event was significant for civil society in a number of ways. For example, civil society became actively involved during the campaign period, they observed the electoral process, they monitored the first steps of the new government, and they started a civil society-led process of identifying reform priorities for the country.

The election period affected many of the UNITER activities. As stated by the UNITER partner East Europe Foundation (EEF), the election period influenced the quality of proposals of applicants to the Local Advocacy Grants Program; many potentially strong organizations were busy with election-related activities. The change of power also affected the group of partners that is working on NGO-legislation, as the Law on Public Associations that was already submitted by Tymoshenko's government has been withdrawn by the new government.

The quarantine measures which were taken by the Ukrainian government and panic about H1N1 in October-November 2009 indirectly influenced activities of civil society. For a long period this was the most discussed issue in the media, which distracted the focus of society from the other important issues. Many organizations had to reschedule their events during this period due to the limitation that was put on public activities. This caused some delays in UNITER programs like Gurt's capacity building fair that finally took place in the middle of December. The core competency providers also had to take this factor into account while planning their trainings, many grantees were rescheduling their project activities and they could not take part in trainings before February.

Internal

The pre-election period in fall 2009 was characterized by political apathy and indifference in all regions of Ukraine. This was a result of ineffective national and local governance that negatively changed public willingness to actively participate in the decision making processes. As a result, the demand for new ideas and solutions was created. Center UA, with Pact assistance, developed the concept of the New Citizen Campaign to target this apathy and aimed to increase the influence of civil society on political leaders by mobilizing informed and engaged citizens during the presidential election campaign. As a result, it became a highly visible initiative that attracted noteworthy attention from media and civil society, and consolidated almost 50 NGOs in Ukraine on the national level.

As was stated by Anders Aslund from the Peterson Institute for International Economics, “the new presidential mandate, the shock of a recent severe economic crisis and popular dissatisfaction with the status quo, create ideal conditions for successful reforms.” Therefore, a number of think tanks, local and international experts focused their attention on the defining reform priorities for Ukraine, including the policy paper titled *Modernization of Ukraine: Defining Priorities for Reforms*, developed by the network of think tanks led by the Agency for Legislative Initiatives (ALI), facilitated and co-sponsored by Pact and the International Renaissance Foundation (IRF).

Pact’s Approaches

1) Facilitation and networking

Many independent representatives of civil society praised approaches used by Pact, such as establishing new networks, building local ownership and constant consulting with local organizations. As a result of UNITER efforts, organizations benefited from the newly created partnerships. For example, Ukrainian Centre for Political Research (UCIPR) is now more inclusive of other organizations in their advocacy efforts to create an enabling legislative environment for CSOs. As a result of Pact’s consultations and match-making, they now strive to collaborate on this important issue with many different organizations, such as the Democratic Alliance or Institute of Media Information. Key organizations in Kyiv became generally more open and collaborative with each other, sharing their resources for reaching their mutual goals. Another example is the cooperation of organizations of Crimean civil society leaders with Kyiv based organizations like Garage Gang or New Citizen. This resulted in a number of new initiatives; like the launch of the special leadership camp in Crimea called “Borsch 2010.” The idea was initiated by the participants of the Crimean Fellowship program and inspired by Garage Gang initiative called Sunday Borsch. The participants of the camp will work on development of ideas and self-fund the winning ideas on the same principle as “Sunday Borsch.”

The close cooperation with organizations and partnership relations that Pact builds with them began to bring results and a gradual – albeit slow – behavioral change of civil society activists. A prominent example of such partnership and the facilitation strategy yielding changes in attitudes is Pact’s and traditional civil society leaders’ cooperation with the Center UA. The Center is a recently created organization, which, in cooperation with Pact, developed the concept of the New Citizen Campaign and formed a broad-based civic coalition uniting over 30 NGOs across the country to promote responsible citizenship. As noted by one of the partners in this coalition, the main achievement of this project is that for the first time key organizations on the national level decided to collaborate to reach common goals without additional financial incentives from donors.

This kind of mental shift in the civil society culture of Ukraine is fundamental to the behaviour change that Pact is seeking to generate.

The new links that were established among civic groups during the New Citizen campaign now helps many organizations to have better impact in their work. As was stated by one of the partners of the New Citizen it inspires them in bringing innovations to the regular work of organizations. Number of joint initiatives was launched together with the New Citizen brand by the partners. This includes joint action to draw attention of the EU delegation to the Ukrainian NGO legislation during Ukraine-EU summit in December 2009. They also conducted special campaigns and press events to draw attention of the media to the issues on ecology, human rights, education, and many others. With the help of the New Citizen brand those initiatives draw much wider attention.

2) Infuse innovative and entrepreneurial approaches in civil society

Pact seeks to support untraditional civil society initiatives that come from different backgrounds and bring fresh views and innovations to civil society. This includes supporting projects like the New Citizen campaign that is mobilizing citizens to hold the new presidential administration accountable for his promises, the Garage Gang project that is funded under New Citizen brand, and Greencubator's Energy Efficient Universities project. New people and ideas bring additional competition, peer-pressure, inspiration and expertise from other spheres to the sector. Pact also tries to bring innovations to civil society by introducing expertise from the region of Central and Eastern Europe, including communication consultants that have expertise in organizing social campaigns in different countries of the region.

Pact's engagement of private sector actors like Knowledge Inside You (KIY), to provide advanced communication training to UNITER partners, also received positive feedback from grantees and other experts. The idea of involving business in the Capacity Building Marketplace was first criticized by old key players in the Marketplace stating that the civil society strengthening program should not be supporting businesses. The implication was that UNITER should continue to fund traditional actors rather than introduce competition. Despite the fear from traditional capacity builders, positive feedback from different sides actually proved this to be right decision.

The desire to maintain the status quo is indicative of key challenges Pact faces in developing the Capacity Building Marketplace. The GURT Resource Center, one of the traditional key players in the NGO capacity building sphere, and originally Pact's partner in developing the Marketplace, first envisioned a Marketplace that excludes businesses. Pact believes that such exclusivity inhibits competition and innovation, while hampering the behavioral shift Pact seeks to generate, through which CSOs would think in depth about their own organizational development.

3) Reinforce home-grown leadership in civil society

Pact seeks to encourage innovation while building ownership by slowly and quietly introducing new ideas. One way Pact has been doing this is through the newly created Advocacy Community-of-Practice, that is uniting advocacy practitioners to ensure peer-to-peer learning. Pact has announced the tender for a core competency skills development program on advocacy in the summer, but unfortunately no appropriate proposals were received as many of them were based on traditional trainings. As a result, Pact discussed its vision with stakeholders and called a meeting on trying to facilitate the process. Now local organizations are sharing a common vision and planning to create a network of practitioners who will coach and assist organizations with less developed capacities.

UNITER's initial approach, which comes from the assumption that Ukrainian civil society is at a stage where, with additional targeted capacity building, strengthening core competences and given one other concerted financial and technical assistance, it will be able to exert leadership in crucial policy areas by mobilizing society, demonstrating professional policy wit and influencing policy-makers. Such influence requires Ukrainian civil society leaders and Pact to tap local civil society resources, build local alliances and reach out to spheres of public life that are not traditionally considered as part of the "third sector."

In this vein, Pact encourages its partners to utilize local business approaches and resources, work with profit-oriented consulting groups, and facilitate on-going information-sharing among partners. Pact reaches out to and incubates embryonic civil society initiatives by networking them with more traditional NGOs. Examples of matching local business talent with civil society includes Pact's partnership with UPF and the Center for CSR Development, as well as Pact's engagement with local business consulting groups. Testament to revitalizing civil society and encourage rethinking opportunities for them includes Pact's predominant reliance of Ukrainian professionals in its Crimea leadership program, start-up support to innovative NGOs such as Greencubator or Garage Gang, or ISCM's reform concept about creating new foundations for civil society building on old cultural institutions.

4) Bolstering internal capacity

During this half-year, five new staff joined the team. A new position of communication officer was introduced to meet the challenge of constant information flow with UNITER partners, donors and the wider public, through Pact's existing channels of communication, like highlights, newsletter and web-site. It also now ensures better representation of UNITER on various public events and increased capacity of UNITER for providing quality information.

UNITER has opened an office in Crimea and hired a local civil society expert as program officer, which improved Pact's links to the local constituency. Finally, two new grants managers helped to establish effective grant management mechanisms to provide essential support to the growing programming and administrative needs of the project. (Biographical information of the new staff who joined the UNITER team is in Annex 2 of the report.)

Future trends

The change in government as a result of the Presidential elections and the newly formed coalition in the Rada presents a new challenge for civil society. It is essential now for NGOs to find connecting points, overlapping priorities with the new administration, and nurture contacts with key individuals of the administration, those who have influence on the ruling political elite, to be able to move reform forwards. Because the pro-reform NGOs grew out of the post-Orange revolution elite, it is also very important for them to build constructive dialogue and not to be perceived as opponents to the government.

Critical NGO initiatives that started off or have taken a new direction in the past six to twelve months need a renewed push. Since the overall political apathy of people due to weak political stewardship in managing the country's social and economic instability still exists, it is important to continue the movement of the New Citizen to further empower people in participation in the policy process. As was mentioned earlier, the elections, new government and economic situation stimulated public dialogue on the reforms needed in Ukraine, but there is a need for civil society to

push for these reforms. In this way, the New Citizen campaign can play a role in building popular demand for reforms.

There is also an important discussion taking place around the EU-Ukraine association agreement and the role of civil society there. As was noted by some of the partners, it is crucial for NGOs to be represented at the discussion table. There has been some debate about the legitimacy of NGOs in this process. Government representatives were arguing that the voice of citizens could only be represented by trade unions, with the logic that they represent the interests of many people. However, the format of the trade unions does not correspond to the European standards; most of them are controlled by parties and business owners. Therefore it is important for civil society to represent people's voice in shaping the EU integration process.

III. Major Project Developments by Objective

Objective 1 - Reform Roadmap and Reforms Support on National and Local Level

One of the UNITER partners, the Agency for Legislative Initiatives (ALI), led the process of forming the Ukrainian Reform Forum. This Network united leading Ukrainian NGOs to serve as strategic advisors on defining priorities in reforms for civil society. ALI's and UNITER's ideas of engaging a wider Ukrainian civil society constituency in a reform process was also supported by the International Renaissance Foundation (IRF). As a result of this cooperation, around 40 leading Ukrainian experts were involved in the development of the policy paper on "Modernization of Ukraine Setting Priorities for Reforms".

Although there was some criticism of ALI about the process of public discussion for this product, this network has a potential of serving an advisory role to civil society and donors, while representing a civil society vision on needed reforms. There is a need to assist ALI in bringing the message to its constituency and networking with other groups like New Citizen that can help ALI build a constituency for this reform process. Building support for this reform priority identification process should become a priority for UNITER and ALI in the next half-year.

ALI should be more inclusive in its effort to identify reform priorities, seeking collaboration with other experts, government and business people. For example, the International Experts' commission issued a reform paper for the new President of Ukraine: "Proposal for Ukraine: 2010 – Time for Reforms". The commission was co-chaired by Anders Aslund and Oleksand Paskhaver. There is also an initiative inter-factional group for reforms in the Verkhovna Rada that consists of progressive MPs and it claims that it plans to work on the legal framework to improve the political, administrative, and economic situation for Ukrainian society. They compiled a list of 100 draft laws that need to be improved in six different spheres, including administrative policy; judicial and law-enforcement, budgeting, humanitarian, economic, and security. There are also other groups who specialize in reforms in more specific areas. For example, the Foundation for Effective Governance issued the "Agenda for 2010: Top-Priority Reforms to Ensure Stable Growth of the Ukrainian Economy." Pact, the International Renaissance Foundation, ALI and other lead Ukrainian NGOs have already agreed to expand the constituency for such critical reforms by raising public awareness of these issues, soliciting grass-roots input to addressing them through convening a critical country-wide consultative process involving local and regional stakeholders in such expanding Ukrainian Reform Forum

One of the roles of civil society here is to build greater demand and support from constituencies for reforms. Meanwhile, increased public discussion about different reform needs actually indicates that there is momentum for reforms now. There are a number of policy matters that have been discussed by many on what needs to be changed and there is no clear or consolidated vision on how to do it. Civil society is in danger of exerting pressure in these policy areas and will be ignored by the new government if NGOs cannot speak in a more unified, clear and loud voice.

Pact addresses the issue on how to promote reforms with its national and local grants competitions. It funds specific projects that are focused on the promoting specific reforms like energy efficiency, foreign policy, civil society infrastructure and others on the national level. One of the main tasks for Pact for the future is how to connect the groups that advocate the reforms on the national level with the local organizations that work on the same issues in the regions. This is mainly going to be done through the sectoral approach where Pact will focus in the future calls on specific sectors identified by UNITER core partners as priority areas and initiate the networking within this sectors.

UNITER has launched additional activities for Crimea in the fall, opened its office in Simferopol, hired a Crimea-based program officer and administered two calls for proposals. In addition, the Crimea Fellowship Program, which is based on Pact experience with Belarusian leaders, has been adapted to meet the very specific needs of young leaders of Crimean civil society. As it was discovered during Pact's needs assessment visits and dialogue with civil society representatives, the Crimean civil society lacks very basic knowledge and skills on the specific roles civil society can play in developing social capital, the lack particular "NGO skills," such as project management, strategic planning and communications. The selected group of young Crimean fellows is very motivated but they lack skills of successful participation in the public policy processes.

Under its unique election related activities, Pact funded 8 initiatives that are intended to bring innovative approaches to mobilizing citizens before and after election. The New Citizen campaign which was developed by Center UA with capacity building by Pact – including engaging with local and international political communication consultants – was considered to be one of the most successful campaigns of the civil society in the run-up to the presidential elections in 2010. As a result of five-month activities, the New Citizen became one of the most influential civic mobilization campaigns on the national level. The diligent nationwide communication activities were noticed by many citizens and policy makers. Even Viktor Yushenko at his final press-conference as president of Ukraine referred to the campaign's B-boards and questions addressed to the new president.

Objective 2 - Legislative environment

Unfortunately, despite many efforts to move further the legislative bill "On Public Associations" before the change in government, UCIPR's advocacy campaign has not yielded the intended output.

Parliament committee on Legal Policy was responsible for the consideration of the Draft Law and sending it to the session of Verhovna Rada. The Law was several times included into agenda of the committees working meeting. However the majority of the committee's members MPs have refused to review it. Due to the public pressure as a result of UCIPR efforts, the draft law #3371 'On Public Associations' was considered by the Head of the committee directly on the plenary session of the Parliament.

But due to the political crisis and pre-election battles in the Parliament the law was not brought to the floor before Presidential elections. After the change of the President and appointment of the new

Cabinet of Ministers the draft laws that did not pass the first reading yet are called back by the new government. UCIPR and its institutional partners therefore identified a group of MPs to work directly with so that they could bring the draft law to the floor soon in the future.

Although there is no concrete results in the main legislation under this objective there are improvements in the capacity and skills of the main partner under this objective. As a result of Pact's efforts UCIPR is now has a wider constituency support: it is collaborating with many about 30 NGOs organizations and actively cooperates with the New Citizen. Together with the New Citizen members UCIPR has organized a picketing during the Ukraine-EU Summit to draw attention to the problems of the civil society legislation. As a result of strengthening its public base. UCIPR has bolstered its legitimacy and gained support for their initiative from CSOs of varied sector

Objective 3 - NGO capacity

Unfortunately the capacity of NGOs still remains mediocre. According to the CCC survey of more than 550 organizations the level of capacity of the sector has stopped at the level of 2007 and some of the capacities even decreased. CCC conducts annual polls of active civil society organizations in Ukraine for the last eight years. This polls includes survey of the internal systems of organization like strategic management, governance, financial system; external linkages like cooperation with government, CSOs, constituency, mass-media; programmatic activities of organizations like service delivery, planning, evaluation, reporting; transparency, etc. As experts said, after the Orange revolution there was a transformation of the role of civil society from the one that fights for democracy to the one that operates in free democratic country. Many donors had expectations that the sector grew according to the environment, but unfortunately many organizations still unable to cope with this change. Some programs that work on the local development issues actually mobilized the grass-roots initiatives but were not able to provide them further capacity development to bring the effect of these programs further. There is a need to develop these initiatives in terms of the thinking more systemically in solving their problems. They should be not only looking for donors to fund the solution of their local problems but learn more about basic principles of public policy and how they can impact it to solve their problems in systemic more sustainable way.

This is also seen at the second round of the competition for Local Advocacy Grants Program (LAGP). The competition received many proposals from grass-root organizations targeted at important local issues. Yet, the applicants were not able to provide systemic solution for the problems. These organizations need to learn more on the basics of the public policies to be able to develop more systemic approaches. Generally as seen from this competition the quality of proposals was very low in terms of researching the problem in-depth, identification of possible alternative solutions, working with constituency, etc. Experts of the competition hardly could select 21 projects out of a pool of 235 and recommended only a total budget of USD245,500 from the USD340,000 planned for this grant pool. UNITER together with EEF now plans to work more with those who applied for the competition and help them with coaching sessions to develop strategies on slashing out practical responses to the identified problems.

Objective 4 - Financial sustainability: cooperation with business and government

Due to the crisis and its consequences it is hard to see much progress in financial sustainability of the NGO sector during this period. According to Oleksandr Solontay's article that was published in latest issue of Civil Society newsletter ([http://www.ucipr.kiev.ua/files/books/GS1\(12\)_2010.pdf](http://www.ucipr.kiev.ua/files/books/GS1(12)_2010.pdf)) only 2-3% of budget of NGOs comes from the State budget. During the last 5 years, this kind of

support decreased by 30% and makes only 0.05% from the overall State Budget. Half of this funding is awarded based on open competitions, the other part distributed with the non-transparent procedures.

At the same time organizations on local and regional level has better chances of receiving funding from oblast and city administration but the amounts are considerably lower. According to the referred CCC research, out of the surveyed 559 organizations 36% of them received government contributions and 45% received funding from business. On average, this makes about 15% of the budget coming from government, and 18% from businesses.

Government and businesses that both should provide an alternative to international funding are experiencing financial problems now. Half of the charity funds, NGOs, government institutions, and mass media cut their administrative expenses. Nevertheless two of Pact partner organizations under this component cooperate with businesses to promote philanthropy and corporate social responsibility. They are looking for other alternative ways on how businesses can provide their support in form of knowledge, in-kind donations and volunteer work.

According to the CSR review that is published by the UNITER partner Center for CSR Development, the current crisis is often referred to as the “crisis of trust.” They contend that businesses entirely lost trust from people. For the future, it means that businesses will need to rethink on their strategies on how to work with communities they operate in. And even in this period, businesses will have to consider their investments in society to rebuild their trust.

Lessons learned

One of the most important lessons learned for Pact is that it is very important to work more closer, in-depth with partners. Pact treats all direct grantees of the program as partners and tries to be more involved in the projects. The experience shows that this kind of relationships is beneficial for the results of the partners’ work. There is a lot of facilitation from Pact staff of partners work, but there is a need for more involvement.

The experience of organizations and their status are not always indicative of their capacity and professionalism. It was discovered that some organizations that considered to be strong and experienced lack basic skills in organizational management or media and communications. Other partners that were involved in the planning of UNITER project during the conceptual stage demonstrated less commitment to the ideas as originally thought. Initial assumption was that some of project components would be fully led by partners that were involved in preparation phase. As it turned out, some projects, like the development of capacity building marketplace could not be effectively managed by partners, largely due to perceived conflict of interest, lack of motivation and overly risk-averse attitude.

The revision of original assumptions can further be exemplified by East Europe Foundation’s story. EEF was and is still seen as a reputable local NGO that could potentially independently lead local r-granting and provide deep and strategic capacity building and mentoring to its sub-grantees. Today, however, Pact finds that EEF is excellent in terms of administratively distributing grants but refrains to excel in its capacity (time, human resources and drive) to provide thorough analysis of the local policies situation, seeking for innovative solutions, or communicating successes of grantees to Pact and the outside. There has been number of attempts by Pact to stimulate this process but it is clear now that EEF needs more of this kind of intervention.

At the same time there is also a need to facilitate even further the networking of partners between each other as this proved to be very successful in number of cases. There still appear to be a lack of connection between national and local level grantees comparing to what Pact planned originally. In order to ensure this, in the future UNITER plans to apply a “sectoral approach” to connect like-minded counterpart NGOs across the country.

Pact sees civil society not as one “third sector” but more as a combination of different sectors and issue-based clusters. Therefore in the future UNITER will initiate grant-making, capacity building and networking interventions based on sectors. There are different ways of defining the sector: 1) it can be based on reform roadmap priorities identified in ALI policy paper; 2) it can be based on the issues received from the local grant programs, since the goals of the competition was stated very broadly, but there are definite priorities from applicant; 3) building on the national advocacy campaign themes of the 1st year of UNITER. It is going to be a main task for UNITER – Pact and its partners – to define existing sectors, identify their needs to strengthen them in the future. Pact strongly believes that this will lead eventually to sustainable networks that will be able to drive reforms in their areas.

This “sectoral approach” includes the following features:

- Reinforces the need for advocacy organizations to collaborate around policy issues
- CSOs learn to “reach up, out and down” as they engage policy makers, strengthen networks with each other to fill capacity gaps, and engage constituencies
- Policy leaders from civil society, such as think tanks, determine priority sectors for policy reform
- Pact commissions policy papers on key reform issues, highlighting the problem, the players, and opportunities for advocacy
- Pact mentors think tanks to write accessible, targeted policy briefs
- Sectoral reference groups put power into the hands of stakeholders’ to monitor the work of advocacy CSOs

Under “sectoral approach” key Pact activities include:

- Network strengthening with Pact’s unique tools such as the Organizational Network Analysis.
- Cohort (group) Organizational Capacity Assessment, a tool Pact during the first year of UNITER trained a cadre of Ukrainian facilitators, adopted the tool for Ukrainian environment and piloted with great satisfaction to the beneficiary, the Democratic Alliance.
- Peer review sessions, marrying like-minded approaches and building connections with lead European think tanks and activists and Ukrainian public relations specialists.
- Grants to partners for issue priorities identified as a result of group planning.

One of the trends that were seen by Pact from the CCC survey and second round of LAGP is that the capacity of local organizations is weak in such areas like planning systemic solutions of the problems, analyzing the situation and solving the issue. As was stated by few experts, there is a need not only to mobilize people but also educating them about basic principles of public policy and way of using existing tools. So Pact should consider the basic level education for citizens,

communities and local organizations in its future grant-making programs. As it is seen now this can be done as a part of the “School of New Citizen” or under newly created network of the advocacy practitioners.

IV. Project Activities

Objective 1: NGOs better represent citizen interests and drive reform through more effective advocacy, monitoring and activism.

Activity 1a: NGOs, individually and collectively, advocate for government accountability at the local level

Under this activity Pact works with East Europe Foundation (EEF) who is administering the Local Advocacy Grants Program (LAGP). Cooperation with EEF was not always very smooth and required more efforts from UNITER than expected. Even though the technical grant-giving capacity of EEF is fairly strong, with well-established procedures, it still needs to learn about sharing its results in a more systematic, analytical and pro-active way. Through constant facilitation, UNITER strives to motivate EEF to share more information about the results of their work, provide a better analysis of the situation and propose solutions for arising problems during the project implementation.

Administration and implementation of the first round LAGP

EEF continues to administer nineteen local advocacy grants selected during the first round competition of the Local Advocacy Grants Program (LAGP) in June 2009. According to EEF’s evaluation, most grantees of the first round implement their projects successfully. Half of the projects administered by EEF are demonstrating outstanding results going beyond their intended impact on their communities. Another half is doing well but experience minor difficulties mainly because of overestimating their capacity in solving complex issues when setting the targets or having lack of the research on the issue when planning the project. Only one organization potentially might have a problem in achieving the impact mainly due to the organization’s controversial leadership. Some examples of successes from LAGP of the first round include the following stories:

- The Feodosiya-based “**Rehabilitation Center**” works to increase accessibility of people with disabilities to the city infrastructure including hospitals, pharmacies, tax and government authorities, transportation centers, shopping places, and other facilities which are essential for people. Foremost, organization aims to overcome the societal barrier between healthy people and disabled people, between local authorities and community. As part of their advocacy initiative called “Life without Barriers” Center developed a proposal on eliminating architectural barriers for handicapped and disabled people in Feodosiya region which now serves as a base for City’s Reconstruction Plan. As a result the places like City Park, groceries stores, and government buildings now have ramps for people with disabilities.
- In July 2009, the Trostyanets based NGO “**Voice of the Community**” began to implement the project “Development of a democratic process in the city of Trostyanets by stimulating citizen participation in community life through public media”. In the framework of the

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project a public media center which initiated an online web podcast entitled “You should know!” was launched. The web portal provides citizens’ with possibilities to learn about new events in Trostyanets district, submit a question to local politicians or monitor what local council decision was made by which government authority. Moreover, citizens can now without a usual bureaucratic delay raise a problem needed to be solved. Owing to the project’s web podcast, other public organizations in Sumy oblast became more proactive: they developed an information resource allowing communicating their viewpoints to local government officials and connecting like-minded citizens. In December 2009 the National TV and Radio Broadcasting Council issued a cable TV broadcasting license to the NGO’s media portal so now citizens of Trostyanets district can watch public broadcasts discussing significant local community issues at comfort of their own home.

- The “Public Institute of Social Technologies” from Odesa began the implementation of its project “Ensuring the Realization of Housing Rights for Dormitory Residents” in September 2009. The NGO is working toward resolving important community problem of maintaining proper conditions to ensure the rights and interests of communal housing tenants are considered. It is important in respect to the privatization of their dwellings that are outlined by relevant Ukrainian law. According to official statistics, approximately 130,000 people live in city communal housing. It is supposed to be a temporary housing, but in fact, for those people it became permanent long time ago. However, the implementation of state laws that would otherwise help solve the problem is not being carried out at the local level. One of the main obstacles is that most citizens lack vital information and title deeds for their dwellings, while existing regulations have yet to be discussed. The Public Institute of Social Technologies addresses these issues by working to create information/advisory centers for citizens and members of local government. At the same time, the recommendations are being developed for Odesa City Council on the effective implementation of existing laws.

The second RFA for LAGP

The *second round* CFA of the *Local Advocacy Grants Program (LAGP)* collected 237 applications from all over Ukraine, but unfortunately the quality of the project proposals was much lower this time. The selection board recommended 21 projects with the total recommended budget of USD 245, 500 out of USD 340 000 planned for this grant pool. Most of the selected projects require serious improvements based on experts recommendations like attraction of additional funding from local sources, better cooperation with business, government and constituency, improvement in communication strategies and advocacy components of the programs.

The projects that were rejected by experts were of very low quality and lack of strategic thinking in solving the local problems. During selection board meeting experts were focusing their discussion on how they would solve the problem that was articulated by applicants. Even though the priorities of the competition were rather broad many applicants chosen to focus their projects on solving the issues of energy efficiency, garbage disposal, local development, condominium associations and local self-governance bodies and serving the needs of socially disadvantaged groups like orphan children or disabled people. It was decided to provide additional assistance to organizations in preparation of the proposals in order to distribute the rest of the grant pool funding.

Continue cooperation with IRF on matching funds and joint selection committee for the Local Advocacy Grants Program (LAGP)

PACT continued cooperation with IRF in the framework of the memorandum of understanding outlining the LAGP goals, conditions, division of responsibilities signed with International Renaissance Foundation (IRF) in 2009. Based on this memorandum the joint CFA of the second round was announced and the common grant committee selected grantees. As a result out of 21 projects recommended by the joint board, 9 will be administered and funded by IRF.

Activity 1b: Establish the Ukrainian Reform Fund (URF) as an on-going mechanism to support continued reform and civic engagement efforts.

Ukrainian Reform Forum

After wide consultations within UNITER, and with international donors and other key stakeholders, Pact revisited its vision about the Ukrainian Reform Fund and has decided to pursue it as the Ukrainian Reform Forum. The Agency for Legislative Initiatives (ALI), as Pact implementing partner, is leading the process of forming Reform Strategic Advisory Board. While the possible creation of the Reform Fund (as a “Fund”– entity) is a longer-term endeavor, ALI's project is a shorter-term effort to engage civil society constituency in public discussion of the reforms needed in Ukraine.

This idea was supported by International Renaissance Foundation (IRF) and in October 14, 2009 the Agency for Legislative Initiatives, International Renaissance Foundation and Pact-UNITER established partnership and signed Memorandum of Cooperation regarding the Network for Reform Establishment project. The International Renaissance Foundation took obligations to co-finance the implementation of Ukrainian Reform Forum project in the amount of 40,000 USD.

Within the project scope, 40 leading Ukrainian experts, which represented the most respectful and solid think-tanks (Centre for Political and Legal Reforms, Institute for Economic Research and Policy Consulting, Razumkov Centre, Institute of Euro-Atlantic Cooperation, Centre for Peace, Conversion and Foreign Politics and others) were involved into the development and presentation of the policy paper “*Modernization of Ukraine: Setting Priorities.*” ALI regional partners in cooperation with experts engaged in writing the paper facilitated broad discussions of the draft policy paper in 10 regions of Ukraine attracting around 1000 participants in order to talk about possible vectors of reforms and engage all the interest groups in the public discourse. The suggestions that were made during regional discussions were summarized and included in the shorter paper “*The Roadmap of Reforms for Civil Society.*” The finalized document was presented to media and given to the presidential administration.

As a result of the project the Ukrainian Reform Forum has become an independent self-governed movement of NGOs aimed at the development of the strategy for the country modernization and setting priorities. It is envisioned that with additional assistance from Pact in the future the Network will be able to advocate for identified reforms at all levels, build constituency for reforms and cooperate with government at regional and national levels.

Administration of the first round national level grants program

Six organizations started their work under the *National Grants Program (NGP)* in November and by now achieved first results. They all show the potential success of their projects proving that

despite of the long selection and negotiation process UNITER made a good choice. There were some apprehensions as to the capacity of some new organizations and the risk of disbursing big amounts to these organizations. To minimize potential risks UNITER team is heavily involved in assisting those grantees in number of ways and treats them more as partners' not just grantees. An important capacity building of those organizations takes place through ongoing meetings, facilitations, consultations from the program staff and involvement of outside consultants when needed.

These efforts together with local ownership and motivation of organizations have proved to be a powerful combination in bringing the best results. UNITER team identifies a need to connect NGP grantees with the local organizations and focus future APS on the specific sectors that still needs to be identified. The sectors will be identified based on the reform agenda, consultations with partners, donors and other stakeholders. Below is the short description of what national grantees have achieved so far:

- *Academy for Strategy Sciences* implements GREENCUBATOR project which is aimed at developing the culture of energy efficiency in Ukrainian society through involvement of community and business in developing sustainable energy, educating communities on efficient energy models and responsible energy consumption and involving universities in these processes.

In February, they conducted the first event in the series of “Energy Efficient Universities” conferences in Rivne National University of Water Management and Natural Resources Use. The conference brought together educators, civil society representatives, energy management practitioners, financial intuitions, and media to discuss and develop working strategies to optimize the energy use in University. According to the reports, Rivne University spends UAH 50 000 per day for heating of the university campus, and six universities that cooperate with Greencubator in this project spent UAH 50 million last year for utility services. Part of this amount potentially could be spent for the development of universities. At the conference Rivne University presented their heating regulation units that decreased the usage of energy in the university by 30% - this is their first step in moving toward energy efficiency. As a result of the conference the new partnerships between universities and businesses were established which eventually will develop well-defined energy-saving plan involving students and professors in the process.

The project also stimulates action-based networking of energy innovators, activists, policy-makers and media and facilitates public discussion on energy efficiency. On the later stages of the project Greencubator plans to facilitate a public policy discussion on the national level in order to change current legislation so that it would stimulate universities and other public institution to be more energy efficient

- *International Center for Policy Studies (ICPS)* in the framework of the UNITER-supported project aims to widen and deepen foreign policy discussion in Ukraine. The project initiated and launched the wide public debate and contributed to the increase of public awareness about the issues of the foreign policy of Ukraine. It also enhanced the role of civil society in foreign policy formulation through public consultations therefore increased contacts among foreign

policy stakeholders. As part of the project ICPS also published six monthly editions of Inside Ukraine that received positive feedback from national and foreign policy makers and fill an analytical vacuum on Ukraine by providing foreigners with timely English-language analysis.

The pool of experts on national and regional level was involved in the development of two substantial papers: the book “A new Foreign Policy for Ukraine: Expert Perspectives” and its shorter version in the form of recommendations “A new Foreign Policy for Ukraine: Expert Perspectives”. The shorter paper is a set of recommendations for the President and Ministry of Foreign Affairs defining urgent priorities and will be supported by several “non-papers” clearly outlining details, implementation steps and phases of the proposed foreign policy recommendations. The book is a wider analysis of foreign policy and features details on bilateral relations with many key neighbors and partners. It is anticipated that the publication and other project activities could change the context of the foreign policy debates and discussions.

- *Media Law Institute (MLI)* project is aimed to increase accountability of the government by strengthening influence of civil society institutions through mechanisms of public expertise and effective access to information. They already prepared 3 requests to conduct public expertise of the activities of the State Cinematography Service, Expert Commission of Ukraine on Public Morals, and State Committee on Television and Radio. At the same time they drafted and sent 28 information requests to the National Television and Radio Broadcasting Council of Ukraine, the Central Interregional Administration of Statistics in Kyiv, District State Administrations in Kyiv and others government bodies. The requests were sent to the relevant state authorities. It is expected that project activities will enhance the transparency of state institutions as well as promote public activism in promoting access to information. The positive experience of MLI usage of the procedures of the public expertise and requests for information will be publicized on the web site and spread among other NGOs.
- *Institute for Socio-Cultural Management (ISCM)* project is targeting the issue of civil society infrastructure more specifically focusing on reforming “the Houses of Culture” that exist in many cities and villages of Ukraine. These Houses exist from the Soviet time and served a purpose of the community centers back then. After the Soviet Union collapse the existing infrastructure was used for a different purposes including renting the place to businesses. The ISCM working together with NGOs from different regions on creating the Local Activity Centers that NGOs and initiative groups can use for their activities. As a result of the working group the ISCM signed the agreement with Ministry of Culture and Tourism on the cooperation in the framework of this project. The project collaborates with different stakeholders in the government, civil society, and donors.

Activity 1d: Provide technical assistance to enhance the advocacy skills of grantees.

Building the core competency of UNITER grantees (communication, facilitation, public policy advocacy)

UNITER has launched two out of three planned core competency programs during this period. In designing the program it was expected that the programs will start in the beginning of LAGP grantees projects and this way they will help significantly grantees in implementation of the projects. Unfortunately due to external and internal factors (quarantine measures taken by Ukrainian government and limiting the public events; administrative procedures in selecting core competency providers) the programs has started with significant delay. This means that the true impact of the core competency capacity building efforts will be seen later after organizations will finish their current UNITER projects. Therefore the expected results in terms of change of the organizational capacity and advocacy index scores will be seen later than in a year after the baseline assessment.

Communications core competency program was lead by business organization KIY that brought business approaches to the training and coaching of grantees. Many grantees were excited after the trainings as the materials used by KIY is different from the regular NGO communication training and many discovered new things for themselves. Besides regular training program Kiy offers coaching session from the business trainer to each participant. KIY trainers praised the motivation and energy of participants, their desire to act and fulfill their missions and their positive traits. At the same time they noted that most of participants need to develop themselves in the areas like ability to involve others in their work, public speaking, writing communication, ability to build constructive communication with stakeholders and general managerial and organizational skills. Despite the fact that many organizations that participated in the trainings were not new on the market the skills of the participants differ significantly from representatives of business that Kiy used to train. NGO needs more business approaches in developing their staff to serve professionally their constituency.

The first training in *facilitation* was conducted by European Dialogue in the end of February and was focused on the developing a basic skills of participants on how to facilitate their work within the organization and with different groups of stakeholders. Participant learned different facilitation techniques they can use for working within organization as well as applying it in their work with different stakeholders. After the training European Dialogue facilitators conducted a coaching sessions with each organization that participated in the training. The coaching session was focused on a particular event or meeting that grantees needed to facilitate. Coachers were involved in preparation of the event, were present at the event itself and then together with the grantee assessed the process of facilitation that happened. Pact believes that as a result of the program grantees will develop skills which are core for organizations to be able to facilitate open dialogue with government and communities.

Pact has announced the tender for core competency program on *public policy advocacy* in the summer 2009 looking for innovative approaches to be used together with the regular trainings. But unfortunately out of 12 proposals that were received on this call none were corresponding to the criteria Pact was setting for selection. So it was decided to facilitate the development of the program by inviting advocacy practitioners and trainers to work together on this. It is planned that this network will create a community of practice that will produce Ukrainian training manual, involve experts into consulting and coaching organizations and will ensure peer learning of the UNITER grantees. The program should be launched in April with the start up planning meeting.

Activity 1e: Additional activities of civil society organizations before 2010 Presidential Elections in Ukraine

Issuing Call for Application for Election Related Activities and Providing Technical Assistance to Enhance the Skills of Grantees

Pact has issued a call for application for Election related activities (see Annex 3) that was targeted to support networks to empower Ukrainian NGOs with innovative tools to engage people, to identify key issues facing Ukrainian citizens, to advocate for policy change on their behalf, and thereby promote democratization. The call for applications encouraged organizations to look at elections as means in democratic reform processes, not ends, therefore not to be merely focused on election-day but targeted to have an effect on civil society beyond Election Day.

The overall goal of election related grants were expected to be as following:

- Increasing the quality of the vote over the quantity, that is citizens make informed choices in the political arena,
- Persuading disillusioned citizens to stay engaged by informing and educating them about reform priorities, while building up stronger public support toward reforms

As a result, UNITER program has supported 8 initiatives in the framework of its election related activities. In order to ensure new innovative ideas Pact brought a group of representatives of two organizations to Bratislava, Slovakia in September 2009. During this visit organization had a chance to work with the local communication consultants, meet different activists of the Slovak civil society and participate at a Central European Civil Society Forum and Social Innovation Camp. The consultations with the Slovak communication consultants continued in Ukraine and resulted in development of the New Citizen campaign.

- ***New Citizen*** is the Ukrainian civil society campaign that was created and launched by the “***Center UA***” NGO. The aim of the initiative is to increase impact of civil society on the political leaders through mobilizing citizens during presidential election campaign. The initiative now consolidates almost 50 prominent NGOs in Ukraine and aims to increase impact of the civil society on the government through active media campaign, social networking and creative direct actions.

The campaign attracted in-kind support approximately estimated in several million hryvnias of free air time on 5 media channels including national wide TV coverage, more then 300 000 hryvnias of printing and placing outdoor social advertisement in Kyiv, as well as other in-kind donations in form of discounted production of TV-spots, rent free premises for events, meetings, etc. These notably persuasive efforts ensured a high mobilization and citizens’ participation in the different socially engaging initiatives launched by the campaign. For instance, one of the initiatives that were launched together with the internet media portal “Ukrainska Pravda” at www.pravda.com.ua, is designed to provide a platform for citizens to communicate with the President of Ukraine “Ask new president a question”. . The initiative has collected more than 1000 questions from people and more than 60 000 people took part in voting to rank ten most important questions that were addressed to the President at the civic Forum, also initiated and organized by the New Citizen.

As a result of five-months activities the New Citizen became one of the most influential civic mobilization campaigns on the national level. The diligent nationwide communication activities were noticed by many citizens and policy makers. Even Viktor Yushenko at his final press-conference as president of Ukraine referred to the campaign's big boards and questions addressed to the new president. This highly aspired ramification roots in several dozen articles in prominent Ukrainian newspapers and popular blogs, global international interest to the campaign including media coverage in Japan, Great Britain, Russia, Azerbaijan, France, Estonia and other. Moreover, the semantics of the engaging New Citizen ideas found its place in the speeches of the well-known political and public leaders. There are many examples when concepts promoted by New Citizen were used by the experts, who are not a part of the campaign, to express their opinions on popular analytical talk shows and at other media opportunities.

The campaign is administered by the Center UA organization, which however was created only recently, demonstrates exceptional motivation and ambitions. Pact's targeted capacity building approach played a key role for this organization to succeed with the campaign. Specifically, Pact involved consultants on communication and strategic planning; Pact's staff provided numerous consultations on project management, monitoring and evaluation, concept development, networking and other topics. As a result the campaign is considered by many as the most successful campaign in mobilizing people during election period. There is a need to support the initiative further to continue their work in after-election period and the initiative group is working right now on the strategic plan for the next 3 years.

- **Garage Gang** is another organization that is newly registered and brings its business and marketing background to inspire civil society with new innovations. Their project was supported in the framework of New Citizen concept with a name of "Serving New Citizen". As part of the project Garage Gang conducted a series of Sunday Borsch meetings in Kyiv and in the regions which served as an alternative platform for communication to share success stories and ideas from regular people. The event usually begins with the presentation of the success from business, social sphere or art. For example, the founders of the www.sumno.com art platform were sharing their experience during the first Sunday Borsch on how they organized music festival. There is also a menu of ideas that is presented at each event which consists of the creative ideas developed by participants. The ideas are presented and participants of the event voting for idea. The person who presented the winning idea receives the start up funding for the idea implementation which is collected as entrance fee to the event. More than 300 people took part in the events and 7 creative ideas were supported by participants. Sunday Borsch also forms a network of people who are interested in the implementation of presented ideas and they help presenters in terms of development of ideas, additional resources and expertise.

At the same time Garage Gang is working on development of visual online map of initiatives where every citizen can pin his own project or decision with picture, hyperlinks and briefly described social values. The web-page will be placed at the New Citizen web-page and serve as a registry of personal projects that affects communities, builds the country and inspire others. Organization is also finalizes right now the style book designed to outline visual and verbal profile of new citizen. It is going to look like an everyday planner that will be pre-filled with graphical and textual guidelines: photos and collages, effective thinking patterns, inspiring texts and lists of web-addresses of projects with social value.

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Style Book will be presented at the opening of the New Citizen Art Exhibition, which will include the work of artists who contributed to this project. The exhibition will help the New Citizen Style Book become an artful object, allowing it to make a strong statement about the creative approach necessary for successful citizenship. The printing of this book will be co-funded by a printing house and distributed by bookshops and online stores.

- The project of *Nasha Sprava* is targets the problem of lack of communication and information exchange between Ukrainians from East and West. The common stereotypes among the population greatly slow down the pace of reforms, democratic change and the development of the nation. Lacking communication citizens in different regions do not unite to push for reforms, they are unable to speak in a one strong voice to control the government and propose their vision for the future of the country. In the framework of this project, the NGO, which is originally is from Lutsk, Volyn region partnered with another UNITER grantee Donetsk branch of Committee of Voters of Ukraine (CVU-Donetsk). Together with the partner assistance *Nasha Sprava* already produced so far one out of three internet TV programs that is targeted on the voter's evaluation of the election processes and voter's priorities in East and West. For the future, TV programs organization plans to cover variety of themes focusing on aspect of civil society, people to people contacts, and potential cooperation between East and West of Ukraine
- Pact supported *Democratic Initiatives Foundation (DIF)* project with goal to increase organizational capacity by involving new analytics as a fresh blood that will stimulate growth of organization. Generally DIF is considered to be old and experienced organization that exists on the market for a long time. The approaches and projects that DIF used during elections 2004 and before were very successful in terms of providing reliable source of information and conducting exit-polls. But clearly organization is lacking creativity and ability to adapt to new realities of 2010. With that in mind Pact selected DIF representatives for the same consultations that were provided to the Center UA in communication strategy, innovation tools and organizational development. As a result of these consultations DIF developed a proposal, which included innovative ideas such as electoral compass and also planned to renovate its Ukraine in Focus publication. Unfortunately during implementation of the project it became clear that DIF lacks key organizational skills in order to implement such innovations. So as a result of another round of consultations it was agreed that they will focus now step-by-step to Pact's guidance in improvement of Ukraine in Focus, and at the same time will undergo Pact's Organizational Capacity Assessment to identify its capacity needs better and to become less rigid organizationally in the future.

Activity 1f: Additional Activities of UNITER Civil Society Strengthening Program in Crimea

Crimea Fellowship Program

Pact launched its Crimea Civic Fellowship program which is based on the lessons and experience of the Belarusian Leadership Fellows program, implemented by Pact since 2006 under the ODS project. The needs assessment that was conducted prior to the program development demonstrates that Crimean new generation of leaders lacks basic program management, community mobilization, and collaboration skills. They also lack a clear vision of the role that civil society plays in democracy development processes. The program was designed to address the lack of programmatic skills among professionals choosing to work within the sector.

The goal of the Crimea Fellows Program is to create a new generation of civil society leaders in Crimea who can strengthen the legitimacy, credibility and sustainability of civil society organizations through effective NGO service delivery for constituencies. The program consists of the two major components Program Management Academy and Practicum. Each component takes 6 months to complete. It focuses on building a cadre of professionals skilled in program management who can model effectiveness to others within the sector. Program management encompasses a set of skills beyond those of project management. While incorporating project cycle skills, program management also includes:

- Long-term strategic directions for social development, accomplished through a series of projects or interventions;
- Stakeholder mobilization and community engagement;
- Teambuilding and conflict management;
- Vision for civil society in providing social benefit and promoting government accountability, transparency and responsiveness.

In January 2010 fifteen young leaders (see Annex 4 for the full list of fellows) met at the first meeting in Crimea which was dedicated to introduce the program to the fellows, discuss the role of the civil society and role of leader in it. The next two sessions were held outside of Crimea and were targeted at developing more concrete set of skills. The session in Odessa which was held in February focused on Strategic Planning, and the meeting in Donetsk that was held in March focused on Project Management and Fundraising. It is planned that Fellows will meet at another three sessions where they will be able to develop the ideas that they have for their project further. At the end of the program Pact will competitively select the projects which will be supported for further implementation.

The Crimean Fellowship Program differs from the Belarus program, due to differences in context between the two programs. However, it is based on and contributes to an overall concept of sectoral capacity strengthening discussed during the meetings.

Advocacy Grants

Pact announced closed competition for the Crimean NGOs that submitted their proposals for Local and National Advocacy Grants Programs during FY09. The overall goal of the CFA was to strengthen the capacity of Crimean NGOs to amplify voices for better service delivery in Crimean municipalities and encouraged use of the innovative tools in the field of advocacy and citizen participation. Pact has received 13 projects and selected 4 out of them for funding. Below is the short description of the achievements of the grantees.

- ***NGO Volunteer*** implements the project on Creation of Public Youth Environmental Patrol in Sevastopol. It is aimed at increasing youth participation in and influence on decision making processes on environmental issues in Sevastopol. Key tools the grantee is using in the project are setting up a public control system and ensuring effective cooperation of civil society organization and local self-government bodies. Together with the department for environmental protection NGO organized eco-education courses for volunteers. As a result 14 volunteers that passed the courses are officially became certified environmental inspectors. An organization also opened the environmental consultation center to the public

that already provided 127 consultations on eco security, environment violation, assisting in filing complaints of citizens, and other related issues.

- The project of the NGO “**New Generation**” is aimed on increase of public participation in the decision making process through establishment of local self-governance. Organization works with the communities of remote districts of Evpatoria such as Ismail Bey, Zaozerno, Novoozerno, Mirnoe. They are conducting awareness campaign on advantages of condominium associations and local self-governance bodies through holding public meetings in communities and conducting seminars for volunteers.
- The goal of the project implemented by **NGO Mirotvorets** is to promote development of civil society through improvement of services that are provided by local government. Organization promotes the mechanisms of public participation such as public councils and social order of services from NGOs. As a result of public meetings with various stakeholders they reached the agreement that there is a need to create public councils in executive bodies in Sevastopol. Organization also provided 80 consultations to civic activists on cooperation with local government.
- The project of **Borazan** NGO is focused on working with the initiative groups that were created as a part of UNDP project in Bilohorsk rayon. They develop capacity of those initiative groups and register them as local self-governance bodies. Organization serves as a resource center for those newly created self-governance bodies and cooperates with business to ensure their financial sustainability. There are currently fourteen registered self-organization bodies in rayon that closely cooperate with Borazan.

Pact conducted two focus groups in March to come up with the main themes for the next round of competition for local advocacy grants for Crimea. The results of the discussion are incorporated in next Call for Applications which is in Annex 5 to this report.

Policy & Research Grants

Pact has announced the call for application for Crimea Policy and Research grant (see Annex 6) with the goal to facilitate debates of important policy issues involving public as well as private sector. Under this competition Pact plans to support public policy research and advocacy that address the quality of life issues and improve human services in Crimea including issues like cost of living, social inclusion, employment, trade, transport, maritime affairs, education, culture, government productivity and others. Pact has received 38 project proposals, which are going to be reviewed by the board of the experts in research.

Activity 1g: Additional Activities of UNITER to support cross-border initiatives linking Ukrainian civil society activists with counterparts in the region

Under this new component, Pact supports cross-border initiatives linking Ukrainian civil society activists with counterparts from Belarus and Moldova to help increase regional cooperation, share experience and develop joint initiatives to advance reforms common to these countries. Specifically, the objectives of this component are to enhance Ukraine's position as a regional democratic leader and to support policy-oriented cross-border initiatives moving the region towards “Europeanization.” For the implementation of the initiatives, Pact engaged with three key Ukrainian policy-oriented think tanks. These are International Centre for Policy Studies (ICPS), the Pylyp Orlyk Institute for Democracy (POID) and the Institute for Euro-Atlantic Cooperation (IEAC).

Study tours of Ukrainian think tanks and opinion-makers to support Moldovan transition by Ukrainian policy institutes

Study visits to Moldova aimed to promote cooperation of Ukrainian think tanks with staff of the new administration, key decision-makers, and policy experts and media pundits in charge of and/or directly involved in Moldova's European aspirations. Pact envisions that each study visit will address different topics of importance such as: - nation building, identity and state unity to strengthen the country's international security; - economic liberalization, path to growth and trade issues to deliver long-term social benefits and security, and - critical reforms that ensure democratic and effective governance to safeguard civil liberties and advance urgent policy reforms.

In late January 2010, UNITER held a working meeting together with ICPS, POID and IEAC where it was decided to form a "Ukraine-Moldova Civil Society Task Force" on cross border issues. The idea behind the Task Force is to engage in assistance and facilitate the impact of Ukraine civil society cooperation with Moldovan NGOs in the transition processes of Europeanization and democratization of Chisinau.

It was agreed that as a part of the Task Force the ICPS is responsible for economic liberalization and trade component, POID will deal with nation building and IEAC will be in charge of the critical reforms, democratization and good governance issues. The first study visit was organized by ICPS and took place in March. The two-day visit included meetings with key government officials among which are Dr. Nicu Popescu the Foreign policy Advisor to the Prime-Minister of Moldova and Stela Mocan the Advisor to the Prime-Minister of Moldova and local think tanks representatives such as Dr. Igor Munteanu an Executive Director of the Institute for Development and Social Initiatives "Viitorul". It is important to note that the visits are not designed as consultancy services, but rather as a beginning of long term cooperation.

However it's a two way street, requiring Ukrainian counterparts to be strongly engaged in shaping up Ukraine's foreign policy toward Moldova. As the result of the first visit, the report focused on the needs of Moldova reforms will be produced. The other two visits are planned for mid/late May.

One of the essential assignments of the Task Force will be to identify key people in the new Ukrainian government dealing with Moldova, connect them with the Chisinau stakeholders and stay on top of the development processes, as well as to play a key role in it. The conference that is preliminary scheduled for June 2010, its outcomes and feedback will be a first indicator of the success and will define the future of the Task Force, shape its further efforts and pinpoint aspects most indigent for reforms and Ukrainian engagement.

2. Regional conference on Europeanization of Ukraine and Moldova

The EU's new policy instrument the Eastern Partnership provides a unique opportunity for these countries' European aspirations to break out from the traditional government-to-government paradigm by the EU's intention to give more opportunity for civil society of the participating countries. The second stage of the cross-border component is a regional conference on Europeanization of Ukraine and Moldova that should take place in June in Kyiv bringing together prominent experts and civil society opinion leaders from both countries to discuss further cooperation and develop new initiatives.

Objective 2: The relevant legislative framework for civil society approaches European standards.
(5%)

Activity 2a: Support NGO efforts to propose legislative initiatives and build consensus for changes.

Cooperation with key partners for legislative reform related to NGOs

Unfortunately, despite many efforts to move the bill “On Public Associations” further before the election, the Ukrainian Center for Independent Political Research (UCIPR) advocacy campaign has failed. Due to UCIPR’s efforts, the bill was approved by the Verkhovna Rada committee on European Integration and the Conciliating Council decided to consider the draft directly on the plenary session of the Parliament, omitting the Committee on Legal Policy. However, due to the political crisis and pre-election battles in the Parliament, the law was not brought to the floor before Presidential elections. After the change of the President and appointment of the new Cabinet of Ministers, the draft laws that did not pass the first reading are called back by the new government.

Although there are still no concrete results in the main legislation under this objective, there are significant improvements in the capacity and skills of the main partner under this objective. As a result of Pact’s efforts, UCIPR’s strategic approach has changed. UCIPR is now working to build a constituency for reform by collaborating with other organizations and actively cooperates with the New Citizen Campaign. Together with the New Citizen members, UCIPR organized a picketing of the Ukraine-EU summit to draw attention to the problems of the civil society legislation. They also have more legitimacy by involving more organizations in their advocacy efforts. As a result, UCIPR now has much better support of their initiative from CSOs of varied sectors.

Build a Campaign for the Law on Public Associations

The Draft of Law "On Public Associations" (№ 3371 submitted to Parliament November 14, 2008) was initially submitted to the Verkhovna Rada of Ukraine by the Tymoshenko's government and thereafter revoked in March 2010 due to the government resignation. The Ministry of Justice of Ukraine plans to develop and present a draft law "On Public Associations" in 2010, but practical steps are not yet finalized.

The Ukrainian Center for Independent Political Research (UCIPR), within the framework of the UNITER project, continues to work on improving the draft Law. The text of the legislation in work is taking from the actual government draft. UCIPR currently considers two options for re-submitting the draft law to the Parliament:

- With the help of new Government. The draft should preserve fundamentally important provisions for public organizations such as simplified registration procedure, ability to conduct economic activities, eliminating territorial status requirements and etc.
- Through the current members of parliament (MP) are being consulted on the re-submission of the draft law.

Advocate for the Law “On Charity and Charitable Organizations” and amendments to the taxation law

The actual text of the draft was written by a coalition of NGOs and charitable organizations (UCIPR, Ukrainian Philanthropists Forum, Center for Philanthropy, Rinat Akhmetov Foundation, Victor Pinchuk Foundation, Foundation ‘Ukraine 3000’). The series of open public discussions regarding the draft law were held. According to the procedures, the Ministry of Culture sent a draft for approval and discussion to other Ministries. Unfortunately, the accommodation is still in the process which significantly delays the draft submission to the Parliament.

Therefore, UCIPR and other representatives of charitable organizations coalition decided to submit a draft law through members of parliament. In the framework of the UNITER supported project, the Ukrainian Center for Independent Political Research conducted broad public awareness campaign on the necessity of the reform of legal regulations for charity and charitable organizations. The UCIPR project team held a series of public consultations on the draft law “On Charity and Charitable Organizations” and encouraged all interested parties to submit proposals for legislation improvement. Twelve sets of proposals, including those from interested MPs, were submitted to UCIPR and 75% of them are considered in the final text of the bill.

Through public consultations and information campaign, project team managed to receive large public support for the draft law. For instance, the largest charitable organizations of Ukraine, among which are Victor Pinchuk Foundation, Rinat Akhmetov Foundation “Development of Ukraine”, “Ukraine 3000” Foundation and other influential public associations, support the proposed editions to the draft law "On Charity and Charitable Organizations". A total of eleven charitable organizations agreed to sign a Memorandum in support of charity legislation reform.

The series of consultations with the MPs were held on the text of the bill and its submission for the Parliament reading. As a result of consultations, four MPs, representing four different parliamentary fractions (Y. Novikova, O. Feldman, O. Zarubinsky, L. Orobets), agreed to submit the draft law "On Charity and Charitable Organizations" for the parliament consideration and to advocate its quick reading and adoption. Currently, the supplement documentation is being prepared for submission of the draft bill. Additionally, the consultations on support of the bill are continuing with the Head of the Committee’s on Culture and Spirituality Subcommittee on Charity.

Advocate Reform on legislation on government funding for NGO activities

The (UCIPR) conducted a research on the government funding in Ukraine and developed proposals for its improvement. The results were presented at the roundtable on “Government Funding for Civil Society Organizations: How to Implement European Standards”. Fifty representatives from NGOs and government institutions attended the event. Among many problems, the research identified the following areas as the most important ones: the lack of financing, ineffective use of funding, corruption and bureaucracy in government procurement. The reform of legislation on improving the government funding instruments for NGOs was discussed. Recommendations and proposals of the participants are taken into account and will be put together in the final recommendations on this issue.

Activity 2b: Support to key organizations that help NGOs overcome regulatory hurdles and/or provide legal advice Activity

The Annual NGO Sustainability Index Report

Pact established a fruitful and mutually satisfactory cooperation with the *Counterpart Creative Center (CCC)*. CCC not only completes its program targets but it also takes the initiative to work

more with the obtained data by conducting specific analysis of capacities of organizations in the specific sectors and regions. The draft analytical report based on the additional criteria is in the attachment to this report as Annex 7. During reporting period CCC conducted NGO Sustainability Index report, finalized and issued the survey on CSOs in Ukraine: The State and Dynamics 2002-2009.

Moreover CCC plans to compare UNITER LAGP grantees with the broader trends of the civil society, establish a comparison group for counterfactual evaluation of UNITER capacity building efforts, and conduct sector-based analysis of the CSOs capacities. Results of CCC assessment of the LAGP grantees were also used by some organizations in development of the institutional strengthening plans, which served as a basis for providing first vouchers to organization.

Objective 3: NGOs are transparently governed and capably managed. (20%)

Activity 3a: Support organization receiving grants for local advocacy to meet their basic organizational capacity strengthening needs.

Pact implements rapid organizational capacity assessments of local grantees

Creative Centre Counterpart (CCC) developed a rapid capacity assessment that can be completed in one day or the LAGP grantees. Based on the assessment results the first round LAGP grantees' basic capacity needs of organizations are identified. The assessment reports were shared with grantees and some organizations decided to develop institutional strengthening plans based on this assessment and internal discussions. That allowed Pact to provide the additional technical support to grantees according to their needs through the capacity building vouchers. 13 organizations already received the vouchers and are planning to purchase needed capacity building services.

Organizational Capacity Assessment Implementation

UNITER adapted Pact tool on *Organizational Capacity Self-Assessment (OCA)* by involving consultants that were trained last year in the assessment of the Democratic Alliance organization. OCA is the highly participatory tool that involves all members of organization in assessing its performance based on self-defined criteria. Unlike CCC assessment it is not providing snapshot picture of organizational development but rather is a capacity building tool in itself as it gathers organizational representatives to assess its performance. Ukrainian facilitators who were trained on using the Pact tool facilitated the process in this organization. According to the Democratic Alliance the process of OCA allowed them to discuss very important issues internally in organization and as a result they are planning to review their overall strategy for organization.

The tool will be offered to other partner organizations that showed their desire to commit to the process such as Democratic Initiatives Foundation and Media Law Institute. Pact also plans to use OCA for assessing the capacities of cohorts which will be selected based on sectoral approach. This will allow organizations to benchmark themselves in their sector and also see specific capacity building needs in the sectors.

Activity 3b: Provide advanced capacity development program to key NGO partners/facilitate creating of national leaders.

Conduct advanced institutional strengthening to key NGOs

As it was discovered during the cooperation with partners some organizations that are perceived by many as a strong experienced NGOs lack very basic skills in organizational capacity. Therefore it is very important to make this capacity building targeted to the specific need of organization. With this in mind Pact plans to offer OCA to the key partners to identify those specific capacity building needs. It is planned that after the piloting of the tool on Democratic Alliances that happened during this reporting period the tool will be offered to other partners. Democratic Initiative Foundation and Media Law Institute has already expressed their interest in using this tool.

Individual technical assistance consultations with grantees (coaching)

In addition to the capacity building interventions to lead national partners as described above, Pact also assists key NGOs with the constant consultations and facilitations from UNITER team as well as involving outside consultants. Pact involved three key communication consultants for Slovakia to develop the communication campaigns for the key partners under election component. Pact plans in the future to attract those and other experts in the process of coaching and consulting key organizations.

Provide capacity building to key partners to attain audit-readiness to manage complex financial portfolio

Pact, in cooperation with leading experts, formerly with PricewaterhouseCoopers in Ukraine (PwC), will provide technical assistance to its partner NGOs in the form of working sessions and actual audit preparation. Consultants held introductory meetings with the consultant to assess the current state of the financial systems of key partners. Six organizations that were assessed has a very different levels of development of their financial systems. Pact plans to conduct the training on the overview of the International Financial Reporting Standards for all six organizations that were assessed. As a result of the training participants will learn about USAID requirements to the reporting, will acquire skills and knowledge for preparation of fund accountability statement and cost-sharing schedule. After the training organizations will work on improving their financial systems based on recommendations from the consultant and knowledge received during the training. It is expected that after completing this program partners will be able to pass the international audit.

The program raised a lot of interest from different partners. It was decided that after the first piloting group the international audit readiness program will be offered widely to other organizations who are potentially interested in receiving directly funding from international donors.

Activity 3c: Activating the local Marketplace through LINCS

One of the main innovations that was planned by Pact and its' partner Gurt is to develop capacity building marketplace which will serve as a platform where service providers and service users would meet. This platform supposed to change the relationship between the providers and consumers and establish market-based relations where each organization will be responsible for its capacity building (unlike now when donors are defining what capacities organization needs and what trainings it needs to attend).

Unfortunately, the launch of the online mechanism which was originally planned to be happening at the end of 2009 was postponed. During reporting period Gurt has conducted the real-time fair

which was attended by more than 150 NGOs. During this fair Pact started to pilot its voucher system by issuing first vouchers to the 10 LAGP grantees based on the institutional strengthening plans they developed. Gurt's decision to keep the fair and marketplace closed for businesses actually lead to the lack of competition among the providers. As a result capacity building users could not find the services they wanted on the fair as it was "usual suspects" participating.

It was decided that Pact will take a lead in implementing the online marketplace platform and will build local ownership and ensure inclusiveness of the process as it is seen now that Gurt is not eager to do this. Apparently Gurt sees itself as a service provider and in order to avoid conflict of interest it is reasonable to give the ownership of the marketplace to the network of organizations that will be interested in ensuring fair rules on the market. So as a plan for the next steps Pact is calling a meeting for everyone who is interested in participating in this network and plans to form a core group in the future.

The online/offline marketplace

Pact initiated the broader discussion of the marketplace concept with service providers and users. According to the key players that were present at the meeting initiated by pact there is a demand in some additional mechanism which will play role of knowledge sharing platform, which promote capacity building approach, empower NGOs to create networks, increasing awareness of capacity needs in order to become more sustainable, independent, less donors driven. Marketplace should demonstrate how CSOs improved their organizational capacity with the help of this new service.

During consultations with stakeholders it was decided that Pact will lead the implementation of the online marketplace at the same time will be looking for building local ownership of the portal. There is a plan that the portal will be administered in the future by the core group of NGOs representatives who will be delegated by other stakeholders to manage the process.

The offline mechanism which is called a Fair will be administered by Gurt organization in the future. In December 2009 Gurt conducted the Second Marketplace Fair where 29 providers of capacity building presented their services and programs, 11 master classes and presentations were conducted. More than 150 NGO representatives from all over Ukraine took part in the event. Pact introduced ONA (Organizational Network Assessment) capacity building tool and a voucher system to support the organizational development of CSOs and enhance "user-provider" interactions was tested. Ten vouchers, \$ 5 700 USD total, were given to UNITER local grantees to purchase services from providers present at the Fair.

Develop and pilot Voucher System (the bank) for additional donor buy-in

Pact developed a system, which is now being tested on UNITER grantees but in the future will be offered as a way of funding for other donor organizations. Pact awards vouchers up to USD 1000 based on the institutional strengthening plans developed by grantee and grantee's annual budget. Right now Pact offered capacity building vouchers to 13 organizations. Organizations plan to spend those vouchers on their capacity building needs in the nearest future.

Objective 4: Civil society organizations are more financially sustainable and less dependent on foreign donors. (25%)

Financial sustainability of the civil society is a cross-cutting theme for the whole UNITER program. All UNITER activities have a component for sustaining financial independence of the NGOs by

encouraging them to work closer with different stakeholders including business and government. More specifically Pact supports financial viability through:

- Encouraging partnerships with business and government under all competitions which are held by Pact
- Supporting partners that work to improve enabling legislative environment especially advocating for Law on Philanthropy and legislation on government funding.
- Building capacity of organizations in different areas so that they will be more effective in their communication, fundraising and cooperation
- Implementing program on international audit readiness that will help NGOs to develop more transparent financial systems which will enable NGOs to deal with funding from different sources
- Supporting the national level project that are aimed to develop philanthropy and corporate social responsibility

Activity 4a: Civic-private partnerships

Hold regional-level, educational and “trust building” events for corporations and NGOs

Pact supports the project of *Ukrainian Philanthropist Forum (UPF)* that is aimed at mobilization of the small and medium size businesses and perspective private donors in Ukraine and to familiarize them with various charity tools and opportunities for the development of strategic corporate philanthropy programs. UPF also targeted to involve businesses in assisting NGOs through community foundations.

During reporting period UPF conducted 4 regional business breakfasts events for corporations and NGOs that involved over 60 representatives from small and medium businesses. Participants discussed basic principles of corporate philanthropy and possible tools that businesses can use, how to develop a plan of philanthropy, social dividends and in-kind charity, concept of community foundations, the benefits of social partnership.

Breakfasts were followed by open discussions on the present concept of community foundations and possibilities of establishment such mechanisms in their community. Representatives of business, media, public sector and local authorities discussed how community effectively address the immediate problems, is the community ready to establish community foundation, what are the benefits of community foundation, where three roles of community foundation like grant maker, community leader, promoter of organized philanthropy were explained.

2. Create enabling environment for Corporate Social Responsibility (CSR) development

Center for CSR Development implements the project on Development of the national agenda on CSR, which aims to create enabling environment for CSR development in Ukraine. To achieve this goal organization focuses on promotion of the concept of corporate philanthropy throughout Ukraine by means of a wide public awareness on CSR at national and regional levels; development capacity and skills for CSR mainstreaming in the activities of organizations of

different forms of ownerships; creation of enabling environment for CSR and partnerships via establishing of system of incentives and commitments and elaboration of the national strategy of development of CSR for 2011 – 2015.

The project was presented at the Ukrainian Parliament and the Committee hearings on CSR conducted under the auspice of the State Committee on Industrial and Regulatory Policy and Entrepreneurship of Verkhovna Rada of Ukraine. The discussion was focused on the possibility to incorporate the project activities into the plan of the Parliamentary Committee and Global Compact on the development of the national CSR concept. The working group within the Parliamentary Committee was formed, in which CSR Centre is expected to play the role of the expert organization and promote the project on the parliamentary level.

The CSR Centre also conducted a competition of the business cases to raise awareness on corporate social responsibility at regional and national levels and create enabling environment for CSR. The competition was sponsored by many businesses and aimed facilitate an effective dialogue between all groups of stakeholders; public educational institutions, universities, businesses, NGOs, government agencies and international donors. Award recipients agreed that this kind of recognition is very important, believing that it pulls more attention to launching company initiatives in the future. The event was also an opportunity to release the publication “*CSR Practices of the Companies in Ukraine*” describing forty three successful CSR business cases.

The CSR Center together with “Delo” newspaper organized a roundtable with the representatives of Kyiv's leading business schools “Do business schools develop responsible leaders?” More than 40 representatives of various business schools, companies, international organizations and media, including the officials of International Business Institute (IBI), International Management Institute (MIM-Kyiv), “Kyiv Business and Technology Institute” Business School (KIBIT Business School), Edinburgh Business School, Ukrainian Business High School, Kyiv Mohyla Business School (KMBS), Lviv Business School and Lviv Management Institute, as well as the representatives of the UN Global Compact, Ernst&Young, Microsoft, MTS and Intel had participated in the event. The discussion was focused on the latest trends in MBA education and the willingness of Ukrainian business schools to serve as leverage power in promoting CSR and educating new leaders. In addition, the participants of the event had pointed out the programs of Ukrainian business schools that encompass the topics of CSR and sustainable development.

Activity 4b: Fund and reward public-private partnerships

Pact continues using non-USG (Ukrainian and private) funding buy-in across its local and national level grant making (objective 1). This is one of the major requirements of Call for Proposals and Annual Program Statements. To further stimulate such initiatives and to promote the best philanthropic initiatives in Ukraine UNITER supported “Philanthropists of the year 2009” competition among business and private philanthropists. Its was organized by UPF and aimed to support the development of charity activities in Ukraine and to promote them through achieving their public recognition and awarding the best charity initiatives, aimed at solving important social problems.

Activity 4d: Enhance local business engagement through community funds

UNITER is committed to stimulate new approaches to local business engagement through community funds. As a part of UPF project, Pact funded the study of the community foundations to

estimate the communities readiness for establishing foundations based on a simple set of criteria: community values; community involvement; activity of the members of the community and volunteer work; development of the business sector; relations between the state authorities, the business community and NGOs; communications and distribution of information in the community, and community-based planning.

In addition to these activities UPF and UNITER have established close cooperation with "School for community foundations», Charles Mott Foundation funded project implemented by NGO ISAR Ednannia. In order to coordinate both projects activities UPF and UNITER are involved into the Experts Committee of the ISAR Ednannia project. It is planned that those communities visited by UPF will be provided with the training and small financial support for their institutional development by ISAR Ednannia if they are interested in the development of the community foundations in their respective communities.

OTHER ACTIVITIES

Donor Coordination

Pact was in the crux of donor coordination in the past period again. Pact hosted and coorganized in cooperation with NDI one donor coordination meeting centered around elections and have been an active participant of the coordinating efforts on this issue. In Crimea, Pact has developed a fruitful collegial partnership with Internews resulting in sharing of office premises, on-going information exchange and joint organization of consultations. In addition, Pact is integrated with other Crimea-based donors, such as UNDP. Pact recurrently uses the information mechanisms provided by UNDP on Crimea civil society and development questions. Finally, Pact has expanded the cooperation with the International Renaissance Foundation in terms of co-support. IRF's co-sponsorship was secured to the Ukrainian Reform Forum in a form of a grant to ALI in the run-up to the presidential elections and the joint Local Advocacy Grants Program conducted along the same line as in previous year with the same (\$100,000) funds added to the grants pool from IRF.

Activities This Period

Activities Planned for This Period	Timeline	Status
Activity 1a: NGOs, individually and collectively, advocate for government accountability at the local level		
1. Administration and implementation of the first round LAGP	Oct –June	Ongoing
2. The second round RFA for LAGP	Dec-March	Dec-May
3. LAGP promotion tour and regional round table meetings	Jan-Feb	Cancelled
4. LAGP grants management and monitoring	March-Sept	May-Sep
5. Continue cooperation with IRF on matching funds and joint selection committee for the LAGP	Ongoing	Ongoing
Activity 1b: Establish the Ukrainian Reform Platform as an on-going mechanism to support continued reform and civic engagement efforts.		
1. Administration of the first round national level grants program	Ongoing	Ongoing
2. UNITER issues an APS for the national level grants program (the second round)	March-May	May-July
3. National advocacy grants management and monitoring	Ongoing	Ongoing
Activity 1c: Support and enhance national NGO policy reform efforts.		
1. On-going innovation fund grant program	Feb-Sept	May-Sept
Activity 1d: Provide technical assistance to enhance the advocacy skills of grantees.		
1. Building the core competency of UNITER grantees (communication, facilitation, public policy advocacy)	Oct-June	Jan-Sept
2. Best practice sharing event for local and national grantees	March-April	May-June
Activity 1e: Additional Activities of Civil Society Organizations before 2010 Presidential Elections in Ukraine.		
1. Issuing Call for Application for Election Related Activities	Oct-Nov	Nov-Dec
2. Provide Technical Assistance to Enhance the Skills of Grantees	Oct-Dec	Oct-Dec
Activity 1f: Additional Activities of UNITER Civil Society Strengthening Program in Crimea.		
1. Crimea Fellowship Program	Dec-Sept	Jan-Sept
2. Advocacy Grants	Nov-Sept	Nov-Sept
3. Policy & Research Grants	Feb-Sept	Feb-Sept
Activity 1g: Additional Activities of UNITER to support cross-border initiatives linking Ukrainian civil society activists with counterparts in the region.		
1. Study tours of Ukrainian think tanks and opinion-makers to support Moldovan transition by Ukrainian policy institutes	Jan-April	Mar-May
2. Regional convent on Europeanization of Belarus, Ukraine and Moldova	June	June
Activity 2a: Support NGO efforts to propose legislative initiatives and build consensus for changes.		
1. Cooperation with key partners for legislative reform related to NGOs	Ongoing	Ongoing
2. Build a Campaign for the Law on Public Associations	Ongoing	Ongoing
3. Advocate for the Law “On Charity and Charitable Organizations” and amendments to the taxation law	Ongoing	Ongoing

4. Advocate Reform of the Law on Government Funding for Activities for NGOs	Ongoing	Ongoing
Activity 2b: Support to key organizations that help NGOs overcome regulatory hurdles and/or provide legal advice Activity.		
1. Launch of the grant competition for NGOs working on legal issues	Feb-March	May-June
Activity 3a: Support organization receiving grants for local advocacy to meet their basic organizational capacity strengthening needs.		
1. Pact implements rapid organizational capacity assessments of local grantees	April	May
2. Organizational Capacity Assessment Implementation	Ongoing	Ongoing
Activity 3b: Provide advanced capacity development program to key NGO partners/facilitate creating of national leaders.		
1. Conduct advanced institutional strengthening to key NGOs	Feb-Sept	Feb-Sept
2. Individual technical assistance consultations with grantees	Jan-Sept	Jan-Sept
3. Provide capacity building to key partners to attain audit-readiness to manage complex financial portfolio	Jan-Feb	Mar-April
Activity 3c: Activating the local Marketplace through LINC'S		
1. The online/offline marketplace	Ongoing	Ongoing
Finalizing Online Marketplace Concept	Oct-Jan	Oct-April
Offline Marketplace: the second capacity Marketplace Fair	Dec	Dec
2. Develop and piloting Voucher System (the bank) for additional donor buy-in	Dec-Sept	Dec-Sept
Activity 4a: Civic-private partnerships		
1. Hold regional-level, educational and “trust building” events for	Feb-Sept	Feb-Sept
2. Create enabling environment for CSR development	Dec-Sept	Dec-Sept
Activity 4b: Fund and reward public-private partnerships		
1. Fund projects targeting social contracting through local grants	Mar-Sept	May-Sept
Activity 4d: Enhance local business engagement through community funds		
Enhance local business engagement through community funds	June-Sept	Mar-Sept

Activities Planned for Next Period

Activities planned for next period	Timeline
Activity 1a: NGOs, individually and collectively, advocate for government accountability at the local level	
1. Administration and implementation of the first round LAGP	October– June
2. The second round RFA for LAGP	December- May
3. LAGP grants management and monitoring	May –September
4. Continue cooperation with IRF on matching funds and joint selection committee for the LAGP	Ongoing
Activity 1b: Establish the Ukrainian Reform Platform as an on-going mechanism to support continued reform and civic engagement efforts.	
1. Administration of the first round national level grants program	Ongoing
2. UNITER issues an APS for the national level grants program (the second round)	May-July
3. National advocacy grants management and monitoring	Ongoing
Activity 1c: Support and enhance national NGO policy reform efforts.	
1. On-going innovation fund grant program	May-September
Activity 1d: Provide technical assistance to enhance the advocacy skills of grantees.	
1. Building the core competency of UNITER grantees (communication, facilitation, public policy advocacy)	Ongoing
2. Best practice sharing event for local and national grantees	May-June
Activity 1e: Additional Activities of Civil Society Organizations before 2010 Presidential Elections in Ukraine.	
2. Provide Technical Assistance to Enhance the Skills of Grantees	May
Activity 1f: Additional Activities of UNITER Civil Society Strengthening Program in Crimea.	
1. Crimea Fellowship Program	Ongoing
2. Advocacy Grants	Ongoing
3. Policy & Research Grants	Ongoing
Activity 1g: Additional Activities of UNITER to support cross-border initiatives linking Ukrainian civil society activists with counterparts in the region.	
1. Study tours of Ukrainian think tanks and opinion-makers to support Moldovan transition by Ukrainian policy institutes	May
2. Regional convent on Europeanization of Belarus, Ukraine and Moldova	June
Activity 2a: Support NGO efforts to propose legislative initiatives and build consensus for changes.	
1. Cooperation with key partners for legislative reform related to NGOs	Ongoing
2. Build a Campaign for the Law on Public Associations	Ongoing
3. Advocate for the Law “On Charity and Charitable Organizations” and amendments to the taxation law	Ongoing
4. Advocate Reform of the Law on Government Funding for Activities for NGOs	ongoing

Activity 2b: Support to key organizations that help NGOs overcome regulatory hurdles and/or provide legal advice Activity.	
1. Launch of the grant competition for NGOs working on legal issues and providing legal consultations to other NGOs	May-June
2. The Annual NGO Sustainability Index Report	Sept
Activity 3a: Support organization receiving grants for local advocacy to meet their basic organizational capacity strengthening needs.	
1. Pact implements rapid organizational capacity assessments of local grantees	May
2. Organizational Capacity Assessment Implementation	Ongoing
Activity 3b: Provide advanced capacity development program to key NGO partners/facilitate creating of national leaders.	
1. Conduct advanced institutional strengthening to key NGOs	Feb-Sept
2. Individual technical assistance consultations with grantees (coaching)	Jan-Sept
3. Provide capacity building to key partners to attain audit-readiness to manage complex financial portfolio	Mar-April
Activity 3c: Activating the local Marketplace through LINCS	
1. The online/offline marketplace	Ongoing
Finalizing Online Marketplace Concept	Oct-April
2. Develop and piloting Voucher System (the bank) for additional donor buy-in	Dec-Sept
Activity 4a: Civic-private partnerships	
1. Hold regional-level, educational and “trust building” events for corporations	Feb-Sept
2. Create enabling environment for CSR development	Dec-Sept
Activity 4b: Fund and reward public-private partnerships	
1. Fund projects targeting social contracting through local grants	May-Sept
Activity 4d: Enhance local business engagement through community funds	
Enhance local business engagement through community funds	Mar-Sept