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Azerbaijan Civil Society Sector Assessment

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Final Report

**Wynne Russell, MSI, Team Leader
Nancy Lubin, MSI/JNA Associates, Inc.
Elmir Ismayilov, MSI**

The views and recommendations expressed in this report are solely those of the MSI Assessment Team and are not necessarily those of USAID or the U.S. Government.
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Introduction

This report presents the findings of research conducted by a three-person assessment team in Azerbaijan from 27 September to 22 October 2004. This assessment team was asked to evaluate the state of development of the Azerbaijani civil society sector and to provide recommendations for the future direction of USAID civil society assistance. In so doing, the team was initially directed towards organizations such as NGOs whose activities fit one major definition of “civil society:” “public interest advocacy organizations outside the control of the state that seek to influence the state on the behalf of public aims.”¹ It was soon clear, however, that the scope should be expanded to a broader notion of “civil society” as the arena in which people come together to pursue the interests they hold in common. In so doing, the assessment has ended up focusing on civic activism in the broadest sense, encompassing the spectrum between two rough areas of activity:

- Citizens’ action: citizens coming together to identify, prioritize, and find creative solutions to collective problems
- Citizens’ advocacy: citizens coming together to identify and prioritize concerns and to lobby for action on the part of others—for example, national or local governments or international actors.

This approach has been applauded by USAID’s partners, who stress that “civil society” is not limited to NGOs. Furthermore, it has been richly confirmed by the results of the study, which highlight the difficulties that traditional civil society actors such as NGOs have in operating without a mobilized citizenry behind them, and which reveal the potential for synergistic interplays between mobilized communities and formal civil society entities.

This assessment explores these issues in greater detail and offers a series of recommendations for USAID/Azerbaijan’s assistance strategy. Much of the information contained in the report will already be well known to many of the Mission’s readers; this report’s goal is simply to highlight issues and recommendations that emerged during our brief stay in the hope that they will prove useful in the conceptualization of a broad USAID strategy for the next several years. Many existing USAID and partner programs already directly or indirectly address many of the issues raised here; the aim of this assessment is to help the Mission reinforce existing trends as well as to consider new opportunities for synergistic activity.

Based on discussions with Mission staff, USAID partners, other international NGOs, international organizations, bilateral donors, and local NGOs (hereafter LNGOs), the team focused on four areas of Azerbaijan considered to have good prospects for LNGO development – the central area, the southern border region with Iran, the northern border region with Russia, and the Nakhichevan Autonomous Region (AR). The team traveled to Barda, Genje, Gazakh and Aghstafa in the central and western region, Masali and Lenkeran in the south, Hachmaz, Gusar, and Guba in the north, and Nakhichevan city and Ordobad in the Nakhichevan AR. The team conducted interviews with Mission and Embassy staff, implementing partners, other international NGOs, international organizations, bilateral donors, local NGOs, local government officials, community leaders, journalists, and scholars at research institutes. The team also conducted interviews with a wide range of international experts, scholars and practitioners based in the US, Europe, and elsewhere outside of Azerbaijan. A list of the organizations and individuals contacted by the team can be found in Appendix D.

¹ Mendelson and Glenn 2002: 6. Political parties are excluded from this definition because their goal is to capture the state, not to remain independent of it.

Major Findings

The State of Play

If “civil society” is taken narrowly to mean local NGOs (LNGOs), as many people discuss it, the outlook for Azerbaijan’s is two-sided. On the one hand, the capacity of the national LNGO community overall is low. In addition to problems stemming from the LNGO community themselves, the sector faces serious obstacles in the form of government hostility (most notably in the form of legal barriers and tax policy) and social apathy; paradoxically, past donor practices also appear to have contributed to some of the sector’s weaknesses, both directly or indirectly.

This picture of weakness, however, is tempered by two promising points. First, the team’s findings suggest that the Azerbaijani LNGO sector possesses substantial untapped potential. Part of this potential is to be found in current recipients of donor funding, many of whom are almost certainly capable of expanding their activities. But part also exists in the form of the many extremely promising LNGOs who currently are not on the donor community’s recipient lists. Many of these groups are young, in both organizational and generational terms; many are located outside Baku. Many also are not registered—a serious obstacle to reaching out for donor funding. Nevertheless, their existence hints at the true potential of Azerbaijan’s LNGO sector.

Second, when one expands the definition of “civil society” to take into account other forms of citizen action, another, comparatively vibrant sector enters the frame, that of mobilized communities. These groups not only are comparatively strong in their own settlements, but also (according to many reports) have gained enough capacity to begin reaching into new territory as well. Indeed, many of these groups have already begun to reach out not only to their local municipal councils—natural third parties in the expanded definition of “civil society” mentioned above—but also to local LNGOs for advice and cooperation.

Furthermore, both LNGOs and community groups enjoy, as noted above, natural third partners in the form of Azerbaijan’s 2673 municipal councils. These councils, created (according to most accounts) solely to satisfy a Council of Europe requirement, appear to have been set up to fail: they lack adequate funding and are hampered by legal overlap with parallel executive structures (excoms). Furthermore, most municipal councilors lack training in even the most basic skills and requirements of their positions. Nevertheless, a few councils nationwide are showing signs of relatively strong and independent work, frequently assisted by community groups serving as *mehella* or block committees (an arrangement of mutual benefit, as it affords community groups access to bank accounts). Almost certainly, as their example spreads, so too will cooperation with LNGOs.

Prospects for the Future

Excellent prospects appear to exist for expanded USAID civil society support in the form of engagement not only with traditionally-defined civil society actors such as LNGOs, but also community groups and municipalities. Such engagement has the opportunity to strengthen not only each individual sector, but also communication and cooperation among the three—the interplay between which, all evidence from this study suggests, has the potential to produce results far greater than the sum of the parts. Furthermore, two other areas exist in which USAID could make a contribution to the development of civic activism overall: professional or issue-based associations, and the media.

A few key points include:

- The time appears ripe for an approach that permits an expanded range of organizations—not only LNGOs but also individuals, small groups, community-based organizations, or municipalities—to tap into civil society development funds.

- A narrow sectoral focus is likely to be less productive than support for effective actors in all sectors.
- In considering issues of sustainability, a flexible approach should be employed that takes into account LNGOs' ability to achieve substantive goals.
- It does not appear useful to push LNGOs into coalitions that have not emerged organically.
- While good relations with government clearly benefit the ability of LNGOs to carry out activities, there should be no discrimination against LNGOs whose watchdog functions make them unlikely to be able to achieve warm relations with the Azerbaijani authorities.
- In terms of geographic expansion, USAID's civil society development efforts should focus not on particular regions, but rather on cultivation of the entire country's most promising civic activism groups through the creation of a grants program open to entities from the entire country.

Recommendations

In order to effectively develop civil society actors in the broadest sense, we recommend an approach that:

- stimulates creative activity and builds capacity among both LNGOs and other civic activism groups—individuals, CBOs, or municipalities, for instance;
- permits the inclusion of small, nascent groups and groups outside Baku as well as continuing to offer opportunities to larger, established, often Baku-based organizations;
- fosters contact, cooperation, and eventually collaboration between individuals and groups;
- increases the availability of relevant information and technical facilities to all civic activism groups;
- reduces environmental (legal, political) constraints on civic activism.

As one possible way of achieving these goals, we recommend that USAID:

Over the next six months:

1. Set up a grants program that will stimulate creative activity and build capacity while offering opportunities to both old and new groups, inside and outside of Baku.
2. Contract an INGO partner to act as a national capacity builder.
3. Facilitate professionally-based, organizationally-based or issue-based discussion groups.

Over the next year:

4. Create a national citizens' resource center network.
5. Continue to help local actors press for change not only in laws, but also in their implementation.
6. Increase public support for the work of rule-of-law watchdog LNGOs.
7. Continue to work to overcome negative government perceptions of the concept of civil society and of civil society actors, particularly LNGOs
8. Fund a few smaller projects encouraging cooperation among LNGOs
9. Fund a few smaller projects encouraging cooperation between potential civic activism groups in Nakhichevan.

Over the longer term:

10. Support efforts to encourage local philanthropy.

USAID's civil society programs would also benefit from the more deliberate incorporation of cross-cutting issues more deliberately into all projects. These include not only the issues of youth and corruption discussed above, which must be integrated in virtually all programs, but also themes that emerged in the recent Conflict Vulnerability Assessment, which include ethnicity and Islam.

Over the next six months to a year:

11. Develop small projects that expose more Azerbaijani youth to the outside world.
12. Incorporate an anti-corruption focus into all civil society programs.
13. Conduct an independent assessment of donor-supported anti-corruption activities.
14. Expand contacts and collaboration with LNGOs that are defending religious rights.

From the team's conversations in Azerbaijan and from the experience of donors elsewhere in the world, a number of themes and principles emerged that may be worth keeping in mind when applying the above recommendations. These include:

- Tailor funding levels to the needs of specific projects.
- Require greater budget and program accountability among grantees and partners.
- Promote thorough but non-onerous follow-up and oversight.
- Promote transparency in the grant-giving process.
- Incorporate non-quantitative measures of success
- Seek out partners who have a national, not just Baku-based presence.
- Promote more coordination among donors and INGOs.
- Think in the long term in funding as well as project design; avoid short-term shifts in deliverables.

Fifteen additional points related to tactics and to issues for other programs can be found starting on page 41.

It is important to note that due to time constraints, the team was not able to look at the full range of U.S. government or other donor programs. As a consequence, an initial recommendation would be to circulate the report to the Embassy, partners, and other donors, to see if all key points have been covered. Circulation of this assessment within the donor community may lead to other suggestions or idea-seeding in other donor portfolios as well.

The Azerbaijani Context

A number of conceptual challenges surrounded this assessment from its inception, as there seems to be little consensus on the overall context in which civil society building programs in Azerbaijan take place. We found three areas of particularly contentious debate that framed our assessment.

The first concerns what comprises civil society in the first place. Given the vastly differing definitions that can be found in the academic literature, many donors focus on what they regard as the institutional prerequisites for constructing civil society. The World Bank, for example, offers a typology of five basic functions of civil society organizations

- representation (organizations which aggregate citizen voice);
- advocacy and technical inputs (organizations which provide information and advice, and lobby on particular issues)
- capacity-building (organizations that provide support to other CSOs, including funding);
- service delivery (organizations that implement development projects or provide services);
- and social functions (organizations that foster collective recreational activities).²

In this view, the essence of civil society assistance is helping build organizations and institutions that will further the process of bringing together citizens' voices.

But others argue that these kinds of definitions do not capture the essence of what one is trying to do in constructing civil society. As one western expert put it, "there is a false assumption that institutional development, and NGO development, is civil society...But focusing on NGO development creates a civil society that is not necessarily reflective of society and its needs. It becomes a self-sustaining business, and NGOs end up out of touch with their constituencies. A lot of people thought it [civil society] was just NGOs, but that is false...Civil society includes anything that can lobby for change through non-governmental intervention." "The challenge," in the view of these observers, "is to create an enabling environment for these groups to emerge themselves," whether that environment is focused on institution building or otherwise.

In this view, then, the essence of civil society assistance is training people to take initiative: to take the reins into own hands, rather than relying passively on their government. This initiative can be taken via established institutions, or on an individual basis. As one western observer in Azerbaijan put it, "there are numerous little groups (maybe too many...) with 2-3 people each, and with fantastic agendas and wild dreams about what one can do." These groups, perhaps more than all others, he said, are the heart of "civil society."

Second, we heard vastly different views concerning the direction of the new Azerbaijani leadership. Some observers believe that new President Ilham Aliyev and his government are moving in the right direction—in other words, slowly moving towards opening up and encouraging the development of civil society—on their own, and that therefore that the President and his advisors need to be supported and encouraged in their efforts. Indeed, there is a widespread perception in Azerbaijan that United States government has shifted its position to one of believing that "the Azerbaijani government has the interests of people at its heart," and that donors therefore should "not rock the boat, but rather give [Aliyev] space." "They believe the government isn't so bad—that it's democratizing, producing oil and cooperative regarding Iraq and Iran," as one western specialist put it, "so we should just be quiet."

² World Bank, "Consultations with Civil Society Organizations (CSOs): General Guidelines for World Bank Staff." <http://www.worldbank.org/participation/cas/CASCSO.htm>. For a table showing what kinds of organizations might fit into each category, see Appendix A.

Other experts, however, contest this view. They believe that little has fundamentally changed, that small steps made on the part of Azerbaijani government are largely empty, and that under the guise of reform the government is only tightening up. As one highly respected local Azerbaijani specialist put it: “Many people believe that Ilham is more liberal and supportive of these changes. I don’t believe it.” These experts believe that many in the donor community, in the words of one observer, “have either been bamboozled, or want to appear that they have been bamboozled;” those who believe that change has gone beyond the superficial or cosmetic, they contend, are “living in a dream world.”

Finally, we found enormous dissension regarding the extent to which government and quasi-government institutions should be included and supported in donor-funded assistance projects focused on civil society building. Some argue that the distorting effects of Section 907 have left the government particularly ill-equipped to deal with building civil society in Azerbaijan. In addressing the question of building civil society today, they argue, it is critical to overcome the distorting effects of the years of Section 907 restrictions. Indeed, they argue, an exclusive focus on building the capacity of citizens to act independently or to serve as critics runs the risk of undercutting the ability and will of those whose job it is to provide services for a country’s citizens: government, both local and national.

But others disagree. They believe that donor programs designed to support changes in government institutions or the thinking of government employee only entrench government interests, legitimacy and power even more, and run counterproductive to serious efforts to open up. “Donors are all trying to get the government into the process,” said one INGO staff member, “but civil society is weaker as a result.” “It is illogical,” as another local scholar and NGO head put it, “on the part of the donor community, knowing how corrupt the government is, to provide money, [training and other benefits] to them with no oversight, and wonder why NGOs are so weak.”

For the purpose of this assessment, we have sought to simplify these debates as a guide to creating a strategy for the future. First, the team focused on civic activism in the broadest sense, encompassing the spectrum between two key components:

- Citizens’ action: citizens coming together to identify, prioritize, and find creative solutions to collective problems
- Citizens’ advocacy: citizens coming together to identify and prioritize concerns and to lobby for action on the part of others—governments, international actors.

Second, because the motivations of the new government, and hence the wisdom of including government institutions in programs, will only be evident at a later time, for the purposes of this assessment we shifted our emphasis to the content of actual programs and results, attempting to assess programs on the basis of their output rather than only on the actors involved. If we encountered evidence that a program was effectively bringing together government and civil society to accomplish specific goals (such as town hall meetings), and if we encountered evidence that those goals were reached, then the programs emerged in a positive light. We also took seriously, however, the criticisms we heard of programs designed to identify and support “reformers” within the government, or designed to offer “carrots” to perhaps more intransigent government officials to encourage a change in their views, without adequate measures of how to assess the impact of our support. We took seriously the criticisms that one should have evidence that such programs have a good track record in bringing results, and that one should conduct significant followup to determine whether they have led to any substantive changes before repeating them.

This debate engendered discussion particularly with regard to local government bodies. In the case of Azerbaijan, the team ended up looking at the interaction between, on the one hand, a mobilized citizenry acting either through community based organizations (CBOs) or through local non-governmental organizations (LNGOs), and on the other hand another level of citizen engagement: that of elected local

governance bodies, or municipalities. These latter are not technically registered as government organizations: they are part of a parallel structure in which the excom represents the government and the municipal council represents the community. They therefore formally fall within the purview of “non-government organizations,” even though they are bodies of governance with the ability to conduct some activities usually associated with government, such as collecting taxes.

Some have suggested that now that municipalities exist, they should be the focus of programming on the grounds that they are the community’s elected body. This is probably disingenuous. While neither CBOs nor municipalities can currently be said to be fully democratic, the last round of municipal elections saw few efforts to achieve a free and fair selection of candidates, and many believe the round in December is unlikely to be much better. Meanwhile, USAID’s partners are making substantial efforts to make sure that CBOs represent the community. But there certainly is a need to strengthen municipalities with the goal of making them adequate representative bodies.

The initial goal, therefore, is to see these three groups—CBOs, LNGOs and municipal councils—working together to solve local problems. But in fact, the interplay between these three groups on local issues has the potential to strengthen the abilities of all three groups, but particularly LNGOs, to act on the national stage.

Ultimately, it was determined that to achieve these goals, it will be necessary at some level to draw in the local executive authorities and central government. It is critical, however, that each project address the issue of building a climate in which citizens’ groups can work effectively with the government on social, economic and political problems while at the same time remaining independent of government; and indeed that how, indeed, to ensure that society gains greater space for groups whose function is to act as watchdogs over government.

With this as background, the following sections describe the state of play in these three key sectors (LNGOs, community development, and municipal councils), with an eye towards the prospects for development in each sector.

LNGOs

The record of NGO development in Azerbaijan has been decidedly mixed. On the one hand, a substantial number of LNGOs have emerged in just a short time. Between 1997 and 2001, according to a State Department estimate, the number of LNGOs in Azerbaijan quadrupled. Today, an estimated 1400 LNGOs are registered with the government, with somewhere between 150 and 450 considered effective actors on the national or local scene.³ While some undoubtedly are weak, others are doing excellent work. Meanwhile, as the NGO Sustainability Index points out, LNGO participation in advocacy and lobbying efforts is increasing; in-roads are being made through individual contacts and through a few progressive government entities that hold a more favorable view of LNGOs. Space is thus being created for interaction and advocacy. In some cases, for example, LNGO representatives have gained access to parliamentary working group sessions or have been permitted to present proposals regarding draft laws or state programs. Meanwhile, public awareness of LNGOs rose by 6% in the last year, to 22%.⁴

On other hand, the sector faces tremendous obstacles. To some degree, this simply reflects lack of funds. As the NGO Sustainability Index points out, only a small percentage of NGOs have professional facilities and office equipment. Most office facilities and equipment are acquired through donor grant funding. In the regions outside of Baku, even where equipment exists it is often out-dated and cannot be used effectively due to lack of technical knowledge and limited access to utilities such as electrical power. However, many obstacles emerge from government policies and actions, from within the LNGO community itself, from the international donor community, and from general social apathy.

³ NGO Sustainability Index 2003.

⁴ NGO Sustainability Index 2003.

The government

While the attitude of the government of Azerbaijan towards LNGOs appears to be changing, until relatively recently both central and local executive authorities have appeared, in the words of many of the team's interlocutors, to equate "non-governmental" with "anti-governmental." As Linda Schmidt has noted, government unease can be traced to at least two factors. The first is the close affiliation of many "first wave" LNGOs with partisan political groupings; as a consequence, even effective apolitical groups are tarred with the "opposition" brush. The second is the institutional and intellectual legacy of the Soviet period, under which the state was the single organizing authority and the ultimate source for defining and determining the public good. "As a result," Schmidt notes, "any claims by outside sources to speak for public interest are, from the government's perspective, inextricably intertwined with political contest. It is in this light that statements by public officials calling for a complete withdrawal of NGOs from the political sphere, as well as corresponding restrictions on election involvement in the Law on Non-Governmental Organizations, are perhaps best understood."⁵

Government suspicion has led LNGOs to be excluded from many arenas where they might be able to play a positive role (the government's commission on corruption, for instance) and has complicated relations between LNGOs and local organs of governance, ranging from local executive representatives (excoms) to municipal councils. For instance, any LNGO that has received foreign financial support is barred from taking part as an observer in elections, effectively limiting meaningful and sorely needed monitoring capacity. Civic groups can testify and comment on pending government policy or legislation, but such activity is far too infrequent and rarely results in meaningful influence on public policy. Meanwhile, Parliament showed little willingness to engage LNGOs in the legislative process or invite their input on draft legislation. Indeed, Azerbaijani law prohibits civic organizations from engaging in political activity; as the governing legislation is crafted in imprecise language, the authorities enjoy wide latitude for interpretation, creating uncertainty among LNGOs about the rights they enjoy and making them vulnerable to threats of prosecution.⁶

The most immediately practical areas, however, in which government suspicion continues to affect LNGOs are those of registration and taxation.

Registration. The existing Law on Registration of Legal Entities, while not necessarily inherently legally flawed, is subject to serious problems of implementation. While the law technically entitles entities who have not received written rejection or extension of their applications within 40 days to consider themselves automatically registered, in practice few applicants move through the system smoothly. Many LNGOs report receiving no response within the 40 days but a subsequent letter of rejection; others are rejected for trivial reasons (the local OSI branch in Genje, for instance, had just been rejected for failure to provide the date of issue of the passports of the applicants). Individual LNGOs believe they have no recourse to challenge the government without risking retaliation or bankruptcy.

The Azerbaijani government, when queried about the slow rate of registration, has tended to either deny the existence of delays or to blame them on technical issues. The registration department of the Ministry of Justice, for instance, told the team that their inability to record the total number of LNGO applications during the year or to process applications in a timely fashion is due to a lack of computer equipment and staff. This argument seems somewhat dubious, however, given the number of commercial organizations that have been registered and the registration department's pride in the speed of commercial registration,⁸

⁵ Schmidt 2003a.

⁶ Freedom House Nations In Transit 2004.

⁷ Schmidt 2003a.

⁸ According to the head of the Registration Department, 3158 commercial organizations had applied to the department for registration in the last nine months, of which only 5-6 had been rejected. Of the successful commercial applicants, 74.6% were (he said) registered within five days, and 23.6% were registered within two days.

as well as statements that suggest LNGOs would remain a low priority no matter what the level of technology and personnel. As the head of the Registration Department said, when asked about the disparity between commercial and LNGO registration rates: “We pay attention to what we consider important.” (Indeed, although existing law includes a monthly reporting requirement for the Ministry of Justice’s Registration Department, an official record of registered LNGOs is not currently available.⁹)

Instead of being limited by technical concerns, then, the registration process appears arbitrary, allegedly corrupt, and, at a minimum, heavily politicized. In particular, the process lacks transparency, with the result that LNGOs whose agendas are perceived by the government as subversive can be rejected out of hand. (For example, currently, the Head of the Ministry of Justice Registration Office said that although his staff processes the applications, the final decision “rests on him alone.”) As of October 2004, Ministry of Justice figures showed only around 120 LNGOs registered during the previous nine months. While the exact number of entities denied registration is unknown, interlocutors’ estimates ran to the hundreds.

It should be noted that while an inability to register does not necessarily inhibit many of the activities of many such groups, lack of registration nevertheless carries important financial, logistical and psychological consequences:

- Unregistered groups are not permitted to hold bank accounts. As a consequence, their sources of finance are limited, as donors cannot extend to them grants or collective payments; their ability to develop financial transparency is inhibited, as all monies need to pass through personal accounts or outside regularized transactions; and their ability to build project-running capacity is restricted, as outside entities can only hire them to carry out parts of projects, rather than giving them a grant to run a project on their own
- Registration is required for obtaining tax-exempt status.
- Unregistered groups have difficult gaining legitimacy in a cultural context where legality is equated with authority. The lack of legal personality casts a shadow over organizations, inhibiting their ability to attract members and volunteers to support their work.
- Members of unregistered groups end up feeling that they are either, as noted above, outside the bounds of legitimate social activity, or above the law.
- Lack of registration enhances government control over unregistered organizations, enabling arbitrary crackdowns and pressure. Many unregistered NGOs have indicated that police and other government officials often prohibit them from conducting activities on the basis of their unregistered status, although such activities would be permitted the average individual.¹⁰ (Even registered NGOs can be closed down after three legal “violations” in one year, regardless of how trivial, in violation of the European Convention on Human Rights’ principle that only the most serious violations should constitute grounds for deregistration.¹¹)

Tax issues: The government’s suspicion of LNGOs has also manifested itself in a series of tax disadvantages that affect the financial viability of LNGOs as well as signaling to potential contributors their relative lack of importance in the government’s eyes.¹² The Amended Grant Law not only requires all grant funds to be registered with the authorities prior to use (hampering independence of action) but also requires LNGOs (except those receiving grants through U.S. government assistance programs) to pay 27% of consolidated payroll to the government’s Social Insurance Fund, a level of tax burden that LNGO leaders complain cuts sharply into their finances. Additionally, there are no tax incentives for charitable contributions, which further limit LNGOs’ ability to benefit from individual or corporate philanthropy. Partially as a consequence (although also partially as a consequence of Islamic norms of charity), local

⁹ Schmidt 2003a.

¹⁰ Schmidt 2003a.

¹¹ Guliyeva 2004.

¹² See International Center for Not-for-Profit Law 2003 for a brief overview of the tax preferences most countries permit for NGOs.

businesses appear much more inclined towards short-term relief donations than towards participation in long-term development processes.

Problems Within the LNGO Community

To some extent, the weaknesses of the Azerbaijani LNGO sector stem from problems within the LNGO community itself. For example, many sources indicate that LNGOs are typically weak organizationally. Only a few enjoy solidly developed organizational capacity and financial viability; many are dominated by a strong leader, on whose ambition, capabilities and connections the organization's development and activities heavily depend. Many lack clear organizational structure, business plans, strategic planning ability, or financial know-how, and most lack a developed membership base.¹³ While lack of organizational capacity may not be a barrier to many types of activity, the sector's overall organizational weakness has proven to be an obstacle to overall efforts to effect change in Azerbaijan in a long-term and sustainable fashion.

Many sources indicate that LNGOs also suffer from significant funding difficulties, ranging from lack of funds to heavy dependence on international donors. Most lack a diversified support base (in terms of either international or domestic donors) and knowledge of how to market their skills; gaps in funding can lead to complete suspension of activities. As a consequence, many LNGOs are primarily preoccupied with surviving from project to project.

As a result, the team heard, the missions of most LNGOs have become heavily donor-driven. For financial reasons, many well-intentioned LNGOs have ended up having to focus on the concerns of donors, with a resultant move away from community consultation. This focus on donor concerns not only distracts many LNGOs from community concerns, but also leads to lack of strategic vision. Many observers underscore how even those LNGOs that originally emerged with great passion and purpose have seen their mission become distorted and focused primarily on seeking international funds rather than seeking serious and fundamental change in their own society. "Today," the head of one INGO put it, "most [local] NGOs (and I mean more than half) are no longer particularly interested in what they do; they are interested in making money, or using the NGO to trampoline to a good government post."

LNGOs also must operate in a highly politicized environment. Anything that challenges government policy is viewed as "political," and the government uses this situation to make concessions where it is in their interest, and crack down on NGOs where it is not. As an official from the Ministry of Justice told us, when asked why many NGOs are denied registration: "NGOs should stay away from politics. They should focus on social problems, not political ones." In a society where even the most benign issues are viewed as highly political, this is a difficult, if not impossible, condition to meet.

Perhaps as a result, many NGOs have become more comfortable as critics than as problem-solvers. This stance not only has complicated relations between LNGOs and the Azerbaijani government, but also has made many LNGOs only uneasy partners in politically diverse issue-based coalitions. Indeed, this situation ironically has served to divide NGOs as much from each other as from the government itself. Interviews suggest a widespread perception that NGOs lie on one side or the other of a wide divide: they are viewed as either strongly politicized against government, or as "in bed" with the government; few are perceived as being in between, or as "politically neutral." These perceptions have resulted in mutual recrimination between "pro-government" and "pro-opposition" groups that not only complicates cooperation between them, but also increases government suspicion of groups whose loyalty is painted as suspect.

Indeed, at the broadest level, Azerbaijan's LNGOs are typically far more competitive than cooperative. Even political like-mindedness does not guarantee that LNGOs will work well together; partners

¹³ See also NGO Sustainability Index 2003.

described many LNGOs, even those with whom they work, as “very territorial” or “monopolists.” Personalities play a strong role, and *ad hominem* infighting is common. As a consequence, coalitions are relatively rare. Indeed, a USAID employee recently based in Azerbaijan described this lack of cooperation among LNGOs as one of the biggest failures of efforts to develop civil society on the ground there. “Trying to get groups to come together around an issue,” this individual stated, was one of the most difficult challenges faced by LNGO development program. Regarding one such effort, the individual noted, “It was a good program theoretically, until the time came to do something real; then it fell apart.”

Finally, in terms of regional distribution, the country’s LNGO community is heavily tilted towards Baku. Most of the country’s effective LNGOs are based in the capital, with its broader resource base and greater access to international donors. Non-Baku-based LNGOs are typically weak, in terms both of organization, financial viability, and national-level impact. As a consequence, regional concerns are poorly represented in national NGO discussions and regional organizations lack sway in the national NGO scene.

Donor policies.

Meanwhile, the impact of donor activities on the LNGO sector has also been mixed. Undoubtedly donor support has been responsible for the birth and/or continued existence of countless groups who would otherwise have succumbed to government or economic pressures. Among their many benefits, assistance programs have brought dramatic improvement of capacity among many recipients. In many cases, they have connected LNGOs with the outside world, introducing new ideas that could be adapted to the Azerbaijani context, as well as greater support and legitimacy re their work. However, donor policies, particularly in the area of implementation of programs, may have also caused or exacerbated some of the weaknesses of the LNGO sector, in a number of ways.

1) Our interviews highlighted a widespread perception that donors have shown a tendency to work with “the usual suspects,” those who got in early and have been particularly responsive to donor aims, but not necessarily to their ostensible constituents at home. This trend has been exacerbated by the shift in focus among most international donors towards strengthening a few promising LNGOs rather than spreading funds more thinly. Our interviews and observation suggest that most of the established LNGOs in Azerbaijan today currently have better capacity than before, but also an attitude of entitlement and a disinclination to share the wealth with other actors, while others are left without anything to turn to. This situation, paradoxically, has led to further alienation of these groups from popular concerns and focus on interests of donors. As one interviewee said: “Strong NGOs forget they’re working for the people”

2) Also, donors have not always been critical enough of the results of their funding. First, they have not always held LNGO partners to high performance standards. Second, they have not been critical of their LNGO partners’ organizational structures. Repeated funding has fostered bad organization and bad performance.

3) A constant refrain was the artificiality of requiring NGOs to find matching funds in order to continue to receive donor support. In most cases, we were told that implementing NGOs must raise money to ‘add value.’ In some cases, this makes good business sense; but in others, it simply dilutes a project and often makes it untenable. From the NGO that was given funds to pilot a textbook, but then could not raise the funds to print and distribute it, to the advocacy group that gave up in despair because few donors will sponsor that work in full, we often heard criticism that this approach dilutes projects, leads to enormous time expenditures seeking to find additional money, and leads to constant adjustments in the project to fit the demands of each new donor that is found. Critics commented that there was no distinction between projects where the end result is more important, and those where the process (such as fund raising) is a higher priority. Several observers noted the “hypocrisy of matching funds,” when a donor insists on matching funds for projects where such is unrealistic. “We see no acknowledgment that some projects will be unable to find support elsewhere, or, if they are important, that they should be funded in full.”

4) Another criticism that emerged frequently regarding donor funding is the fact that donors are viewed as insisting on particular agendas, rather than working together on creating agendas that resonate more locally. In so doing, donors have drawn LNGOs away from the interests of the communities they should be serving. This is only exacerbated by the fact that donor agendas frequently change. “(The INGO we were working with) did a lot of changing during the two years,” complained one interviewee. “They were asking us to do something and then next day they were calling and saying that we don’t want it anymore, do something else.” Frequent shifts in donor agendas have at least two consequences. First, the need to accommodate the changing thematic priorities of donors further erodes LNGOs’ ability to formulate and implement a strategic vision. Second, LNGOs often become cynical about the value of donor priorities. For instance, some interlocutors told the team that the shift in donor priorities between basic training and advocacy training may have been too abrupt, sending a message of inconsistency and leading many INGOs and LNGOs to approach advocacy as something essential for getting funds, rather than a good in itself. Meanwhile, the perceived deemphasis of service provision left many service-oriented LNGOs feeling confused and left behind, with some deriding advocacy as just “the new catch-phrase.”

5) Donors have tended to work primarily with Baku-based entities, at the expense of those efforts based in the regions. This focus is understandable, since regional organizations are less likely to be registered and usually have less of a track record. But the focus has only exacerbated the gap between NGOs based in the capital city and those elsewhere, and distorted the impact of donor activities on the country overall. Second, donors have not established regional offices, with the result that regional LNGOs constantly being summoned to Baku—a practice that is expensive, time-consuming, and gives the impression that they are less valued than their counterparts in the capital. Baku-based organizations often marginalize regional coalitions. Regional NGOs fear that Baku-based organizations will just open regional branches to get more money. The ‘resource centers’ are a good example: regional NGOs sometimes feel that the greatest strength of the Baku-based organizations that are running them may be ability to talk “donor speak,” rather than actual knowledge of issue area.

6) As noted above, donors have also been reluctant or unable to work with unregistered entities—an understandable constraint, but one that leads to those with registration holding monopolies, while others have limited, if any access to support. This is a situation that even some INGOs find frustrating. As one INGO staffer said, “We can work in parallel with them, pay salaries to them, pay for offices, phones, equipment—but we can never cut the umbilical cord. It reduces them to the status of errand-boys.”

7) Finally, donor focus on LNGOs as the principle targets for civil society development grants have created an artificial impetus for any and all groups seeking international funding to attempt to register as an NGO. Some partners, for instance, said that their cluster groups had put in applications to become NGOs rather than limited legal corporations simply because NGOs are perceived as the groups that have the potential to get foreign grants.

Social apathy.

Finally, LNGOs struggle against a climate of social apathy and limited public confidence in the role of NGOs related to a top-down model of politics. For instance, a 2001 NGO awareness survey found that 50% of respondents thought that it is beyond the power of any individual or groups of people to have an influence on the solution of problems in the society; only 14% thought individuals or groups could play any role at all.¹⁴ Meanwhile, a similar study in 2002 found that only 1% of respondents thought that NGOs could play a decisive role in solving society’s problems, while 83% thought that the decisive role lay in the hands of the President.¹⁵ In such circumstances, several interlocutors stressed, LNGOs easily lose a sense of responsibility for societal outcomes, seeing instead their primary role as critics.

¹⁴ ISAR NGO Awareness Survey 2001.

¹⁵ ISAR NGO Awareness Survey 2002.

Community Mobilization

Expanding a conception of civil society building to include community mobilization, however, creates a rather brighter picture, not only in relation to civic activism but also in relation to the prospects for NGOs. The community mobilization activities of USAID's partners have focused on teaching communities to identify and prioritize the community's needs and then to mobilize the resources necessary to address these needs. Organizations engaged in this kind of community-driven development ideally are as interested in processes as in outcomes: they are as concerned with how a community chooses a project and how the project is carried out as they are with the final result of the project.¹⁶ The goal is to see communities recognize responsibility for problems and to take ownership of their solutions, rather than relying passively on government institutions to solve problems. In this sense, these projects are active components in the drive to build Azerbaijan's civil society.

USAID-funded community mobilization projects in Azerbaijan are widely perceived by partners and participants alike as having been relatively successful. Participants in community mobilization schemes with whom the team spoke said that their communities were now better able to identify and prioritize their needs and to come to creative solutions of their problems that drew on a wide range of resources from a wide range of actors.¹⁷

The greatest obstacle described by many of USAID's community mobilization partners has been one of community mindset. In some rural areas in particular, the shift not only from suspicion of foreign donors, but also from a Soviet mindset of dependence and passivity has been very slow. However, while the psychological shifts necessary for mobilization have often been slow, once the shift has been made, communities have often responded eagerly, approaching partners with substantial numbers of areas for action. To some extent, the interest of target communities in identifying problems has stemmed from the lure of donor funds. However, partners also describe a move in some communities beyond a donor-focused approach towards generation of non-funded projects—genuine examples of communities doing things for themselves.

Interestingly from the point of view of civil society development, community-based organizations (hereafter CBOs) in mobilized regions of the country are increasingly demonstrating two key aspects of civic action. First, they are increasingly moving beyond action to activism, although nearly always a relatively local level. For instance, partners told us of communities moving on from community health projects to lobbying the regional hospital for periodic visits by doctors to local clinics. Second, community groups are increasingly engaging in self-generated expansion. That this is so is often as much the result of word spreading about the success of community projects as it is through a desire to proselytize; CBO members told the team of other communities coming to them to ask how they had done things. Whatever the impetus for outside interest, however, evidence now exists of communities taking steps to mobilize other communities, as well as of CBO members training their community peers.¹⁸ Many interlocutors indeed said that cluster groups, which are vehicles to reach into many communities, are now the ones that are mobilizing new communities in their areas, rather than INGOs. "We're no longer doing the mobilizing—it's the *ijmilar mejlisi*. Mobilizing communities is their on-the-job training," said one Save the Children official.

To date, self-generated mobilization activity by communities has largely been confined to AHAP areas, where the notion of community mobilization is familiar to many. However, many partners and community groups reported that CBOs are now close to the point of being able to move to nearby unmobilized areas—a source of pride for many community members. "We can mobilize better than the INGOs," said one *ijmilar mejlisi* member in Ganja. "For instance, they have a 9 to 6 working day. But

¹⁶ Save the Children 2002.

¹⁷ For further discussions of success and relevant quote from community members, see also Save the Children 2002, Leonard 2003.

¹⁸ For an earlier discussion of this phenomenon, see Leonard 2003.

people in the communities are busy then. We go in after 6 o'clock, everyone's there to talk to us." Representatives from a variety of communities noted that they have already learned by doing; drawing on their own experiences of mobilization, they calculated that they could teach others to achieve what they had achieved in half the time that it had taken them to achieve it.

Importantly, USAID partners are not the only ones telling this story. For example, the Norwegian Refugee Council reported that although community mobilization is not their core activity, the community groups that they have helped to create as part of their shelter projects continue to function as key groups tying the community together and organizing/addressing community projects. Oxfam similarly says that communities with which they have been working now have some management skills and are taking independent steps to approaching government and donors.

To some degree, the success in community mobilization projects so far stems from simple lack of government opposition. As noted above, the Azerbaijani government's response to LNGO activity has often ranged from the skeptical to the hostile. Community mobilization, however, has faced less central government opposition, partly due to the fact that it has been carried out in conjunction with the funding of badly needed practical projects with more limited political content. Furthermore, since community mobilization has been carried out in the context of entirely externally funded projects (although frequently with a contribution from participants), local executive structures have not been able to play a complicating role. However, the community mobilization approach has had a clear advantage in its focus on problems of immediate relevance to people's lives. "LNGOs are not delivering food, electricity, which is why public knowledge is so low. Community mobilization is addressing what people need," said one interlocutor. Furthermore, participants in community projects got a psychological boost from focusing on small, easily achievable projects. As one INGO staffer told the team, "People learn more from tackling and solving a small problem than they do from tilting at windmills."

The tactics of community mobilization have also contributed to the sector's success. Although mechanisms such as the participatory rural area appraisal process (PRAP) are never perfect, these have still provided relatively open processes for entire communities to identify needs; meanwhile, partners' policies towards the formation of community groups have resulted in a relatively democratic choice of representatives. Meanwhile, INGOs have insisted on a high degree of community buy-in to projects, requiring contributions to all projects, if only in kind. In the opinion of INGO staffers, this requirement, coupled with the requirement that communities prioritize their problems and tackle them sequentially and the relatively small size of the grants involved, has also discouraged communities from treating INGOs as cash cows.

Finally, the success of community mobilization activities can be attributable to the long-term presence of INGOs, as well as to effective public relations strategies. As noted above, many partners emphasized the initial reluctance of communities to get involved; some also noted some initial degree of government hostility. However, awareness-raising activities in communities and among government officials—such as bringing parliamentarians and national-level bureaucrats out to see projects in action—has had effect, with most Azerbaijanis' impressions of community mobilization much more positive than before.

Community mobilization thus appears to be making an important contribution to the strengthening of civil society in Azerbaijan. Yet community mobilization is in no way antithetical to that other aspect of civil society strengthening, LNGO development. On the contrary, many interlocutors argued that community mobilization directly benefits LNGO development. As one INGO worker in Barda said: "Community mobilization is building an enabling environment for the evolution of LNGOs. LNGOs are so weak because there is no supportive environment." Indeed, mobilized communities are often reporting effective cooperation with one or two LNGOs, sometimes Baku-based but often locally-based. In some cases, INGOs have been involved in facilitating these contacts, and even in creating the LNGO resources on which communities are drawing; for example, Oxfam has helped create local legal advice centers using paralegals trained by ARAN after initial Oxfam training. However, in other cases, the LNGOs in

question receive no international funds and the contacts appear to have developed spontaneously. Meanwhile, many LNGO interlocutors said that their organizations find it much easier to work with mobilized communities. To some extent, this may be because mobilized communities are clearer in their own understanding of their needs; however, it may also reflect the fact that mobilized communities sometimes have the funds necessary to pay LNGOs for their services. At the national level, CRS also reported that their core group of LNGOs benefited from cooperation with local CBOs, who were more familiar with the situation on the ground in the regions.

Nor is community mobilization in any way a substitute for LNGO development. Most interlocutors stressed that while community mobilization does an excellent job of teaching people techniques both of action and of activism in relation to immediate practical problems, it does little to focus people's minds on larger issues. A few interlocutors thought that in larger areas such as Baku and Ganja, some communities were beginning to express concerns about broader themes such as women's rights. But a clear need remains for idea-focused LNGOs to help drive the debates that will be instrumental in the Azerbaijani citizenry's longer-term concerns.

Municipalities

Meanwhile, an obvious need exists for donors to engage further with Azerbaijan's 2,673 municipal councils. While most of these councils currently lack strong democratic credentials, some are already quite popular among their constituents; over the longer run, a strengthening both of their capacity for effective action and their democratic credentials will provide Azerbaijanis with an important alternative to the centrally-appointed local executive structures that currently enjoy a stranglehold on many aspects of local development.

The municipalities, however, are plagued with problems. Indeed, a GTZ report on comparative Caucasus issues makes the point that there are common sets of problems affecting local self-government in all three Caucasus states. First, the population is poorly informed about the institution of local self-government and public participation in the process of self-government is low. Second, council members, mayors and community heads often lack experience and are poorly informed of their duties and responsibilities. Third, in Georgia and Azerbaijan especially there can be conflict between local self-government structures and parallel executive structures. Meanwhile, in all three states, the relationship between the various branches of authority at the local level often depends on informal relationships between individuals and informal norms of hierarchy that date back to the Soviet period.¹⁹

In addition, Azerbaijan's municipal councils face additional financial constraints. First, their sources of funding are limited to two areas: automatic government subsidies calculated on a per capita base, and tax collection. In the first case, however, subsidies have been successively cut since 2001, and are now down to ¼ of their none-too-generous original levels. Furthermore, according to a few interlocutors, often only a small percentage of these funds actually reach the municipalities due to corruption. Transfers between the central government and the municipalities are not direct: funds go to the local excom's account. Securing disbursement of the funds from the excom thus frequently requires a "finder's fee" that often is close to the level of the subsidy. (This, according to the team's interlocutors, is one of the reasons that municipalities sometimes do not even request their subsidies—a fact that some excoms point to as evidence that funding levels are not only adequate but over-generous.) Second, the tax base of most municipalities is low, for two reasons: lack of assets and lack of ability to collect. In the first case, while all municipalities have had property allocated to them, in many cases this property has not yet been distributed, but remains in the hands of the excoms. Furthermore, the value of property on which municipalities have the right to collect taxes or rent typically is low compared to that assigned to the executive committees. In the second case, municipalities face formidable problems in collecting the taxes owed to them: their constituents are poor, particularly in cash, and a lack of understanding of where their

¹⁹ GTZ 2004.

taxes go leads to a resistance to pay. As municipalities have no enforcement powers, tax bills thus often remain outstanding.

In these circumstances, it is not surprising that most of the team's interlocutors stressed that the capacity of most municipalities is extremely low. The large majority of the country's municipal councilors, according to most interviewees, have no idea of their responsibilities or of their municipality's rights. (That this last is so is due at least in part to lack of legal clarity, as noted above.) Many bought their electoral success; few if any have received any training in skills relevant to their new positions. Furthermore, municipalities suffer from a lack of opportunities to share experiences.²⁰ As a consequence, most lack awareness, responsibility, and skills, especially in the area of planning.

The existence of mobilized communities, however, appears to be a good thing overall for municipalities. This appears to be partly due to the relationship of mutual convenience surrounding the status of *mehella* committees. According to several interlocutors, community groups are showing an increasing tendency towards registering as *mehella* or "block" committees under municipalities. In this capacity, they gain the right to open sub-accounts under the municipality bank account. (This latter ability is a critical consideration given the current restrictions on group accounts; it explains, according to interviewees, why action plan groups within health programs and community health funds are also thinking of registering as *mehella* committees.) In return, they act as advisory for the council. All municipal councilors with whom the team spoke emphasized the utility to the municipality of such groups; "they are our eyes and ears in the community," said one councilor. The more skills that community groups bring to their role, the more they have the potential to build the council's capacity. By same token, municipalities appear noticeably weaker in areas where there has been no community development activity. Interlocutors in unmobilized areas told the team that their municipal councils were even less clear about their roles and even more under the local excom's thumb than those in other parts of the country—"disabled organizations," one interviewee called them. Some of these municipalities reportedly lacked *mehella* committees entirely; in others, the *mehella* committees were described as effectively useless. ("*Mehella* committees in Kazakh are primarily concerned with matchmaking," grumbled one interviewee.) In a similar vein, a 2003 study found that unmobilized communities experienced lower voter turnout for municipal elections, lower levels of popular trust in municipal councils, and a greater perception that municipal officials were selected by excoms.²¹

Finally, municipal development appears to have the potential to be good for LNGOs, and vice versa. Several of the municipalities with whom the team talked were already working in one respect or another with LNGOs, in some cases to receive training, in other cases to receive advice. Indeed, the head of the Yasamal municipality predicted that the municipality could eventually end up subcontracting certain functions to LNGOs, although he did not suggest that this would be occurring soon. (These consultations with LNGOs tended to focus on practical issues rather than legal ones; IFES, the team's primary interlocutor on municipal issues, was unaware of any advocacy groups, coalitions or associations who focus specifically on implementation of local governance legislation.) While the CRS coalition did not have the specific task of working with municipalities, municipal officials were invited to key public events during the coalition's regional and national public awareness campaigns, and a few were included as guests or panelists for press events announcing campaign progress.

²⁰ A proposed association of municipalities, championed by IFES, failed to materialize last year due to government opposition. Meanwhile, the team heard of two associations of municipalities: a Coordination Board formed by 17 city districts in Baku and a recently formed Center for Municipal Reforms bringing together municipalities from across the country. However, a study done by GTZ found not only that it is too early to measure the impact of these associations, but also that in Armenia and Georgia, national-level associations of municipal councils have tended to be unwieldy and ineffective and to fall under the control of national political forces. GTZ 2004.

²¹ Leonard 2003. Interestingly, several partners told the team that their hope was that people from their community groups would run in the December municipal council elections; however, no one that the team talked to, either from communities or from LNGOs, was considering running, with LNGO members complaining about the lack of scope for independent action while community members saw them as lacking the popular legitimacy that community action groups in their view enjoy.

Prospects for the Future

It would thus appear that excellent prospects exist for expanded USAID civil society support. This engagement has the potential to extend beyond support for traditionally-defined civil society actors such as LNGOs to include other the other two sectors discussed in this assessment: community groups and municipalities. Such engagement has the opportunity to strengthen not only each individual sector, but also communication and cooperation among the three—the interplay between which, all evidence from this study suggests, produces results far greater than the sum of the parts. Furthermore, two other areas exist in which USAID could make a contribution to the development of civic activism overall: professional or issue-based associations, and the media.

The LNGO sector

As already noted, Azerbaijan’s LNGO sector possesses not only existing talent but also substantial potential. At the moment, most interlocutors estimate that there are some 10-15 larger LNGOs that are operating at a high professional level. These organizations not only are conducting their own activities, but also have the potential to be support mechanisms, providing services and support to a wide range of sectors, from the LNGO and community development sectors to economic and business development. Names mentioned most frequently included AYLÜ (recommended by many partners), ARAN, Hayat, UMID, Yeni Nasil, and AIM; meanwhile, some interlocutors believed that the human rights sector in general—encompassing organizations such as the Helsinki Citizen’s Association, the Azerbaijan Foundation for Democracy Development, and the Institute of Peace and Democracy—is the strongest part of the NGO community.

Furthermore, there are substantial numbers of new actors waiting to burst on the scene. All USAID partners with whom the team spoke have described the emergence of many new younger LNGOs who have the potential to be both competitive and creative. Some of these entities are focused on governance issues; however, many others are relatively practical in their focus, concentrating on issues such as agriculture, education, or health. These organizations are younger both in organizational and generational terms, with some partners describing the latter factor as more important than the former. Many of these promising new LNGOs are located outside Baku. Most partners describe the best of this group as more committed to issues, more attuned to community needs, and less donor-driven than many of their older counterparts (perhaps partly because the many who are unregistered do not think of themselves as eligible to receive direct funding from international donors).

In addressing the question of how best to approach the LNGO sector, the team considered several issues.

Support a few or many? LNGO development efforts in Azerbaijan appear to have moved between two poles: encouraging “a thousand flowers to bloom” on the one hand, and strengthening a few large, established, sustainable LNGOs on the other. The latter approach is particularly well suited to an approach to civil society development that focuses primarily on the creation of an institutional base, as discussed at the beginning of this study. However, where the goal is to encourage citizens to take a degree of control over their lives and/or to assume an advocacy role, whether locally or at the national level, a focus on “usual suspects” can stifle the development of new groups. As a consequence, the time appears ripe for a broadening of USAID’s approach to provide opportunities for an expanded range of organizations to tap into international funds.

However, looking for new partners in civil society development should not necessarily mean abandoning old ones. First, in many cases older LNGOs, even if riddled with problems, still represent assets that have been cultivated over the years. Second, many interlocutors have admitted that their practices have not held LNGOs to high performance standards. Abruptly severing ties with these older groups breeds incomprehension and resentment and furthers the perception (which some actively advance) that international donors are arbitrary or even corrupt in their allocation of funds. A better approach might be

to find ways in which the skills of older groups can be used to bring younger groups up to speed while giving older groups time to adjust to the new environment.

Which sectors to support? The question of which sectors might provide the best opportunities for future US/LNGO partnerships is a vexed one. Some might argue that the best opportunities lie in sectors that enjoy strong popular support. In this regard, responses to a recent CRS survey suggest that the general population of Azerbaijan has a strong interest in the activities of practically oriented LNGOs focused on issues such as health, agriculture, or business development.²² Others, however, might argue that the best prospects lie in areas where LNGO development is already reasonably strong—for instance, as noted above, the human rights field. And yet others might argue that regardless of popular support or current levels of development, USAID should focus on cooperation with groups pursuing ideals or objectives—human rights, again, or environmental issues—that are unlikely to flourish without international assistance. As will be outlined in greater detail in the recommendations, however, we would suggest that a narrow sectoral focus is likely to be less productive than support for effective actors in all sectors.

How important is sustainability? Recent LNGO development efforts in Azerbaijan have focused heavily on building the sustainability of organizations, with the goal of seeing LNGOs eventually able to function without USAID funding. These efforts have focused both on encouraging LNGOs to develop the skills necessary to solicit funds from other donors and on directing LNGOs towards potential sources of domestic funding, such as membership fees or fees for services. Encouraging LNGOs to think in the long term clearly is valuable in itself, and many groups—both those whose agendas are broadly in tune with international donor agendas, such as human rights groups, and those whose focus is on domestic economic issues—may indeed be capable of moving towards non-USAID-funded sustainability in the medium term. However, the team’s interviews suggest in considering issues of sustainability, a flexible approach should be employed that takes into account LNGOs’ ability to achieve substantive goals. Donors should take two points in particular into account:

- Donors must recognize that by the very nature of their missions, some LNGOs cannot become sustainable entities or survive without donor financing in the short term. Human rights organizations, for example, can be encouraged to seek donors other than USAID, but they do not have the same prospects for surviving on membership fees or fees for services as an association of entrepreneurs.
- Many other LNGOs run the risk of being deflected from their primary purposes by excessive emphasis on business development. Some interlocutors, for example, expressed concern that the shift in USAID’s media support program from an emphasis on content (in the case of television) to business management might end up swamping the program’s initial *raison d’etre*: to promote independent investigative journalism. Small LNGOs with relatively low levels of organizational development are particularly vulnerable to this swamping effect.

The focus on diversifying sources of funding should also be tempered. This emphasis affects not only the sustainability, but also the integrity of the content of projects, as each new source of funding brings new directions and new requirements. According to many interviewees, the question of sustainability must be realistic: grantees should be encouraged to seek matching funds, but either way, funds should be ensured so that projects can be carried through to a successful conclusion.

²² Asked how LNGOs could improve their activities, the most frequent answers by respondents were: increase material support/aid to the population; offer more activities on a regional level; reduce unemployment by means of development projects; support farming and entrepreneurship in the regions; help getting the state involved in the solution of societal problems; study the population’s opinion and target the most urgent social and economic issues. Catholic Relief Services 2004.

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Focus on individual organizations or coalitions? Past efforts have focused on encouraging greater cooperation among LNGOs through support for projects whose purpose, in whole or in part, has been to stimulate LNGOs to pool their efforts. These efforts have been laudable, and have led to some successes in the face of substantial obstacles, both attitudinal (a tradition of individualism, residual resentment from the Soviet era towards “forced cooperation,” the politicization of the sector, a reluctance among some organizations to share their position and funds) and logistical (geographic dispersion, differences in capacity). Overall, however, the team’s interviews suggested that results have been disappointing. For the most part, participant LNGOs appear to have viewed these efforts as artificial; as a result, their participation has been primarily driven by a desire for funding, rather than by genuine expectations of raising the impact and effectiveness of their work. Most interlocutors indeed opined that it is not useful to push LNGOs into coalitions that have not emerged organically. Previous experience suggests that where coalitions are necessary, issue-based ones are the most successful; meanwhile, “permanent” coalitions appear subject to more strains than short-term campaign-based groups.

Cooperation with the government or insistence on independence? Many interlocutors stressed the importance, in a climate of LNGO-government relations pervaded by suspicion, of encouraging LNGOs to cooperate with government to the greatest extent possible. Some indeed argued that they would prefer to work only with LNGOs that are “eager” for cooperation with government bodies. This emphasis on good relations with government appears to have alarmed many in the advocacy-oriented LNGO community; many LNGO representatives with whom the team spoke expressed their fears that USAID funding was soon to be reserved for explicitly pro-government groups. Many service-oriented LNGOs, however, appear to clearly understand that unnecessarily bad relations with government complicate their abilities to carry out their missions, and appear happy to make some effort to demonstrate that they are not anti-government.

Many would say that it clearly is not unreasonable for donors to request that grantees avoid unnecessary confrontation with the government and indeed that they seek out possible cooperation. Indeed, while independence from government is a vital characteristic of a vibrant civil society, many would argue that USAID funding should not discriminate against especially competent service-oriented LNGOs solely on the issue of whether they have government links. By the same token, however, care should be taken not to discriminate against LNGOs whose watchdog functions make them unlikely to be able to achieve warm relations with government. An LNGO focusing on election monitoring, for instance, has entirely different prospects for cooperation with government bodies than one focusing on agricultural issues. While such groups might benefit from public relations training to help foster a climate of civility in public debate (see below), they should not be penalized for doing an unpopular job well. In addition, care should be exercised in supporting advocacy-oriented LNGOs with close government links, as their capacity for genuinely independent participation in public debate is likely to be sharply limited.

Community mobilization

As already noted, LNGO development is only one part of civil society development, and indeed a part that depends greatly on success in mobilizing citizenry more generally. Assisting the emergence of an empowered citizenry will create the social backdrop without which LNGOs cannot hope to operate as true expressions of popular concern. Consequently, continued and indeed expanded community mobilization activities will be critical. In expanding community mobilization activities, many of the lessons highlighted in earlier evaluations will be worth keeping in mind, including:

- Build on foundations; don’t ignore existing social capital. The Soviet era left a tradition of community work (*subbotniks* and other state-organized community efforts) and high expectations of certain fundamental social rights, such as free health care and education; harness these existing attributes.

solution of societal problems; study the population’s opinion and target the most urgent social and economic issues. Catholic Relief Services 2004.

²⁴ Cited in Leonard 2003.

- Projects that build on independent local initiatives are more successful than those that are the brainchild of INGOs or other external players. Local management of projects is vital to their long-term success.
- Be responsive to the ideas, advice and initiatives of local counterparts at all stages of the process. Establish partnerships, not subordinate relationships.
- Take the time to fully train all actors to give them the confidence and skills to embark on projects on their own.
- Where appropriate, help groups lay the groundwork for self-sustainability, even if current economic or political conditions do not yet make it feasible.
- Keep communities focused on the broader concept of collective action, rather than on the opportunity to secure funding for projects, for instance by drawing attention to issues that do not require funding such as sanitation and hygiene. (By way of comparison, one criticism of community development projects in Armenia is that they have been too project-oriented and have not explored the concept of what a community action group should be. Instead they unwittingly fostered the idea that action groups were simply there to “do projects” and spend money. Since the notion that “someone from above should provide” prevailed, many action groups reportedly have simply collapsed when donor funding has run out.)²⁵

Municipalities

Meanwhile, expansion of civil society-building programs has the potential to play a part in shaping the future role of municipalities. At the moment, the heavy dependence of municipal councils on excoms for disbursement of funds and facilities leaves them vulnerable to neglecting their role as representative bodies. Meanwhile, some interviewees worried that a focus on community-based development risks further weakening the councils, as community action groups are sometimes active against municipal councils, leveraging municipal councils out through their ability to gain international funding. As one interviewee described it, this leads to a crisis not only of responsibility but also of legitimacy, with community groups arguing that “we know better because we have connections to donors.”

This situation has the potential to change for the better through increased civil society-oriented engagement with municipal bodies. Indeed, the current ambiguity surrounding the governance role of municipalities (elected entities that have tax collection powers but are officially classified as non-government entities) leaves them open to a degree of self-definition. Greater engagement with international funders has the clear potential to serve the immediate political interests of municipal councilors, most of whom, interlocutors suggested, know that the ability to bring in funds will help them in elections. However, greater engagement with programs that highlight the representative quality of municipal councils also has the potential to lead municipal councilors towards identifying more strongly with the concerns of their constituents and to consider more actively the potential for community-identified and community-led reform.

Cooperation between sectors

In addition to strengthening assistance to each of these sectors—LNGOs, community mobilization, and municipalities—the most critical task, and important opportunity, that international donors face is encouraging communication and cooperation among all citizens’ action and activism groups (whether LNGOs or community groups), between these groups and layers of government, and among different layers of government. Increased cooperation among these different sectors has the potential to:

- Allow all parties to learn from one another’s experiences, to see what works and what doesn’t.
- Broaden the resource base available to communities and facilitates tackling problems too large for any one group to solve alone.
- Develop work experience and teamworking skills

²⁵ Save the Children 2002, Leonard 2003, GTZ 2004.

- Promote a more comprehensive approach to problems and allows for more efficient use of resources.

Such a focus on communication and cooperation between sectors certainly meets with local definitions of needs. For example, in focus group sessions conducted in 2003, participants drawn from five unmobilized areas—Nakhichevan, Guba, Sheki, Lenkeran, and Gazakh—listed as their two first major needs improved government-NGO relations and improved communication and trust between all levels of government and communities.²⁶

Geographic expansion of activities

In approaching all of these activities, almost all interlocutors emphasized that there is a great need for geographic expansion of USAID’s activities. Many interviewees, particularly those outside the AHAP area, observed that the current geographic scope of community mobilization and of engagement with regional LNGOs is far too limited. “Is there civil society only along the pipeline?” complained one LNGO head in Hachmaz. Many partners particularly emphasized the need to expand civil society development programs into unrepentantly authoritarian areas such as the northern border regions and Nakhichevan, where human rights and rule-of-law issues are particularly pressing.²⁷ Some partners warned against letting existing target areas drop off the map; such a move, they feared, would endanger unregistered LNGOs and community groups whose continued existence might be vulnerable. Nevertheless, all stressed that there are many waiting and eager partners outside currently mobilized areas: several USAID partners concurred with the observation of one INGO staffer that “the further you are from Baku, both geographically and politically, the more enthusiastic you are to participate with INGOs.” In the case of LNGOs and municipalities, the obvious financial benefits of working with international partners are known to most; at the community level, not only is word getting among neighboring communities but also some communities outside the AHAP area have already undergone “proto-mobilization,” for instance through Mercy Corps’ health programs in Lerik and Yardamli or ADRA’s credit and health programs in Nakhichevan. Everywhere the team went, therefore—from the country’s northern to southern borders, from the relatively civic-action-friendly environment of the AHAP areas to the authoritarian environment of Nakhichevan—local and INGO interlocutors alike stressed the eagerness of local actors to engage with USAID programs and partners.

When expanding into new geographic regions, USAID and its partners should keep in mind:

- Expansion into non-AHAP areas will probably involve an initial period of slow progress. Several interlocutors observed that the community environment changes sharply when leaving the AHAP area, with people showing much less understanding of how to come together—a testimony to the effects of the long-term community mobilization efforts in that area.
- Nevertheless, several interviewees noted that the move to new communities may be substantially easier over the longer run. First, both partners and new communities have experience to draw on—for partners, their own lessons learned, for new communities, LNGOs or municipalities the experience of already mobilized areas. Second, new areas are less likely to have experienced extensive relief efforts. One of the greatest obstacles faced in early community mobilization efforts, according to several partners, was the shift in thinking required among people who were accustomed to relief efforts; according to one study, mobilizers found work in communities that had experienced no relief efforts substantially easier.²⁸ Several interlocutors also noted that settled communities are easier to work with than IDP communities, due to the latter’s lack of stable ties to an area.
- Most partners say that in moving out into new areas, they would use the same techniques that they had used before (starting out with community action groups, for instance). Most, however,

²⁶ Cited in Leonard 2003.

²⁷ For instance, according to NDI figures, after the 2003 presidential elections the highest incidence of physical abuse and torture of opposition supporters outside of Baku took place in Zagatala, Guba and Hachmaz.

²⁸ Leonard 2003.

stressed that this time they would work from the outset to provide a balance between formal and informal structures, for instance through more work with municipal councils.

- Different regions will require different approaches. For instance, the southern regions are more socially conservative; in particular, it reportedly is more difficult to involve women in group activities in Lenkeran/Masali and in Nakhichevan than in the northern regions of the country. Furthermore, differences are likely to emerge even between communities; extremely remote communities (mountainous areas), for example, are likely to be a challenge due to cultural as well as geographic isolation.

USAID should thus take steps to cultivate the entire country's most promising civic activism groups—whether LNGOs, CBOs or municipalities—through extending the benefits of its civil society development programs to as broad a geographic region as possible, including Nakhichevan (see Appendix B for a further discussion of the Nakhichevan case). One way of doing this, as will be discussed further in the recommendations section, is to set up a nationally-target grants program accompanied by the contracting of a national capacity-builder and the establishment of a national network of citizens' resource centers. While a national capacity-builder may be able to use outreach officers to make regular visits to most major population centers, a network of resource centers will probably need to start in a few key locations and expand outwards over time (see the recommendations for further discussion of specific locations).

The question of which regions USAID should target for expansion of community mobilization or municipality development activities, however, is a difficult one that is outside the scope of this assessment.

- First, each area of USAID activity (LNGO support, community mobilization, support for municipalities) has different needs and constraints. It will be easier, for example, to set up a grants program open to LNGOs in all regions of the country than it will be to expand community mobilization activities into every one of the country's communities.
- Second, each region of the country has different needs and constraints (levels of poverty, for example, or intransigence of local authorities) as well as potential (levels of proto-mobilization, for example). Decisions on program expansion will have to be based on a deeper understanding of these factors than this team was able to acquire during its short study period.
- Third, USAID planners will have to decide whether to prioritize logistical considerations, local needs, or U.S. strategic concerns. For instance, in the case of community mobilization, a practical case could be made from the point of view of logistical ease for simply expanding the borders of the existing AHAP area in all directions: contacts may already have begun to spring up between neighboring areas, and it would be easier to transport CBO and LNGO members from existing mobilized communities into unmobilized regions to conduct training. However, such an approach would not address the democratic deficit, described above, in the country's border regions or Nakhichevan—both of which are also areas of potential U.S. strategic concern (the former due to higher than average risk of ethnic or religious instability, the latter due to the possibility of increased Iranian influence).²⁹

It may be that other assessments currently in preparation, either the community development assessment being prepared for USAID or an assessment of municipality development being prepared by the Weitz Center for IFES and GTZ, have light to shed on some of these issues.³⁰

Professional or issue-based associations

An additional area of potential civic activism exists that has not been systematically examined in this assessment, that of professional or issue-based associations. In principle, such associations have a valuable role to play in the development of civic activism, with the potential to complement the work of

²⁹ Human Rights Watch 2004.

³⁰ Regrettably, the team has been unable to obtain a copy of the municipalities assessment, which we have been advised is still being edited.

LNGOs, CBOs and other action- and advocacy-oriented organizations. While USAID partners have attempted to foster such associations in areas such as agriculture, the Azerbaijani government's reluctance to grant registration to such associations appears to have substantially inhibited their development and spread to date. One way of sidestepping this issue, discussed further in the recommendations, might be to direct attention towards fostering locally-based discussion groups among members of particular professions (nurses, teachers, etc.) or organizations (municipal councilors, CBO members, etc.) or individuals or groups with a particular interest in specific issues. By focusing on the facilitation of discussion and debate, rather than on the mechanics of associational activity, such a program would at least help nurture the principle underlying all civil society activities of informed citizen engagement in civic problems.

Media programs

Media groups are often included in definitions of civil society due to their involvement, in permissive environments, in raising public awareness of issues of social concern and in advocacy campaigns. The Azerbaijani media sector, however, faces clear limitations on its ability to fulfill these roles. Journalists who spoke with members of this team and with members of the conflict vulnerability assessment conducted in February 2004 were very clear about the limitations on what they could report: pieces critical of the government or that exposed information that conflicted with government interests (on corruption, for instance) were, they strongly suggested, off limits. As a consequence, the Azerbaijani media's relation to civic activism appears for the most part to be that of an onlooker, rather than an active participant.³³

These constraints unfortunately appear to play a part in limiting engagement between the Azerbaijani media and civic activist groups, whether LNGOs, CBOs, or others. Interlocutors identified at least two areas of potential engagement between such groups and the Azerbaijani media: use of the media to improve the public profile of civic activists, and use of civic activist groups by the media as potential sources of information or of independent commentary. In the first instance, with the exception of a few pieces produced with the help of foreign donors, LNGOs and other civic activism groups reportedly appear only rarely on television news, the information source on which the large majority of Azerbaijanis rely. Azerbaijan's television channels are either state-controlled or heavily government-influenced; as a consequence, few appear inclined to spontaneously promote a positive picture of LNGOs. The press conferences of internationally-funded efforts such as CRS's national campaign appear to have attracted a degree of coverage; but this appears to be largely due to the high profile of the INGOs involved, rather than that of the LNGOs. As a consequence, it does not appear that the Azerbaijani public currently is regularly presented with positive images of civic activists.

In the second instance, it appears that many media sources perceive the use of LNGOs for information and commentary as inherently risky, given that the Azerbaijani government perceives so many of these entities as anti-government. Some journalists associated with publications such as the *Caspian Business News* reach out to civil society groups such as watchdog and human rights LNGOs as sources of information and commentary. However, as noted above, very few Azerbaijanis get their information from the print media; meanwhile, TV journalists appear more concerned than print journalists about taking risks, due to high expenses associated with television production. As a consequence, LNGOs appear more likely to be in contact with international broadcasters such as RFE/RL than with local media.

³¹ Human Rights Watch 2004.

³² The report by the Azerbaijan Community Development Research, Training and Resource Center entitled "Report on Focus Group Discussion Sessions within CEN Project," cited in Leonard 2003, may contain useful material on the subject of Nakhichevan's special conditions.

³³ Please note that this team did not conduct a systematic assessment of Azerbaijani media programs; as a consequence, all assertions and conclusions in this section should be taken as provisional.

In principle it would indeed be attractive, as laid out in the D&G assessment, to promote cooperation among journalists, civil society activists, and members of the legal profession to further greater public attention on human rights and watchdog issues. However, such a step will require clarifying the current goals of USAID's media program. Discussions with some interviewees suggest that at the moment, the main focus of this program is business development (training media organizations in business management, market research, soliciting advertising, etc.) rather than the promotion of strongly independent journalism. "Pushing people to do hard-hitting journalism is a big risk for them and their families," said one media program interviewee. "Our job is to provide journalists with the tools to do the hard-hitting stuff when and where they're able to do it." If this is the case, it may be that the only way to further the kind of active engagement envisaged above, given the existing constraints on the Azerbaijani media, would be to fund the creation of an independent television station.

Building public and government trust

As noted above, public awareness of LNGOs appears to be growing steadily. Although a study by CRS put public awareness at 10.6% of the population, the NGO Sustainability Index cites a rise of 6% in public awareness over the last year, to 22%.³⁴ Moreover, among those who had heard of LNGOs in the CRS survey, 67% believed that NGOs were capable of making real and significant changes in Azerbaijani society; furthermore, only around 10% were either very or slightly dissatisfied with NGO activity.³⁵ These results suggest that levels of public trust in LNGOs may not be as great an issue for the sector's activity as government mistrust.

At the most fundamental level, the best prospects for building both public and government trust in LNGOs and other civic groups appear lie in their deeds—although a degree of subtle promotion by donors would be unlikely to hurt. For LNGOs focusing on practical issues, cooperation with community groups, municipalities or even excoms will be the best form of publicity; public awareness of the entire sector is likely to rise through the expansion of such activities. Meanwhile, several of the team's interlocutors indicated that they had witnessed shifts in government attitudes towards LNGOs who were perceived as doing good and socially useful work. A few INGO staffers indeed said that they knew of instances where LNGOs had obtained registration after the extent of their good works became known to government officials. Aggressive promotion campaigns, however, seem likely to engender as much suspicion as they mollify. Nevertheless, public relations skills should be among the training options offered to local groups by capacity-building bodies; for instance, AYLU representatives credited public relations training they received from USDA for helping to improve the tone of their relations with government bodies.

Working with excoms

Finally, excoms and the central government have the opportunity to play at complicating or facilitating role. Indeed, securing government cooperation is important for two reasons: first, because lack of cooperation can seriously inhibit the success of programs, and second, because a functioning civil society requires the genuine cooperation of state structures, without which non-government actors are inevitably relegated to an opposition role. Steps should therefore be taken to encourage the Azerbaijani government to cooperate with civic action groups ranging from CBOs to NGOs; to encourage the devolution of power to local elected bodies; and to further democratized attitudes within government structures.

The art of dealing with excoms was a topic that occupied many of the team's conversations with USAID partners and local groups alike. Most interlocutors emphasized that despite their dominant position in local politics and the seemingly stabilizing roles of cash and personal connections in securing posts, the political life of excoms is in fact relatively insecure. This insecurity lies behind the sense of competition

³⁴ Catholic Relief Services 2004; NGO Sustainability Index 2003 (published 2004).

³⁵ Note: unfortunately, it is not clear from the CRS report whether "NGO" here referred to LNGOs alone or to LNGOs and INGOs combined.

that even relief efforts often seem to engender in excoms: not only are they accustomed to being the sole source of assistance, but the presence of outside actors highlights apparent inadequacies on their part. Furthermore, municipalities are genuine potential competitors for tax funds. Interestingly, some partners said that urban excoms have been more of a problem than rural excoms. These individuals, they said have spent a lot to get their positions and are primarily focused on fostering potential sources of corruption-related revenue while protecting their investment; community development activities, which are aimed at boosting primarily lower-end incomes and which could foment discontent, are seen as both useless and threatening.

However, many excoms (our interviewees stressed) are not opposed to development per se, and often respond positively as long as they are kept informed of developments in their area. The Genje excom's office, for instance, reportedly has cooperated with *ijmilar mejlisi* on microprojects; other excoms have extended office space to community groups. But on a cautionary note, while the team heard of many cases in which excoms were supportive of development initiatives, we heard of relatively few cases where community groups, NGOs or municipalities decided to fight the excom and won. Furthermore, many partners expressed concern that excoms (as well as the central government) tell international donors what they want to hear; government officials, they worried, will claim a willingness to cooperate with LNGOs, community groups or municipalities out of a self-interested desire for legitimation, but in practice will often impose sharp limits on actual cooperation.

Cross Cutting Program Areas: Youth and Corruption

Youth

The focus on youth as a direct and cross cutting issue in civil society has grown appreciably over the past year. While there has been a growing recognition that donors must target the young in civil society building in general, however, efforts to do so are still piecemeal and in their infancy. Although on the surface straightforward, the focus on youth is extremely complex and requires a serious assessment regarding the content and implementation of youth activities, and how they can be effectively measured, if they are to have any hope of success. The following, therefore, presents some general findings from our assessment, with the hope that it will trigger a serious follow on assessment to determine how programs can best be conceptualized, implemented, and monitored.

Background

Youth in Azerbaijan may be more disadvantaged today than at any time over the past few decades. As USAID and other studies have documented, Azerbaijan's young population today faces widespread poverty and unemployment, a crumbling education infrastructure, growing drug addiction, declining health indicators including a growth in STIs and HIV/AIDS, and generally, an unstable and often violent political and social environment. In a country with already high levels of unemployment, some estimates suggest that youth may comprise as much as two thirds (61 percent) of the unemployed population. Educational attainment is eroding, while youth make scant use of health services at their disposal. There are currently 18,000 registered drug addicts in Azerbaijan, but, according to our interviews at the UN Drug Control Agency, specialists and health practitioners state it is at least ten times that amount, or somewhere between 200,000 and 300,000 addicts.

Perhaps as a result, youth of today in Azerbaijan display widespread apathy towards addressing societal problems within their own country, and little hope for the future. Survey and other data in Azerbaijan have consistently shown the 18-25 age group is far less active, informed, and interested in political affairs than older age groups, and that this gap in socio-political interest and activity between that and other age groups is increasing. Survey data and focus group discussions both indicate a strong disinclination among many young people to participate in the political process through voting, including in local municipal elections. Indeed, 18-25 year olds were the least likely to have voted (only 52%) in the 2003 presidential elections. And Azerbaijani government programs established over the past decade have not been promising for turning these trends around.

Overall, then, there is a growing appreciation among the international donor community of the need to provide opportunities for youth to develop skills and competencies that they will need to become active contributors to their country's economic, social, and political development.³⁶ A focus on young people is necessary in democracy programming to involve them in the political processes and to inform them about the civic and citizenship rights that are available under a democracy. But serious donor efforts to develop programs to achieve these aims have only just begun, and have brought with them wide debate over just how this should be conceptualized and carried out in the near future.

Current Assistance Programs

To be sure, Azerbaijanis themselves began to seek funding from international donors to support small youth NGOs at least dating from the mid 1990s. Groups such as the Zeka Scientific Educational Center (focused on humanities teaching in high schools), the Sahib Society for Assistance to Children, the Azerbaijan Republican Children's Organization (ARCO), the Green Movement, AYE, and a host of other

³⁶ See USAID assessment by Alan Zuckerman and Luba Fajfer

groups applied for tiny amounts of funding to support programs oriented towards children. But whether in the economic, political, or social sectors, across the board, it is only recently that international donors have begun discussing a wide range of programs to engage youth in Azerbaijan. Although currently these comprise only a small component of the many projects supported throughout Azerbaijan, there is also a strong sense that youth should be an increasingly focus of donor activity in the near future.

Most donors and INGOs have chosen to focus on creating ways to positively channel the energy of the young. Through the USAID-funded Integrated Community Development Project (ICDP) that targets the vulnerable communities, for example, initiatives focus on engaging young people in the development process by increasing their self-confidence, enhancing their position in society, their employability, and encouraging them to contribute to their communities. But when it comes to discreet projects, our discussions and the array of current projects, however, also display a wide range of views over how to measure success in these programs, and where that focus should lie.

Some INGOs told us that they deliberately keep their goals simple, ie, on simply “providing kids something to do every day.” They hope their efforts will help the young to develop an awareness of what choices are out there, to deal with “unhealthy choices,” (drugs, etc), and to give kids a “sense of the future.” World Vision, for example, described its efforts to create recreational opportunities for teenagers, to “get kids up and out, instead of kicking cans.” They currently supply sports equipment, upfit kids’ sports clubs, and are now discussing a joint program with Street Children International to develop a program to address the ‘unhealthy choices’ that so many Azerbaijani youth seem to make today. Through art contests, outreach, vocational classes, and the like, they have started to deliberately target kids, but recognize that this is a new and untested part of their mandate in this part of the world.

Likewise, other programs seem to focus their training on health or improving access to education. Groups such as OSI, International Medical Corps (IMC), Save, the IRC, and other INGOs conduct programs for teenagers on reproductive health/ family planning issues, and on sexually transmitted diseases and HIV/AIDS, about which surveys indicate knowledge is scant. Other donors provide funds to improve schools for the disadvantaged, such as the disabled and the children of IDPs. OSI’s Step by Step (SbS) and Reading and Writing for Critical Thinking (RWCT) programs are aimed at revamping early childhood (SbS) and secondary school (RWCT) educational methodologies to create an active learning environment and a student-centered classroom. In Azerbaijan, these programs are also carried out by a spin-off NGO, “Innovations in Education,” that is currently unregistered.

On the other side of the spectrum, other programs focus on leadership training, and encouraging greater political and community involvement among youth. Whether through debate clubs, “peer educators,” leadership training, human rights training, or the like, the intent is to move youth to positions of greater leadership in the community. The Eurasia Foundation, for example, has initiated a number of programs to increase youth activities in Barda, Agdam, Agjabedi, Tartar, Goranboy and Yevlakh, including the encouragement of young leaders to be candidates in the upcoming municipal elections.³⁷ IRI has initiated a series of Youth Forums through Azerbaijan to generate enthusiasm for politics among Azeri young and develop a new generation of leaders in Azerbaijan. And the Eurasia foundation’s Development of a “Community active school” model to strengthen collaboration between schools and communities, and transform schools into civic and cultural centers for the community, is now getting underway in Ganja.

³⁷ The project will organize a series of 18 seminars to help young leaders establish and run election campaigns. The first six training seminars for 150 active young leaders, aged 21-30, will focus on the potential candidates and what they must do to successfully run for public office. The second six seminars will bring together individuals who would support the young candidates and help them with their campaigns. The final six seminars will train observers for these candidates to insure they have representation in the voting precincts on Election Day. In addition, one regular publication of the III Sector journal will be entirely dedicated to issues surrounding the municipal elections. Promotional materials to be prepared and published under the project will help voters better understand the importance of local government institutions and their role in citizens’ everyday life. As a result of this project, approximately 550 young people will have received training on various aspects of municipal elections and the potential for young leaders to be elected will be greatly increased. This project is jointly funded by the US Embassy.

In the economic sphere, programs such as Junior Achievement are oriented towards encouraging the young to “think out of the box;” a Eurasia Foundation trustee active with Junior Achievement International described for us discussions at a local high school in which he participated, and came away impressed with the openness and sophistication of their discussions. The Eurasia Foundation in general has funded a number of programs to develop marketing skills and practices among youth, to improve their knowledge and access to opportunities that can be gained through modern marketing techniques. Programs such as the new SIFE entrepreneurship projects are intended to extend these efforts across borders. And other vocational training programs and resource centers provide a wide range of skills to youth throughout Azerbaijan.

Finally, some projects are oriented towards encouraging youth simply to open their eyes and gain a greater, and more critical understanding of their own world and that beyond Azerbaijan’s borders. Plans for engaging the institutions such as Khazar University in exchange programs with US universities are excellent vehicles for opening the way to new ideas and skills, and many told us some kind of broad based exchanges should be considered at the high school level as well. Through TV productions, interactive programs such as video conferencing, and other means, they say, one can open the eyes of the young to their place in the world regionally and globally. The public educational program “One-Two-Step-Forward,” for example, being developed to promote civic awareness and participation in civil society among high school students in Azerbaijan (including essay and art competitions to be organized to help more than 500 high school students from around the country think critically about democratic processes), is greeted by enthusiasm by many. By increasing video contact among a wide range of Azerbaijani and US high school students – that go beyond the few high school students that have had access to this interchange via exchange programs in the past – many believe that teenagers may be stimulated to better understand their own society and become more involved.

Future Projects and Challenges

Interviews throughout Azerbaijan and the US underscored how all of these disparate programs have a place in enhancing the critical role of the younger population in civil society. But to the extent that youth is slated to take a more central role as a cross cutting issue in the new five-year strategy, they also highlighted a number of challenges that deserve detailed consideration in future efforts.

First, among all these disparate programs, we found little consensus, not only on the goals of youth programs themselves, but on how they should best be prioritized and carried out. Is the goal simply to provide, as World Vision claims, something for teenagers to do every day, or something to provide them a more positive view of the future? Is it to inculcate a strong sense of community, by getting them involved in run-of-the mill community activities, such as building gardens or fixing schools? Is it to raise awareness, so that they become more active members of political communities? Is it to raise political consciousness, so that they become advocates for change? Or is it to connect them to the outside world, so that they are encouraged/ catalyzed to think beyond the limits of the narrow world in which they find themselves today?

Second, how can these goals be reached? What kinds of programs are most effective in reaching which goals? How can these be shaped so that they are conducted in a synergistic, rather than haphazard way by implementers? How can donors begin to coordinate, and reduce the enormous amount of overlap and redundancy in programs already evident? We heard numerous stories of resource centers being opened by different donors in the same locale – but where none had any knowledge of the others’ activities. Where should be our benchmark be to measure whether, or what our programs may be achieving? If youth is a cross-cutting issue embracing all of these goals, what are the most appropriate ways to include the young in projects and programs so that these goals are reached?

Future plans for expansion of activity, such as those detailed in the USAID paper and from the OSI, are exciting and clearly do-able. But if they are to be continued, they must now be viewed as a deliberate, and long-term part of donor strategies, rather than as a sideline. In this regard, determining areas in which to work is only the tip of the iceberg. The challenge is to now also to afford them the detailed assessment needed to determine the kinds of coordination, focus, and benchmarks that are achievable, and how best to go about achieving them. For the short term, USAID should continue to develop projects aimed specifically at youth, and ensure that a focus on youth is maintained and incorporated into all projects, in every sector. Similarly, the donor community should assess the impact of those indigenous projects begun that came to our attention in the mid 1990s: which are still active, which have dissipated or disappeared, and why. For the longer term, a serious assessment of where, what, when, and how youth programs can, and should be incorporated into the USAID strategy are critical if we are to begin to address an area where the promise is so great, but where the risks of failure are also so high.

Corruption

The same goes for issues of corruption. While the issue of corruption falls outside the stated scope of this assessment, it was consistently identified as one of, if not the, greatest obstacle to the effectiveness of any civil society programs. Perhaps more than any other element, it was viewed as undermining both the development of civil society and donor activities. But our interviews also highlighted that just what corruption is in Azerbaijan, and how it affects civil society, is not straightforward. Perhaps more importantly, many donors we interviewed seemed to have little understanding of just how international assistance programs themselves may affect corruption as well, both positively and negatively.

Our interviews, and previous research by the team, highlighted how all of these questions are more complex than might appear. In terms of the nature of corruption, for example, while we normally regard “corruption” as bribe taking for personal gain, it is far more complex in Azerbaijan, and has changed dramatically over the past few years. While some indicators suggest bribe-taking has gone down by as much as 30 percent over the past few years, others suggest that far deeper, large scale, more pervasive, and more sinister forms of corruption have only taken its place.

Likewise, with the impact of donor programs – both those directed specifically towards work on anti-corruption, and those that affect corruption indirectly. Donors increasingly are designing programs to address corruption head on; but while a good start, all raise serious questions about their immediate impacts, and how they could best be revised. All donor programs, for example, rely on both “compromise” and informal follow up mechanisms; but while both of these elements are important, we were frequently asked, at what point do the compromises and usually arbitrary, informal oversight mechanisms themselves begin to undermine their efforts, and perhaps exacerbate the very corruption they are trying to address? How can this be most effectively measured and reshaped?

NGOs and other grass roots organizations, for their part, are increasingly designing projects to spark more discussion and debate about corruption in their country. The Eurasia Foundation, for example, is currently sponsoring an essay contest focused on issues of youth and corruption for high school students and representatives of youth organizations; the winners will take part in a televised program sponsored jointly with "Leader" TV, thereby setting the stage for an interactive discussion of the role of society in fighting corruption. The project will also organize a conference on "Anti-Corruption and Country's Economic Recovery" to be held in Baku where representatives of governmental, non-governmental, youth and mass media organizations will participate, and will hold trainings for 160 high school and university students in various regions. While these efforts to spark more thinking should be encouraged at this time, little work has yet been funded to determine how that discussion and debate can be incorporated in assistance projects to trigger change in society and fundamental reforms.

At the cross cutting level, most donors likewise have made a stated commitment to address questions of corruption in all programs across the board. But many are unaware of the inadvertent impacts of their

programs in strengthening a system played by informal rules. Many seemed unaware of the cancerous impact of their own low level participation in corrupt activities within the grant giving apparatus, for example, or among personnel to grease the wheels of their projects. And fewer still seemed aware of the impact of assistance on legitimating corruption on a larger scale. Where do we help and where do we hurt? How can our programs, and our follow up mechanisms and oversight, be shaped so that we maximize a positive impact and minimize the negative?

These are questions that go beyond the scope of our assessment here, but are critical for all assistance work, in civil society or otherwise. It is hoped that a full fledged assessment of this issue can be conducted as a guide for implementing these and other assistance programs in the future, so that they advance the aim of civil society building, rather than impede it.

Recommendations

Many of the points contained here are already familiar to the Mission, which is already implementing programs and steps to address many of the issues raised.

A. Program Recommendations

In order to effectively develop civil society actors in the broadest sense, we recommend an approach that:

- stimulates creative activity and builds capacity among both LNGOs and other civic activism groups—individuals, CBOs, or municipalities, for instance;
- permits the inclusion of small, nascent groups and groups outside Baku as well as continuing to offer opportunities to larger, established, often Baku-based organizations;
- fosters contact, cooperation, and eventually collaboration between individuals and groups;
- increases the availability of relevant information and technical facilities to all civic activism groups;
- reduces environmental (legal, political) constraints on civic activism.

Such an approach has the potential to build on the accomplishments not only of past LNGO support programs, but also of past and present community mobilization and municipality development activities.

The five goals enumerated above can be accomplished in a number of ways, and USAID planners and partners may have better suggestions than we can provide. However, the following recommendations represent one set of possibilities. Such a program is predicated on the assumption that community mobilization activities remain a high priority for USAID’s humanitarian assistance program and will gradually expand outside the current AHAP area to non-conflict-affected areas of the country. If budgetary or other constraints show signs of curtailing community mobilization activities, it may be necessary for the Civil Society Program to create additional programs to help lay the foundations for civic activism at the community level.

Over the next six months:

1. Set up a grants program that will offer opportunities to all groups—individuals, LNGOs, CBOs, municipalities, both old and new, inside and outside of Baku—whose ideas and projects are consonant with USAID’s objective of stimulating the full range of civic activism, from citizens’ action to citizens’ advocacy. Several interlocutors, including those with extensive experience in LNGO development in Indonesia and China, emphasized the danger of rigidly defined or targeted, use-it-or-lose-it programs that end up forcing donors into seeking out and taking on local partners regardless of the latter’s actual abilities. Rather, they suggested, donors should set up grants programs that are open to all (as well as an entity to help potential applicants with the process—to be discussed next), and let good people and ideas come to them.

Such a grants program should be competitive, but not divisive. The extension of automatic grants to local “partners” was mentioned by many interlocutors as fostering complacency and poor performance; grants programs should thus be competitive in the sense that funding is not guaranteed. At the same time, however, several interlocutors stressed that direct competition, for instance over tenders, drives wedges between civil society actors. A grant pool to which many bodies can apply avoids both these pitfalls.

Funds from such a pool should be available for a variety of uses, as appropriate to the level of development of the applicant: technical assistance, activities, research, or even core funding (although the latter should only be extended to groups that have already demonstrated themselves highly capable and active and that have shown the ability to develop the long-term strategies and detailed budgets). Grants can range from the very small to the substantial, and can be short-, medium- or long-term depending on type of grant. Such an approach has the advantage of permitting groups to progress to new levels of

funding as they demonstrate competence. (For instance, a small unproven LNGO providing health education in Guba might initially apply for a small grant to have health-related literature translated; it might then progress to a slightly larger grant to organize a regional meeting; and so forth.) Whether or not a project has the potential to turn into a sustainable effort over the long term thus does not need to be the focus of initial grants.

If it is not feasible for the USAID mission to manage, oversee and monitor myriad small grants, the funds should be provided through one or more pass-through grant-giving bodies, such as the Eurasia Foundation or the Open Society Institute, that can compete, manage, and monitor such small grants effectively. Proposals should be accepted in Azerbaijani or Russian as well as in English so as not to disadvantage any actors.

In the case of larger grants, partners may wish to make capacity-building part of the grant's implementation. Several interlocutors believed that capacity-building should rarely be a stand-alone exercise, but instead should both be woven into existing projects; this "learning by doing" approach works best in conditions of intensive engagement, with frequent monitoring and feedback. For instance, IRC is creating a program involving five LNGOs who will receive training and mentoring on organizational issues while receiving practical training in implementing projects; project management will under a phased transition to national management, with LNGOs given a clear pathway towards gaining more responsibility and decision-making powers. Such a labor-intensive approach is not necessary in the case of smaller grants, however.

2. *Contract an INGO partner to act as a national capacity builder.* As things stand, a grants program would have a natural bias towards groups that are already familiar with grant application processes. Although in the short term existing USAID partners can be used to provide assistance to grant applicants in particular regions, in order to level the playing field and help draw out the full potential of the Azerbaijani civic activism sector a national capacity builder should be contracted to provide assistance to all grants applicants nationwide. Such an entity should be independent and neutral, with offices in or regular outreach officer visits to all major population centers. In particular, several interlocutors stressed that such an entity should not be linked to any funding body; if such a link exists, they argued, then organizations will expect the automatic success of proposals that have been deemed acceptable (in the sense of professionally presented). Furthermore, such a body should help with proposals for funding from all possible sources of funds, not just USAID-backed grants.

In relation to the grants process, the capacity builder should be available to all potential applicants—LNGOs, CBOs, municipalities, excoms—to explain the grant application process and the kinds of oversight and accountability that will be required of any successful applicant (a process that may help weed out non-serious applicants). In helping committed applicants to put together proposals, the capacity builder can help direct the applicant to an appropriate level and type of funding—encouraging a small unproven regional LNGO to make its first application for a small technical assistance grant rather than for core funding, for instance. It also can take the opportunity to encourage applicants to think cooperatively or to point out the benefits of cooperating with government; however, these points should not be presented as preconditions for proposals, or applicants will begin to take a tick-the-box approach. If a proposal is accepted, the capacity builder should be available to explain principles of accounting, budget management, report writing, etc. and to help with the writing of interim and final reports.

Such a capacity builder could also be used for training outside the grant application process. The concept of training is one that has been badly devalued among many potential beneficiaries in Azerbaijan by past approaches that appeared to push "training for training's sake." Nevertheless, many otherwise talented and innovative individuals and organizations in all sectors of society—LNGOs, community groups, municipalities, line ministries, excom structures, even parliament—still lack basic skills for carrying out programs and projects, for creating sustainable entities, or even for communicating their needs (or

successes) to others. Areas of weakness (some obviously more relevant for some groups than others) most frequently mentioned by partners include:

- strategic planning
- oral and writer presentation: proposal-writing, report writing, oral presentation skills
- accounting and finance
- management and conflict resolution
- project implementation, including mobilization of resources; planning, monitoring, and evaluating projects; and ensuring mechanisms for sustainability
- public relations and fundraising
- business development
- advocacy and lobbying.

In this case, however, all training should be demand-driven; furthermore, to ensure a demand-driven training environment, recipients should make a contribution towards costs, even if only nominal or in kind. Furthermore, in these instances the capacity builder might consider subcontracting out to local trainers such as LNGOs in order to help build their revenue sources as well as keeping costs down.

3. Help encourage the creation in regional centers of professionally-based, organizationally-based or issue-based discussion groups. The team’s research suggested that Azerbaijan lacks forums for individuals who share civic or professional interests or concerns. Furthermore, the team’s interviews revealed that all the major groups highlighted in this study—LNGOs, CBOs, municipalities, even excoms—lack networking opportunities, a major barrier to effective sharing of information and experience. The creation and facilitation of regular discussion forums for individuals and for all of these groups has the potential to serve as a valuable catalyst for independent contact that could eventually lead to the formation of professional organizations (a step that interlocutors stressed must come from participants themselves). These forums could be professionally based (for instance, a forum for nurses), organizationally based (for instance, a forum for municipal councilors) or issue-based (for instance, a forum for groups interested in the implementation of the PRSP); their sole function would be to get people in contact. Some of USAID’s existing community mobilization partners might be good candidates for organizing such forums, as the organizing partner should have a regional presence and experience in identifying group concerns around which initial meetings might be structured. Such a program should be completely separate from any grant-giving process; organizers would cover only the logistical costs of meetings (cost of transport and accommodation for participants and facilities costs), although they could of course provide enterprising groups with information about grants opportunities elsewhere.

Over the next year:

4. Create a national network of citizens’ resource centers. Azerbaijan’s current information resource center situation is impossibly complicated, with a jumble of 40 resource centers in 21 cities serving different informational needs (“NGO resource centers,” “legal information centers”) under the direction of multiple donors and LNGOs. In some areas, efforts are duplicated; in other areas, centers are left begging for funds. In many cases political divides prevent existing resource centers even from benefiting their entire potential catchment; for instance, less than 50% of the NGOs in the Guba region chose to be members of the NGO Forum-run resource center there, despite the lack of membership fees or onerous obligations, due to political differences. The resultant lack of information affects all actors in Azerbaijan, from the average citizen to LNGOs to communities to municipalities. USAID should work to establish a national resource center network with offices in all major population centers under an independent, neutral body to serve the needs of all civil society actors, including LNGOs, communities, and municipalities (hence the title of “citizens’ resource centers” rather than “NGO resource centers” etc.) Such network should serve not only as a repository for basic information, but also serve as a clearinghouse for information on the activities of LNGOs, communities and municipalities Azerbaijan-wide. Centers should also contain information for potential grant applicants, including information on funding sources, project design and implementation, and proposal preparation. Such a network would be best established under the rubric of a group known for a degree of authority as well as impartiality—for

instance, the United Nations or the Azerbaijan Red Crescent Society, which enjoys the highest name recognition of any LNGO in the country. While a final selection of locations in which to open initial centers should not be made without further consultations with individuals expert in community mobilization and in the geographic distribution of promising LNGOs, an initial list might include Baku, Genje, Sumgait, Mingechevir, Sheki, Xachmaz or Guba, Ali Bayramli, Jalilabad, Lenkeran, Barda or Imishli, and Nakhichevan.

5. Continue to help local actors—both those funded under civil society development programs and those funded under other sectors—to press for not only for change in disadvantageous laws but, equally importantly, for the correct implementation of laws. Azerbaijan’s legal climate clearly contains a number of obstacles to the full development of civil society actors. Indeed, at the most basic level, the lack of rule of law calls into question the ability of civil society actors to effect any change. As the head of one INGO put it: “If the Ministry of Justice breaks the law, what recourse do people have? They have none.” Another interlocutor said, “Enforcement is the biggest issue. We push to pass good laws, but no one gets punished for then breaking the law.” Many interlocutors complained that the international donor community is publicly silent on rule-of-law issues out of concern with maintaining good relations with the Azerbaijani government. As one INGO head put it, “even in Uzbekistan [USAID] goes to bat for us, but not here.”

The most prominent example, as discussed above, remains the law on LNGO registration, which is subject to serious problems of implementation. USAID should press for correct implementation of the law in at least three ways:

- First, USAID can help the LNGO sector seek legal redress. Azerbaijani LNGOs already have the legal opportunity to take their concerns over registration to the European Court of Human Rights, whose rulings on cases in Greece and Macedonia have a) determined that *ex ante* concerns that an organization’s true purpose is to undermine the country’s political system are not sufficient grounds for refusing registration; b) rejected a linking of denial of registration to a systematic ban on demonstrations; and c) implicitly rejected overly broad attempts by the state to deny NGOs the right to undertake political activities or advocate a political agenda, even when the agenda includes reform of legal structures and institutions.³⁸ However, some LNGOs are reportedly considering pooling their efforts to challenge the flawed implementation of the LNGO registration law in the Azerbaijani courts as well through a “class action” lawsuit against the Ministry of Justice for direct violations of the law—a project that is unlikely to move forward without financial support and expertise from international donors.³⁹
- Second, USAID and U.S. authorities more generally should press for change directly. On the one hand, USAID should continue its campaign of diplomatic persuasion, stressing to the government not only the benefits to the state of an active civil society, but also the benefits that registration brings the government in its regulatory capacity (as only legally registered LNGOs are required to register with the tax authorities, adhere to certain internal management and oversight standards, maintain open financial records, or bear legal responsibility for violations of the law).⁴⁰ But on the other hand, when the Azerbaijani authorities make false claims, USAID and other U.S. authorities must ensure that they are publicly challenged.
- Third, specific assistance projects might help hold key players to their public rhetoric. For example, small and carefully monitored equipment and training grants might undermine while the Ministry of Justice’s claims of lack of equipment and staff and hold them to raising registration levels. Furthermore, a well-publicized campaign to teach LNGO applicants to fill out applications

³⁸ Schmidt 2003a.

³⁹ This idea is similar to the work of Ecojurus in Russia, whereby an INGO supported local Russian environmental NGOs in taking the government to court for violations of environmental law. The fact that the international community provided support, legal counsel and expertise, and were present in the courtroom led to several significant victories. These, in turn, became victories not only for the LNGO community itself, but for the inculcation of greater respect for the rule of law among the Russian government and population in general.

⁴⁰ Schmidt 2003a.

correctly, when and how to follow up, how to appeal correctly, etc. not only might reduce the number of rejections based on technicalities, but also would send the message that USAID expects responsible behavior on all sides.

However, the law on registration of NGOs is not the only legislation currently inhibiting the development of civil society actors in Azerbaijan. Other possible areas for reform include:

- Changes in banking laws that would permit non-registered entities to set up bank accounts—a move that would help CBOs and cluster groups as well as LNGOs.⁴¹
- The introduction of a law on non-commercial enterprises. As one expert has noted, to establish a non-commercial research center, one has to establish it either in the form of a public association with voluntary membership or in the form of a limited-liability enterprise—alternatives described as “absurd.”⁴²
- Possible rearrangement of the tax structure to lighten the payroll tax burden on NGOs.
- Further clarification of the division of powers between municipalities and executive structures and the taxation rights of municipalities (a need already highlighted by the Council of Europe).⁴³
- The creation of a mechanism for *mehella* committees, cluster groups, or other community management bodies to obtain legal personality. (Even though these groups can obtain bank accounts through municipalities, the legitimacy attached to legal personality still leads many to apply for NGO status—a needless burden on the NGO registration system.)
- The creation of a legal framework for community assets and infrastructure.
- The creation of tax deductions for charitable or community contributions.

6. *Increase public expressions of support for the work of rule-of-law watchdog LNGOs.* As noted above, rule-of-law abuses are a formidable block to the effective development of civil society in Azerbaijan, and the perception that the international community is unconcerned has the potential to be deeply damaging to democratization efforts. While donors may be supporting the work of oversight groups quietly, through informal channels, such support does little either to build the public legitimacy of watchdog LNGOs or to build public support for the notion of transparent rule of law. Public support for the work of watchdog LNGOs who monitor and expose abuse of laws is therefore as important as funding. In addition to issues such as implementation of the NGO registration law, in the interest of concerns raised in the earlier Conflict Vulnerability Assessment one of the topics of concern to USAID should be abuse of laws on religious freedom (see recommendation 14).

7. *Continue work to overcome negative government perceptions of the concept of civil society and of civil society actors, particularly LNGOs.* Many interlocutors stressed that although civil society capacity building is critical, it will serve little purpose until the Azerbaijani government comes to appreciate that non-governmental activity is not inherently threatening. A vital task thus remains encouraging the government to enable civil society actors to participate more effectively in both service provision and the discussion of policy. To this end, some partners suggested familiarizing government officials with successful international examples of governments using civil society groups to further their own needs—for example, the case of BRAC (the Bangladesh Rural Advancement Committee), an LNGO that the Bangladesh government consults when needing to carry out a public campaigns, for instance on immunization. Others noted the importance of drawing on the domestic example—letting excoms who have enjoyed benefits from greater cooperation with civil society talk to other excoms. Meanwhile, several suggested pushing for the formation of NGO-government issue-based working groups—not just on issues that concern the future of LNGOs (the NGO law or taxation) but also on issues of broader social

⁴¹ Note, however, that the issue of LNGO registration is ultimately as much about social legitimacy and the ability to operate freely as it is about questions of finance; consequently, the goal of improvements to the implementation of the law should not be abandoned.

⁴² Bagirov 2003.

⁴³ Council of Europe 2003b.

policy. Meanwhile, as noted earlier, training in public relations may be helpful for LNGOs who wish to improve their relations with government.

8. Fund a few smaller projects encouraging cooperation between LNGOs. Given the highly competitive nature of relations between many Azerbaijani LNGOs, programs to actively foster cooperation are more called for than in other sectors. For the most part, incentives should be built into other activities rather than a separate set of programs, as discussed above. However, it may be advisable to fund one or two projects that are shaped so that they simply cannot be completed successfully without drawing on the work of other groups. This will take detailed planning, but appears to be the only fashion that groups will be brought together in any meaningful way. These must be projects where the very success of the project is indeed dependent on LNGO cooperation and is in the deep interest of all parties involved. One example that was suggested by several LNGOs focused on pooling efforts to challenge the flawed implementation of the LNGO registration law.

In this as in other areas, however, USAID and its partners should pay special attention to severing to the greatest extent possible the dependent link between Baku- and regionally-based LNGOs. Currently most regional LNGOs that are receiving international assistance do so through Baku-based LNGOs, an arrangement that rarely brings full benefit to the regional partner. For instance, CRS found that their Baku-based Core Group LNGOs were often unwilling to give up control to regional entities, whether in decision-making or implementation; furthermore, the decision-making processes applied by Core Group members to regional partners often were not transparent. While sometimes there will be no alternative to dealing with Baku-based organizations, due to problems either of registration or of capacity, partners should always follow up carefully the regional activities of Baku-based organizations (who, as CRS found, often are reluctant to give up control to regional partners, preferring to manage everything centrally).

9. Fund a few smaller projects encouraging cooperation between potential civic activism groups in Nakhichevan. Given Nakhichevan's geographic and political isolation, special efforts may be necessary to encourage the development of cooperation between civic activists. In such an environment, most interlocutors suggested highly practical programs as a push-off base for bringing together national and local LNGOs, communities and municipalities (the latter two to the extent possible). One INGO representative, for instance, suggested aiming for a highly specialized sector with an obvious benefit to society, that serves the needs of a variety of actors, and that falls somewhat outside the normal core areas of government responsibility (to minimize any sense of competition): street children, for example, or drug abuse, or mine action. Through such activities, he argued, national and local LNGOs as well as community action groups can activate a 'halo effect' that will reflect onto others.

Longer-term projects:

10. Support efforts to encourage local philanthropy in Azerbaijan. Currently, alternative sources of funding are limited, and usually confined to other international donors. But USAID should consider supporting efforts to build a base of philanthropy among Azerbaijani business community, and to help build a culture of philanthropy in general. It should be noted that individual philanthropy has a long history in Azerbaijan (such as the rich philanthropic activity evidenced at the beginning of century, when wealthy citizens built houses for orphans and the like), but that culture has largely disappeared today. USAID might consider building on efforts such as the Eurasia Foundation's corporate social responsibility program,⁴⁴ which has been working with LNGOs and corporations to re-introduce a sense of social responsibility. The experience in Russia along these lines suggests that there is potential for a large response, whether companies are motivated by an honest desire to help, and/or by a desire to

⁴⁴ Eurasia Foundation inherited this program from the Business Development Alliance and, until today, have maintained it through a small grant from Novib and International Alert. They say that the small grant is now ending, and they have not found alternative sources of support.

increase their prestige, popularity, and public relations that they are not concerned only with profit. The OSCE and BP have apparently expressed some interest in this, but it remains in a nascent stage.

B. Cross-cutting Issues: Youth, Corruption, Ethnicity, Religion

USAID's civil society programs would benefit from the more deliberate incorporation of cross-cutting issues more deliberately into all projects. These include not only the issues of youth and corruption discussed above, which must be integrated in virtually all programs, but also themes that emerged in the recent Conflict Vulnerability Assessment, which include ethnicity and Islam.

Over the next six months to a year:

11. While continuing and expanding current youth-related projects, develop small projects that also expose more Azerbaijani youth to the outside world. In the short term, incorporate youth into all projects, and continue to fund those nascent projects that target youth directly. Also design projects to expose youth to outside world. This could be through media, film, videoconferencing, in addition to high school and university exchanges, as the latter only affect a small number of individuals.

12. Incorporate an anti-corruption focus into all civil society projects in three ways. First, establish and strictly adhere to a working definition of "corruption" that acknowledges that corruption is not limited to bribe taking, but goes far broader and deeper. Second, strictly apply that definition in directly combating corruption when it interferes with project goals and intent. And third, establish strict standards so that corruption is not tolerated in the workings of the project or donors themselves.

13. Conduct an independent assessment of donor-supported anti-corruption activities: As with youth activities, there are two aspects of anti-corruption work that must be expanded in Azerbaijan: those projects aimed specifically at reducing corruption in the country, and those cross-cutting efforts that ensure that anti-corruption issues are incorporated into virtually every project. The latter includes the ability of projects to help affect change in corrupt behavior in society as a whole as well as in their own behavior. While there is a general understanding of the need for more anti-corruption activity across the board—including more follow up, oversight, accountability and the like—there has been little systematic analysis regarding how this can be most effectively incorporated into donor assistance, and the pros and cons of current methods of trying to do so. The team's main recommendation for this critical component of civil society building, therefore, is to conduct a separate, independent, and serious assessment about how this can best be done in the future.

14. Expand contacts and cooperation with LNGOs that are defending religious rights. Expanded USAID engagement with moderate Islamic groups in Azerbaijan has the potential to serve public diplomacy as well as development objectives. As noted in the CVA, the government's heavy-handed policy towards many religious groups, including unregistered Islamic groups, has the potential to cause more trouble than it solves. Some LNGOs—for example, Devamm and the Guba-Hachmaz Human Rights Resource Center—are already active in defending religious rights.

C. General Principles

From the team's conversations in Azerbaijan and from the experience of donors elsewhere in the world, a number of themes and principles emerged that may be worth keeping in mind when applying the above recommendations. These concern broad questions of strategy and implementation, tactics, and cross-cutting themes.

Tailor funding levels to the specific needs of projects. Many interviewees suggested that current funding levels for different projects not only are widely disparate, but often appear arbitrary. The team heard from some interlocutors of projects that could not be brought to completion due to an inability to secure

matching funds elsewhere; meanwhile, other interlocutors described their organizations as over-funded, often saying that they faced pressure to schedule unnecessary activities in order not to jeopardize future funding. On the one hand, USAID thus should ensure the provision of funds adequate to see projects through if matching funds are unavailable from elsewhere; on the other hand, care should be taken to avoid creating a “use it or lose it” over-funded environment. On the latter point, periodic audits should be conducted not only of partner programs, but also of local recipients of larger grants. Such audits would not only ensure that budgets are appropriate for the projects to be carried out, but also would help to inculcate greater financial responsibility among LNGOs and help train them in maintaining high standards of business practice. Furthermore, if budgets are tailored to the specific needs of projects, it should be possible to maintain larger-scale projects while expanding the low-cost projects appropriate for community mobilization activities.

Insist on accountability among grantees and partners. USAID clearly has taken many steps to secure accountability among grantees and partners. Nevertheless, these efforts appear uneven: many interlocutors stressed that there are wide disparities in how grants are handled, and that some entail little financial accountability. In such instances, grants are often frittered away or funds actually misappropriated. However, civil society development assistance is a partnership between the international local communities; it is important that local grantees understand they must be accountable not only to their own communities, but to the taxpayers whose contributions have funded their projects from half a world away. Consequently, accountability mechanisms should be incorporated into the joint planning and design of projects from the outset. A national capacity builder, if instituted, should be available to help with the writing of budget reports and final reports; but monitoring of projects and final approval of budget and activity reports must come from grant giver. Accountability mechanisms should include assessments not only of financial probity but also of utility, and should demand a degree of concrete proof of claims; this will be particularly important in the instance of grants requiring cooperation among different partners.

Promote thorough but non-onerous follow-up and oversight. A perception gap appears to exist between LNGOs, communities, or municipalities on the one hand and INGOs on the other on the need for intensive management. USAID partners often feel that their local partners are still in need of fairly intensive monitoring; meanwhile, many local partners complain that they are no longer in need of intrusive micromanagement. While this is an issue on which balances are often difficult to strike, every effort should be made to ensure that local partners are not permitted to slip behind in their agreed tasks. Several successful partners, for instance, schedule weekly meetings with grant recipients to walk through emerging issues—a form of internal training. However, monitoring programs should be worked out individually in response to the particular characteristics of each project. Meanwhile, adequate funding should be provided to partners to cover oversight and follow-up activities.

Promote transparency in the grant-giving process: Perceptions of unprofessionalism or favoritism in the grant-giving process are deeply damaging to the donor and INGO communities. In particular, LNGOs have complained that donors do not publish their accounts; that terms of RFAs and results often seem unrelated; that applications are not treated as confidential and documentation is not provided; that they receive form letters of rejection or sometimes no notification at all; and that grants are distributed for unfair reasons. Although it may be impossible to silence all critics, every possible step should be taken to make the grants processes of donors and partners as transparent, accountable, and consistent as possible. Ideally, all USAID partners should provide responses within a certain period of time, letters explaining why proposals have been rejected, opportunities for face-to-face meetings, and possibly examples of successful proposals from elsewhere. Many partners (ADRA Nakhichevan, for instance) have begun to take considerable steps to address these concerns; other partners, however, have admitted that they might be able to use some training in these areas.

Incorporate non-quantitative measures of success: Several interlocutors warned against privileging quantifiable content (numbers of microprojects, trainings etc) over process simply because current

indicators of success are quantitatively biased—a particularly risky approach when the basic outcome desired (a stronger civil society) is so hard to quantify. In addition to developing or adopting non-quantitative measures of success, USAID and its partners should also help LNGOs, CBOs, municipalities develop evaluation processes, both quantitative and qualitative, for their strategies and activities.

Seek out partners who have a national, not just a Baku-based presence. In selecting INGOs to implement USAID programs, it may be advisable to favor organizations who have, or who are prepared to set up, regional offices. Many interlocutors stressed the difficulty of keeping abreast of regional developments from Baku. Meanwhile, as noted above, regional entities feel marginalized. For instance, regional members of CRS’ LNGO coalition frequently expressed frustration at being “constantly summoned to Baku” for training, regular meetings, and the like, which they found expensive, time-consuming, and tiring and which led to complaints that they were “at the donors’ beck and call.”

Promote more donor and INGO coordination: Interviews suggest that the civil society development assistance environment in Azerbaijan is plagued by both lack of coordination and duplication of efforts, stretching from efforts to shape the legal environment down to work at the community level. One assessment, for instance, found that it was not uncommon to have up to four INGOs working in one village; as a consequence, efforts were duplicated or contradicted, resources were used inefficiently, and differences of emphasis among INGOs (for instance in focus on CBOs versus municipalities) led to an intensification of divisions rather than a bringing together.⁴⁵ Meanwhile, “strong” LNGOs with whom many donors wish to work become overextended, diluting their interests and subjecting them to heavy loads of paperwork. In some instances, lack of coordination is played on by local actors; for instance, one interlocutor noted that the government has played on competition between the Council of Europe and the OSCE to draft legislation to stall on needed measures, while another reported that it is not uncommon for individuals or groups to double-dip by working with two international donors on what is effectively the same project. Consequently, donors and INGOs should strengthen efforts to share information on existing programs and to coordinate the development of new ones.

Think in the long term. Most of the team’s interlocutors stressed that the process of developing civil society in Azerbaijan will be a slow one, more evolutionary than revolutionary in character. Short-term funding, as discussed above, often discourages strategic development among its recipients: interviews suggest that often, LNGOs spend more time chasing funding than developing strategies, and communities focus on easily achievable microprojects over longer-term education, health or environmental campaigns. Most partners suggested minimum five-year programs within the context of a strategy that allows up to fifteen years. In such a context, up-front planning is vital; short extension blocks and changes in deliverables and reporting requirements will lead to wasted time and resources.

Don’t give up on microprojects. Many interlocutors worried that donors are “fed up with microprojects” and want to move on to bigger issues such as advocacy. However, almost everyone interviewed by the team stressed that microprojects are a highly effective way of bringing people together and of building the interest, confidence and capacity necessary for larger advocacy projects, and that they often lead on naturally to larger advocacy campaigns. In the interest of encouraging interaction between CBOs, LNGOs and local government, partners should emphasize microproject applications that draw on a range of community abilities and expertise (LNGOs, municipal councils, CBOs etc).

Use cross visits, but wisely: Cross visits have the potential to be highly valuable if the place being visited has obvious parallels to the visitor’s situation. Most partners emphasized that cross-visits between communities (both between mobilized and unmobilized communities as a form of proselytizing and between mobilized communities to share experience), between regions of Azerbaijan, and between Azerbaijan and other NIS countries such as Kyrgyzstan have been highly effective; some, meanwhile, are about to start cross-visits to Turkey. However, several interlocutors warned against unintended

⁴⁵ Leonard 2003.

consequences of excessively disjointed experiences during cross-visits; “send 20 journalists to the U.S. and you just end up with 18 wanting to leave the country,” said one. A few others warned against the dangers of “NGO tourism.” However, particularly for isolated regions such as Nakhichevan, cross-visits offer valuable opportunities to broaden experience. (Most interlocutors indeed stressed that cross visits are vital for Nakhichevanis; even arranging for larger groups of cross-visitors to pass through Nakhichevan en route to Turkey, conducting meetings while they were there, would have the potential to broaden the exposure of local authorities.)

Use local trainers where possible: Many interviewees emphasized that while some topics may still require the use of outside experts, programs should use local trainers where possible. International trainers may still be necessary for advanced topics, such as how to account for multiple donors when writing a budget. However, where possible, trainers from other NIS countries where USAID has missions might be good choices. Meanwhile, several USAID partners have already begun using strong LNGOs to train both local governments and community groups; if, for example, a new professional discussion group were to decide to move towards advocacy, it might be possible to bring in experienced LNGOs to talk about their experiences and help them conceptualize a campaign. Such use of Azerbaijani trainers has the potential to be beneficial to donors (cost-efficient), recipients (good local knowledge on the part of instructors, no language barrier), and providers (encourages “learning through doing,” helps develop income-generating skills). As one interlocutor said, “We have created assets; let’s use them.”

Keep excoms informed and feeling valued, but don’t let them take over processes. All interlocutors, from community groups to partners, agreed on the importance to civil society development projects of winning the trust and, if at all possible, the cooperation of excoms—a task that requires at a minimum keeping them informed of activities in their areas. However, several interlocutors advised that although such consultations should extend respect (for instance, through the formula of coming to excoms “for thoughts and suggestions” rather than simply informing them of activities), they should not cede power by requesting permission. Furthermore, many partners warned against letting excoms set agendas or conditions—for instance, by demanding the right to select the people chosen for participation in training. Also, many interlocutors warned against bringing excoms into group settings assuming that they will be prepared to treat LNGOs, community groups or municipal councils as equal partners; on the contrary, since excoms often expect and receive deference, their very presence will often change group dynamics.

Include young people in all projects, but in a purposeful, meaningful and appropriate way. The inclusion of youth in community development or other projects should explicitly define what the goals of that inclusion are, and how the project will be tailored to specifically reach those goals.

Better coordinate and design projects directed specifically at youth. To accomplish this, the team recommends a separate assessment to determine a) the current full range of donor youth projects, their goals, how they are being implemented, and where and how they overlap, and b) the specific goals of any set of USAID potential youth programs. Goals and activities are currently across the map. An assessment should determine if this is a useful approach, or whether they can be implemented in a more synergistic manner.

Be sensitive to issues of ethnicity without banging an ethnic drum. Try to find groups that encourage multiethnic participation and that attempt to demonstrate that problems are not necessarily unique to particular ethnic groups. The Helsinki Citizen’s Assembly, for instance, reportedly had been active in this area, not only drawing attention to ethnic concerns (for instance, by sending monitors to polling stations in Lezgin-dominated areas during the presidential election) but also arranging cross visits to demonstrate to ethnic leaders economic problems are an issue that the whole country is bedeviled by, not simply a result of official inattention to their regions.

Try to engage international Islamic donors in discussion of development strategies. Most interlocutors said that Islamic donors currently are heavily relief-oriented and not particularly interested in

development issues; however, this is not a reason to discount the possibility for dialogue. Discussion with international Islamic donors on activities such as community mobilization not only might strengthen the appeal of such activities among target populations but could also lead to productive exchanges among donors on ways of engaging in development assistance.

D. Issues For Other Programs.

Build community mobilization activities into all programs possible. As already described in this study, community mobilization—helping communities to collectively identify, prioritize, and address common problems—is a highly effective way of strengthening civic activism and a vital component of civil society development, broadly defined. While explicit and fully articulated mobilization programs are the most effective way of drawing together communities, the experience of USAID partners operating in other humanitarian assistance fields suggests that basic community mobilization activities can be built into a broad range of programs. Mercy Corps staffers, for example, have nurtured community health committees in the course of their health activities in Lerik and Yardamli; ADRA has encouraged the creation of health cluster groups in Nakhichevan. Indeed, community mobilization principles have the potential to be applied to a wide range of projects: agriculture, rural infrastructure, even micro-credit. The broadest possible inclusion of such principles will be an important step towards ensure that

Encourage community groups to think of themselves as part of civil society development. While microprojects remain a valuable way to bring communities together, community mobilizers should help CBOs conceptualize themselves as part of a larger national process, both in order to help CBOs move towards a better understanding of their potential for advocacy as well as action and to foster fostering linkages and cooperation between CBOs and other civil society groups.

Help partners and communities refine techniques for the creation of participatory structures. Most survey techniques, such as the Participatory Rural Appraisal (PRA) process, still face the challenge of preventing old power from seeping into new structures. For example, case studies in Central Asia have revealed that while Initiative Group members are supposedly representative and elected by community members, in reality villagers may have very little choice as to whom they elect because of underlying relationships of power and patronage of which donors are often unaware. Furthermore, women (particularly younger women) and poorer individuals can be prevented from voicing their opinions about planned projects. As a consequence, donor choices of partners in communities can maintain unequal power relations or even worsen social inequalities.⁴⁶ Indeed, participants in a Save the Children survey noted the difficulties of preventing nepotism and cronyism during CBO elections.⁴⁷ Implementing partners should be constantly sensitive to the potential for such situations and should consistently seek to refine their techniques wherever possible, and USAID should facilitate the sharing of best-practice information on these issues.

Consult local religious leaders when implementing projects. Several partners emphasized that religious leaders play a substantial role in shaping public opinion in many areas, particularly in the south, where even towns the size of Masali are subject to considerable religious influence. Partners working in the south emphasized that respected *suids* are often the best partners for health initiatives; once they understood what was being proposed, they have been happy to assist, and now are very creative.

Help municipalities gain knowledge of their roles, their responsibilities, and the basic laws governing their activity. Many interlocutors stressed that no training is available for the vast majority of the country's municipal councilors. Elections will also lead to the arrival on the scene of cadres as inexperienced as their predecessors were. In this respect, some interlocutors mentioned USAID's "Local Councils Development Program" in Georgia; booklets published by IFES on municipal issues appear to be comprehensive and should be made widely available in Azerbaijani.

⁴⁶ Earle 2004.

⁴⁷ Save the Children 2002.

Help municipalities in unmobilized areas draw together mehella committees. These committees act as the eyes and ears of municipalities; all the successful municipalities consulted by the team stressed that they leaned on them extensively. In mobilized areas, CBOs are increasingly moving into the *mehella* committee role; in areas to which community mobilization has not yet extended (for instance Nakhichevan), municipalities will need assistance in selecting and forming such groups.

Help municipalities build their funds bases. A number of partners noted that government initiative towards reform of municipal councils is badly needed in order to address issues of sustainability (size, resources, staffing, training). Furthermore, some partners have observed that under the law on municipalities it might be possible for municipalities to impose taxes on project money—a move that partners cautiously supported. Meanwhile, a few partners suggested urging the central government to provide more central funding to municipalities and less to excoms and for the devolution of government social development programs from state to local level. However, also help municipalities develop their own resources, not make them dependent on outside actors.

Appendix A – Definitions of Civil Society

World Bank, Consultations with Civil Society Organizations: General Guidelines for World Bank Staff. (<http://www.worldbank.org/participation/cas/CASCSO.htm>).

The following table shows some of the different types of CSO that exist in each of these categories:

| Representation | Technical Expertise | Capacity-Building | Service-Delivery | Social Functions |
|--|--|---------------------------------------|---|--------------------------------|
| Membership organizations e.g. labor unions | Professional and business associations | Foundations (local and international) | Implementing NGOs (local and international) | Mosque or prayer groups |
| NGO federations and networks | Advocacy NGOs | NGO support organizations | Credit and mutual aid societies | Sports clubs |
| Churches and faith-based organizations | Think-tanks and research groups | Training organizations | Informal, grassroots and community-based associations | Migrants' associations |
| Organizations of indigenous people | News media groups | | | Choral societies |

London School of Economics, Centre for Civil Society (http://en.wikipedia.org/wiki/Civil_Society).

Civil society refers to the arena of uncoerced *collective action* around shared *interests*, purposes and *values*. In theory, its institutional forms are distinct from those of the *state*, *family* and *market*, though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated. Civil society commonly embraces a diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power. Civil societies are often populated by organisations such as registered charities, development non-governmental organisations, community groups, women's organisations, faith-based organisations, professional associations, *trades unions*, self-help groups, *social movements*, business associations, coalitions and advocacy group.

Appendix B – Nakhichevan

Many of the team’s interlocutors stressed that a particular need exists for the establishment of at least a minimal civil society development presence in Nakhichevan. Nakhichevan is, as the Mission well knows, a very hard nut to crack, given the local authorities’ inclination to see any moves designed to move groups past a passive mindset as a threat to their authority.⁴⁸ (For example, the local authorities were extremely positive towards ADRA’s broad health strategy, to the point of incorporating it into the republic government’s health strategy; nevertheless, the republic government has abruptly informed ADRA that the formation of village health committees is not permitted, presumably due to their potential for community mobilization.) Some observers believe that the current chairman, Vasif Talibov, is behind many of the problems that international organizations have faced in the republic, and that conditions may improve after Talibov’s second (legally, his last) term is up next November. Whether or not Talibov’s departure results in any relaxation on the part of local authorities, however, many interlocutors felt strongly that it is important that USAID and other international donors stand up to the republic government’s authoritarian practices, both as an expression of support for democratization writ large and in support of the many Nakhichevanis who have already committed themselves to the development of civil society in the republic. In last five years, for example, 14 LNGOs reportedly have been created in the republic, even if not registered; sporadic reports have also emerged of steps by communities to protest the republic authorities’ anti-democratic stance. (For example, at the time when the team split up, Nehram village had decided to boycott municipal elections because, village members said, they already knew who would be elected, while two other candidates had tried unsuccessfully to register.) “Punishing” the Nakhichevani authorities by withdrawing programs from the republic, these interlocutors argued, will simply isolate the region further and open the door to anti-democratic tendencies.

In such an environment, the possible strategy outline in the recommendations (creation of a national-level grants program, a national-level capacity builder, and a national network of resource centers) would have a number of potential advantages. First, because such a program would be national in its scope, Nakhichevani authorities not only might feel less threatened than they might by a program targeted specifically at Nakhichevan, but also would be harder-pressed to justify resisting its implementation in the republic. Second, because of its relatively apolitical quality, a grants program might stimulate the interest, or at least not raise the hackles, of local authorities, who might see the tangible benefits of grant-funded projects as outweighing their “subversive” qualities. Third, even if the authorities dragged their heels in extending permission for the opening of offices for the national capacity-builder or citizens’ resource center, in the meantime the capacity-builder could use visits by outreach officers to help potential grant applicants; in extremis, it might be possible for grants to be allocated to fly Nakhichevanis to Baku for help. Fourth, as a representative of a local LNGO suggested, grants to local LNGOs not only would help them in their activities but might also lead to them obtaining registration, due not only to the increased international attention but also to the republic government’s desire to keep track of their activities.

⁴⁸ The report by the Azerbaijan Community Development Research, Training and Resource Center entitled “Report on Focus Group Discussion Sessions within CEN Project,” cited in Leonard 2003, may contain useful material on the subject of Nakhichevan’s special conditions.

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Appendix D – Persons Contacted

US Government

USAID Washington:

Jennifer Ragland, outgoing USAID Azerbaijan desk officer
Jennifer Nevins, President Management Fellow, Caucasus team, BE&E
Kelly Strickland, former Democracy and Governance Advisor, Baku
Peter Graves, Office of the Media
Luba Fajfer, Education Specialist, Office of Education, BEGA&T

Dept. of State

Wendy Silverman, Dept. of Democracy, Human Rights and Labor
Maria Longi, Country Assistance Officer for the Caucasus

US Embassy, Baku:

Laura Seuryncck, NGO Assistance Coordinator
Beth Sreenan

USAID Partners

ABA/CEELI:

Lynn Sferrazza, Country Director
Kristine Womack, Rule of Law Liaison

CRS:

Jack Byrne, Chief of Party
Barat Azizov, Program Manager, Azerbaijan Civil Society Development Program
Samir Tagiyev, Program Coordinator, ACSDP

IFES:

Washington:

Eric Rudenshold, Civil Society Program

Baku:

Christopher Shields, Country Director
Piers von Berg, Deputy Country Director

IREX:

Washington:

Linda Trail, Deputy Director, Media Development Division

Internews :

Ilham Safarov

IRI:

Andrew Colburn, Chief of Party

NSCS:

Charles Shapiro, Chief of Party

NDI:

Washington:

Nelson Ledsky, Director

Baku:

Adrienne Stone, Senior Program Officer
Minaya Safarova, Civic Program Officer

ADRA:

Baku:

Randy Purviance, Country Director
Paul Bouwmeester, Programs Director

Genje:

Tarana Sultan, Project Director

Nakhichevan:

Sevinj Rustamova, Credit Director
Ramiz Behbudov, NHDP Director

IRC:

Barat Devkota, Country Director
Pam Flowers, Contractor

Mercy Corps:

Washington:

Nancy Lindborg
Myriam Khoury, former Program Director, Azerbaijan

Baku:

William Holbrook, Chief of Party
Sue Leonard, Program Director
Ziba Guliyeva, Senior Program Officer
Melinda Leonard, Program Manager

Masali:

Kamran Abdullayev, Program Director, Cluster Access to Business Services
Uma Kandalayeva, Project Director, Child Survival

Save the Children:

Baku:

Tryggve Nelke, Field Office Director
Nassir Faraj, Deputy Field Office Director, Director of Programs

Barda:

Sahib Mamedov, Program Manager, Integrated Community Development Program
Dilara Valikhanova, Senior Health Coordinator

World Vision:

Michael McIntyre, Country Director
Benjamin Reed, Project Officer

World Learning:

Julie Hamlin, Country Director
Telman Yolchiyev, Program Coordinator

Eurasia Foundation:

Washington:

Bill Maynes, President, Eurasia Foundation
Horton Beebee-Center, Vice-President
William Frenzl, vice-chairman, Board of Trustees
George Helland, member, Board of Trustees

Margaret Richardson, member, Board of Trustees
Baku:
Jamal Shahverdiev, Country Director
Andrea Harris, Vice-President, Caucasus Region
Marguerite Baker, Coordinator, Outreach and Development

International Organizations and Bilateral Donors

UNDP

Lutful Kabir, former Chief Technical Adviser
Mazakhir Efendiyev, National Coordinator, Southern Caucasus Anti-Drug Programme
Irada Akhmedova, Program Officer
Jafar Jafarov, Program Officer

EU/TACIS

Alfred Supik, EU Advisor/Team Leader

World Bank

Saida Bagirova, Operations Officer/External Affairs
Farid Mamedov, Operations Officer (Infrastructure and Energy Sector Unit)

OSCE

Lutz Leichtfuss, Democratization Officer

Norwegian Refugee Council

Elnur Nasibov, Project Coordinator
Subhan Akhmedov, Project Coordinator

BTC Corporation

Dan Bliss, Social and Community Relations Manager

GTZ (German Technical Cooperation)

Baku:

Anja Heuft, Coordinator, Integrated Food Security Program
Stefan Oehrlein, Georgia Coordination Office, South Caucasus Program

Aghstafa:

Elnara Rafarova, Coordinator

Department For International Development

London:

Graham Bond, Deputy Program Manager, CA/SC/M Section
Matt Laszlo, Deputy Program Manager, CA/SC/M Section
Victoria Gevorgyan, Programme Manager, Yerevan Office

International NGOs

DRC

Zuleykha Ragimov, Head, Baku Office

Open Society Institute

New York:

Board of Advisors, Central Eurasia Program
Svetlana Tsalik, Head, Caspian Revenue Watch Program

Baku:

Farda Asadov, Executive Director

Oxfam

Shovcat Alizadeh, Country Program Manager
Leyla Karimli, Program and Policy Officer

Government of Azerbaijan

Presidential Apparatus

Ali Hasanov, Head, Social-Political Department

Ministry of Justice

Fazil Mammadov, Head, Dept. of Registration

Lenkeran Executive Committee

Alimardan Aliyev, Director, Social-Political Department

Parliament of Nakhichevan Autonomous Region

Emin Zeynalov, Head, Department of International Affairs

Municipal Councils

Yasamal Municipal Council

Ilgar Aliyev, Chairman of Municipality

Kapaz Municipal Council, Genje

Ali Aliyev, Deputy Chairman

Community and Cluster Groups

Garana community, Barda district

Ganja Community Center (Ijmilar Mejlisi/Cluster Group)

Farhad Javadov, Chairman and other IM members

GTZ Coordinating Committees:

Farman Kakhramovov, Chairman, Kazakh Coordinating Committee

Ramazan Ibrahimov, Chairman, Tovuz Coordinating Committee

Arif Alakhurdiyev, Chairman, Aghstafa Coordinating Committee

Jil community, Lenkeran

Aza/Darkent village, Ordobad region, Nakhichevan

Local NGOs: CRS Partners

Association for the Protection of Women’s Rights:

Baku:

Novella Jaffaroglu-Applebaum, Chairwoman

Aytakin Mamadova

Azerbaijan Marketing Society

Ragim Huseynov, Chairman of the Board

Sanar Mammadov, Executive Director

“Yeni Nasil” Union of Journalists of Azerbaijan

Arif Aliyev, Chairman

Legal Education Society

Intiqam Aliyev, President

Ganja Agribusiness Association

Amin Babayev, President

Vugar Babayev, Vice President

Local NGOs: Others: Baku

AYLU (Azerbaijan Young Lawyers’ Association)

Nadir Adilov, Chairman

Azerbaijan Red Crescent Society

Elkhan Rakhimov, Executive Secretary

NGO Forum

Dilara Valiyeva, Vice President for NGO Relations

Center “For the Sake of Civil Society”

Fikret Rzayev, Coordinator

Confederation of Entrepreneurs of Azerbaijan

Alekper Mamedov, President

Helsinki Citizen’s Association

Arzu Abdullayeva, Co-chair, National Committee

Tamilla Zeynalova, Deputy Chairwoman, National Committee

International Eurasia Press Fund

Umud Mirzoyev, Chairman

Namil Azizov, Program Head, Peacekeeping and Conflictology

Siyab Mamedov, Program Head, Community Development

Wagif Behnani, Program Head, Media and Civil Society

UMID

Israil Iskanderov, Director

Transparency Azerbaijan

Rena Safaraliyeva, Director

Azerbaijan Public Relation Organization (APRA)

Elyas Bakirzadeh, Deputy Director for Education

*Local NGOs: Others: Regions**Central/Western Region***ARAN (Humanitarian Regional Development Organization), Barda**

Yusif Abdullah, Programs Officer (50) 337-2765)

Kamil Aliyev, Information Coordinator, PRSP Monitoring Project

OSI Genje Education Information Center/Genje Open Society Initiative Center

Hasan Huseynli, Director

Ganja Regional Organization Education Society BILIK

Jamal Mammadov, Chairman

Nadir Ilbadev, Deputy Chairman

Natella Mammadov, gender researcher

Helsinki Citizens' Assembly, Kazakh branch

Hamis Nasib Masimov, Coordinator

*Southern Region***“Debate in a Civil Society,” Lenkeran**

Afer Karimov, Director

*Northeastern Region***Guba-Hachmaz Human Rights Resource Center**

Mugaddas Kazimoglu, Head, External Relations and Information Dept.

Helsinki Citizen's Assembly, Gusar Branch/Gusar Resource Center

Fazil Mahmudov, Branch Representative

Narmina Salmanova, Head, Social Work Center

NGO Forum, Guba

Eynullah Heyrullayev, Director

*Nakhichevan***Naxcivan A.R. Regional Advisory Center**

Khalil Aliyev, Director

Democracy and NGO Regional Resource Center
Malahat Nasibova, Director

Others

Media Outlets

QUTB TV, Guba
Mahir Orujov, Director

Academic Experts

Fiona Adamson, University College London
Ayla Göl, London School of Economics

⁴⁹ Bagirov 2003.

⁵⁰ Council of Europe 2003b.

⁵¹ Eurasia Foundation inherited this program from the Business Development Alliance and, until today, have maintained it through a small grant from Novib and International Alert. They say that the small grant is now ending, and they have not found alternative sources of support.

⁵² Schmidt 2003a.

⁵³ Schmidt 2003a.

⁵⁴ Earle 2004.

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⁵⁶ GTZ 2004.

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