



Ukraine National Initiatives to Enhance Reforms Project

Annual Performance Report

1 October 2008 – 30 September 2009

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

Submitted by Pact, Inc.

I. Executive Summary

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 the 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 as well as support NGOs monitoring and advocacy initiatives from various spheres of public life which are essential in advancing Ukraine’s reform process.

UNITER combines carefully targeted technical assistance and grants support in order to nudge the developmental trajectory of Ukrainian civil society in subtle yet important ways. The result at the conclusion of UNITER 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.

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

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 sole source basis if they meet the criteria of:

- Inclusiveness;
- Sector-wide networking and management potential to unite civil society stakeholders under their umbrella;
- Proven capacity, experience and potential for overall sustainability;
- Conflict of interest.

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.

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 but also 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

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uses its cutting-edge corporate community engagement tools to assist partners to tap into local finding 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.

Key Results 1 October 2008 – 30 September 2009

This report covers the activities for the period, October 2009 – September 2009, along with a year analysis of program impacts, for the Ukraine National Initiatives to Enhance Reforms (UNITER) project, implemented by Pact, Inc. The following report represents an overview of some major activities conducted and describes some of the project management issues including regional visits to promote the project, cooperation with other donors, monitoring mechanisms and other relevant information concerning project management during the reported period.

In the first year of the UNITER project, Pact successfully launched the UNITER project into the mainstream of policy-oriented Ukrainian civil society primarily through its wide outreach effort to civil society organizations. Specifically, by:

- 32 presentations, organized in all regions of Ukraine including Kyiv and Crimea with participation of more than 1150 representatives from Ukrainian NGOs promoting the grants and capacity building opportunities offered by the UNITER project to Ukrainian NGOs during the year, underlining philosophy, methodology and anticipated impact on Ukrainian civil society.
- 48 publications, about the project activities in mass-media.
- 454 applications, managed under the local and national grant competitions, as well as another 38 applications through the core competency competition. (Please find the full list of sub-award under UNITER in Attachment 1.)
- 114 participants, taking part in the first Capacity Building Marketplace Fair; 20 training providers exposed their services during the event; 4 parallel workshops organized.
- 6 consultations, conducted with the Ministry of Justice and the Cabinet Secretariat on amending the Concept of Promoting the Civil Society Development by Executive Authorities.
- 109 consultations, provided to applicants for local grants and national level grants programming.

Under objective 1:

- Awarding 18 grants through the local grant competition totaling \$243,081, 23 to NGOs in 10 Oblasts and the Autonomous Republic of Crimea. Local NGOs expressed a high appreciation to the UNITER team as a first donor to simplify the application submission process with lesser linguistic requirements and multiple proposal copies submission
- Launch of the national level advocacy grant programming.
- Launch of capacity building component to assist local advocacy program grantees.

Under objective 2:

- Advocating the approval of the resolution No. 858 "On Amending the Concept of Promoting the Civil Society Development by Executive Authorities"
- Encouraging the creation of the NGO cooperation/network working with the legislation issues to advocate the draft law "On the Public organizations"
- Withdrawal by the MoJ of the draft law amending the laws on public associations, charities, and charitable organizations, and registration of legal persons, from the

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Cabinet of Ministers that imposed restrictions on activities of charities, amongst other issues.

- Soliciting invitation from the State Tax Administration to propose tax changes I improving tax treatment of NGOs in the new, presently drafters tax code.
- Consolidating efforts of two working groups (UCIPR, and Princess Ostrovski) involved in drafting two separate laws on endowments.

Under objective 3:

- Launching the “off-line” Capacity Building Marketplace Fair for Ukrainian NGOs
- Continuing to generate interest on both supplier and demand side for the NGO Capacity Building Marketplace through broad-based consultations and marketing of the idea to different organizations.
- The Marketplace is envisioned in the current draft strategy of the Delegation.
- Holding a Master Class on Organizational Capacity Assessment Methodology using the adapted OCA Manual materials.

Under objective 4:

- Attracting the local authorities and business organizations to provide matching funds for the project implementation under the local advocacy grants program.
- Conducting an initial research on the Human Rights NGO Houses across CEE and NIS as the base for establishing NGO Houses in Ukraine.
- Attracting the International Renaissance Foundation to provide matching funds in the amount of 100,000 USD for the local advocacy grants program.

II. Activity Progress Report

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

LAGP regional promotion tour and roundtable meetings

During March and April 2009, following the official launch of the LAGP on March 26th, 2009, regional promotion tours and round table meetings were conducted by representatives of Pact staff and its local partners. The main aim of the visits was to promote the program and run roundtables with local NGOs to assess current capacity, development and strategic trends as well as measure the current level of their reform program efficiency.

Pact itself visited 11 oblasts (Simferopol, Poltava, Zaporozhie, Cherkasy, Kyrovohrad, Zhytomyr, Vinnytsa, Chernivtsi, Khmelnytsky, Ternopil, Ivano-Frankivsk), concentrating on those with the least donor attention or the fewer and/or lower quality proposals provided to other donor organizations in the past. In reaching out to the grass-roots NGOs and regional media organization of the promotional presentations and subsequent round-tables Pact engaged USAID legacy institutions, namely the local Press Clubs as well as regional resource centers for assistance. With over 200 representatives of local NGOs attending, presentations raised sincere interest of the participants, who considered submitting their proposals for the local grants program. Local NGOs expressed a high appreciation to the UNITER team as a first donor to simplify the application submission process with lesser linguistic requirements and multiple proposal copies submission. Overall, the UNITER team found the visits useful for gaining information on the current situation in the regions as well as existing levels of cooperation between NGOs and the local authorities. This information was taken into account while developing the priorities for the national advocacy grant program. The interlocutors also presented views on problems related to the local reforms and potential solutions.

Both EEF and IRF conducted a promotional campaign supporting the CFA and inviting grassroots NGOs' applications. The EEF campaign included information sessions in 5 regions (Chernihiv, Konotop, Luts, Rivne, Kremenchuk) with the participation of 80 representatives from NGOs, a telephone and e-mail hotline which responded to 27 phone inquires and 19 e-mails with various questions on the application process and preparation of the project. Besides this, FAQ sheet was developed by EEF together with the act staff based on the questions received during the regional trips and placed online on partners' web-sites and list serves. IRF visited 14 regions (Sumy, Kharkiv, Luhansk, Dnipropetrovsk, Donetsk, Kherson, Mykolaiv, Odesa, Izmail, Vinnytsa, Lviv, Ternopil, Uzhhorod, Kryviy Rih) presenting the program and providing consultations on the competition to the local NGOs.

More than 500 representatives from NGOs attended the events. A special emphasis on establishing connections in Crimea was put by Pact ensuring lasting project impact by trust-building and engagement with civil society in regions where democracy and governance programming have been by and large absent or less effective. In consultation with USAID, Pact has made a conscious decision to dedicate special efforts to this region of the country to generate interest from Crimea-based NGOs. In April 2009, Pact staff members visited Crimea, giving a number of project presentations and holding numerous discussions and meetings with local civil society organizations in Simferopol and outside it. The purpose of the meetings was to assess civil society in Crimea, their needs, concerns, problems, and potential as well as generate interest

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from Crimea-based NGOs. Crimean NGOs demonstrate high interest in the project, openly shared their opinions about the issues on the local level, the specific problems affecting their region and the ways they so far have been trying to tackle them..

Information about the regional events was disseminated through the local newspapers and TV-channels as well as placed on the NGO Internet sites. (See Attachment 2. Press clipping and Internet screenshots.)

In addition EEF, on 6-7 April, 2009 made two presentations of Call for Applications (CfA) for UNITER local grants program at task force meeting “On decentralization and local self-government” within the government-donor thematic sub-group A4 “Regional cooperation”, and during the Donor Coordination Meeting at World Bank Office.

In total, 32 presentations in all regions of Ukraine including Kyiv and Crimea with participation of more than 1150 representatives from Ukrainian NGOs promoting the grants and capacity building opportunities offered by the UNITER project to Ukrainian NGOs during the year, underlining philosophy, methodology and anticipated impact on Ukrainian civil society.

Selection of the grantees of LAGP

The Call for Applications (CFA) for local reform grants was announced on March 26th, 2009. By the end of the deadline set for the submission of the project proposals, 27 April 2009, the EEF had gathered in total 227 project proposals from the potential grantees via e-mails and regular post.

Proposals were received from all 27 regions of Ukraine, including 24 oblasts, Crimea, Sevastopol and Kyiv. Most of the proposals were received from Crimea (18), Lviv (15), Luhansk (14), Vinnytsya (13) oblasts and city of Kyiv (13). The fewest proposals were received from Chernihiv (2), Kharkiv (2), and Zakarpattya (3) oblasts. In addition, EEF classified 5 applications as country-wide and 14 as multi-regional ones.

Applicants submitted their proposals on various themes classified by EEF as advocacy proposals (including for people with disabilities, women, consumers and others) (35), civil society development initiatives (25), local economic development initiatives (17), local self-government development (50), condominium and neighborhood associations support (23), social development initiatives (13) and others (64).

Promoting its local grants competition, UNITER project, International Renaissance Foundation and EEF conducted presentations in all oblasts of Ukraine. Only 3 proposals were received from Zakarpattya, one of which was supported. Unexpectedly low number of proposals came in from Kharkiv oblast (2 proposals), and Chernigiv (1). Crimea, including Sevastopol, submitted 24 applications – this is the second biggest result after Kyiv. But the members of the Selection Committee admitted the low quality of the submitted proposals as well as a lack of the innovative approaches, that’s why only two applications from Crimea were recommended for funding within the LAGP framework.

The press-release on the LAGP competition results including the list of grantees and a short project description was posted on the EEF, IRF and Resource Center GURT websites informing the public.

Composition of the LAGP Selection Committee and the Selection Committee meeting

In order to evaluate the submitted project proposals Pact and its partners created a Selection Committees of the LAGP. The composition of the Selection Committees included the leading experts in the sphere of civil society development with the specialization in a particular thematic topics under RFA and consisted of IRF (O. Orlovsky, Civil Society Impact Enhancement Program Director), EEF, PACT representatives (R. Kovats, UNITER Chief of Party, I. Bilous, Deputy Chief of Party, A. Prudko, Capacity Building Officer) and 3 external experts (A. Seiytosmanov, Regional Development Advisor, Head of Programme Department,

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UNDP, Crimea Integration & Development Program, L. Tatarynova, Director of the Institute of Sustainable Communities, V. Staryk, the Head of Chernivtsi Ukrainian People's House.

Right after the deadline of the projects submission all members of the selection committee were asked to review and score grants according to the developed criteria. According to the selection provisions, after each member of the Selection Committee evaluated the project proposals individually, there was a general meeting of all Selection Committee members.

The Selection Committee meeting took place on 2 June, 2009. It was hosted by EEF and chaired by PACT. One representative of USAID took part in the selection meeting as an observer. The panel discussed the grants based on the experts' evaluation sheets and scoring. As a result of the meeting 28 projects were selected for funding. Awardees were divided between EEF, which got 19 grantees for administration and IRF, 9 grantees for administration based on mutually agreeable terms.

LAGP grants management and monitoring

EEF and IRF agreed to manage grantees in parallel through their own grants management systems. PACT and EEF have developed a joint grants management procedure that consisted of pre-award steps and was followed by EEF.

During the pre-award stage all project proposals were collected by EEF and the filing system was created for all received projects. Right after the Selection Committee meeting EEF summarized all the expert recommendations, carefully reviewed submitted proposals and budgets and prepared letters for applicants outlining the experts' and EEF recommendations. To 15 pre-selected applicants EEF organized site-visits to organization (4 remaining organizations have previously worked with EEF and came to Kyiv). The main aim of the visits was a review of the organization's legal status and documentation, and an examination of their accounting systems. EEF discussed all the expert panel and EEF recommendations in detail, and met with grantees' key partners from local governments and NGOs. EEF staff particularly discussed cost-sharing of the grant activities and the documentation required to support cost-share; eligible expenses and conflict of interest policies. Following the USAID requirements EEF confirmed that all the final/revised proposals comply with national and USAID regulations, and that grantee organizations are not named in the terrorist watch list.

After the official approval of grantees by the USAID EEF signed project implementation grant agreements with 19 grantees for the total of \$243,081.23. 15 organizations started their projects on July 15, 2009, the remaining 4 organizations on September 1, 2009. In order to acquaint the grantees with EEF and PACT requirements on narrative and financial reporting, and on EEF and USAID procedures EEF hosted grant management seminars on July 16 and September 2, 2009 for the grantees project directors and accountants.

To assess the impact of the grantees projects on civil society in Ukraine PACT in cooperation with EEF developed a monitoring framework based on UNITER's PMEP. This framework defines three sets of indicators to document the results of citizens' and CSO activism, and it tracks the projects' contributions to strengthening such activism.

Standard EEF Output Indicators

- Number of identifiable new jobs created;
- Dissemination of media products; their type (audio, Internet, video, print), number and scope (local, regional, national, international);
- Adoption of new methodologies, models, technology, tools; their type, number and scope;
- Resources leveraged (in-kind and monetary); their source and scope (local, national, international);
- Number of new coalitions, partnerships and/or collaborations;

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- Number of identifiable direct beneficiaries and their gender breakdown; and
- Number of identifiable trainees and their gender breakdown.

UNITER Outcome Indicators

- Number of public policies and laws influenced by NGOs;
- Number of NGOs supported by USG (through UNITER) engaged in advocacy and watchdog functions;
- Number of CSO advocacy campaigns supported by USG (through UNITER);
- Number of positive modifications to enabling legislation/regulation for civil society accomplished with USG assistance;
- Percentage of grantees that publish annual financial and program reports;
- Number of NGOs using USG Assistance (through UNITER) to improve internal organizational capacity;
- Amount of corporate, private or Ukrainian government funding received by partner organization; and
- Number of NGO staff members that received training in NGO management.

Organizational Development Indicators

- Level of constituency legitimacy;
- Level of coalition/ network effectiveness;
- Percentage of grantees with improved advocacy capacity.

Additionally, the UNITER partner Creative Center Counterpart (CCC) in September 2009 conducted monitoring and evaluation assessment of grantees on their perceptions regarding reforms for the purpose of establishing a baseline and follow-on data on the local advocacy grantees using the monitoring tool based on UNITER's final Program Monitoring and Evaluation Plan (PMEP). Under Pact guidance, CCC was responsible for gauging attitudes and activities regarding necessary macro- and local-level reforms and the overall assessment of grantees' capacity in 2009. The report of this assessment is expected to be ready in October.

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

After wide-spread consultations with UNITER's strategic advisors, international donors and other key stakeholders, Pact signed a sub-grant agreement with the Agency of Legislative Initiatives in July to kick off activities under the process of the Ukrainian Reform Fund. Within the project scope, ALI will facilitate the National Reform Consultations in the regions in order to discuss the possible vectors of reforms and engage all the interest groups in the public discourse after which a team of selected experts will elaborate the Roadmap of Reforms and National Action Plan.

Pact perceives the Ukrainian Reform Fund as a process through which ALI is convening of the lead Ukrainian NGOs building on UNITER's Strategic Advisors. While the possible creation of the Reform Fund is a longer term endeavor, ALI's project is shorter-term to begin engaging a wide Ukrainian civil society constituency to become a more vibrant and robust force for reforms.

Develop an Annual Program Statement (APS) for the national level advocacy grants program

Based on consultations with representatives of leading Ukrainian NGOs, particularly those represented on the strategic advisors' body, in close collaboration with USAID, its project

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offices and other USAID implementing partners Pact developed the APS and launched the national advocacy grants program on 12 June 2009. The primary purpose of the grants program was to strengthen the capacity of NGOs to engage citizens in decision-making process and influence public policies in order to accelerate the country's transition to open and democratic political, social and economic systems.

The APS and relevant instructions on the format of applications was announced in full on the UNITER website and promoted through all the existing NGO channels of electronic communication, EEF's networks, USAID partner's networks and newsletters.

Selection of the APS grantees

The APS, unlike the CFA process, solicited the submission of shorter concept papers first as a part of a two-stage competition with the deadline for submission on 20 July, 2009 whereby the development of full proposals were submitted by short listed potential grantees as a respond to substantial comments of the review committee to enhance the approaches the initial project concepts outlined. The deadline for the full project proposals was set on 12 August, 2009.

It was decided that the APS would be administrated directly by the UNITER team following the Pact Inc. grants management procedure. Starting from the date of the announcement, UNITER project receives much attention from Ukrainian NGOs, who address the staff via telephone, walk-ins and e-mails. Continuing providing interested organizations with relevant explanations, the project staff compiled FAQ, based on most frequent inquiries, which was available on the UNITER web site.

In total, the UNITER provided about 20 consultations via e-mails, 24 via telephone calls and additionally via 18 individual meetings with representatives of NGOs. Questions addressed by the applicants to the UNITER staff members were the following: an access to the application form; the way of the project proposal's submission; how to make the budget; illegible expenses; total budget of the project, etc.

The APS Selection Procedures and the Selection Committee meeting

As of 20 July, 2009 the deadline set for the submission of the project concept paper, the UNITER received 227 concept papers for the national advocacy grants programme. It should be noted that the interest and engagement in the funding opportunities of NGOs remained at the same level as for the local grants projects. However, about 40 % of the project concept papers did not meet the priory of the competition and contained regional or local level initiatives. After the review of the concept papers as to their correspondence to the formal criteria of the competition which can be found in the competition announcement all concept papers were submitted to the Selection Committees for the evaluation.

The composition of the first Selection Committee included 5 people of the UNITER staff who have a relevant experience and knowledge on the program topics and the selection process. The first meeting was held on 27 July 2009 and evaluated the concept papers according to the scoring sheets filled individually by each of the member before the meeting. As a result of the meeting 20 NGOs were invited by Pact to submit full project proposals under the APS program within two weeks. The pre-selected applicants were provided with the substantial comments on their concept papers, recommendation as for the approval of their projects and consultations from the UNITER team during the project preparation weeks.

The Final Selection Committee meeting took place on 25 August, 2009 and was composed of 3 internal and 2 external experts invited from the other donor organizations working in the civil society projects with the relevant experience and background. The observer from the USAID mission was invited to participate in the Selection Committee meeting as well.

As the result of the meeting discussion 6 project proposals out of 20 submitted in the second stage of the competition were recommended by the Selection Committee members for

the conditional support of the project proposals. In most cases the main reasons for the conditional support of the project proposals were the overstated budget costs, irrelevance of some project activities to the general aim of the project, obscurity of the project activities description and budget costs as well as the lack of clear project results. The conditionally supported grantees were notified about the requirements under which the contracts with them would be signed. The UNITER team has also collected the references for the pre-selected NGOs from other donor and international organizations which used to work with the potential grantees before. Additionally, until 20 September, 2009 meetings with all pre-selected NGOs were organized by Pact and aimed to help NGOs to improve their project proposals based on the remarks received from the experts. The finalized project proposals are expected to be at the end of September and planned to be submitted for the USAID approval at the beginning of October 2009.

The members of the Selection Committee paid attention at the low quality of the concept papers as well as the project proposals. The typical reasons for the project rejection are the following: project proposal does not correspond to the priorities of the competition; presented in the project activities envisaged by the project proposal does not correspond to the aim and the objects of the project; the content of the project does not correspond to the problem expressed in the project; inability of NGOs to clearly present the idea of the project; traditional set of activities like conference, publication, round table meetings; inability to present clear results; high cost of the project due to unjustified and others.

Activity 1c: Support and enhance national CSO policy reform efforts

As a "special initiatives mechanism" under the UNITER project, Pact awarded two grants to national NGO 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. Pact arranged a study tour for 6 people from the coalitions under Democratic Initiatives Foundation (DIF) and the UKReation to participate in the Central and Eastern Europe Social Innovation Camp and the Civil Society Forum which was held in Bratislava, Slovakia on September 16-18, 2009 and organized by the CEE Trust for Civil Society. Additionally, they were provided by consultations on strategic communication with the Slovakian communication experts. The experts assisted organizations in developing creative strategies in mobilizing and motivating people in public participation, and suggested messaging, timing and means of communication for specific campaigns.

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

1. CFA for selection of core competency consultation groups (communication, facilitation, public policy advocacy)

On 27 June, 2009 Pact issued a CFA for capacity building service providers. The CFA solicits the submission of proposals by 27 July, 2009.

The CFP was aimed at selecting service providers, capable to deliver capacity building and training program on public policy advocacy, facilitation and communication as a part of the technical assistance to enhance the advocacy skills of local level grantees of the UNITER project.

Officially registered NGOs and international organizations, business training centers and institutions, other business organization from all regions of Ukraine, experienced and capable to organize and conduct capacity building and training on any or all of the three core competencies (Public Policy Advocacy, Facilitation, Communication) were encouraged to take part in the competition.

Information about the CFA relevant instructions on the format of applications was posted on the UNITER and its partners' web-sites, widely disseminated among Ukrainian NGOs through the UNITER NGO database, business marketplace website. Besides, the UNITER team provided consultations to the applicants via e-mails and telephone calls on a number of specific questions regarding the preparation of the application form. Frequently asked questions by the applicants were collected into one document and posted on the UNITER web-site as well.

Following the Pact selection procedures all project applications submitted to the competition were registered and processed for the Selection Committee review. The CFA Selection Committee consisted of the UNITER program staff that was asked to evaluate the project proposals according to the Evaluation Excel form scoring them and providing comments.

On 27 July, 2009, the deadline of the CFA Pact received 38 applications both from non-governmental and business organizations offering their unique training programs. Out of 38 applications 10 were submitted for the thematic area Public Policy Advocacy; 11 for Facilitation and 16 for Communication. It is worth mentioning that any of the business organizations applied for the Public Policy Advocacy topic and it remains the priority of non-governmental organizations.

The Selection Committee short – listed 8 NGOs and recommended to hold meetings with them to better access the capacity of the applicant organizations and provide opportunity for in-depth project's discussion. Additionally the UNITER team checked some references submitted by applicants to learn more about their relevant previous experience. Based on the results of the site visits and meetings with 7 applicants the UNITER took the decision to invite Private Company «KIY» (Knowledge Inside You) as an implementer of CBTP on Communication and The European Dialogue Society (Lviv) as an implementer of CBTP on Facilitation. None of two short-listed organizations on Advocacy topic demonstrated enough competence to implement CBTP on the topic according to the tasks and objectives of the competition.

2. Core competency workshops (communication, facilitation, and public policy advocacy)

The service providers selected through the CFA described above will deliver workshops to local level grantees as the main target in the first two years in communication, facilitation, and public policy advocacy. Pact will work closely with its partners delivering a combination of consulting, training, and networking support tailored to strengthen the 19 local organizations while helping individual projects succeed.

The goals of the three thematic topics were identified as the following:

- Public Policy Advocacy Program is aimed to bring a wider range of tools to advocacy organizations in Ukraine so that their campaigns become better managed and more strategic.
- Facilitation Program is to demonstrate to participants how to act as facilitators, draw out and process audience input for the purpose of moving a discussion forward.
- Communication Program is to meet the needs of organizations seeking to optimize their ability to communicate more professionally in a multi-sectoral stakeholder environment.

It is planned that the pre-selected organizations on facilitation and Communication topics will start working with the UNITER grantees in October 2009. Pact will continue to work with experts on advocacy in Ukraine to implement Public Advocacy training program.

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

Legal activities are implemented by the UNITER project with support of two partner organizations, the Washington DC – based International Center for Non-Profit Law and the Kyiv-based Ukrainian Centre for Independent Political Research.

The most important developments during the reporting period include the following.

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

Identify key partners for legislative reform related to NGOs and sign sub-agreements with partner organizations

During the reporting period two sub-agreements were signed with the Ukrainian Center for Independent Political Research (UCIPR) in conjunction with ELAN and the International Center for Not-for-Profit Law (ICNL). Within this reporting period UCIPR has been advocating for changes to the national NGO legislation as well as providing legal analysis and recommendations for the improvement of NGO related laws.

ICNL provided assistance in improving the legal environment for NGOs, in particular the new concept of the tax code and legal provisions relating to non-governmental organizations (NGOs); the legislation on endowments; and determining which government body shall be in charge of implementation of the Concept of Development of Civil Society.

Establish legislative priorities through consultations with key NGO partners

The UNITER partner activities during the reporting period are organized below under the key priorities for the FY 09 in this area: the new law “On Public Associations; the new law “On Charity and Charitable Organizations”; the Law "On Social Services and Social Standards" and amendments to the taxation laws; amendments to the law "On Humanitarian Aid", the draft concept of the public fund; advocate the selection of an authority responsible for government policy for the civil society development.

Build a Campaign for the Law on Public Associations and Advocate its Approval by the Parliament

Within the reported period, the UNITER partner UCIPR and ELAN advocated consideration in the parliament of the bill No. 3371 "On Public Associations" through permanent consultations with the VR Committee on Legal Policy, preparation of legal conclusions on evaluations of government institutions concerning the text of the bill and organization of public pressure on MPs from the respective Committee.

The following actions were carried out:

- Observations for the opinion of the Supreme Court on the bill "On Public Associations" were developed forwarded to the VR Committee on Legal Policy.
- Proposals for the opinion of the VR Scientific and Expert Department on the bill "On Public Associations" were made and forwarded to the VR Committee on Legal Policy.
- Proposals for the inclusion into the bill "On Public Associations" of changes in the Code on Administrative Violations and the Code on Administrative Proceedings concerning sanctions applied to NGOs.
- Review of the legislation of the CE countries on the right of foreigners to be founders and members of NGOs was made and forwarded to the VR Committee on Legal Policy.

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- On 1 June, a series of consultations were held with MP Alina Shyshkina on consideration of public proposals in the preparation of the legal conclusion on the bill "On Public Associations". Most proposals were taken into account, the draft legal conclusion is positive and recommends to support the bill
- On 4 June, the UCIPR experts participated in the session of the VR Committee on Legal Policy during consideration of the bill "On Public Associations" but it was postponed. All the Committee members got personal letters requesting to support the bill and the booklet «Why Do We Need a New Law "On Public Associations" (see Attachment 3).
- The UCIPR applied, via the Internet and e-mail, to Ukrainian NGOs asking them to send letters of support for the bill to Chairman of the VR Committee on Legal Policy Serhiy Mishchenko. According to the UCIPR data, more than 60 NGOs sent their letters of support of the draft law to the Committee so far.

Notwithstanding the fact that a number of efforts was done by the partner organizations (the law was several times included into agenda of the previous working meeting of the committee) to advocate the adoption of the draft law #3371 'On Public Associations' it still is still pending with the Verkhovna Rada Committee on Legal Policy and committees consideration on the draft law was postponed till uncertain date. It is known that the Draft law #3371 'On Public Associations' received positive comments and feedback from Chief Expert Department of Verhovna Rada, OSCE, UN in Ukraine. Draft law meets fundamental principals of NGOs status in Europe. At the same time other (very similar) Draft law 'On Public Unions'# 4633 was registered in other Committee on State Building and Local Self-Government on 10 June 2009 by two MPs from Our Ukraine party. The analysis of this draft law prepared by UCIPR demonstrate that 18 out of 29 Articles of the Law #4633 duplicates Law # 3371 'On Public Associations' submitted by Government. The new draft does not take into consideration main statements of EU legislation and decisions of European Court on Human rights and constricts right to found NGOs, remains territorial status of NGOs etc. UCIPR sent their analysis of the Draft Law # 4633 authors of the documents and plans to meet with them in order to discuss both Drafts and find compromise on this issue.

Taking into consideration the current situation with Law #3371 'On Public Associations' in the Parliament, coalition of NGOs who supported this document developed and discussed further steps in advocacy campaign and mass-media support activity plan during the working meeting of NGOs on 17 September, 2009.

The UNITER project significantly helped to join efforts of the partner organization UCIPR and International Media Institute (IMI) and encouraged their close cooperation in advocating Law 'On Public Associations'. As the result of the meeting the mass media support activity plan of the Draft Law was developed. According to the plan the open letter from NGO coalition to the Prime-Minister Y. Tymoshenko, Head of the Parliament V. Lytvyn and Heads of all Parliament fractions would be sent during September – beginning of October. All interested NGOs will be encouraged to join these letters. IMI will provide media coverage of the letters as well as assist with organizing press conference on this issue. The main stress will be made on the Governmental Program which has statement #1 – improvement of the NGO legislations including development and adopting Law 'On Public Associations'. It is quite good time (before election) to attract attention of the prime-minister in particularly to the important issues which still could be improved.

Moreover the memorandum of coalition will be signed by all NGOs who support Draft Law #3371 'On Public Associations'. It is planned to conduct number of personal meetings with representatives of all parliament parties and explain them why new Law should be adopted.

Coalition plans to conduct wide Internet supporting campaign including forums, discussions, blogs etc.

Participants of the meeting discussed comments and recommendations to the Draft Law#3371 'On Public Associations' submitted to UCIPR by IMI and NGO 'Mama-86'. Most of the comments will be taken into consideration and suggested to the Parliament when draft law passes first reading.

Advocate the Law "On Social Services and Social Standards"

Achievement in this area is the formulation of the text of the bill "On Charity and Charitable Organizations" that considers most proposals of charities and responsible authorities and is geared towards the progressive regulation. The bill was given support of all the largest public charitable funds of Ukraine.

The partner organizations set up constructive cooperation with the responsible officers from the Ministry of Finance and the State Taxation Administration on developing proposals for the Tax Code on taxing non-profits.

Within the reported period, the following actions were carried out:

- Methodology and a study work plan were developed; questionnaire for in-depth interview with representatives of authorities and questions for focus group participants were formulated.
- Between 15-23 July two focus group studies on "What Hampers the Purchase of Social Services from NGOs" with participation of 15 representatives of service providing NGOs and two in-depth interviews with the leadership of the Executive Committee of the City Councils were held in Sumy and Lviv. The same focus group was organized on 22 September with participation of 12 Kyiv-based NGOs. The main goal of the study was to identify major legal and organizational obstacles to the financial stability of NGOs by means of selling services and ordering social services of NGOs by the government at the expense of the budget funds. The participants discussed existing legislations problems which make their work complicated in the social sector, what they can do without improvement of legislation and what exactly should be changed/improved.
- The UCIPR examined draft normative and legislative acts, which regulate social services rendering developed by the Ministry of Labor and Social Policy, and provided recommendations on their improvement. Recommendations were sent for:
- Draft Cabinet resolution "On the Approval of the Procedure for Setting and Approving Minimum Standards of Quality of Social Services"
- Bill "On Amending the Law of Ukraine "On Social Services".

Advocate the Law "On Charity and Charitable Organizations" and amendments to the taxation law

Within the reported period, the UNITER partners held a number of consultations with charities, corporate philanthropists and authorities on the improvement of the text of the law "On Charity and Charitable Organizations". In addition, the UCIPR made recommendations for the Tax Code of Ukraine on specific features of taxing non-profits.

The following actions were carried out (For an example of these deliverables, please see Attachment 27.):

- Text of the Memorandum of Philanthropists was prepared. Negotiations with the largest Ukrainian charities on their support for the Memorandum were held. All the charities agreed to support the initiative.

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- Presentation of observations and proposals of national executive authorities on the law "On Charity and Charitable Organizations" was prepared and the table of answers for those proposals was updated.
- Conclusions on Global Compact observations and proposals were developed.
- Summary review of proposals of charities for the bill "On Charity and Charitable Organizations"
- Table of public recommendations for consideration/non-consideration of proposals of ministries for the bill "On Charity and Charitable Organizations" drafted by the Ministry of Culture was compiled.
- New wording of the bill "On Charity and Charitable Organizations" was drafted, which considers proposals of the public and authorities (see Attachment 28). The proposals were forwarded to the Ministry of Culture and Tourism as the main formulator of the bill
- Observations for the bill "On Amending Some Laws of Ukraine on the Registration of Legal Entities" concerning the registration of charities were made. The observations were forwarded to the Ministry of Justice as the main formulator of the bill
- Reference materials on legislative initiatives concerning charity were prepared (as of May 2009).
- Comparative analysis of regulations on taxation of non-profits in registered draft Tax Codes (5 pp.) was made
- Proposals of the Federation of Trade Unions of Ukraine on taxation of non-profits in the draft Tax Code were analyzed
- Observations for the bill "On Volunteer Movement" drafted by the Ministry of Justice were prepared.

Besides the consultative process, UCIPR and ELAN with the support of ICNL organized two public events:

The roundtable meeting on "European Standards for the Tax Code of Ukraine: Taxing Non-Profits" on 10 June, 2009. This event marked the first opportunity for public discussion of the draft proposals for the Tax Code of Ukraine concerning specific features of taxing private non-profits. Over 30 participants, including government officials from the Ministry of Finance, National Tax Inspection, and the Ministry of Justice participated in the event. ICNL had assisted the UCIPR and ELAN with the preparation of this roundtable by providing them with comparative law materials on international best practices of taxation of NGOs that included overview of good practices of taxation of NGOs in EU; good practices of taxation of NGOs in CEE; taxation of NGOs in UK, in France, in Germany; unified tax and simplified taxation system for NGOs. A key speaker from ICNL identified the common practices in tax treatment of non-profit organizations and their supporters, and also addressed the key requirements under the EU law that candidates and member- countries should comply with.

On 4 July, 2009 the presentation on "New Tax Code of Ukraine: Incentives for Corporate Donors" was held at the session of the Committee for Social Responsibility of Business at the U.S. Commerce Chamber.

Advocate amendments to the law "On Humanitarian Aid"

Within the reported period, the UCIPR was addressed by the Department of the Vice Prime Minister Ivan Vasynyuk with a request to provide consultative assistance concerning the better regulation on the recognition of some kinds of transport means as humanitarian aid. The project experts decided to support this initiative and to start reforming the humanitarian law on this issue.

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The following actions were carried out:

- Bill “On Amending Some Laws of Ukraine on Taxation of Humanitarian Aid” and accompanying documents (explanatory note, comparative table and submissions) were developed.
- On 23 June, 2009, the work meeting with Counselor of Vice-Prime Minister on Humanitarian Issues Orest Chebenyak was held concerning prospects for consideration of public proposals in reforming the law "On Humanitarian Aid".

Other technical assistance:

On the request of Ukrainian Forum of Philanthropy ICNL provided UPF with the key EU and international documents relating to humanitarian aid, and charities, specifically:

- Council Regulation (EEC) No 918/83 of 28 March 1983 setting up a Community system of relief from customs duty.
- Model Agreement between the United Nations and State/Government concerning measures to expedite the import, export and transit of relief consignments and possessions of relief personnel in the event of disasters and emergencies.
- Recommendation CM/Rec(2007)14 of the Committee of Ministers to member states on the legal status of non-governmental organizations in Europe.

Advocate Reform of the Legislation on Government Funding for Activities of NGOs

Within the reported period, the UCIPR carried out analytical work conducting the analysis of the current practice of government funding for CSO activities. On 2 and 24 June, 2009, two sessions of the Work Group were held with the participation of 3 experts. As the result of those meetings methodology and a study work plan in that area were developed.

Advocate the selection of an authority responsible for government policy for the civil society development

On 21 May and on 12 June, 2009 two sessions of the Working Group were held. Methodology of the evaluation of the government policy for promoting the civil society development in Ukraine was mapped out.

The UCIPR experts held 6 consultations with the Ministry of Justice and the Cabinet Secretariat on amending the Concept of Promoting the Civil Society Development by Executive Authorities. As a result, public proposals were taken into consideration and on July 22, 2009, the government approved the resolution No. 858 "On Amending the Concept of Promoting the Civil Society Development by Executive Authorities". Those changes meet the proposals previously made by the society and oblige executive bodies to: 1) decide on the activity plans for Concept implementation annually before February 1st; 2) conduct public discussions of the state of activity plan execution every year before February 1st and take into account civil society recommendations in the next year's plan; 3) make annual activity plan for Concept implementation public and report on the results of the previous year on its official web sites.

During the reporting period a number of the UCIPR and ELAN information materials and articles were made public on the sites of other organizations and mass media (UCIPR and ELAN's press clippings are in Attachment 5.)

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

Monitor legislation that affects NGO activities, monthly newsletter publication

During the reporting period Pact partner UCIPR regularly monitored the situation with the draft legislation that might affect NGOs. The results of the monitoring with analysis of the draft laws were widely distributed among Ukrainian NGOs via such resources as GURT portal, UCIPR's e-bulletin, PACT NGO database. Thanks to such way of information dissemination the

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NGO sector reacted effectively and timely to advocate positive changes in the Ukrainian legislation. As it has been already mentioned earlier⁶⁰ NGOs sent their letters of support of the draft law "On Public Associations» to the Chairman of the Verhovna Rada Committee on Legal Policy.

Grant in support of the development of the Annual NGO Sustainability Index Report

In July Pact issued a grant to a well-known NGO Creative Centre Counterpart (CCC) to analyze the situation of the NGO sector in Ukraine in FY 2009. At the beginning of September 2009, CCC selected a group of sectoral experts which includes the USAID Mission personnel and a variety of the representatives from different local NGOs, academic experts in civil society and the NGO sector, NGO partners from the government, media sectors and others. The members of the Expert Panel were given the previous year's NGO Sustainability Index Country Report , the questionnaire and scoring instructions translated into Ukrainian in order to familiarize the members with the contents of previous year's report, encourage them to think about the changes in the sector over the past year, and come up with preliminary scores for each individual indicator according to seven different dimensions (legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure and public image) before coming to the panel together with the rest of the group.

The meeting of the panel is scheduled on 1 October 2009 and the NGO Sustainability Index Country Report is expected to be until the end of the year 2009.

Objective 3: NGOs are transparently governed and capably managed.

UNITER focuses on increasing NGO management capacity through two main mechanisms 1) Organizational Capacity Assessment (OCA); and 2) LINCS .

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

Workshop on Capacity Assessment and Strengthening Methodology for experienced Ukrainian Capacity Builders

After the Pact's Organizational Capacity Assessment (OCA) workshop of facilitators conducted in March for Pact staff members and representatives of Ukrainian NGOs five experts out of 15 participants were invited as the UNITER OCA facilitators. Further steps and the activity plan for the next 6 months for the successful adaptation and implementation of the OCA methodology in Ukraine were discussed on the meeting with experts on 29 April, 2009. During the reporting period the experts' team has been working under the translation and adaptation of the English OCA Manual (just some parts which are necessary for facilitators and participants) into Ukrainian language and adapting the text and examples to the national context. Right after the training one of the experts from the Ukrainian Center for Common Ground approved OCA methodology in the organization and found out how the tool was useful for their NGO. Findings discovered during the assessment encouraged organization to review their structure and revise their strategy plan.

On 2 July, 2009 during the Capacity Building Marketplace Fair, the OCA methodology was presented by two OCA experts to more than 30 participants during the Master class "Methodology of PACT Inc. on organization capacity assessment". The methodology raised a great interest among NGO representative, 7 organizations expressed their wish to conduct the OCA facilitation in their organizations. NGO for pilot OCA facilitation is planned to be identified at the beginning of October 2009.

Activity 3c: Activating the local Marketplace through "Linking NGOs with Capacity Services" (LINCS)

A number of initiatives have been accomplished within the Marketplace cooperative agreement during the reporting period. When reflecting on what has been done so far, significant results are seen as follows: one of the main mechanisms (the Marketplace Capacity Building Fair) has been piloted and social capital generated.

The First Off- Line Capacity Building Marketplace Fair

On 2 July, 2009 the first Capacity Building Marketplace Fair was conducted in Kyiv. During the Fair 20 providers of capacity building services and donors presented their services and programs including, 3 master classes, a round table, and panel discussion were conducted. More than 120 CSO representatives from all over Ukraine instead of expected 80 took part in the event. The list of the participants is available on the GURT web-site.

During the Capacity Building Marketplace the following events took place: Fair the Exposition of capacity building services providers and donors, Master class "Methodology of PACT Inc. on organization capacity assessment", Master class "Advocacy as a tool for introducing reforms", Master class "Management of trust", Round table on discussing the concept of on-line Capacity Building Marketplace, Panel discussion "Capacity of NGOs to influence reforms in Ukraine". The information about all of them can be found online on the GURT web-site:

<http://gurt.org.ua/news/recent/3128/>; <http://gurt.org.ua/news/recent/3133/>;
<http://gurt.org.ua/news/recent/3135/>; <http://gurt.org.ua/news/recent/3134/>;

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<http://gurt.org.ua/news/recent/3130/> <http://gurt.org.ua/news/recent/3159/>.

The Fair demonstrated the potential of such events to all participants - the public and the service providers - and generated a number of lessons and ideas for improving upon and expanding on the experience for later in the year. The interest of capacity building providers was raised through marketing research and participation in the Fair. More than 26 filled questionnaires were received from the capacity building providers and placed on the web-page of CB Marketplace Fair as links with users. This information serves as the basis for making the database of training providers presented in one place.

Additionally, critical social capital among important actors is starting to build. It is critical to note that project implementers (both GURT and Pact) prioritize the openness and transparency of the marketplace, making it different from 'business as usual' in Ukraine. The results of this beginning to be seen in the public perception of the initiative and support of it. Thus, the participants of the event evaluated the Marketplace Fair as a successful event and highly appreciated that idea. Comments of the participants are available on project web-page: <http://gurt.org.ua/news/recent/3131/>. All participants mentioned that they would like to take part in such Fairs in the future. At the same time some recommendations on its approval were made, such as: to involve more donors to such fairs; to involve more participants and training providers; to prepare more interactive activities. Comments of the Fair participants are available at <http://www.gurt.org.ua/news/recent/3131/>. In addition during the Capacity Building Marketplace Fair a real-time on-line coverage of the event was conducted via the GURT web-site. The coverage included photo reports, videos, audio records of all Fair activities, comments of the participants, which appeared on the web-site during the Fair. The coverage increased the number of interested CSO representatives that couldn't participate in the Marketplace Fair.

The Marketplace Off-line Fair was widely promoted via the UNITER, GURT Resource and other partner organization web-sites and electronic newsletter.

Given the pioneering nature of the Marketplace idea the draft concept of the marketplace which was initially drafted by Pact staff and further developed by GURT experts, have been widely disseminated and discussed among NGOs to ensure further legitimacy of the product. For example, the meeting "Discussion of the Marketplace Concept" with participation of 30 leading capacity building providers and donors was organized on June 23, 2009. Additional expert support was offered by interested Ukrainian NGOs including Dobrota Charitable Foundations, Tovarystvo Leva, TORO, UCCG, Laska Foundation, and others.

The evidence of the project visibility was established on GURT's web-portal through creating the project web-page <http://www.gurt.org.ua/marketplace/>. This web-page includes following sections: About the project "Creating Capacity Building Marketplace"; The Marketplace Concept; The News of the Marketplace; The Marketplace Fair; Marketing research; Training providers. Such structure of the project web-page helps to provide regular information coverage for all project events and to disseminate all project materials. A regular technical support for information updating was provided. GURT developed a section for training providers profiles, where the main information about the services that are provided, contact information and contact person are placed. For increasing project outcomes the development of the Capacity Building Marketplace was conducted with a high level of transparency. With this purpose the information about the project was disseminated via GURT electronic newsletter and GURT web-page: <http://gurt.org.ua/news/conferences/2974/>, <http://gurt.org.ua/news/recent/2982/>, <http://gurt.org.ua/news/recent/3019/>, <http://gurt.org.ua/news/events/3021/>, <http://www.gurt.org.ua/news/recent/3055/>, <http://www.gurt.org.ua/news/recent/3102/>, <http://www.gurt.org.ua/news/recent/3176/>.

The Marketplace was also promoted via the web-page of UNITER.

At preliminary meetings with the European Commission Delegation, Pact discussed the possibility for the EC joining the donor side of the Marketplace. In order to increase civil

society's capacity to engage in policy dialogue and monitoring of implementation, the Commission aims to provide direct capacity-building in the form of provision of training and mentoring opportunities. As a direct outcome of these talks is that the current draft strategy of the Delegation specifically names UNITER and its envisioned Marketplace as a Ukrainian umbrella organization which would manage the marketplace made up of a consortium of the service providers. The Delegation sees the advantages of the Marketplace mechanism for it is fundamentally demand-driven, cost-effective and sets a good example of co-ordination with other donors.

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

Interconnectivity with Other Objectives: Activities under objective 4 are complimented by the different activities within the UNITER project.

Activity 4a: Civic-private partnership

Look for partners among existing private foundations and other implementers/donors.

Pact staff continued a widespread effort to learn of private and public donor priorities, interest and funding schemes in order to generate feedback and interest in developing sustainable mechanisms

On April 15th, 2009 UNITER took part in an open discussion of the Ukrainian Philanthropist Forum “The role of Ukrainian philanthropy during the crisis”. The goal of the event was to initiate a public discussion on the role of the philanthropy during the crisis and the influence it has for overcoming the hurdles in Ukraine. With keynote speakers from International Renaissance Foundation, East Europe Foundation, Rinat Akhmetov Fund “Development of Ukraine”, and “Mirror Weekly”, and over 80 participants from NGOs, business, and government, discussion covered possible charity activities which can be implemented by all of the parties, what new instruments can be used for the purpose, as well as the shift of the priorities in charity during the crisis.

On May 28, 2009 the join Civil Society and Media Donor’s meeting was organized and hosted by UNITER Project implemented by Pact, Inc. and Internews Network the meeting was dedicated to the topic of elections. The meeting featured three presentations addressing facts and assumptions of the election process, upcoming political threats and opportunities elections bring along. The subsequent discussion expanded upon the issues raised by the presenters, examined the overall civil society attitude towards the voting and allowed for an opportunity to began election-specific donor coordination.

Additionally, Pact has conducted an initial research on the Human Rights NGO Houses across CEE and NIS that could serve as a host and clearinghouse for a handful of civil society organizations in a given city/region. A number of meetings were organized with the Ukrainian human rights NGOs which expressed their interest in establishing human rights house in Ukraine, in particular: The Ukrainian Helsinki Human Rights Union, La Strada, Institute for Mass Information, Institute for Media Law, Amnesty Ukraine, M’Art. During the meetings two concepts with various contents of both alternatives were discussed. The Ukrainian Helsinki Human Rights Union is in favour of creating the classical Human Rights House as a collaborative project of non governmental organizations that work in partnership to promote human rights and their own country and abroad. Such model foresees the Human Rights House an independent institution whose member organizations are involved in a wide range of activities and projects and where there is a room for debates, diversity of opinion and difference in methods. M’Art NGO considers the Human Rights House more as a training centre where

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Human rights NGOs could hold their events. It has to be mentioned that there is no fix solution as to how a Human Rights House should be established and organized. Focus should be on how the House best can serve NGOs, to work more efficiently and with greater capacity, thus allowing them to exert greater influence and produce better results. The Ukrainian organization support the idea of creation of an NGO House in Ukraine based on the Human rights House model. At the same time the following challenges were named: how a House could support and engage with the regions; financial dimension and cost effectiveness, coordination of activities and common agenda, awareness among other Ukrainian NGOs. Besides this, there were some preliminary donor agreement IRF, OSI/Budapest and NYC and Mott. Pact will continue working on these issues in the next reporting period.

Connect selected NGOs with communication/PR specialists

During the reporting period Pact met with Mmd, Leo Burnett, Saatchi & Saatchi, Microsoft Corporation all leaders in the PR and public affairs market of Central and Eastern Europe and the NIS, and which are all interested in providing services to the UNITER project. In order to create a way for companies offering services to form relationships with NGOs, Pact encouraged these companies to enter the NGO Capacity Building Marketplace under objective 3 and to consider playing a role as communication mentors through the core competency trainings under objective 1 of the UNITER project. Additionally Pact provided its partner NGOs with the contacts of abovementioned corporations; in particular, Resource Center GURT established good cooperation with the Microsoft Corporation which agreed to provide GURT with the software needed for their project implementation. Besides, on 2 September 2009 Microsoft Ukraine and PH International held NGO Connection Day – informational seminar for Ukrainian NGO Representatives. During that day, UNITER partner, GURT resource center was updating the public on the event by posting videos, interviews, photos and live updates on its portal, as well as all popular social networks, such as Facebook, Twitter, Picasa, Youtube, etc.

Activity 4b: Fund and reward public-private partnerships

To stimulate different forms of private initiatives Pact and its partner EEF encouraged local and national organizations to work with community businesses and local councils to provide matching funds for the project implementation under the local advocacy grants program, objective 1. As the result of the local grant competition EEF issued 9 projects that have a minimum of 10% co-funding from local resources (business associations, private entities or individuals) and/or local governments. This strategy extends USAID project funds, diversifies NGOs funding sources and ensures local project ownership.

Activity 4c: Facilitate access to xsub-national government funding through social services contracting

Explore Tte feasibility of a platform for Ukrainian NGOs Working Abroad

On 3 July 2009, Pact together with IRF and NGO “Suspilnist” conducted a meeting aimed at exploring the possibility of establishment of an NGO Platform “Working Abroad” from those NGOs already sharing its own democratization experience abroad, especially in the CIS region Among the key players are the leading Ukrainian NGOs with the previous experience, namely: Suspilnist, PAUCI, EaC, OUF, YES, UCIPR, ICEPS,Pylyp Orlyk Foundation, Center of political and Legal Reforms and other regional existing initiatives. The long term goal of such a platform – such as in other CEE countries – is be to provide an on-going channel of communication and collaboration among NGOs directing their attention beyond the frontiers of Ukraine and to create a joint second track diplomacy force vis-à-vis the Ukrainian and EU foreign policy elite on important initiatives such as the EU’s Eastern Partnership, a special Brussels initiative to engage Eastern European neighbours of the EU.

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PMP Indicators Data

Performance indicator	Unit of measure	Data source	Baseline		FY 2009		Comments/explanation
			year	data	target	actual	
UNITER goal: To help consolidate democratic governance in Ukraine by strengthening and developing a more vibrant civil society and more robust CSOs							
NGO sustainability index	indexed score	panel discussion	2008	3,6	3,6	n/a	will be available October 31, the panel discussion happening on October 1
Number of public policies and laws influenced by CSOs	number	grantees reports	not available		10	1	due to the delay with the LAGP launch the grants has started only on August-September, the planned target is going to happen in the next reporting period
IR 1: NGO better represent citizen interests and drive reform through more effective advocacy, monitoring and activism							
Level of constituency legitimacy	Score	interview with grantee	baseline for each cohort set at the beginning of the project		baseline	4.5	This is the average score of a 7 point scale on the level of constituency legitimacy of 19 UNITER grantees
Level of coalition/network effectiveness	Score	interview with grantee			baseline	0.87	This is an average for 19 grantees on a scale with maximum being 2.
Level of grantees with improved advocacy capacity	Score	interview with grantee			baseline	3.46	This is the average score on a 5 point scale of the advocacy capacity index of 19 LAGP grantees. See assessment report in attachment for more details.
Number of NGO grantees supported by USG (through UNITER) engaged in advocacy and watchdog functions	Number	grantees reports	not available		15	21	number of LAGP grantees and partners that were supported by UNITER engaged in advocacy

Number of NGO grantees advocacy campaigns supported by USG (through UNITER)	number	grantees report	not available	15	26	number of advocacy campaigns supported by UNITER through LAGP and also through partners	
IR 2: The relevant legislative framework for civil society approaches European standards							
Ukraine's score on "legal environment" component of NGO sustainability index	indexed score	panel discussion	2008	3,6	3,5	n/a	will be available October 31, the panel discussion happening on October 1
Number of positive modifications made to enabling legislation/regulation for civil society accomplished with USG assistance	number	grantee reports	not available	1	1	Government approved the resolution No. 858 "On Amending the Concept of Promoting the Civil Society Development by Executive Authorities" by which all executive authorities are obliged to approve annual action plans on the Concept implementation and hold public discussion of its results.	
IR 3: NGO transparently governed and capably managed							
Percentage of grantees that publish annual financial and program reports	percentage	interview with grantee	baseline for each cohort set at the beginning of the project	baseline	52%	This is the number of grantees that publish annual financial and program reports	
Number of organizations using USG Assistance (through UNITER) to improve internal organizational capacity	number	grantee reports	not available	20	10	Due to the delay with LAGP launch the capacity building program for this organizations will start only FY 2010	
Percentage of grantees with well-designed sustainability/business plan	percentage	interview with grantee	baseline for each cohort set at the beginning of the project	baseline	4.3%	4.3% of grantees with well-designed sustainability business plan.	
Level of grantees Capacity in key functions including Leadership, Governance, Financial Management	score	interview with grantee	baseline for each cohort set at the beginning of the project	baseline	4.8	This is an average score on a 7 point scale on the organizational development index of the 19 LAGP grantees.	

Number of NGOs successfully administering UNITER sub-grants to others	number	partner reports	2008	0	1	1	East Europe Foundation is successfully administering sub-grants program under LAGP competition	
Percentage of international audit ready partners	percentage	financial review of documents of partners	not available				After a through research it was decided to use proxy indicator with MCAT score assessment that is used for Objective 4, see more explanation below.	
Number of local service provider organizations meeting criteria for participation in capacity building marketplace	number	partner reports	2008	0	5	20	Due to extensive promotion the marketplace 23 application of service providers were received by partner for Marketplace Fair, out of which 20 met the criteria	
Number of capacity building vouchers redeemed by grantees and partners to fulfill ISP needs through marketplace.	number	Pact financial department	2008	0	10	0	Due to the delay with LAGP launch the capacity building program for this organizations will start only FY 2010	
Number of alternative donors providing funding for capacity building vouchers.	number	grantee reports	2008	0	1	0	The online marketplace is still on the launching stage and need to be tested by UNITER first. There has been preliminary agreements with European Delegation on co-funding after the product is launched	
Grantee/ partner satisfaction with capacity building services received through marketplace	percentage of services	Service provider reports	2008	0	30%	n/a	Due to the delay with LAGP launch no services were delivered to the grantees through the marketplace yet, it is planned they will be delivered in FY 2010	
IR 4: Civil society organizations are more financially sustainable and less dependent on foreign donors								
Level of partner capacity in key functions including Financial Management, Budgeting Control and Auditing, Accounting Procedures, Internal Controls, Sustainability Planning	MCAT score	grants manager report	not available				56%	This is an average MCAT score which indicates that UNITER partners have the moderate risk on giving grants to them. More explanation of the tool is below.

Percentage and amount of budget received from corporate, private or Ukrainian government funding by grantee	percentage	Interview with grantee	not available	Baseline	24,69%	Average percentage of funding that comes from corporate, private and government budget as reported by 27 LAGP grantees (UNITER and IRF)
Percentage of grantees with diversified source of income	percentage	Interview with grantee	not available	baseline	40.74% 40.74% received funds from government 51.85% received funds from local business	40.74% out of 27 NGOs assessed (19 UNITER grantees and 8 IRF) reported that they received funds from Ukrainian government 51.85% out of 27 NGOs assessed (19 UNITER grantees and 8 IRF) reported that they received funds from local business

Narrative explanation of methodology used for selected indicators.

NGO Sustainability Index

As agreed with AOTR the NGO sustainability Index discussion panel will be conducted on October 1st, 2009. The report will be drafted and submitted to USAID by October 31, 2009.

Quick Organizational Scan

UNITER project partnered with Counterpart Creative Centre (CCC) to research the dynamics of NGOs in Ukraine. One of the activities that CCC conducted was the baseline assessment of the 19 organizations funded by UNITER and 8 organizations funded by IRF under LAGP.

The major goal of the baseline assessment of the UNITER NGO grantees was to study current capacity of organizations based on the UNITER project indicators. This baseline information is needed to provide the foundation from which performance targets and intervention approaches will be developed and progress measured over the course of NGO grantees' projects implementation. Results of this assessment will provide ability to examine changes in NGO growth by comparing UNITER grantees and targeted NGOs with a non-UNITER NGO control group. The assessment entailed collecting and analyzing information on the organizational development of the grantees, relations of these NGO with their external environment (community, government structures, business, mass media), their program activity, legitimacy, participation in coalitions/networks, reporting, and their definitions of their internal and external needs, as well as the barriers for NGO development in Ukraine. NGO's capacity for advocacy activities, the diversification of their funding sources, their leadership approaches, governance practices, financial management as well as existence of sustainability/business plans and the extent of their community involvement were also examined. The assessment was conducted in August-September of 2009. The more draft report on the assessment is attached to this report. (Attachment 6)

Based on this assessment the following indicators were measured:

- Level of constituency legitimacy
- Level of coalition/network effectiveness
- Level of grantees with improved advocacy capacity
- Percentage of grantees that publish annual financial and program reports
- Percentage of grantees with well-designed sustainability/business plan
- Level of grantees capacity in key functions including leadership, governance, financial management
- Percentage and amount of budget received from corporate, private or Ukrainian government funding by grantee
- Percentage of grantees with diversified source of income

Percentage of international audit ready partners

UNITER project staff researched the issue of the international audit readiness and came to a conclusion that there is no unified standards and practices for international audit. There are different standards used by audit firms. UNITER plans further to work with the professional auditing firms on ensuring audit readiness of the partners. But for measuring the baseline for this year it was decided to use a proxy indicator Management Control Assessment Tool (MCAT) which analyzes partners' capacities in the areas like accounting procedures, internal controls, budgeting, reporting and auditing, and policy environment. This tool is also used for measuring progress toward objective 4: "Civil society organizations are more financially sustainable and less dependent on foreign donors"

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Management Control Assessment Tool

MCAT is a standard tool that is used by Pact to assess the risk of giving the grant to organization and its capacity in areas like accounting procedures, internal controls, budgeting, reporting and auditing, and policy environment. The assessment is conducted with the help of questionnaire which is filled based on review of documents and face-to-face interview. Before interview grants manager reviews documents like audit reports, organizational policies and procedures, constitution and by-laws, board meeting minutes, previous years' annual reports, etc. During the face-to-face interview grants manager clarify and validate the findings and review additional documents like personnel records, accounting records, files containing supporting documentation, inventory register, petty cash records, staff meeting minutes.

Each answer in questionnaire is evaluated based on the 6 point scale, where 1 - means never/definitive no, and 6 – always/definitive yes/strong capacity. The answers to the questions then transferred into percentage. The percentage score represents the following:

0-20%	extremely high risk of giving grant to organization and very low capacity in finance
21-35%	high risk of giving grant to organization, low capacity of organization
36-50%	moderate high risk, below the average capacity in financial management
51-70%	moderate risk, average capacity
71-85%	moderately low risk, above the average capacity
86-100%	low risk, high capacity