

USAID/Belarus

Annual Report

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Belarus

Performance:

Fourteen years after independence, Belarus continues to regress steadily from aspirations for pursuing democratically-oriented governance and transitioning into a competitive, market-based economy proclaimed in the early 1990s. While ostensibly considered a presidential republic, the Presidential Administration continues to dominate all political, social and economic aspects of government decision making. In 2004, Belarus experienced a fourth round of elections since 2000 described by the Organization for Security and Cooperation in Europe, as “either fundamentally flawed parliamentary elections or rigged referendums,” which most recently allowed President Lukashenka unlimited terms as President, after having already exercised a ten-year rule. Further, not a single opposition candidate has won a seat to the 110-member National Assembly this year. As a result, even moderate reformers, a handful of independent-minded parliamentarians will be replaced by Lukashenka’s loyalists.

The current Government of Belarus (GOB) lacks any effectively organized opposition as emergent political parties still do not have wide electoral support and are not allowed to pass parliamentary reform measures. The independent media continues to face escalating pressures, and civil society organizations, while still emerging, remain marginalized from national development dialogues or initiatives. This year, members of the Parliamentary Respublika group staged a hunger strike because election reform was not put on the parliamentary agenda; such initiatives were only voted down and resulted in harassment through criminal investigation, violations of immunity, and physical abuse. The Constitutional Court also remains ineffective, never challenging presidential initiatives, and consistently endorsing the constitutional nature of presidential referendums. The licensing of lawyers and the bar association remains under the Ministry of Justice’s control, seriously compromising the independence of lawyers, several of whom reported they would be denied licenses due to their activities in non-governmental organizations (NGOs) or political parties. Numerous human rights abuses also were reported to be continuing throughout Belarus, with authorities disregarding credible disappearance cases, harassing independent labor unions, and beating or arresting pro-democracy leaders or activists. The Belarusian Orthodox Church is still the only Church officially recognized in Belarus, and enjoys the preferential government treatment. In sum, authorities deploy a range of measures which continue to deny citizens the right to learn about, influence or change the government policies or representatives.

Belarus continues to rank extremely poorly in both investment climate and economic freedom, with the authorities remaining committed to only “socially oriented” market reform. The GOB’s industrial sector policy intends to favor employment but remains uncompetitive given the government’s practice of increasing wages more quickly than productivity growth. In the agricultural sector, the rural population remains dependent upon budget subsidies designed to keep afloat unviable collective and state farms. Private ownership of agricultural lands also remains prohibited.

In 2004, the Government continued to campaign against NGOs and political parties, restrict freedom of the media, as well as of assembly and association. State-owned printing houses have refused to publish many independent newspapers, while state-run distribution agencies have either refused to distribute independent newspapers or severed distribution agreements with such newspapers. Other economic and social constraints include: difficulty in obtaining SME licensing; inconsistency in honoring private ownership and contract rights; and difficulty in establishing working relationship between domestic and foreign businesses, and central and local governments.

Despite having presided over an authoritarian regime, Mr. Lukashenka still enjoys popularity and support of around one-third of the electorate. This is explained by the fact that Belarus, unlike other former Soviet states, has avoided terrorist attacks as well as dislocations caused by more substantive economic

restructuring and market reforms. Unemployment and inflation remain low, while real annual GDP growth in 2004 is likely to equal 9 percent; budget deficits are low, and social benefits and wages have held up better than in other former Soviet republics. Where as political and economic relations with Russia have improved since 2003, the government continues to be isolated internationally. As such, despite the extensive international criticism, Lukashenka is unlikely to introduce more liberal and democratic practices.

Poverty is reported to have continued to decrease since the mid-90s. However, its reduction has been uneven throughout the country. Significant inequalities can be traced in the uneven ability of different groups of households to access education, child care, and health services. Many Belarusians have not only observed a deteriorating affordability of health and social services but also pronounced gender poverty traps among female-headed households, and even a broader, increasing reliance on cheaper, dietary coping strategies. Trafficking in women and children also remains a problem, as does environmental management and HIV/AIDS, but the Government appears to be collaborating more willingly with donors to address these particular issues.

U.S. strategic interests in Belarus are significant: Belarus still requires carefully calibrated assistance in advancing to a more progressive political and economic environment, which would offer increased integration with neighboring EU members and Western-security and economic institutions. Belarus is also facing social development concerns i.e., HIV/AIDS and trafficking, which are key U.S. foreign policy priorities. Belarus is also a signatory of international agreements, including those on anti-terrorism, which could contribute to important advancements with continued U.S. development and diplomacy assistance.

Donor relations: USAID is one of a few major donors in the country, with a coherent strategy of promoting grass-roots civic activism. USAID's programmatic approaches in supporting basic social, economic, and political participation and pluralism have attracted other donors' attention; its successful experiences in community involvement currently can best be complemented by donors that initially provide direct assistance to the GOB. This year the donor group has directed particular attention to understanding and addressing the GOB's cumbersome registration requirements resulting from the 2003 legislation for international assistance. The joint efforts of the donor community are currently aimed at simplifying the registration procedures, and demonstrating to the government that significant resources have not reached various groups of Belarusians, including the most vulnerable, due to the overly complicated technical assistance registration.

This year two programmatic areas of donor coordination for USAID have been identified: HIV/AIDS prevention and Trafficking in Persons (TIP) prevention. The U.N. Global Fund to Fight AIDS, Tuberculosis (TB) and Malaria (GFATM) approved a \$17.37 million grant for HIV/AIDS prevention projects in Belarus. USAID's \$1 million will complement the GFATM grant's efforts by engaging local NGOs, stakeholders and opinion leaders in outreach, prevention, and care, and by working at the community level to reduce stigma and discrimination against people living with AIDS. Another area of cooperation is prevention of women's trafficking, an area where USAID is planning to complement existing United Nations Development Program (UNDP) and International Organization for Migration (IOM) projects. Among the international organizations in Belarus, the major actors in this field are the European Union, the U.S. State Department, UNDP, IOM, the Young Women's Christian Association (YWCA), and the Swiss Agency for Development and Cooperation. UNDP carries out only a €900,000 annual program. USAID is planning a \$1 million project to build on its successful pilot and to complement existing TIP prevention activities.

The Development Challenge: Paternalistic policies of the GOB depend upon a broad economic base to sustain its traditionally high goals for maintaining and increasing the level of social protection and economic growth. Belarus is facing some mounting problems in the health and social sectors, e.g., aging and shrinking population, high rates of HIV/AIDS and TB, and a high percentage of unemployed youth (45 percent), etc. According to the official statistics, 30 percent of the country's population lives below the poverty level. These are the areas for USAID and other donor assistance, but due to the government's isolationist policy the bar for international technical assistance has become even higher in 2004. The increasingly negative general attitude towards USG technical and even humanitarian assistance

programs has resulted in closure through non-re-registration of two key civic society development programs in Belarus, Counterpart International and Eurasia Foundation. As a result, substantial amounts of assistance were not provided to local NGOs which were implementing community initiatives, thus dampening the enthusiasm generated by other programmatic activities: trainings and study tours.

Key Achievements:

Strengthen Civil Society: In spite of the increasingly hostile environment for pursuing democratic initiatives and civil society development, USAID continued supporting grass-roots development initiatives. The program has been working with 24 communities, involving 1.5 million people, and 59 local, regional, and national civil society organizations (CSOs) that have about 8,000 members. Over one hundred initiatives started since 2003 -- half of them accomplished successfully -- have led to long-term improvements in the communities. Such projects include: repair of local recreation areas and children playgrounds; improvement in nutrition in kindergartens; assistance to HIV/AIDS, trafficking-in-persons, and substance abuse prevention campaigns; and improvement of clean water supply and communal services. USAID also supported activities at the local level through a small grants program; an extensive training program, and cross-border study tours; exchanges for community leaders; as well as events at the national level, and regular information support through web-site and publications. The project made a special effort to empower women and youth through the women's empowerment program and a youth leadership school. A school for managers was established to help business local government, and civil society leaders to maintain a dialogue and develop opportunities for cooperation. The small grants program was significantly complicated by regulations adopted by the government in late 2003 in the area of foreign aid and technical assistance.

In 2004, USAID partners continued to demonstrate strengthened organizational development. This year the Belarusian Organization of Working Women has modified its management structure to better fulfill the organization's strategic goals; conducted two peer impact evaluations with counterparts from Kazakhstan and Moldova; issued and presented its second annual report, reflecting progress towards its strategic plan objectives; and assisted the 600-member strong Assembly of NGOs in strategic planning.

Support Democratic Political Parties: In spite of the GOB's consistent attempts to discredit the pro-democracy forces and marginalize political groups and parties, USAID observed positive trends in party development. Organized in November 2003, the opposition alliance People's Coalition Five Plus, which includes five political parties of a very wide political spectrum and a number of NGOs, continued its joint activities. Using polling data and opinion surveys that identified people's priorities, the coalition developed a joint platform for the October 2004 parliamentary elections. At the local level, nine months before elections, pro-democracy coalitions formed in 97 out of 118 districts of Belarus. The People's Coalition Five Plus maximized opportunities for voter contact and met with thousands of people. Despite all the administrative barriers, pro-democracy forces managed to register 104 candidates for the parliamentary election. However, due to egregious violations, not a single representative of the opposition received a seat in the Parliament.

Establish and Ensure Media Freedom and Freedom of Information: In 2004, the GOB continued to encroach on freedoms of expression and harassment of independent media in Belarus. In this hostile environment USAID continued the provision of technical assistance to media outlets and journalists to enhance public access to objective and substantive information. Such support included legal assistance, journalism trainings and seminars, access to Internet and databases, consultations in the area of management, and technical expertise to the client media. Despite non-stop harassment, some outlets managed to develop their own distribution systems, maintain or even increase sales, and improve business indicators. The independent media continue to enjoy the trust of about a third of Belarusians due to well-balanced and factual coverage.

Promote and Protect Human Rights and Equal Access to Justice: This year pro-bono Legal Advice Centers (LACs), a network USAID helped to develop over the past four years, faced an even harsher legal environment, including restrictions on the ability of LAC lawyers to turn to the courts, which threatened their financial sustainability. However, LACs continued to provide services, albeit at a

decreased level. Two active Belarusian partners currently operate up to 19 Legal Advice Centers (LACs). This year, they provided more than 3,000 consultations on substantive and procedural legal matters free of charge. LAC lawyers filed 157 cases on behalf of their clients. Besides legal advice, they also conducted 46 public legal education seminars for about 1,500 people. With the help of LAC lawyers, several clients have been reinstated in their jobs, and a number of appeals related to community problems have been successfully resolved.

Improve Private Sector Growth: Eurasia Foundation (EF) promotes civil society and economic development through small grants program. In FY04 EF awarded about US \$150,000 in grants to local organizations aimed at improving the small and medium business climate, developing a credit union movement, organizing public legal clinics, etc. In March 2004, the representative office of Eurasian Foundation in Belarus was closed down after the Belarusian Ministry's of Foreign Affairs denied it re-registration.

Reduce Trafficking in Persons: USAID supported a seven-month Prevention of Women Trafficking through Expansion of Economic Possibilities in Belarus project, which addressed the issue of prevention through economic empowerment. Over 200 young women between the ages of 18-25 received basic job skills training and participated in an internship program. Prior to their participation in the project, 44 percent of the trainees knew nothing about the trafficking problem, and 85 percent had no prior work experience. As a result of the project, 75 percent of trainees have changed their attitudes towards themselves life trafficking issue, job opportunity issues; and 32 percent (75) have found new jobs.

USAID activities in Belarus provided comparable assistance to both men and women. An active women's leadership training component has been specifically developed and implemented for both active CSO and political process activities. Women's NGOs and initiatives received USAID technical and financial support in identifying and educating new leaders, and coordinating activities during national campaigns. USAID launched a seven-month anti-trafficking activity to reduce trafficking of Belarusian women by developing their job market skills and by providing them with alternative economic opportunities in selected regions.

Improve Agricultural Productivity: CNFA Agribusiness Volunteer Program provides technical and consulting assistance to private farmers, agricultural enterprises, and organizations, with the ultimate goal of increasing the incomes of project beneficiaries, usually farmers. Reportedly, 264 people (919 extended family beneficiaries) experienced an increase in income during the past year as a result of CNFA volunteer assistance. This year nine short-term volunteer assignments focused on dairy herd management, low-cost strategies for dairy herd development, alfalfa production, herb growing, pasture management, forage system development, and farm business management.

Results Framework

113-0210 Increased Citizen Participation in Democratic Practices

SO Level Indicator(s):

Citizens involved in the community initiatives in targeted communities

- 2.1.1** Increased effectiveness of democratically oriented NGOs
- 2.1.2** Increased responsiveness of political parties to public needs
- 2.1.3** Enhanced public access to objective and substantive information