

**USAID Regional Mission for
Ukraine, Belarus and Moldova**

**Assessment of Non-governmental
and Civil Society Organizations
in Ukraine and Moldova**

Submitted to:

USAID/Kyiv
Office of Democratic and Social Transition
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EXECUTIVE SUMMARY

An assessment of the Third Sector in Ukraine and Moldova with field research conducted April 10 through May 23, 2001 reviewed the results achieved and general impact of USAID and other international donor civil society assistance programs in promoting the development of non-governmental organizations (NGOs). This report assesses the socioeconomic, legal, and political environment for civil society organizations in Ukraine and Moldova and presents an analysis of NGO capacity, effectiveness, infrastructure, and the relationship between NGOs and government structures.

The assessment team – Melanie Peyser (Team Leader) and Theodora Turula, independent consultants working with ARD, and Mark Levinson, Senior NGO Specialist, USAID/EE/DG/CSM – met with USAID personnel and the United States Ambassador and Embassy staff, international donors, and civil society program implementers. The team traveled through Ukraine and Moldova, meeting with NGOs and local administrators individually and at roundtables.

In *Ukraine*, the NGO sector is currently characterized by a healthy range of types of NGOs, with respect to both subject matter and function. There is significant variation in organizational as well as infrastructure development among individual NGOs and regional NGO sectors. An underdeveloped and often confusing legal infrastructure hinders development of a sustainable NGO sector. Foreign donor and USAID support has been successful in creating a select cadre of NGOs with very rudimentary skills necessary for success. NGO Sector training and technical assistance resources are generally of high quality, but extremely limited in breadth and depth.

The most obvious weaknesses of support from all donors involved in the NGO development process has been a lack of attention to high professional standards of good governance, ethics, and transparency; and a failure to focus on the attraction of local, financial, human, and other resources. One of the most important consequences of these two lapses is a failure to capitalize on the domino effect of demonstration projects, one of the basic concepts of building a civil society through support for grassroots NGOs.

Relationships among NGOs at the local level are strained as a result of mistrust and competition for limited financial resources from foreign donors. In many oblasts and cities, there is a complete lack of information sharing and knowledge collaboration among NGOs, and the public is still largely unaware and skeptical of the NGO sector. While NGOs and local government officials generally mistrust one another, there are examples of positive and even collaborative relationships between NGOs and administrators or deputies. Locally initiated mutual support networks are the best basis for developing local infrastructure.

The assessment team recommends that future USAID/Kyiv civil society projects:

- create and enforce professional standards at all levels;
- require information sharing among NGO recipients of support;
- support horizontal networks of NGOs and vertical relationships between NGO networks and think tanks;
- encourage development of independent media that is knowledgeable about and responsive to civil society organizations and activities;
- make more, smaller grants;
- exhibit a more complex approach to sustainability;

- support NGO-government partnership as a goal in itself rather than as a financial sustainability tool; and
- make a distinction between long-term development goals and short-term policy objectives/windows of opportunity.

Moldovan NGOs vary tremendously in terms of their capacity. There is a highly pronounced gap between NGOs in Chisinau and those in oblast capital cities. An even larger gap exists between NGOs in the urban regional centers and regional villages. There is a pronounced lack of donors funding civil society in Moldova.

In comparison to other countries in the NIS, Moldovan NGOs enjoy relatively little regulation of their activities. For example, even though NGOs are not exempt from taxation, their status is not threatened by profit-making activities. NGOs throughout the country lack the resources typical of a sophisticated infrastructure that can facilitate cooperation and communications, share information, and provide advanced training. Moldovan NGOs lack a professional association or standard-setting, self-regulating body that can create ethical standards and promote professional development. NGOs and civic organizations in rural areas are highly isolated and lack access to information. Relationships between local government officials and the public are hindered by a lack of knowledge and skills on public-private partnerships, although NGOs and other civic groups operating in rural villages are able to find limited support from local mayors and councils. An environment of mistrust and a lack of transparency are pervasive in Moldova.

The idea of collective community action based on individual initiative has become discredited in the post-privatization period. At the same time, the tradition of village community remains, and villagers still look to a few respected individuals for advice and leadership.

The Transdnister region has a handful of strong NGO leaders and active NGOs, but the NGO sector in the region is localized in Tiraspol and is subject to an extremely unsupportive environment.

Thus far, USAID has not played a central role in the development of civil society in Moldova. Other donors have filled some of the gaps typically covered by USAID implementers in the region, but the field is still quite open. There is an enormous amount to be done, and foreign donors and organizations in the region universally state that there is room for USAID and that a more active role on the part of USAID would be extremely useful and appreciated. The continued exodus of Moldavians through both legal and illegal emigration and the reversion back to a Communist-dominated government in the 2001 Parliamentary elections demonstrate the extent of frustration in Moldova with the failure of reforms to meet citizen needs and expectations.

The assessment team urges USAID to become more engaged in civil society development in Moldova by investing in programs that:

- encourage establishment of NGO communities;
- develop transparency, ethics, and good governance in the NGO sector;
- support changes in NGO legislation;
- work with informal organizations;
- build on agricultural privatization and post-privatization activities;

- provide funding to an NGO-initiated resource center in Tiraspol; and
- assist in efforts toward conflict resolution between Transdnier and greater Moldova through NGO interdependence.

Background

Purpose of the Assessment

This assessment of the Third Sector in Ukraine and Moldova reviews the results achieved and general impact of USAID and other international donor civil society assistance programs in promoting the existence and activities of NGOs. This analysis is intended to produce findings and recommendations that will provide USAID/Kyiv and USAID/Chisinau with guidance in designing democracy-promoting programs to support the continued development of civil society organizations in Ukraine and Moldova. It will assist USAID in the development of a strategy that best fits the opportunities and constraints in Ukraine and Moldova, coordinates well with other international donor assistance, offers reasonable potential for measurable results under the USAID assistance strategy, and makes sense given current USAID resources.

This report assesses the socioeconomic, legal, and political environment for civil society organizations in Ukraine and Moldova; reviews the approaches of the major international donors supporting the development of civil society in both countries; and presents an analysis of:

- the capacity, attitudes, and effectiveness of indigenous NGOs;
- the capacity of indigenous NGO sectoral infrastructure;
- the key constraints that impede the advancement of NGO capacity and effectiveness, including an analysis of the legal, financial, and political environment in which NGOs operate; and
- USAID's comparative advantage.

Finally, the report recommends potentially productive strategies and priorities for USAID assistance that can support the further development of civil society and the NGO sector in Ukraine and Moldova in the coming years.

Since 1993, USAID has supported civil society in Ukraine through the development of civic groups, associations, traditional NGOs, and non-partisan think tanks to encourage citizens to become more active in political and economic decision making, both individually and in association with others. USAID's programs emphasize building civic activism to press for democracy from below and empower people and grassroots organizations to foster change. USAID programs encourage the growth of effective, private community service organizations in Ukraine through broad-based training and technical assistance, and seed grants. USAID programs also help boost the role and impact of pro-reform NGOs and think tanks in engaging policy makers.

NGO support has also been provided as an element of a great many programs funded by USAID/Kyiv – not only through explicit democracy activities. Support for NGOs has been part of activities that promote economic restructuring, private sector development, microfinance, social protection, a better environment, more effective local government, rule of law, and improved health services. However, better synergies between these programs and civil society activities could significantly increase the impact on the Third Sector and civil society development. Likewise, exposure to training and technical assistance provided by civil society implementers

would greatly benefit NGO participants in other programs and create a USAID-wide standard of capability and professional ethics among partner NGOs.

USAID support for civil society in Moldova has been much more limited. In 1995, a USAID-funded project together with the Soros Foundation and with the financial support of EU-TACIS set up the “CONTACT National Assistance and Information Centre for NGOs in Moldova,” which provides assistance and expertise to domestic NGOs. During 1999, a USAID-funded activity worked with approximately 10 NGOs observing elections, conducting civic and voter education programs, training youth wings of political parties, as well as in public administration and mass media. USAID supported establishment of the NGO Training and Consulting Center as a vehicle to conduct seminars on public administration and to sponsor an NGO Working Group through which NGOs would acquire the skills necessary to advocate their interests with government institutions.

Methodology

The assessment team visited Ukraine and Moldova from April 16 through May 22, 2001. Prior to arrival in Kyiv, the team reviewed a wide range of background documents provided by USAID/Kyiv, USAID/Washington, and others. The team conducted a variety of interviews and discussions including USAID staff in the Bureau for Europe and Eurasia (E&E) and the Global Bureau Center for Democracy and Governance (G/DG) in Washington, as well as with appropriate Washington-based personnel of Counterpart International, the International Center for Not for Profit Law (ICNL), the International Foundation for Election Systems (IFES), the Eurasia Foundation, the US-Ukraine Foundation, the National Democratic Institute (NDI), Winrock International, and Freedom House.

Upon arrival in Ukraine, the members of the assessment team met with USAID/Kyiv personnel and the United States Ambassador to Ukraine, United States Embassy staff, the majority of international donors conducting NGO support and development programs in Ukraine, and USAID civil society program implementers. The team held discussions with NGO leaders at a series of roundtables; conducted individual meetings with NGOs, observers, and local administrators; and carried out site visits. Team members traveled separately in Kyiv and 18 other cities throughout Ukraine to access the widest possible cross-section of NGOs in a maximum number of regions.

Given time limitations, the assessment team defined NGOs in the broadest sense but focused on the range of NGOs supported through current USAID NGO programming. A NGO is defined as a nonprofit association of citizens that operates independently of government or business structures and has noncommercial objectives. It is organized on a local, regional, national, or international level; and performs a service, humanitarian function, brings citizen concerns to government, advocates, monitors policy or encourages political participation.”¹ For the purpose of this report, the term “NGO(s)” does not include political parties, labor unions, religious institutions, or the media. The report discusses the differences between NGOs and CSOs from a theoretical perspective in order to assist USAID in considering its future strategy; however, the report’s primary findings and recommendations are made within the parameters of current USAID funding to NGOs. In short, this report does not apply new principles and theories to past or current programs but rather offers ideas about how USAID might tighten the theoretical basis of its strategy.

While in Ukraine and upon return to the United States, the team reviewed materials provided by NGOs, implementers, USAID and other donors, as well as materials identified by the evaluators, with a particular focus on definitions of democracy, civil society, NGOs, and CSOs.

The members of the assessment team also visited Moldova between May 4 and May 14, 2001, continuing the methodology established in Ukraine. Once again, the team sought to meet with the widest possible range of NGOs, in the broadest sample of regions. While in Moldova, the team met with USAID/Chisinau personnel, the United States Ambassador to Moldova, the majority of international donors active in the development of civil society capacity in Moldova, and participated in a number of NGO roundtables. The team also met with individual NGOs and conducted numerous site visits. Two members of the team attended the Contact Center Regional NGO Forum in Comrat, Gagauzia. One team member visited Transdnistria and met with a group of NGOs on site at one organization.

The team used a focus group technique in NGO roundtables, including a discussion exercise designed to encourage participating local NGOs to sketch out a hypothetical NGO support program in their region based on a limited amount of funding.² This exercise helped evaluators identify common sectoral priorities. In some regions, roundtable discussions and individual NGO meetings were supplemented with a written questionnaire designed to obtain the following information:

- basic organizational data on each NGO, including information on clients served, staff and volunteer participation, gender distribution and budget;
- current and planned activities; and
- assessment of NGO activity and its impact on growth of civil society.

The assessment team consisted of:

- Melanie Peyser, Team Leader (ARD consultant)
- Theodora Turula (ARD consultant)
- Mark Levinson (USAID/EE/DG/CSM)

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I. UKRAINE

A. Introduction

Foreign donor and USAID support have been successful in creating a select cadre of NGOs³ with very basic skills for success. Today, a core group of NGOs, spread across the country, is able to operate a variety of ongoing programs, account for its work to donors, organize advocacy campaigns, provide services and obtain a basic understanding of the legal context in which they work. USAID support has created both local impact on communities and some modest national successes, such as the work of the largest NGO in Ukraine, the Committee of Voters of Ukraine, which was instrumental in ensuring a fair balloting process in the last presidential election. USAID support in particular, and follow-on funding by other donors, has also resulted in the beginnings of an infrastructure that, with appropriate medium-term assistance, will facilitate NGO development well into the future.

USAID assistance to the NGO sector in Ukraine has been developmentally and temporally appropriate. It has provided a foundation upon which the NGO sector can continue to grow. As a result of its well-designed civil society program, as well as successes attributable to the Counterpart Alliance, the Eurasia Foundation, ISAR, NDI, IRI, Freedom House, Winrock International, and the ARD/Checchi Rule of Law Consortium, USAID is universally viewed as the primary player in civil society development throughout the Third Sector. Donors and NGOs alike commend USAID for its vision in supporting NGO development from the beginning of its engagement in Ukraine and for the effectiveness of its programs.

That said, the aforementioned foundation is somewhat porous, and both forward-looking and remedial measures are clearly necessary. The most obvious weakness of support from all donors involved in the NGO development process has been a lack of attention to high professional standards of good governance, ethics, and transparency, and a failure to focus on the attraction of local financial, human, and other resources to the sector. One of the most important consequences of these two lapses is a failure to capitalize demonstration projects' potential domino effect – one of the basic premises of building a civil society through support for grassroots NGOs. Another result is that many NGOs have effectively transferred their unrealistic expectations for government support to a dependence on foreign funding. However, the game is not yet lost. Many donors, including USAID, are now in the process of building their strategic plans for the next three to five years. These new plans offer an excellent opportunity for USAID to build on early successes, design greater nuance into its programs, and ensure the long-term sustainability of the NGO sector as a key player in the growth of a civil society in Ukraine.

B. Findings

Overall, the NGO sector is currently characterized by a healthy range of NGOs, in terms of subject matter, function, and approaches to specific issues.

Various donors have supported development of NGO subsectors, and NGOs consequently serve and represent a broad range of clients and members. Social service NGOs are widespread, and they serve pensioners, the disadvantaged, battered women, the homeless, the disabled, orphans, prisoners, addicts, and others. There is representation by groups that address legal rights and human rights, students and youth, the unemployed, women, environment and ecological catastrophes, various professions and trades, public policy, consumers and credit, entrepreneurs, voters, and many other groups.⁴ NGOs utilize different mechanisms to serve and represent

citizens, including advocacy and lobbying, social service provision, citizen advice bureaus, legal representation, legislative drafting, public awareness campaigns, children and youth programs/events, distribution of humanitarian aid, training and technical assistance to members, election monitoring, and demonstrations. Some groups take radical approaches, others survive in more moderate opposition circles. Yet others collaborate with local and/or national government to achieve their goals.

Local administrators and NGOs themselves are not fully aware of the need for varied approaches to solving problems in their communities and country. Administrators and moderate NGOs openly criticize groups that have taken an oppositional or censoring approach to government.⁵ Radical NGOs are skeptical of groups that willingly work with government agencies or inform and educate deputies. Moderates consider radicals to be whiners who infuriate government representatives, and oppositional groups view moderates as “collaborators” or traitors to democratic principles. Most administrators prefer to work with organizations that they can control.

There is an unhealthy tendency on the part of local administrators to start up their own NGOs in order to cover the costs of programs normally funded by government, improve their reputations, or supplement their salaries. In some cases, administrators create their own organizations in order to push “undesirable,” independent-minded groups out of the local market for both funding and public support.

There is significant variation in organizational and infrastructure development among individual NGOs and regional NGO sectors.

While there are many generalizations that can be made about NGO sector attitudes, strengths and weaknesses, there is a great deal of variation in terms of specific skills, relationships with government and business, and local intra-sector networking. The capacity of individual NGOs and of NGO subsectors (geographic and thematic) capacity varies dramatically.

Organizational Development. Organizational structure and governance have been influenced by a combination of individual experience, local practice, exposure to technical assistance, and donor priorities. Consequently, while most organizations that have been exposed to training and technical assistance have similar basic skills, there is a substantial variance in the development of advanced skills and capacities. Many organizations have received training appropriate for startups, but have difficulty applying knowledge in practical situations once they begin rolling out activities. As a rule, NGO staff are well versed in basic skills, such as management and bookkeeping, but lack necessary training in fundraising, advertising, public relations, attracting volunteers, and advocacy. Bad habits and misconceptions have also emerged over time.

The majority of NGOs are small, local, and often isolated organizations. In general, they are reluctant to share information or cooperate with other community groups that they view as competitors for limited donor funds and attention. Organizations that are part of a donor-funded network are more likely to communicate with others than those that operate without financing or ongoing support. But, even these groups rarely move out of the closed circle of donor-driven networks.

Few NGOs without international donor funding have full-time professional staff. Few have boards of directors that provide oversight or direction to the organization. Highly centralized and personalized leadership structures are common.

Most organizations, particularly those involved in policy development or advocacy, are heavily dependent on foreign funding. Some social sector NGOs have been able to match foreign donor grants with local corporate and government funds, and a more limited number have launched social enterprises to fund a portion of their budgets.

Sector Development. Comparison of oblast-level NGO sectors suggests that training and technical assistance has varied both quantitatively and qualitatively. Each oblast is unique. Individual oblasts seem to suffer from gaps in skills throughout the sector and likewise demonstrate different sets of strengths and weaknesses. For example, in Luhansk, organizations demonstrated the ability to attract large numbers of volunteers but exhibited very weak information sharing at the city and oblast level. In Sevastopol, a core group of approximately 35 to 50 NGOs networked effectively but still had grave misconceptions about recruitment and use of volunteers.

Infrastructure Development. The availability of Internet connectivity, local government funding mechanisms, training, technical assistance, information resources, affordable office space, meeting facilities, knowledgeable and supportive federal tax authorities, and exemptions from local taxes, also differs substantially from city to city. Donor funding, support, and training provided to both NGOs and local government often play a significant role in the development of such infrastructure.

The public is still largely unaware and generally disinterested in the NGO sector, and the public and government continues to understand the NGO role in society merely as a replacement for government in delivering services.

The average Ukrainian citizen is unfamiliar with most terms used to describe NGOs (charities, associations, NGO, NPO, etc.),⁶ and NGOs generally suffer from a poor public image.⁷ At a recent gathering of directors of rural schools, 55 directors met with trainers and requested, as a group, training on the definition and role of NGOs in society.⁸

Independent surveys of the public suggest that citizens are aware of organizations that assist veterans, provide assistance to the Chernobyl disaster and give direct support to the poor and disadvantaged.⁹ While citizens generally view democracy in terms of human rights, and many categories of NGOs actually enjoy a high level of trust compared to other institutions in society, “Ukrainians do not demonstrate strong support for non-governmental organizations. On one hand, the perception that NGOs are necessary for democracy has increased over time. But almost nobody belongs to an NGO, or volunteers time to one, or indicated that they are likely to join one in the future. Very few people have even approached an NGO for help in resolving a problem.”¹⁰

Many local officials believe that the primary role of NGOs is to replace government services and roles. At a recent roundtable of representatives of local administrators in Vinnitsa, participants noted that the NGO’s job was to handle issues that the administration isn’t dealing with or cannot effectively address.¹¹ While some NGOs have built positive relationships with the press, there is still very little quality information about NGO programs published or aired. Recently, press reports have been positive (72 percent of reports are positive about NGO activities), but information is generally focused on special events rather than on the ongoing work of NGOs.¹²

Communications infrastructure is extremely underdeveloped and presents a serious obstacle to intra-sector, cross sector, and regional networking.

A number of donors have emphasized creation of homepages for NGOs; Web sites, listserves, and message boards for information exchange; and even portals for the entire Ukrainian NGO sector. For example, the World Bank is currently working on a portal that is meant to serve the needs of the NGO sector. These information sites and networks are beneficial for individuals and organizations with relatively easy and inexpensive access to Internet or donor funding. However, for the majority of individuals and non-funded NGOs, Internet access is not affordable, even in large cities. The lack of sufficient and reliable telephone access or Internet providers in villages and remote regions compound the problem. A cursory review of NGO Web sites show extremely low “hit” rates with many sites receiving fewer than 10 visitors per month. Further, sites often present inappropriate and commercially motivated material. One such site, which is linked to a USAID implementer’s site, offers erotica. Internet provider competition is growing, but the pace of growth in the telecommunications sector in Ukraine lags behind sectors in neighboring countries such as Poland or Russia.

An unfavorable and often confusing legal infrastructure hinders development of a sustainable NGO sector.

Legislative Framework. While the basic two-tiered framework of registration and tax exemption for NGOs is similar to U.S. requirements, Ukrainian NGOs face legal regimes that do little to contribute to organizations’ financial sustainability. At issue is the existence of two competing registration laws and various taxation schemes that make it impossible for NGOs to build endowments or even short-term cash reserves.

Similarly, the pension laws make it difficult for organizations to make use of volunteer services as groups are obligated to pay into the pension fund at the rate that would be paid if the volunteer were to receive compensation for his or her work. Most NGOs simply are not able to afford this, and volunteers become an unmanageable cost rather than a resource. This situation is quite ironic given that small businesses pay their staff “in envelopes” (in cash) in order to avoid payments into the pension and other benefit funds. “NGOs are some of the only legal entities that are paying pension fund taxes. Our payments are covering current pension pay outs that might not be covered if there weren’t groups like ours.”¹³

Foreign donors have not always played a positive role in the creation of laws relating to nonprofits. While recent attempts by the International Renaissance Foundation to raise transparency standards through the Law on Charities may have been admirable, the passing of this law actually created two registration schemes that each serve as the basis for different taxation rules. Organizations registered under one law may not receive benefits when new tax rules are applied only to organizations registered under the other. Further, it is still unclear whether organizations can re-register and/or maintain registration under both laws, and still maintain tax-exempt certification.

The World Bank has recently commissioned a comparative study of Ukrainian and other countries’ nonprofit laws from ICNL and the Civil Society Institute (CSI). This analysis will apparently be more in-depth and detailed than other reviews conducted by ICNL and the CSI; however, the World Bank was unaware of work already being conducted by ICNL and CSI with support from USAID through Counterpart. The International Renaissance Foundation continues its work on legislative drafting. As in Moldova, there is the danger that multiple draft laws will cause a stalemate and further delays in reform of current schemes.

Implementation of the Law. Most NGOs agree that the problem is more often implementation of the law rather than the legislation itself. NGOs face incompetence, corruption and arbitrary enforcement of laws. For example, tax laws are often interpreted differently among inspectors in the same office. On a national level, there is virtually no uniformity in implementation and enforcement of tax regulations. Further, even when the law changes or new instructions are issued, local tax authorities rarely get access to new information in a timely fashion. However, most NGOs believe that their tax inspector would attend training on laws affecting NGOs, if such training were made available.¹⁴

Civic and political organizations such as CVU also face government harassment perpetrated by national and local government through agencies such as the Tax Inspectorate, Fire Inspectorate, and others. It is still common for inspections and sanctions to be used to hinder the operation of NGOs. Even nonpartisan NGOs are targets if they seek to bring public scrutiny to government actions.

NGOs continue to face major external and internal obstacles to financial sustainability.

Taxation. Organizations can receive membership dues, donations, grant funds, and government funding without incurring a tax burden. In addition, they can receive income from royalties and bank interest. However, the law makes it almost impossible for organizations to amass funds for the long term. There is little incentive for organizations to build endowments or to raise funds for long-term use. While organizations can receive charitable gifts, they must use those gifts by the end of the tax year. Any funds that are carried over by an organization into the next year come under scrutiny. If the amount that is carried over exceeds the organization's average quarterly deposits for the prior year, the difference between these two amounts is taxable. And once an organization shows any taxable money in the bank, the tax inspectorate takes an interest and is much more likely to do an audit. The need for perfect alignment between income and expenditure in any given year makes fundraising more of a burden than it might seem worth. It also distracts organizations from long-term programmatic planning because organizations think on a year-to-year basis, get overly focused on the tax year, and sometimes design programs that are not sustainable in favor of programs that can be funded and completed by the end of the year.

The 1997 amendment to the 1994 Law on Taxation of Profitable Organizations allows NGOs to generate tax-exempt income, as long as the activity lies within its charitable purpose as outlined in its charter, and all profits are plowed back into pursuit of the organization's charitable purposes. However, tax-exempt activities cannot be related to the sale of goods or services, which are really the only methods by which a nonprofit could generate income.

Recently, deputies' personal agendas drove the passing of new taxation schemes that either provide special benefits to pet interests or remove deductibility of donations to all but a handful of service providing NGOs. There is reason to believe that the latter provisions was pushed through in order to limit the fundraising capabilities of election monitoring and other civic-oriented NGOs.

Social contracting. There is a growing awareness of the concept of social contracting in local and regional governments. In several cities, such as Odesa and Kyiv, these programs have been implemented to a limited extent. However, local government administrators and mid-level officials need substantial training in the concept, principles, and practices of transparent and competitive procurement, monitoring and evaluation, as well as on the role, function, and contribution of NGOs in society. NGOs have little experience in implementing government-funded programs. Many are accustomed to the rather forgiving supervision of foreign donors and

are not aware that they themselves will need to adjust their implementation, reporting, and self-evaluation mechanisms to meet the bureaucratic demands of government accountability. For example, a roundtable participant from an NGO in Sevastopol noted that the administration did not understand the problems that NGOs faced in implementing programs and that it expected 100 percent of the goals and results stated in the proposal to be fulfilled.

Fundraising Skills. Fundraising (as opposed to grant writing) skills among organizations are weak. Whether or not training is being provided to NGOs on how to raise funds locally, NGOs are not absorbing the basics of any fundraising campaign: marketing, transparency, respect for donors, professionalism, and the difference between assertiveness and arrogance.

NGOs suffer, at times, from an ingrained sense of entitlement. NGOs continue to search for a financial resource that can replace government rather than for equal relationships that are based on mutual interest and equality. NGOs repeatedly report situations in which an NGO fundraiser had presented an NGO's program to administrators, deputies, or business executives, requested funding for specific items such as space or materials and been turned down. The NGOs' attitude is often that the administrator or businessperson "just doesn't get it" or that the government doesn't understand its obligation to fund "good" projects. In short, NGOs still do not recognize their own responsibility to find common interests and to be flexible in their approach to potential funders. They continue to see the role of the donor as paternalistic (taking care of the needs of the NGO or facilitating the NGO's work) -- rather than cooperative (partnering with the NGO on an equal basis).

NGO Sector training and technical assistance resources are generally of high quality, but extremely limited in breadth and depth.

Basic training, technical assistance, and support services are available in Ukraine from training organizations such as the Counterpart Creative Center (CCC). A network of approximately 16 NGO resource centers is linked through the League of Regional Resource Centers. A range of international donors support these resource centers, including the Counterpart Alliance Program, the International Renaissance Foundation, the British Council, the Mott Foundation, the Eurasia Foundation, and Winrock International.

Indigenous advanced training resources are scarce for groups that are beyond the startup phase or that work in specialized areas. Tailored courses in financial management, organizational development, strategic planning, fundraising, coalition and networking building, volunteer management, and public relations need to be developed. Few NGOs seek to cooperate with other civil society organizations, either on a sectoral or regional basis. Effective networks and coalitions are rare as a result of strong jealousies, mistrust, a lack of transparency, a widespread corruption, and competition for international donor funds.

The League of Resource Centers and Counterpart Creative Center offer networks of trainers who specialize in specific skill areas. However, both training groups primarily offer generalized training, and their trainers do not have adequate practical experience in specific fields to handle the growing demand from NGO leaders and staff for challenging courses. Counterpart Creative Center trainers have been or are currently on staff or directors of NGOs and have professional expertise in a substantive area. However, there are few, if any, training resources developed for specific subsectors of NGOs.

NGO activists in the regions exchange information within specific sectors, and opportunities exist for on-site training of specific skill sets, in particular between NGOs within a given subsector.

CCC often arranges such “internships” as follow-up to regional training sessions. There is no formalized system for transfer of knowledge, allowing for practical application and learning.

Relationships among NGOs at the local (city and oblast) level are strained as a result of mistrust and competition for limited financial resources from foreign donors. In many oblasts and cities, there is a complete lack of information sharing and knowledge collaboration among NGOs.

There is little communication among NGOs on the local level. NGOs attending assessment roundtables repeatedly stressed the importance of organizations coming together and the fact that, but for the assessment, they would not have met one another or had the opportunity to talk as a group. In several instances, NGOs with quite similar programs had no knowledge of one another. Further, at several roundtables, participants noted that they were not in contact and did not collaborate with organizations that were not present at the roundtable. In other words, the roundtable organizers invited only organizations with which it worked. At a roundtable of youth NGOs in Kharkiv, not a single participant had any experience in cooperating with other NGOs beyond those represented at the roundtable. At an April 26, 2001 roundtable in Luhansk, one of the participants started his introduction by saying that there were several good organizations in the city that had not been invited to the roundtable and that this was typical of the NGO sector. People with access to foreign donors only invite their friends to such events. Another, participant, who had participated in a USAID-funded activity said that his organization was not interested in collaborating with new groups because they always “want something” from stronger organizations. When asked what new groups want from more experienced groups, he replied, “equipment, contacts and information.” In Zhitomyr, two USAID-funded women’s organizations, both highly professional and active in the community, were unaware of one another. In Sevastopol, organizations suggested that USAID focus on bringing organizations together for informal networking as groups would never meet one another if it were not for foreign funders’ organization of roundtables.

Some strong organizations do seek out relationships with other NGOs and recognize the value of building extended networks. Most organizations, however, focus on contact with similar organizations in other parts of Ukraine and the FSU, and on international partners rather than on building relationships with groups in their own city or oblast. Perhaps as a legacy of the Soviet period, NGOs tend to think that any gathering must be formalized. Many interviewees noted that it would be unacceptable to invite others to meet without providing coffee, tea, and cookies, and that there would have to be an agenda for such a meeting. In Sevastopol, a roundtable participant noted that it was expensive to conduct regular roundtables because meetings require refreshments. A participant in Simferopol noted that there was not a purpose in meeting if organizations were not able to agree on an NGO agenda for the city. In Luhansk, organizations expressed fear of uniting with organizations or building topic-specific coalitions because of differing interests, or potential for the coalition to damage individual reputations or “use up” favors from contacts in government and business.

One way to reduce these concerns would be to lower expectations by encouraging organizations to meet informally, share information, present their programs, and invite guest speakers. Currently, organizations feel that they must accomplish something if they meet. Evaluators believe that coalition building and joint projects would develop naturally if organizations started with “brown bag lunches.”

NGO Resource Centers. Not all NGO resource centers are created equal. NGO resource centers have varying reputations ranging from quite positive to extremely negative. Even in communities

where NGO resource centers serve a large number of clients, customers usually come from select groups of “favorites,” and there is little contact or cross-fertilization of knowledge or skills between clients and other NGOs. Donors who support the League of Resource Centers are currently reviewing ways in which resource centers can be encouraged to build strategies around client selection, service offerings, including the possibility of serving specific niches of NGOs by function of interest, and information sharing. These potential changes offer hope for improvements and successes similar to those achieved by resource centers both in the United States and in developing democracies.

While NGOs and local government officials generally mistrust one another, there are examples of positive and even collaborative relationships between NGOs and administrators or deputies.

While relations between government and NGOs at the local level continue to be strained in most places, progress is visible. For instance, the U.S.-Ukraine Community Partnerships Project provides training to local governments on citizen participation, as well as internships for Ukrainian administrators to visit cities in the United States. Several cities have begun to build relationships with NGOs after visiting the United States and witnessing how NGOs can participate in resolving city problems.¹⁵ In Ivano-Frankivsk, the council of NGOs, represented by “Nash Stanislaviv” and the municipal government, established a positive relationship. The combined efforts of NGOs serving the handicapped and municipal agencies dealing with pavement reconstruction led to the installation of graduated pavements, easing crossing of streets by wheelchair-bound individuals, as well as anyone pushing a stroller or pulling a market cart.

NGOs note that personal relationships are key to development of positive relationships with local governments. Organizations repeatedly stated that government support for their programs can only be achieved through a friend, former colleague, schoolmate, or other close contact in government. Surprisingly, even organizations that did have close relationships with government noted that the only reason they received any help was because they had a preexisting relationship with a government department or individual. Without such connections, NGOs report that government “doesn’t help but also doesn’t block [our] work.”¹⁶ This is, in fact, marked improvement since the beginning of USAID’s involvement with NGOs in Ukraine. In the mid-nineties, NGOs were simply not recognized by local government.¹⁷

GONGOs (government-organized NGOs) and Quasi-NGOs. There is also a dangerous tendency of local administrators or deputies to start up their own NGOs or get employees to register NGOs in order to ensure that their departments are adequately funded or can demonstrate relationships with NGOs while still maintaining full control of programming, initiative, and funding. Similarly, local deputies are also starting up NGOs to show impact prior to elections and to obtain funds from local administrations and others while they are in office.

In several cases, evaluators heard from organizations that they were lucky to have good relations with local government, which even provided space. On closer inspection, in several instances, it became clear that the organization’s director actually reported directly to a local administrator in his or her primary position. The director had been asked by the administration to start up an NGO, and his or her time, most of which was spent on the organization’s projects was covered by the administration. Accordingly, the administration called the shots. In one particular case, the director of a supposedly independent NGO asked for permission from the administrator to take the following day off from the organization. In another city, a local administrator had identified a director to run a youth NGO out of the city administration building. The administrator made all of the NGO’s decisions, and the government employee himself had substantial difficulty differentiating between projects conducted by his department and the NGO programs. When

asked who the “we” to whom he referred as implementers of projects were, he responded with a question to the director asking whether the project was technically run by the administration or the NGO itself. He then explained that the NGO was set up to expand the city’s youth budget of 3,800 grivny.

Similarly, political actors, including elected officials and parties, either register their own organizations or have pet NGOs that support their political interests. For example, at a roundtable of youth and disabled children’s NGOs in SUMI on May 4, the invitees were all either youth NGOs tied to right of center parties (specifically in one instance, the Social Democrats United) and disabled children’s NGOs closely related to local government. Every representative of one disabled youth NGO was also an employee of the local government, in a related function.¹⁸

The members of a large NGO association are primarily either closely allied to political parties or are inactive. The president of the association is a member of the Rada. Ten members of the association are members of the District Council; five are members of the Kharkiv City Council. In a discussion of the association’s achievements, the Secretary of the association included their support for the reelection of their president to the Rada as a major achievement. She stated that the association printed and distributed brochures and did door-to-door canvassing in support of their candidate.¹⁹

Conversely, there are examples of government officials recognizing the limitations of their departments and working to start up NGOs that attract volunteers and pursue activities that are wholly independent and outside of local government responsibilities. For example, in Luhansk, a family planning association was formed in order to address the public need for information and education, which are not considered part of the department’s responsibilities and is therefore not funded by government. The head of the oblast family planning department is also the leader of the association, but the association itself boasts 235 volunteers. These volunteers work without any outside funding to run seminars, develop games for teenagers, stage discos and other special events, and work with a local television station to produce a series of television shows that promote family planning.²⁰

Foreign Donors as Funders of Government Budget Items. In some instances, the fact that foreign-funded NGOs have budgets substantially larger than their local government counterparts creates animosity from administrators. Resentment of local administrators is particularly prevalent when organizations are working against the grain of local government policies or administrators. However, organizations, which have been able to show how they use grant money effectively to address local needs, have gained the respect of local administrators and deputies. Sometimes, this respect translates into joint work and improved funding for the NGO. Sometimes, given inadequate budgets, local governments stop supporting social services that are being addressed by a successful, foreign-funded NGO.²¹ For this reason, it is important that future programming focus on 1) motivating local governments to work with NGOs through financial incentives (see Design Recommendations - *Flexible quick turnaround micro-grants to support partnerships between local administrations and NGOs*; and 2) providing social service organizations and youth organizations that are most likely to forge partnerships and promote positive relationships with government, with appropriate funding, small funding, primarily for equipment, in order to force the organizations themselves and government to generate local sources of financing for projects.

Limited NGO Professionalism in Relations with Government. It should be noted that “one of the most important barriers to positive relationships between local government administrators and NGOs is the lack of experience and professionalism among NGOs.”²² One of the major problems

facing NGOs is their limited ability to communicate effectively with local government officials.²³ Under SO 2.1, NGOs that focus specifically on local government reform or serving the professional needs of government officials are think tanks.

Think Tanks. As with other NGOs, progress of the think tanks in building influence with government actors has been significant. Eight years ago, think tanks had not yet developed professionalism and were primarily made up of a few “colorful personalities.” Now, even though the government’s attitude is generally skeptical, “there has been growing attention of government agencies to policy papers offered by respected think tanks.”²⁴ Think tanks are independent, but they also have connections and have learned how to follow through on their recommendations and research.²⁵ Prime Minister Victor Yushenko initiated a process of ongoing dialogue between think tanks and government structures, acknowledging the value of their research and ability to communicate public opinion and provide guidance for improved governance. Freedom House’s focus on building skills among think tanks is important since, as was seen earlier this year, government officials come and go, and think tanks must be able to build relationships with new players.

Associations and Other NGOs with Missions of Reforming Local Government or Assisting Local Government. It is important to distinguish between organizations such as the Association of Ukrainian Cities and other NGOs when discussing issues of NGO-government relations and USAID support to NGOs. The local government office provides support to the development of professional and membership associations, in which local government officials participate. These organizations maintain excellent relations with the local government officials, whom they are meant to serve.

Professional standards with respect to ethics, transparency, and good governance are extremely low throughout the sector, and USAID support to date has done little to address these issues.

In an article titled “Leadership of civic organizations as a problem tackled in a new university course,” about the NGO management curriculum of the Lviv University, Lubov Staretska, program docent, states that “ethics of leadership has become the topic of detailed study. Leaders often do not meet the moral standards that are required in order to gain respect and to be effective in their work. Those civic organizations whose activities involve charitable or social aid, should embody very high moral standards. Students agree with this unequivocally, although they admit that ethical dilemmas which the directors are required to resolve continually arise in the daily work of civic organizations.”²⁶ Evaluators observed the following.

Transparency. There is an overall lack of transparency and openness among organizations. Many organizations, especially those that have received grants from foreign donors, and have been forced to adopt international accounting and financial reporting standards, have good financial management skills and are working in accordance with the law. However, even these organizations are unwilling to be open about their operations and finances with the public. While the threat of potential harassment by tax authorities and criminal elements is real, organizations also refuse to be accountable to the public because of cultural legacies of the Soviet era. There is simply no culture of openness and accountability for use of public funds. NGOs continue to operate as private entities. Organizations repeatedly state that their financial reports and even the names of members of their founders committee are no one else’s business. There is little or no understanding on the part of NGOs that the benefits they receive as a result of their designation as a public organization are at the expense of taxpayers, and that this alone is adequate justification for transparency.

Conflicts of Interest. Even some of the best organizations demonstrate an ignorance of and a lack of concern about conflicts of interest in their operations. Employment of and service contracts with relatives, officers' companies and other persons, who would normally be excluded from any financial benefit in the U.S., are common. Similarly, local administrative officials are forming NGOs in order to generate funds that are lacking in local government coffers. While this practice raises a multitude of issues, from a conflict-of-interest standpoint, the problem is that directors of these organizations often claim government activities as their own in grant proposals to foreign donors. The "we" involved in projects represents an amalgam of government and NGO projects, and the team suspects that funds are similarly commingled. Few organizations have clear selection procedures for clients, and it is often unclear whether those receiving services are truly disadvantaged and members of the project's target population, or are simply friends of the project staff.

Social Service Ethics. There is little understanding of concepts such as respect for clients, free will of clients and confidentiality of client information. Assessment team members were freely provided with private information about clients and witnessed staff behavior toward clients that by any Western standard would be considered verbal abuse. One NGO in Luhansk has a program that literally rounds up homeless people with or without their agreement, takes them out of the city for the day, and provides them with free lunch and a change of clothes. The program only operates on official holidays or during city events, and it quickly became clear that the purpose was to help the city administration "clean up" the city the same way government did during the Soviet period.

Governance. All registered organizations are required to have a "board of founders," a permanent body that presumably governs the organization and to whom the executive director reports. Generally speaking, members of the board of founders were the initiators of the organization and, as such, also serve in senior management roles within the organization. Often, members of the management and/or employees of the organization are the only people serving on the board of founders. There is little understanding on the part of NGOs that there should be separate functions for a governing body and for day-to-day management of the organization.²⁷ Further, only a handful of the very strongest organizations have bylaws or personnel manuals.

The new Law on Charitable Organizations requires that organizations have a body akin to a Board of Directors in the United States. However, only organizations that have chosen to register under this new law (see Legal Framework) are legally bound by this requirement. Organizations registered under the Law on Associations may choose to create a Board of Directors through internal documents such as bylaws. The Board's powers may be designated in the bylaws. Organizations without clear internal procedures and without an independent governing body are less democratic, prone to conflicts of interest and ultimately less sustainable.

An example of the difference that good governance can make can be seen in the Volyn Resource Center. Created and developed with assistance and funding from a number of sources, the Volyn Resource Center has become a focus of NGO activity for the northwestern oblasts of Ukraine. This has been largely the result of its ability to create an atmosphere of trust within the community, the professionalism of its services, and its development of a corporate infrastructure that allows it to plan for future sustainability. Members of its Board of Directors include not only representatives of the NGO sector, but also prominent local entrepreneurs and government leaders. Statistics on the Center's sources of income and expenditures are published in its Annual Report. However, this example does not yet represent the ideal, as the same person holds positions of both Board Chairman and Director.

Interviews with NGOs suggest that once high standards are adopted, NGOs tend to stick with them. For example, one NGO representative noted that her organization continued to utilize the Eurasia Foundation financial reporting system even though it was much more strict and comprehensive than that of other donors. She said the level of detail and accuracy provided a level of comfort that her organization could meet the demands of any other donor and was getting accurate information by meeting this higher standard long after the grant was finished.

American implementers can have a noticeable impact on the extent to which their Ukrainian counterparts and clients achieve cultural change within their organizations and implement transparent practices. For example, Winrock International's process for choosing partner organizations and selecting employees for their Woman for Woman Centers was competitive and based on the application of standard criteria to each and every selection. Winrock itself operates its office in Ukraine on the basis of strict compliance with all laws and has taken several steps to bring its procedures in line with local regulations. By setting an example, Winrock is then able to demand that its centers and grantees also comply with Ukrainian laws and international ethical standards. Additionally, Winrock works to reinforce these principles on a regular basis through seminars, group meetings, and consultation. The result is that center staff members take pride in their clear and standard process for selecting their own clients, hiring staff, and managing operations.²⁸

The NGO sector has achieved a great deal of impact at the local level and has even, in some cases, achieved changes in national legislation, but growth of the NGO sector and grassroots civil society has induced little or no change in government attitudes toward civil society at the national level.

NGOs throughout the country are getting local administrators and deputies to take notice. For example, the review and publication of deputies' campaign promises and in-office track records by CVU is having a marked effect on performance. In Zhitomyr, CVU has launched a campaign to reduce local bureaucracy in favor of lighting on city streets. The initiative has already received initial support from 20 of 47 city council deputies. Women's organizations, such as the Woman for Woman Centers supported by Winrock International, are making a marked impact on the way that local police, judges, and prosecutors handle domestic violence and trafficking cases. An alternative orphanage, funded by Counterpart International, in Mariupol has convinced the local administration that orphans should be allowed to leave orphanage premises, have contact with their families, and become prepared to enter society as equals with their more fortunate peers. A legal defense organization in Dnipropetrovsk has won over 25 cases in local courts related to back wages for government and privately employed individuals. In Sevastopol, efforts to train youth in leadership skills have led to the creation of a youth council that provides advice to the local administration on use of funds earmarked for youth programs. In Odesa and Kyiv, administrations have run pilot rounds of social contracting. In short, at the local level, all branches of government are taking notice of citizen initiatives, and some are slowly adjusting their conduct.

The Freedom of Choice Coalition in conjunction with CVU's 14,000 volunteers was able to ensure that balloting (if not campaigning) was democratic across the country. However, since the elections, the Coalition has faltered partly because of reluctance of Kyiv NGOs to continue participation in a coalition that did not have a clear mission.

There are a growing number of umbrella organizations and topic-specific or common interest networks, including the Women's Consortium (development supported by Winrock International), Ednania Ecological Network (development supported by ISAR), the Eco-Pravo

Network, and the Ukrainian National Committee of Youth Organizations. These organizations are beginning to address issues at the national level and to achieve change on an incremental basis. However, while organizations are achieving change on a case-by-case basis, there is little evidence that core attitudes among legislators and officials are changing. At the national level, deputies and ministry officials continue to operate without information about or interest in citizen views. The results of a poll conducted by the Foundation for Democratic Initiatives showed that more Communist citizens supported Yushchenko's government (38 percent) than opposed it (36 percent), while Communist deputies overwhelmingly voted against him. Fifty-two percent of those polled believed that the Verkhovna Rada should vote to leave Yushchenko in power.²⁹

Think Tanks. Think tanks are one way to change these attitudes. Analytical centers, think tanks, and independent research organizations are acting to facilitate dialogue between government and civil society. There are a number of policy centers in Ukraine, which recently established a coordinating council in order to enhance their capacity to influence the way government interacts with the private sector. The International Center for Policy Studies in Kyiv conducts regular roundtables of policymakers, journalists, business associations, and NGOs to discuss policy issues and inform government officials. UMREP, together with the Foundation for Democratic Initiatives and IRF, sponsored a conference of "Ukrainian Think Tanks and Government" in summer 2000, with participation of 67 centers, as well as government officials and donor organizations, for a total of 120 attendees.

These centers are becoming stronger, but they tend to have elitist attitudes, and only a handful have developed networks in the regions or look beyond the capital to collaborate with NGOs, reach out to civil society, and/or gather information to inform their policy recommendations. Freedom House is working on the issue of cooperation between think tanks and NGOs, but more work is needed in this area.³⁰ Most existing think tanks focus on macro-economic reforms,³¹ and they therefore do not see a need for relationship building with local NGOs. Further, NGO networking skills are simply at the end of the development process for think tanks, as foreign donors try to help them gain influence as quickly as possible. As a result, think tanks "are good at getting information to government and even to the press, but they are not getting information out to other NGOs."³²

Some observers have lamented that there is little research being done by organizations at the regional level and that there are few think tanks outside of Kyiv. However, the concentration of policy institutes and think tanks in the capital city is typical in most countries, and USAID funds would be better spent to find ways for local organizations to feed information to existing institutions in Kyiv than to create a regional strata of policy institutes.

Social service NGOs can contribute directly to the development of civil society at the local level: 1) through their own natural development process; 2) by creating credibility for the sector with government, business, and the public; and 3) by serving as a balance to advocacy activities that are generally less palatable to local officials.

As is noted elsewhere in this report, social service NGOs often serve, especially at their inception, a closed circle of people and, thus far, most have had difficulty in attracting broad community support or participation. At some level, this may be a function of the kind of support they have received to date. Because Counterpart Alliance for Partnership focused on mitigating the effects of economic transition under the original strategic objective, the focus was on social service delivery rather than on outreach to volunteers and citizens. It is certainly possible that outreach could be improved among USAID subgrantees over time.

However, aside from fundraising, most social service NGOs fail to attract influential individuals or middle class (whether there is a middle class in Ukraine is a separate question) citizens.³³ Social service NGOs often attract only those citizens who need help for themselves or a family member. While they attract potential clients and friends of clients, they do not generate support from a broad socioeconomic spectrum of citizens. Nevertheless, while social service organizations may not contribute best to attracting citizen participation, they serve other important purposes in building civil society.

Social service organizations' activities often become more advocacy and reform driven over time. Groups of citizens are addressing and resolving issues in their communities. As a natural part of social service organizations' development process, they have identified areas that cannot be addressed simply through humanitarian aid or services and have moved on to become advocates of change through lobbying, press relations and other mechanisms. Specifically, organizations of handicapped individuals lobbied for better access and curb ramps and a student parliament in Chernivtsi carried out a successful campaign against raising transportation costs for students.

In Zhitomyr, a social service NGO that provides clothing and free meals to the poor noted that the city administration was originally suspicious and distrustful about the organization's work. Since the organization had gotten a boost through USAID funding and was able to deliver services efficiently, the local government had taken notice. The city administration now provides lists of potential clients and space for events.

Even in the case of Berdyansk, where local officials have built generally positive relationships, the situation is still tenuous, and administration officials were quick to criticize environmental NGOs that are critical of administration decision-makers. Without the participation of social service NGOs in the mix, a backlash against the sector as a whole would be likely to occur.

Women are well represented in NGOs and in USAID civil society programs.

Women are active in the NGO sector and are well represented in staff and leadership positions, particularly in social service NGOs. Women have equal access to services offered by both USAID implementers and by Ukrainian NGOs. USAID implementers are well aware of the need to support women through the NGO sector. Women's leadership is being supported through several projects, the most obvious of which is Winrock International. Winrock's Woman for Woman Centers and Women's Economic Empowerment program are putting women into leadership positions to address issues facing women.

Anecdotal evidence from roundtables suggests that women are less well represented in political and advocacy NGOs (except those that advocate for women, children, and the disadvantaged). Even where women are active in political and advocacy groups, they are still trying to find the right role for themselves and are struggling with the need to achieve their own identity without marginalizing themselves. USAID implementers seem to be aware of this dilemma as well.

For example, the National Democratic Institute (NDI) supported the efforts of women in CVU to find the best way to support their own interests in the organization. Currently, women are starting branches of Women's CVU (WCVU), which model the relationship that Youth CVUs have with CVU. There is clearly a need for a venue in which women can be central in the decision-making process. Even though women are represented on the executive committee, they tend to be much less vocal than their male counterparts. Of course, there is the danger that the advent of WCVU will simply serve to move women out of power in CVU rather than providing them with the skills to represent effectively their interests within CVU. However, NDI is providing advice and

guidance to ensure that women continue to be represented in CVU and that the development process is both natural and supportive of a greater, rather than diminished, voice for women in CVU and Ukrainian politics.

Additionally, there are exceptions. For example, at the Amnesty International annual national meeting in Sevastopol, the balance between men and women was almost equal, and women are well represented on the executive committee and in other leadership positions. Most importantly, unlike in some other typically “male” organizations, the women of Amnesty International are extremely vocal and able to advocate their views.

It would be worthwhile for USAID to do a close review of gender issues within political, professional, and advocacy organizations and think tanks. The goal would be to consider whether the best route is to encourage the growth of separate organizations for women or to focus on culturally sensitive leadership training to help women better represent themselves in existing organizations. Evaluators’ initial view is that women’s organizations will form naturally, but increased roles for women in currently male-led organizations would be more difficult to achieve. However, in order to ensure equal access to political decision-making, women must remain engaged and increase their power in existing institutions.

USAID has begun to better define the scope of its civil society activities, but further evaluation, clarification and depth in its vision for building democracy, civil society, and NGO sector concepts could add substantial value.

The following sections address USAID’s need to define more clearly its vision of support for democracy through civil society.³⁴ Battles are currently being waged among theorists, donors, and implementers, as well as within donor organizations over the definition of civil society. Further there is ongoing adjustment among donors of the parameters addressing the types of organizations that qualify as part of civil society and the minority of groups that also deserve support. Many donors have chosen simply to ignore the complexities of the civil society development debate and therefore focus on NGO capacity building, and poverty. In contrast, over the past year, staff members of USAID offices in Kyiv and Washington (E&E Bureau and the Global Bureau) have been working hard to define the most appropriate role for USAID in developing civil society, the pros and cons of supporting NGOs versus CSOs, and the potential impact of a focus on advocacy groups versus social services in contributing to democracy. However, clear definition of terms and a long-term developmental strategy based on those definitions is still not fully in place.

Up until now, USAID’s various and widely distributed support to NGOs has effectively “jump-started” the NGO sector and created institutions that would be considered part of civil society under broad definitions. The task at hand now is to make decisions about how to ensure the greatest success in building sustainable civil society in Ukraine. This task will require a review of current assumptions about definitions and parameters of civil society and civil society actors. Some specific issues and suggestions follow below.

Currently, USAID’s strategy for civil society development is overly dependent upon the personal views of staff members, internal power structures, and short-term policy objectives. For example, substantial funds were shifted from social services to youth initiatives under the CAP program not because staff were looking for ways to ensure the development goals set forth in CAP’s cooperative agreement, but because there were staff members who decided that USAID’s role was not to feed the homeless or help parents of disabled children but rather to get interest groups into public dialogue. The sudden shift had serious adverse effects on Counterpart’s NGO clients

and achievement of the results envisioned under the program. Adjustments to programs should be made in order to improve implementation and results when there are changes in conditions in the country rather than because of new thinking about whether the program was theoretically the correct approach from the start. If USAID/Kyiv were able to set out a theoretical vision of civil society development that takes into account the many intricacies of defining CSOs, NGOs, and their roles in building civil society and democracy, this vision could be used to reiterate development goals, evaluate new program ideas, and build new strategies.

NGOs tend to envision “civil society” as an ideal society; equate civil society with democracy; and see their own role in developing democracy and civil society in their countries through the filter of donor priorities.

The majority of NGOs, with which USAID works, uses the terms democracy and civil society interchangeably to describe an ideal society. The following is a sampling of definitions offered in roundtable discussions and interviews: “Civil society is a society of people, in which the people understand their personal importance in the society; the government understands the importance of each person; people pay their taxes; and people understand their responsibilities.” “Civil society means that people understand that their rights and freedoms are limited by the rights and freedoms of others.” “Civil society is a society where any person is able to realize himself as he wishes, and a person understands his responsibilities.” “Citizens are builders rather than users of civil society.” “Civil society is when citizens provide a balance against government power.” “Civil society is equality between government and the people where there is responsibility of government before the people and people before the government.” “Civil society is when every person feels safe.” “Democracy is government by the people.” “Democracy is when every citizen knows his rights and can defend those rights.” “Democracy is a society that respects human rights.” “Democracy is when citizens respect the State, and the State respects citizens’ rights to participate and influence their surroundings.”³⁵

Roundtable participants and implementers were asked to define civil society, and the answers ranged widely from economic security and personal safety to the ability of citizens to influence government actions/expenditures, empowerment of the average person to resolve his/her own problems and problems of others at local, national, and regional levels. Interestingly, neither implementers nor NGO clients expressed civil society in terms of an entity within broader society. They generally defined civil society as a type of society or status of a society (e.g., a society in which citizens can exercise their rights and know their responsibilities or in which citizens can have influence over their own lives) rather than as a sector (e.g., intermediary between state and citizens or all of society that is not part of government); or even collection of groups. Very few organizations, aside from think tanks, national organizations such as CVU and Counterpart Creative Center, differentiated between democracy and civil society.

Organizations with access to foreign donor support tend to define civil society and democracy in accordance with donor opinions, and there is visible confusion (or at least adjustment of views/strategies in accordance with donor strategies) among NGO clients of USAID programs. Organizations that had had exposure to more than one USAID and/or embassy representative seemed to be the most confused. For example, an NGO in Donetsk noted that he had heard a speech by a USAID representative. Therefore, he was certain that democracy meant that there was a balance of power between citizens and the State and that the primary role of NGOs was to achieve this balance. Hence, his organization decided to shift away from attracting volunteers and donors to launching advocacy campaigns. At the same meeting, another NGO noted that USAID’s definition was more closely linked with citizen participation in NGO activities. Naturally, USAID activities focus on both these aspects, but it would be helpful for USAID to

make these concepts clear to NGOs. USAID/Kyiv's varied and publicly expressed opinions of individual staff members about the definition of civil society might be contrasted with USAID/Central Asia, which has framed and hung a copy of its vision for their Office of Democratic Transition programs in each employees' work space. While each part of the democracy office focuses on a different part of the democracy equation, all staff articulate USAID's role in democratic development in the same way.³⁶ This model might be appropriate for replication by USAID/Kyiv as it seeks to bring uniformity to its democracy activities.

The team does not purport to be the arbiter of the "right" definition of democracy, civil society, NGOs, or CSOs in the context of democratic development for Ukraine. However, it does suggest that USAID articulate consistent definitions and clear statements of departmental and sectoral priorities both for democratic transition strategic objectives and inclusion of NGOs in programs under other strategic objectives. By providing local organizations with a clear and logical framework, USAID will assist Ukrainian organizations in identifying their own role in the building of a democratic society through a vibrant civil society.

USAID's centerpiece NGO development program has created a cadre of strong social service NGOs, but has not achieved typical NGO development program goals of increasing citizen participation in existing projects or catalyzing new projects through demonstration and empowerment.

The type of support that has been provided to social service organizations has, in fact, contributed to citizen activism. However, the typical social service organization that received U.S. funding has a small circle of volunteers and clients. The circle tends to be relatively isolated and does not seem to grow over time. Most social service grantees have not broadened their activities to attract volunteers, partly because they have received capital equipment and ongoing project funding that has adequately met their immediate needs.

The focus of these groups has been on attracting foreign funding in order to expand services, often to the same small group of clients. Even where organizations have sought to expand their client base, they have not looked for local resources to do so, because they have not seen themselves as community organizations but rather as "Robin Hoods" who are serving the disadvantaged in the small corners of their cities and towns.

The extent to which there is a demonstration value of these projects is unclear. The concept that citizens will see someone else addressing a problem in the community and become empowered to do so themselves is based on the assumption that any demonstrated activity will be empowering. However, the clients of social service NGOs tend to be the most disadvantaged members of the population, and the average citizen does not relate to their problems or see a link between charity cases and solving their own problems. In addition, because groups often do not make efforts to publicize their work and to attract volunteers, clients, and supporters outside of their personal contacts, there have been few examples of citizens replicating projects within cities.

The above is not a criticism of the CAP program implementation, as the strategic objective of this program was to mitigate the negative effects of reforms rather than to create a domino effect in NGO development.

The matching grant process does not always contribute to relationships between local administrations and NGOs.

Many NGOs report that local administrations are open to collaboration, but that local government budgets are small and lack flexibility once the budget has been set for the year. NGOs report that an administration department generally needs a clear picture of planned expenditures and a guarantee that funds will be expended. This makes it extremely difficult for NGOs to use grant funds to leverage local government funding. First, NGOs can by no means guarantee that a given project will receive foreign donor funding, especially given that chances of receiving funding through a competitive grant process is on average approximately 11 to 1. Even if an administration does agree to fund a project on a contingent basis, if a grant isn't received, the NGO loses credibility. This is partially because local governments have little understanding of the grant process, but also because relationships between even the most collaborative of NGOs and administrations are still extremely tenuous.

Second, because grant funds are substantial and organizations are primarily looking to meet their own needs with grant funds, NGOs are less flexible than they ought to be in seeking joint projects with government. Rather than approaching the administration with an offer to collaborate and look for common interests, the typical NGO approaches government with one project with a "take it or leave it" attitude.

Typical grant programs do not offer the flexibility that NGOs need to attract local administration collaboration and funding. Grant application turn-around times average 4-6 months, and are not aligned with local government budgeting cycles. Donors are effectively placing NGOs in a Catch-22 situation as they try to get government funds in order to get grants and grants in order to get government funds without high probability of either effort succeeding.

Inadequate attention has been paid to local resource generation and volunteerism.

The economic situation in Ukraine is an obvious obstacle to achieving NGO sector sustainability in the near term. Research on giving patterns around the world suggests that there is a direct relationship between household financial confidence and giving of both money and time. In the United States, only 54 percent of households that "worry a lot about money" give to charity, while 71 percent of households that don't worry about money give. Likewise, those that worry, give approximately 40 percent less of their income to charity (1.7 percent of income versus 2.8 percent). However, concerns about money have a much weaker effect on volunteer rates in Western countries.

NGOs can raise funds on a local basis. In fact, NGOs that have never received foreign funding may be more likely to fundraise and attract resources in their communities. Organizations are emerging and are working even without knowledge of the availability of foreign funds or without access to grant money. When asked what would happen if foreign grant funds were to disappear completely, most NGOs replied that they would continue their work as they had survived and even grown without or before the receipt of foreign funding. Foreign funds have enabled projects, provided capital equipment, accelerated organizational development, as well as helped NGOs gain visibility and recognition in their communities. At the same time, the availability of funds has, in some cases, dampened the sense of urgency on the part of NGOs to be creative about generating local sources of support.

NGOs' acknowledge that matching requirements and challenges, such as those implemented by Counterpart, have forced NGOs to look for local support. These requirements have not limited

the number of proposals received, and results clearly indicate that NGOs can attract local resources when necessary.

While there are real impediments to local fundraising and resource generation, including tax legislation and enforcement, poverty and unemployment, there are also misconceptions and assumptions made about both fundraising and volunteerism on the part of both NGOs and implementers.

Volunteers. The majority of NGOs participating in assessment meetings seem convinced of several myths about volunteers: 1) volunteers are young; 2) volunteers need extensive training; 3) volunteers must make substantial time commitments ; 4) poor people do not volunteer; and 5) in order to attract volunteers, NGOs must offer at least food, if not some sort of per diem or stipend.

Foreign funding of NGOs has caused NGOs to shift their financing strategies away from local fundraising to international donor support.

Trainers and NGO resource center representatives throughout the country have noted that the most popular and oft-requested training courses are in grant writing. As trainers and resource centers are taught to meet client needs and demands, the availability of information, training, and technical assistance on grant writing is widely available and is fueling increasing demand for grant funding. While competition for grants from foreign donors is extremely high (on average, regardless of the size of the grant pool, donors receive 300 to 400 proposals per RFA), the number of grants actually issued is small, and thus the possibility of receiving a grant as a result of attending a grant writing course is fairly low.

Available funding from city or oblast administrations, business, and individuals simply cannot compare. The city of Kyiv recently did a pilot social contracting grant program. While no grant amount ceiling was set, administration official feedback to applicants suggested that they were looking to fund proposals in a range not to exceed \$1,000.³⁷ Once it becomes obvious to local NGO communities that budgets of their city and oblast administrative departments are often substantially lower than those of foreign donor-funded NGOs, there is an understandable shift in fundraising focus. While proposal writing is time-consuming, it often seems less difficult and substantially more lucrative than obtaining funds from local sources.

NGOs that have received multiple grants from foreign donors often begin to think that an organization, its members, or its volunteers must be paid for anything and everything that is accomplished by the organization, as well as for participation in most any activity.

Some organizations are moving forward with successful local fundraising strategies based on openness, transparency, and flexibility.

Despite a tax and regulatory environment that does not encourage charitable giving, a growing number of NGOs are proving that they are capable of raising both in-kind and direct support from local businesses. One charitable fund in Donetsk, Dobrota, has raised over \$325,000 in cash, goods, and services from local sources through a combination of complete financial transparency, an aggressive fundraising and marketing campaign, and a high degree of flexibility in accepting different forms of support. Organizations in Kherson, Zhitomyr, and Simferopol have achieved more modest but promising results in raising funds from government, business, and the general public. Successful fundraisers repeatedly stressed the need for financial accountability to donors

and flexibility in accepting cash, in-kind support, services, volunteers and moral support, as well as follow up after donations with thank you notes and explanations of use of funds.

Cross-border exchanges with organizations in the region are highly effective in generating new, innovative, and effective NGO projects in Ukraine.

NGOs in oblasts bordering other countries appreciate and take advantage of cross-border initiatives and opportunities to exchange experiences. The Carpathian Foundation office in Uzhorod is the Ukrainian implementer of this unique, cross-border regional foundation created in 1994 with funding from the East-West Institute and the C.S. Mott Foundation. Participating countries are Hungary, Poland, Romania, Slovakia, and Ukraine. Grants and technical assistance are provided for cross-border and inter-ethnic initiatives, such as rural revitalization, NGO capacity building and public-private partnerships.

As an example, the Center for Promotion of National Minorities in Uzhorod, Ukraine, conducted a series of roundtables on the role of NGOs in minority education, and enhanced partnerships between Hungarians and Ukrainians with study trips and summer schools for teachers and students. In Roztochia, Ukraine, the district council established a credit union and organized training workshops in SME development, nature protection, and cultural heritage promotion, which led to a strengthening of cultural identity and contribution to development of rural tourism in the region.

Similarly, resource centers' representatives that attended Resource Center conferences in Russia, Poland, and other Eastern European countries stressed the importance of meeting with their colleagues and gathering materials that had already been adopted to the region and, in some cases, were language-appropriate. In short, organizations were able to leap-frog in their development process by avoiding duplication of material development and learning tough lessons through trial and error.

NGO's public image is hampered by a lack of media attention and a lack of quality, competent coverage by journalists.

One of the major obstacles to expansion of citizen participation in NGO activities is public awareness. The multiplicity of regional and local newspapers, primarily with small distributions because of limited demand, makes it difficult for NGOs to achieve public relations impact through printed articles. Journalistic culture sometimes still dictates that NGOs pay for articles describing their activities or focus on negative aspects of public interest stories. Finally, print, radio, and television journalists often have no better understanding of the NGO sector than the public at large. The lack of sophistication of reports on NGOs is often more detrimental than helpful to the image of individual NGOs and the sector as a whole.

On the other hand, organizations that have a clear understanding of how to manage both advocacy and media campaigns are often able to generate substantial public interest and raise awareness. A successful NGO development project in terms of public awareness and identifiable successful participation of NGOs in local affairs through advocacy is the Rule of Law Consortium, which combined grants to advocacy organizations, quality training and media coverage of NGO advocacy campaigns. The program created broad public awareness and engagement on specific advocacy issues by using various forms of media to publicize cases addressed by NGOs. Several projects received national or regional attention. Similarly, the Agency for Social Information in Moscow has developed excellent relationships with independent radio, newspapers, and television throughout the country. The agency has a wire service that has achieved measurable

results in increasing the publication of articles about NGOs and on NGO issues in both national and regional press.

Similarly, Eurasia/Mott Foundation efforts to encourage quality journalistic writing on NGO topics through stipends and awards was successful in improving the overall level of reporting on the sector in a small number of regions, particularly in Western Ukraine. The Ukraine Market Reform Education Project, with its nationwide network of Press Clubs, is able to publicize stories of general interest, and has effectively disseminated information on NGO activities.

Local initiation of networking and mutual support networks is the best basis for developing local infrastructure.

NGO resource centers are most effective when the impetus for them has come from the local NGO sector itself. In Chernivtsi, Eurasia Foundation funded a resource center, which was effective in fulfilling its charge of providing assistance to developing NGOs. Concurrently, a number of NGOs acquired accommodations in one building, are now working together, and are sharing equipment and resources. Organizations include the local CVU affiliate, the Youth Parliament, and others. This “Narodny Dim” serves as an information center for the group, and will act as a training and resource center for NGO development in the region. Because local groups themselves founded the center, the Narodny Dim enjoys a better reputation for meeting the needs of more developed organizations. Furthermore, the collaborative culture of the center itself has helped foster a positive relationship with the local government. In Uzhorod, NGOs found a venue for information exchange and meetings at the Credit Union “Khosen.”

Donor incentives can be used effectively to encourage local fundraising.

The Corporate Challenge component of the CAP program encouraged NGOs to raise substantial matching funds from local business sources. Four NGOs have recently received recoverable grants to support social entrepreneurship through another CAP program. Assuming that recoverable grant projects are pursued transparently (and do not devolve into suspect activities because of the inherent need to run commercial activities through local businesses rather than through charitable organizations’ books), they will serve as excellent income-generation models.

Local administrators and deputies learn best from their peers and through exposure to positive experiences in other cities.

Because most local administrators suffer from an even greater lack of access to information than most NGOs, they are often unable to imagine how NGOs might be beneficial to the community. NGOs report that instances when local administrators have been included in national conferences and have heard other local officials talk about successes through collaboration with and openness to the NGO sector, they often return home with a fresh perspective. For example, several cities have begun to consider the option of social contracting after exposure to Odesa’s positive experience.

The Freedom of Choice Coalition was successful in providing basic coalition-building skills to NGOs, but the success of the coalition in attracting a large number of NGOs has been overestimated, and expectations for continuation of the coalition were unrealistic and detrimental.

Many NGO leaders who were active in the Freedom of Choice Coalition note that the Coalition was an excellent exercise that provided positive first-time exposure to national coalition building.

Organizations recognize the sense of commitment and the energizing effect of being part of a larger movement that had the potential to achieve significant impact.

However, NGOs stress that those NGOs that took it upon themselves to coordinate the coalition, and purported to speak for the coalition as a whole in order to become the focal point for foreign grant money, overstated the number of participating NGOs. In fact, many individual participants have registered multiple NGOs, most of which are inactive. Multiple inactive NGOs were included in the list of participating organizations, thereby inflating the number of NGOs involved. Further, only about a third of the NGOs that actually exist and are active, participated in the coalition.

Donor excitement over the success of the coalition led to hints that funding might be forthcoming and caused a handful of organizations to play both sides. Groups attempted to convince NGOs that funds could be channeled through them as well as assured donors that organizations were ready and willing to continue work on new themes.

NGOs that left the Coalition following the election say that they would join a similar group as long as they were not asked to be part of an artificially manufactured link created only as a result of the availability of foreign funding. They stress that coalitions must form naturally, and that expectations for ongoing action should be kept to a minimum, in order to avoid a backlash among stronger NGOs.

C. USAID's Competitive Advantage

USAID has a comparative advantage in the following areas.

- *NGO support infrastructure.* Training and information dissemination infrastructure through prior support to training organizations such as the Counterpart Creative Center, NGO resource centers, Counterpart representative offices, business centers, and women's centers. USAID is extremely well placed to build upon these existing resources through investment in sector-specific training and advanced training in ethics, conflicts of interests, accountability, financial management, strategic planning, recruitment of volunteers, implementation of government contracts (social contracting), and local resource generation.
- *Legal resources for NGOs.* USAID has already supported legislative initiatives through ICNL and a legal consulting capacity for NGOs within the CAP program. The total of three specialists, who have been supported or employed through CAP/ICNL, are truly experts of the highest quality, but represent the sum total of qualified legal resources for the NGO sector. USAID's unique relationship with these players could be built upon to create continuing education programs for lawyers from the regions of Ukraine. Resource centers could also be used to channel business and create further incentives for local lawyers to consider services to the nonprofit sector.
- *Small grants.* USAID has a track record and is well known for its support to small grant programs. USAID-funded organizations such as Counterpart, Counterpart Creative Center, NDI, and the Eurasia Foundation have received funding from other sources to support small grant programs. USAID can capitalize on existing grant-making experience, as well as lessons learned from the grant programs.
- *Comprehensive NGO sector support through cross-sector programming.* USAID is unique

among other donors because of its breadth in programming both in Democracy building and other sectors. Over the past few years, USAID has shifted its programs to the regions and has a wide network of organizations, administrations, city/oblast councils and businesses, media outlets, as well as national institutions participating in its programs. Training and technical assistance for all of these groups and for NGOs on how to work with these groups would create exponential increases in NGO sector development. Because of regional and topical limitations, other donors do not have the opportunity to build comprehensive civil society programs.

- *Regional Initiatives.* USAID is particularly well placed to add value and achieve significant cost savings by using materials from other programs in the region where the NGO sector is more developed, including Russia and Eastern Europe. Russian language materials are most appropriate for Eastern Ukraine, which is starving for information and where NGOs are less inclined to use Ukrainian language materials. Exchanges with NGOs from neighboring countries such as Poland, Hungary, and Russia are tried and effective methods for bringing new ideas and approaches to Ukraine. USAID already has a mechanism and the experience for such exchanges.
- *Local resource generation and volunteer programs.* NGO efforts to increase local funding of their activities have been growing. Most of the resource centers and other trainers offer instruction on fund-raising and attracting volunteers. Through the various organizations that provide volunteer assistance in Ukraine – ACDI/VOCA, IESC, CDC, Winrock, and others – USAID is able to provide short-term, precisely targeted assistance to NGOs. Consultants can be recruited with knowledge of fundraising, outsourcing of government services, marketing, and management. By pairing the volunteer with a local trainer, the impact of an assignment can be doubled. The hosting organization receives the benefit of expert advice and assistance, and the knowledge base of the local trainers is enhanced. Materials developed through such partnering become a resource for trainers and the NGO community.
- *Professional standards.* With a strong culture and legal framework regarding nonprofit ethics and professional standards, as well as financial power to persuade recipients through extensive grant, training, travel, and technical assistance programs, USAID has both access to content for curriculum development and leverage to gain buy-in from hundred of NGOs throughout Ukraine for the adoption of new professional standards.

Because of limited funding and/or existence of other strong players, USAID is not best placed to invest in the following areas with civil society funds:

- *Comprehensive poverty reduction and social service programs.* Other donors are increasing spending for poverty reduction and social safety net programs in the near future. USAID has already provided substantial support to social service organizations. As outlined below, social service organizations still deserve attention as organizations that are best able to demonstrate tangible benefits to local government, improve the reputation of the NGO sector, solidify still-tenuous relationships with local administrators and deputies, and thereby serve to insulate political and advocacy groups from government pressure. However, support should be limited to equipment grants in order to force organizations to tap into local human, financial, and other resources rather than provision of ongoing program support.
- *Broad-based civic education.*

- *Philanthropic culture/community philanthropy.*
- *Concentrated work or focus on Kyiv, Lviv, Kharkiv, Donetsk, and Odessa.*
- *A broad-based effort to build Internet infrastructure for the NGO sector.*
- *Drafting of new legislation for nonprofits.*

D. Recommendations

A prerequisite for implementing a sound strategic plan is consistency in articulation of USAID principles and objectives in supporting Civil Society and the role(s) that NGOs play in civil society and democratic development.

- *It is imperative that USAID/Kyiv uniformly articulate standard definitions of democracy and civil society. Various theorists and U.S. policy makers emphasize different pieces of the democracy/civil society equation. Even within the Mission, there are several views about balance among the most important elements of civil society. While staff members take for granted that programs are all working toward the same goal, discussions with individuals reveal that different CTOs have different priorities. Some focus on pluralism through broad citizen participation in non-governmental and informal activities. Some would stress knowledge of rights and responsibilities, as well as the ability to defend those rights and a willingness to fulfill those responsibilities. Others focus on a balance of power between citizens and the State. Unfortunately, NGOs and implementers, who continuously seek to stay at the cutting edge of USAID thought in order to secure funding, make adjustments to their own priorities after every contact with a USAID representative through meetings and conferences. The new results framework and indicators clarifies USAID's current approach and priorities and clearly outline the changes the Mission hopes to achieve. Whether or not USAID chooses to reevaluate the way in which it defines the role of civil society and the types of organizations that should receive support, it is imperative that USAID develop a communications plan to pass on its vision to other donors, implementers, Ukrainian governmental entities, and recipients of assistance.*
- *USAID needs to make several theoretical decisions about its vision for 1) an ideal civil society in Ukraine, and 2) the role of NGOs and CSOs in civil society in the new IR 2.1.1, Enhancing CSOs contribution to civil society. Although USAID is one of the few donors that does articulate its objectives in supporting civil society, there continues to be a lack of focus on how civil society can be developed most effectively and how previous activities (as well as programs of other departments) fit into the strategy of increasing citizen participation.*
- *In view of previous and current comprehensive NGO sector programming, USAID should choose a broad definition of civil society that stresses both participation and political influence. USAID's strategy should be adjusted to reflect prioritizing and limitations in accordance with success of approaches to date, U.S. foreign policy and the temporal progression of development of civil society.*
- *It is too early to focus exclusively on the balancing of power. Expanded citizen participation, achieved through multiple adjustments and improvements in existing programs, should be a priority element along with slowly growing support for advocacy groups at this time (see synergies, below). This means that USAID will need to bring more focus on the details of*

encouraging change, seek out synergies with between civil society programs and other parts of the democracy office,³⁸ and encourage other departments of the Mission to implement new standards in their work with NGOs. Citizens will not be able to achieve a balance of power between themselves and the State until they are able to find appropriate organizations to represent their interests. Because of the current economic situation in Ukraine, citizens are most likely to look for non-governmental institutions that can meet immediate needs rather than represent ideas. Reform fatigue is endemic, and those individuals that do not sympathize strongly with either a reactionary or reform agenda are not interested in politics or interested in political activity. After 15 years of reforms that have achieved little to improve people's lives, there is little hope or commitment to an improved future. In short, it is premature to build a balance of power because there is not yet a critical mass of citizens participating in the non-governmental sector.

The Counterpart program focused on mitigation of negative effects on marginalized groups and did not, by its nature, generate broad public participation. However, it did create a core of strong organizations poised to attract citizens as volunteers or donors, if appropriate skills are developed and pressure is applied by USAID. Advocacy groups are beginning to gain an understanding of not only rights but also responsibilities, and a range of approaches, from education and technical assistance to government officials, to radical protests, are beginning to be applied.

- *Developmentally, it is still necessary to build participation over the next several years while giving NGO leaders the credibility and skills to challenge government.* USAID can speed up this process through a targeted program that encourages NGOs to mirror the values they demand of government and thereby rapidly builds NGO sector credibility and public trust; capitalizes on synergies with other USG programs; and accelerates the building of horizontal and vertical networks to build the critical mass that can serve to balance government power. Until this critical mass is achieved, a focus on only groups that challenge the government is likely to cause a backlash against the NGO sector as a whole and ultimately undo progress already made to date. This approach does not negate the need to balance power nor the premise that the core NGO support activity should not be focused on social service delivery. This approach suggests that new programs should be focused specifically on the expansion of citizen participation.

USAID should invest in programs that will:

Create and enforce professional standards at all levels.

All implementers and recipients of USAID/Ukraine support should be required to sign onto a philosophy that addresses general ethics, including openness, transparency, respect for the law, knowledge collaboration, conflicts of interest, and confidentiality issues. The team recommends that recipients of assistance (training, technical assistance, grants, exchanges, etc.) be required to sign a document that broadly states its approach and the responsibilities that come with acceptance of assistance. While such a document would not be legally binding, it would help to set a high ethical standard for all participants.

This document must be reinforced with more specific training on ethics for program participants. Training should be more detailed for grantees and should be tailored to address practical, day-to-day dilemmas facing different kinds of NGOs. For example, NGOs that distribute humanitarian aid or funds will face different conflict of interest issues than professional associations and

advocacy groups. NGO resource centers will need targeted training around issues of information sharing and client selection standards.

Finally, as implied above, it is imperative that U.S. implementers and their staffs (whether expatriate or local) buy into and exemplify this philosophy without exception.

Not only encourage, but require information sharing and knowledge collaboration among NGO recipients of support.

There have been multiple attempts to encourage information dissemination at the local level, including support for NGO resource centers. None of these efforts has been successful, and it is clear that NGOs will not share information on a regular basis unless required to do so. One way to encourage organizations to share information would be to view information as an integral part of the NGO support program as a whole and of individual NGO grants. NGOs should be required to share information about their projects and programs with NGO networks across the country, including in their own communities. Likewise, NGOs should be required to share information received from USAID-funded activities with NGOs in their community.

Obviously, unless specific evaluation criteria are put into place, NGOs will share information only within their own small circle. Therefore, it is recommended that program-wide standards and monitoring mechanisms be set to ensure that grantees share designated materials. Funds should be included in grants (this should cost no more than \$50 to \$100 per grant) to cover copying, faxing, and mailing. All USAID-funded materials should include a small tear-off form requesting organizational information for mailing to USAID's implementer.

Our hope is that the sharing of information will become habitual, as organizations make new contacts and concurrently realize that the sharing of information is not hurting their own growth or success. Further, the contact lists and returned forms will serve as a database on organizations for the development of mailing lists and distribution to NGO resource centers, national networks, and other donors (e.g., World Bank portal). This will lead to a natural broadening of the circle of NGOs that participate in NGO development activities and networks.

Good will among organizations cannot be legislated. However, given that USAID's goal (assuming that pluralism is designated as a priority for civil society in the definition process above) is to expand networks of NGOs and identify the best NGOs for support, USAID can force organizations to participate in its programs in a cooperative manner. While the hope is that this approach, combined with other components of a sound program, will lead to knowledge collaboration, linking NGOs by teaching them the importance of sharing information at the local level is a worthwhile goal in itself.

Support horizontal networks of NGOs and vertical relationships between NGO networks and think tanks.

Horizontal networks. In addition to information exchange, greater attention is necessary in order to build the capacity of NGOs as a group to affect policy and public opinion at the national level. Horizontal networks of NGOs in specific fields will facilitate the delivery of quality and in-depth training and skill building. For example, legal, litigation, and advocacy training could be delivered to human rights NGOs much more effectively if they are brought together on a national basis. Similarly, horizontal networks will increase the chances of NGOs creating platforms and coalitions in order to address widespread problems. Experience in other regions shows that NGOs are most likely to build relationships, collaborate, and form coalitions when there is a

content-specific motivation. This was demonstrated by the Freedom of Choice Coalition, which had an immediate goal and topic of interest for NGOs.

Additionally, national-level impact can only be achieved through a coordinated effort and pressure at multiple levels of society. While concentration of effort at the local level is an effective means of achieving local change, the only way to raise public awareness and gain the attention of government is through widespread demand from a critical mass of organizations and citizen participants.

There are dangers in forcing or rushing coalition building. Networks must first be built and achieve stability before the stresses of a coalition are imposed on groups that are still finding their footing in local advocacy efforts. Generally, when Ukrainians are brought together and are given time to break down barriers of mistrust, they naturally look for points of collaboration. For example, after a trip for youth organizations to the United States, several participants from different regions decided to launch a youth coalition. In multiple roundtables, NGOs explored the possibility of coordination and coalition building. Such conversations were premature and discussions quickly deteriorated because of a lack of trust. In contrast, the NIS Women's Consortium, supported in an incremental and measured manner by Winrock International, is a strong and stable network of women's organizations.

The first 18 months of any new initiative should focus on simple networking and building of trust among NGOs in subsectors rather than on coalition building. Once firm foundations of trust are set, coalitions are likely to occur naturally. USAID should capitalize on its comparative advantage generated through previous work with social safety net NGOs and groups that advocate for disadvantaged groups, environmental NGOs, women's NGOs, and youth organizations.

Vertical networks with think tanks. In order to expand the impact of both NGOs and think tanks, USAID should encourage vertical (regional – center) relationships between existing think tank recipients and thematically specific NGO networks. NGOs from around the country can serve as sources of regional information for think tanks, which are often overly focused on happenings at the national level. NGOs can also provide ideas, support, and pressure for policy recommendations put forward by think tanks at the national level. At the local level, NGOs can use think tank analysis for advocacy purposes and to gain credibility with local officials, who are often starved for quality analysis and information.

Take advantage of synergies with other USAID and U.S. government activities, especially those with democracy-building goals.

No matter how effective USAID NGO development programs are in engaging citizens, the NGO sector operates in a larger societal context. Unless the sectors, with which NGOs have contact, understand the role of the sector and develop skills to work with the sector, there will be little impact on civil society. Similarly, NGOs must learn how to work positively with other sectors. The current low level of cooperation among sectors in the mission is a reflection of Ukrainian society rather than an example to the people with whom the Mission works. More importantly, a great deal of value could be added to the impacts of multiple USAID strategic objectives if the civil society were better integrated with other programs. Even greater results could be achieved through collaboration and coordination with PAS programs. The assessment team saw multiple examples of NGOs benefiting from PAS-sponsored programs and using knowledge gained to develop innovative projects in their communities. Small business, rule of law, local government

and media programs offer exceptional opportunities for cross-fertilization and joint program development. Some examples:

Small Business. Programs to develop business support organizations and professional associations should incorporate ethics, transparency, accountability, and democratic governance principals. Likewise, training to small businesses, entrepreneurs, and microfinance professionals should include components on philanthropy, community responsibility and sponsorship, social entrepreneurship, and management of relationships with NGOs. Also, NGO fundraising programs should build on an understanding of the obstacles and concerns of SMEs. Small business implementers and civil society implementers should be encouraged to survey their clients to determine strengths, weaknesses, and concerns, and then join forces to design a two-tiered training program that provides training to each sector and then facilitates dialogue through workshops or networking events.

Media. USAID should seek to build synergies with both USAID media programs and PAS funding for independent media development. NGOs need training on working with the media, and journalists need education on the NGO sector. Both need a better understanding of the types of information that can serve each other's interests.

Local Government. Local government program indicators should focus not only on the number of civic advisory boards or partnerships with NGOs but on the quality of those advisory boards, including the extent to which NGO participants truly represent all constituencies not only on the basis of their stated goals but also on the basis of the quality of their work, outreach, and membership. Local government implementers could also contribute to civil society goals by working jointly with NGO sector implementers in order to create curricula that clearly represent the views, attitudes, limitations and goals of both local government departments/personnel and NGOs.

Make more, smaller grants.

Virtually all NGO interviewees stressed a desire for smaller grants to a broader population of NGOs. Smaller grants to organizations that have attained a level of sustainability will allow them to expand their activities and outreach, with less dependence on donor funding. For start-up organizations, small grants can provide the minimum required to cover their initial costs.

Adopt a more complex approach to sustainability.

It is imperative that USAID begin to focus on creating a spectrum of policies to address sustainability. New programming should apply pressure to generate local income and achieve financial sustainability through careful resource-mapping exercises and analysis of the benefits and different consequences of different kinds of resources. As part of specialized training for different kinds of NGOs, USAID should take organizations and groups of NGOs through a process of identifying appropriate and available sources of funding. While ALL organizations should be encouraged to develop local resource generation plans, training and expectations in this area must be tailored to different types of NGOs. Where appropriate, organizations should be trained in fundraising ethics and conflicts of interest. Incentives for local resource generation, training materials, grant review criteria, requirements outlined in grant agreements, and sustainability evaluation criteria should all reflect this careful analysis. There is a serious danger to not expending resources on developing a more complex approach to sustainability and adjusting this scaled approach as the legal environment for fundraising changes. An overly simple approach will continue to lead to the failure of groups to generate local support and

interest in their activities; the politicization of non-partisan civic groups; and inappropriate dependence of advocacy organizations on government and business.

Offer specialized training to subsectors and tailored regional approaches.

Many NGOs are outgrowing the basic training modules currently offered and need training that serves to improve their professionalism in their given field and addresses practical issues that arise for different types of NGOs. In most cases, the initial design and delivery of new modules will require input from consultants from more developed regions such as Russia, CEE, and, with respect to transparency, ethics, and accountability, from the United States.

Redirect grant-writing training to solid project design, strategic planning, and local fundraising/income generation and volunteerism.

In order to stem the disproportionate focus on obtaining project funding through grants from foreign donors and to address pervasive weakness among NGOs in strategic planning, design of realistic projects, and local resource generation, grant writing should become an element of strategic planning, program design, and fundraising seminars rather than remain a freestanding training module. Even as grant applications have begun to exhibit better attention to drafting requirements, applications are often well written but lack substance. The inability of organizations to thoroughly think through goals, objectives, results, evaluation criteria, and realistic implementation needs/timelines is evidenced in poor project implementation. Attention to project planning and ongoing project development in line with organizations' missions and strategies will contribute to long term organizational sustainability, and a shift of focus from donor priorities to target population needs and local sources of funding.

Support NGO-government partnership as a goal in itself, rather than as a financial sustainability tool.

Where appropriate, NGOs should be encouraged to build partnerships with local administrators as a way to build constituents' representation and/or participation in local decision making. Currently, NGOs primarily view local administrations as potential sources of financial and in-kind support. A positive relationship with local government, not tied to financial support, will encourage NGO sustainability and increase opportunities for citizens to interact with government.

Additionally, as previously stated, positive relationships with government on the part of social service and other "palatable" NGOs will help build the reputation of NGO sector as a whole and increase tolerance of political and advocacy organizations.

Adapt to regional needs and empower regional NGOs to take part in the decision-making process and mechanism for distribution of funds.

When asked to make tough choices about how a limited amount of funds might be spent to support the development of the NGO sector in their community, NGOs are able to set aside their self-interest and make rational choices as a group. These choices often accurately reflect the needs, strengths, and weaknesses of the region as identified by implementers and assessment team members.

In several regions, NGO focus groups were asked to participate in an exercise to define a "Third Sector Support Program" for their region. Depending on the size of the region, groups were hypothetically given between \$30,000 and \$60,000 annually for three years to spend on

developing the NGO sector. During the course of the exercise, participants slowly shed their self-interest and focused on how best to build a vibrant NGO sector in their oblast. Groups tended to develop similar menus of services (average distribution of funds in percent is included in parenthesis): NGO resource center or information source (10 percent); opportunities for networking at the regional and national level on substantive topics (10 percent); small grants of no more than \$2,500 to support equipment or other organizational costs once organizations could show a track record (25 percent); micro challenge grants to encourage local government and business to contribute to programs (10 percent); Internet access (10 percent); training (20 percent); and internships with more experienced groups in other regions (15 percent). Groups also developed innovative mechanisms to ensure that organizations not become dependent on funding, support emerging organizations, create mentoring relationships with the region, and bring government to the table. Overall, evaluators were impressed with groups' ability to make tough decisions and exhibit concern for a diversity of groups.

The team encourages USAID to consider a pilot program to support regional NGO sector or civil society activities as not only a way to "jump start" the sector in the regions through a combination of support but also to promote networking, consensus building, transparency, and strategic planning skills among NGOs in the region. Actual administration of activities could (and perhaps should) be handled by a central office or implementer, and regions should be guided through a participatory process to choose services with program parameters, but this demand-style program would empower NGOs to address issues in their own regions.

Distinguish between long-term development goals and short-term policy objectives/windows of opportunity.

It is imperative that USAID recognize its long-term development goals and does not sacrifice these strategic objectives to accommodate short-term foreign policy objectives or capitalization on transient windows of opportunity. While USAID should maintain flexibility in its programs, major shifts in direction because of new opportunities or changes in staff threaten achievement of strategic objectives and intermediate results. At some level, for example, it is almost impossible to assess the effectiveness of the Counterpart Alliance for Partnership program as support for social service organization was not completed in line with the original program.

The Democracy Commission is best placed to address U.S. foreign policy goals. USAID's comparative advantage is clearly in *development* programs, and its activities should not be altered to deliver short-term reform successes unless there is a clear benefit to the growth of civil society in the long term. Many short-term opportunities such as elections can be anticipated and built into activities where there are appropriate and achievable development objectives.

1. Design Recommendations

USAID should consider a program that combines the following elements:

- *Empowerment of groups of regional NGOs to create oblast-level NGO development plans within strict parameters set by USAID.* With analytical support and facilitation from a USAID implementer, regions can learn to work together, make strategic decisions, and build consensus by designing a regional NGO development plan. USAID should offer a funding cap and a menu of services/programs that local NGO sectors can buy into in order to generate NGO support programs for their regions.

- *A small set aside for “windows of opportunity” and short-term goal achievement to be designated by USAID program staff.* Rather than shifting focus as new opportunities arise, USAID should set aside approximately 10 percent of funds to be used for special initiatives such as election support or coalition building around a hot issue.
- *A marketing and development driven training program.* While all NGOs should be required to attend certain kinds of training, the team recommends that a competitive grant process be used to identify qualified training organizations. This might include resource centers and national training organizations. Basic grants and technical support could be provided to these centers or organizations for curriculum development in the first six months. Organizations would then be offered a contract and further grant funds on the basis of demand, either through training vouchers or directly to training organizations on the basis of participant registration information. This would help ensure that training organizations/resource centers meet the needs of their clients and that only the best trainers continue to receive support.
- *Mini-grants (up to \$2,500) for equipment to a wide range of social service and other organizations that are most able to generate local funds for their activities.*
- *Small grants (up to \$15,000) for advocacy and other organizations, for which local income generation is either extremely difficult or potential sources are undesirable (sources such as parties, etc.).*
- *A Code or Philosophy to be agreed to by every recipient of training, technical assistance or grant support, as well as by the implementer and all service providers.*
- *Implementation of a training and partnership-building program aimed at improving NGO/local government relations.* This program must capitalize on synergies between local government program approaches to increasing citizen participation and NGO program interests in social partnership. For example, in developing training on local government/NGO relations, local government officials should be identified and tapped for input into a training program for NGOs, and NGOs should participate in the development of curriculum for local government officials.
- *Enhanced grant agreements that include additional funding and requirements to support publishing of annual program/financial reports, transparency of programs and information sharing.*
- *An immediate and intensive effort to develop a national cadre of NGO legal specialists either through continuing education and incentives to local lawyers or development of a practical training, curriculum development, and recruitment program for law students.*
- *A series of conferences with a heavy focus on in-depth training workshops, team/coalition-building workshops and think tank/NGO relationship facilitation.*
- *Inclusion in appropriate seminars of small delegations, including representatives of NGOs, administrators, and business.*

- *Flexible (broad parameters rather than democracy-focused mandate), quick turnaround (under two weeks) micro-grants (\$100 to \$500) to support partnerships between local administrations and NGOs. A preference should be given to grants that are not for one-time events and include follow-on programming.*
- *Training programs on social contracting process, monitoring, and evaluation for local administrations and on government contract project design, implementation, and reporting for NGOs.*
- *Programs to train NGOs on volunteer programming, recruitment, and retention rather than programs to train small groups of volunteers.*
- *Grant review and management methodologies that stress transparency, appropriate confidentiality, rigorous review, mechanisms to weed out government controlled/initiated NGOs, self-evaluation and monitoring by NGOs and identification of and capitalization on synergies among grantee programs.*

2. Wish List

Should additional funds become available to support the NGO sector, the following areas deserve attention:

- Community Philanthropy, including encouragement of models such as community foundations, United Way, and one-time community fundraising efforts (for libraries, hospitals, etc.).
- Internet Connectivity of NGOs, including successful models from other regions and Ukraine such as telecottages, incentives for ISPs to provide reduced-rate access to NGOs, modem distribution, and Internet training programs.
- Development of a graduate nonprofit management program or nonprofit-relevant curricula for existing undergraduate and graduate programs such as business administration programs (nonprofit management, organizational development, social entrepreneurship, financial management of nonprofits, corporate responsibility, etc.); public administration (social contracting, nonprofit management, community development, etc.); law (nonprofit law, public interest law clinics, etc.); journalism (role of NGOs in society, using NGOs as sources of information, etc.).
- Integration of placements in nonprofits for practical training requirements in undergraduate programs.
- Internships for students in NGOs.
- Promotion of employee giving, matching, and other corporate giving programs through changes in legislative and withholding rules.

E. Conclusion

As funds for all programs in Ukraine decrease, USAID should focus on creating impact through cross-sector programs and greater emphasis on enforcement of standards. Thus far, programs

have attempted to coax NGOs to work in a collaborative and ethical manner. With corruption and a lack of public trust in most institutions, it is now time for USAID to choose to work only with organizations that are willing to move forward as pioneers of transparency, public accountability, and knowledge collaboration. It is not necessary for USAID to fund only organizations with reform agendas; it is imperative, however, that USAID focus on groups that exhibit democratic practices in their work. USAID simply cannot afford to continue to support organizations that do not contribute to the credibility of the sector or add value not only to their own communities but also to other independent sector projects.

II. MOLDOVA

A. Introduction

Moldova is currently one of the poorest countries in Europe. The transition to a market economy has not contributed to an increase in the standard of living for citizens. Citizens generally feel powerless to improve their situation, and economic emigration is draining the country of both skilled and unskilled workers. Many believe that the victory of the Communists in the recent parliamentary elections was less a reflection of support for communism as a vote against the current economic situation.

Political power is centralized at the national level, and there is little history of voluntary collective civic activity or community empowerment. A limited number of foreign donors, and a lack of access to information seriously constrain the NGO sector throughout Moldova.

Over 50 percent of the Moldovan population lives in villages that range in population from a few hundred up to about 15,000 residents. Achieving an impact in building civic participation and a democratic culture will require a creative approach to reaching citizens not only in cities and large towns but also in these small and often isolated communities.

B. Findings

Moldovan NGOs vary tremendously in terms of their capacity.

There is a highly pronounced gap between NGOs in Chisinau and those in oblast capital cities. An even larger gap exists between NGOs in the urban regional centers and regional villages.

There are a handful of growing and fairly strong professional associations, trade interest groups, human rights organizations and humanitarian assistance/social service providers. These include the National Association of Farmers, which has over 60,000 members; a medical association; an accountant and auditors' association; journalism associations for both print and broadcast media; a well-known human rights/legal services organization; a couple of think tanks; organizations serving the disadvantaged and disabled; and a network of NGO resource centers, the headquarters of which is now owned by the organization through a grant from the Soros Foundation.

Chisinau NGOs are characterized by strong project design skills, general understanding of strategic planning, fundraising, grant-making, and service delivery concepts. Many urban organizations received early training and technical assistance from Counterpart and further training from the CONTACT Center. Many organizations have been able to generate at least some support from local business and attract a limited number of volunteers. In fact, one of the Chisinau roundtables was hosted by a local pharmacy, which provided space and refreshments. However, as foreign funding has been redirected to regional centers, Chisinau organizations have lost a great deal of momentum and have not been able to generate adequate local resources to continue programs. While Chisinau NGOs do not collaborate on projects regularly, they are aware of one another.

Organizations in towns such as Baltic are addressing local needs and are able to successfully carry out one-time events and provide ongoing services to small groups. They are able to generate simple action plans, but they have difficulty articulating missions or clearly identifying target populations. The few organizations that have received foreign funding already seem to be

dependent on foreign funding. Organizations in regional centers are, at best, only tangentially aware of one another. Most are outwardly hostile to one another.

Initiative groups and NGOs in rural communities are extremely unsophisticated, and few have the basic skills necessary to organize, identify community needs, or develop action plans.

There is an acute lack of funding for civil society development in Moldova.

In contrast to other countries in the region, there is a pronounced lack of donors funding civil society in Moldova. The limited number of donors is not only constraining the growth of the NGO sector relative to the growth of NGO sectors in the Balkans and the NIS, but is also magnifying the internal problems typical of regions dependent on foreign aid. These include the following.

- A concentration of resources in the largest regional cities and towns. Limited funding is reflected in efforts by donors to achieve the greatest impact possible. There are CONTACT Centers only in the five largest cities/towns. While both DFID and Soros have launched highly successful micro-grant programs for villages, each donor has allocated less than \$50,000 per year for these activities.
- NGOs often view each other as competitors for scarce donor resources and are therefore reluctant to cooperate and share information. While unhealthy levels of competition are typical in the region, the combination of an already weak communications infrastructure and the understandable desire for NGOs to improve their chances for funding is causing greater and greater isolation and blocking out of new NGOs.
- A growing phenomenon of elitism and “donor favorites.”
- A growing image of donors as a replacement for government. Because donors tend to focus on the strongest groups, there is a group of village-level organizations that is rapidly becoming accustomed to a constant flow of donor funds and has come to believe that “a project” is funding from a foreign donor rather than an idea for which funding is sought. As in Ukraine, there are groups that simply will not conduct activities unless a foreign donor makes funding available. The evaluation team visited one organization that had space and had been providing medical services. After a foreign-funded grant had ended, the doctor, who had been serving patients, continued to come to the office everyday but did not serve clients (or do anything else) because she was no longer being paid a salary through a foreign grant. She stated that she would start serving clients again once a foreign donor was found.
- Many of the services typically funded by USAID are simply nonexistent in Moldova. These include qualified training and technical assistance on accounting and legal issues for NGOs.

There is basic NGO sector infrastructure in place in the capital and regional cities.

Legal Infrastructure. In comparison to other countries in the NIS, Moldovan NGOs enjoy relatively little regulation of their activities. For example, while NGOs are not exempt from taxation, their status is not threatened by profit-making activities. This provides them with the ability to generate income to support their activities.

There is a two-tier registration process similar to the U.S. system. An NGO registers as a legal

entity with a local body (or, if it wishes to work on the national level, with the Ministry of Justice) and then applies to the Ministry of Justice for accreditation/status at the national level.

Training/Technical Assistance/Resource Centers. Moldovan NGOs benefit from a small network of intermediary support organizations (ISOs), mostly resource centers that can deliver basic training and consulting services to grassroots organizations. Resource centers also provide access to the Internet and other office equipment. These resource centers include the CONTACT Center and its four regional branch offices, the National Youth Council, the Regional Environmental Center, and the Resource Center of Human Rights NGOs.

There are a few strong NGOs in Chisinau that could provide training to NGOs on topics such as accounting, media relations, and advocacy, but these organizations are currently focused on their own development and/or do not have adequate financial resources to reach out to other NGOs, especially in the regions.

Access to Information. NGOs in Chisinau and major cities/towns can obtain access to the Internet and other NGO resources through NGO resource centers and subscription to a few NGO bulletins and information resources. Many NGOs in Chisinau have Internet access when funding is available. However, even organizations in Moldova must pay both for access and for local calls. There is apparently a free access provider, but NGOs are universally unaware of this service.

NGOs throughout the country lack the resources typical of a sophisticated infrastructure that can facilitate cooperation and communications, share information, and provide advanced training.

Training and Technical Assistance. Basic training and technical assistance is available from the CONTACT Centers, but more advanced training on subjects such as financial management, strategic planning, organizational development, fund raising (as opposed to grant-writing), public relations and coalition and network building are not available. CONTACT Centers are able to provide meeting space and access to computers and faxes to NGOs that are close enough to travel to their centers. But a combination of favoritism and lack of professionalism on the part of some resource center staff, as well as a general mistrust on the part of many local NGOs has created a perception on the part of some local NGOs that CONTACT Centers provide access and assistance primarily to a closed group of NGOs.

Professional Association or Self-regulating Body. Moldovan NGOs lack a professional association or standard setting self-regulating body that can create ethical standards; promote professional development; and represent the sector to government, the private sector, and the public at large; and build credibility of the sector through internal monitoring. NGOs have established bi-annual NGO Fora to address NGO issues and raise awareness of the sector, but the Forum, which is more a gathering than an organization, has not begun to address issues of NGO professionalism, transparency, or the development of a Code of Ethics. While the Forum does provide an opportunity for NGOs to develop a platform for advocacy, it does not operate as a self-regulating body, and there is little activity by attendees during the periods between meetings.

Apparently because of a lack of human resources to review NGO accreditation applications, the Ministry of Justice has set up a commission to review applications from NGOs. The commission includes three NGO representatives, who were appointed by the President and approved by Parliament. These three members were not elected by their peers, are all from Chisinau, and do not necessarily represent the views of the NGO sector. While this last fact may not be relevant to the accreditation process, the commission is seeking broader responsibilities, including a role as a

centralized coordinating body for NGOs. NGO members of the commission, along with a handful of other NGOs, selected through invitation, are in the process of creating a “support center.” This support center will be registered as an NGO, develop its own programs, and presumably receive grants from foreign donors, including standard-setting and development of a Web site where NGOs would be encouraged to publish their annual program and financial reports.

There is little or NGO infrastructure in smaller cities/towns and villages.

There are signs of civic action emerging, but the handful of strong examples have been initiated through foreign funding or technical assistance. Even though community needs are overwhelmingly obvious, NGOs lack community organization and project development skills. Local administrations lack the resources to meet the breadth of community needs. Most villagers have not yet been exposed to the idea that they can resolve problems for themselves, and they are waiting for the government to solve local concerns.

Training/Technical Assistance. The Soros Foundation and DFID provide training to a limited number of rural organizations in order to generate community development projects for further funding. Taken together, the programs will reach no more than 200 of the approximately 2,300 villages in the country. Because of the isolation of villages and limited access to information (see below), there will be little demonstration value to these programs without further funding for cross-fertilization.

With the exception of Peace Corps volunteers, whose assistance is clearly contributing to achievement of tangible results at the local and village levels, there is little ongoing technical assistance available outside of Chisinau and the four CONTACT Center locations. In order for local initiative groups or NGOs to obtain tailored or personal assistance, they must travel to the nearest resource center. Most do not have the financial means to do so, and the vast majority do not even have adequate access to information to know that such centers exist.

Access to Information. NGOs and civic organizations in rural areas are highly isolated and lack access to information. Many rural areas have very little access to television or newspapers. According to Vitalie Cazacu, Director of Deca Press, many village libraries often have no newspapers less than three months old.³⁹ Few NGOs are capable of establishing strong coalitions or network ties either on a sectoral or regional basis. Many NGOs in urban areas and most NGOs in regional villages lack basic office equipment such as computers and Internet access.

Relationships between local government officials and the public are hindered by a lack of knowledge and skills on public-private partnerships.

The April 2001, USAID/Moldova R4 states, “It is likely that more efficient allocation of [local] resources can be achieved by assisting local governments to leverage those resources in a manner that effectively engages citizens and community organizations and/or NGOs in the management of local issues.”

NGOs and other civic groups operating in rural villages are able to find limited support from local mayors and councils. There is some interest on the part village level mayors to be responsive to citizen needs, but they are constrained by a lack of resources and little understanding of how NGOs and other civil society associations can be of assistance in addressing and resolving local problems. Similarly, NGOs and initiative groups have little understanding of the legislation regulating mayors’ authority or the budget process. Citizens do not have the information or

organizational skills necessary to collaborate effectively with government or advocate in their own interest.

USAID local government initiatives to date have focused on linkages with NGOs, other than with those that inherently support local government reform or serve governmental officials, such as Mayors' Associations.

An environment of mistrust and a lack of transparency are pervasive in Moldova.

As in Ukraine, donors have put little emphasis on issues of transparency, ethics, and good governance. Even organizations that have received substantial support from USAID implementers and other donors do not recognize the need for independent boards of directors. Representatives of groups throughout the country had trouble identifying private benefit and/or inappropriate personal use of organizational assets. Social service providers have not been exposed to fair client selection procedures, conflict of interest, and confidentiality standards. And, as in Ukraine, the NGO sector's image is consequently not very good.

The idea of collective community action based on individual initiative has become discredited in the post-privatization period.

The process of collectivization in Moldova virtually wiped out individual initiative on the part of farmers. Collective farms were organized in a hierarchical manner. Farm workers were managed by "specialists," who were responsible for virtually all decision making, including the most basic determinations about what work would be done on an hourly basis. Farm workers were given little or no responsibility and received little or no training. The collective farm director was responsible for ensuring housing, education, childcare, healthcare, social services and entertainment for all. Community was based on work collectives, school ties, and village life rather than on collective initiative or problem solving. Since privatization, there has been a backlash against any effort to bring people together. Farmers are currently building their independence and are loathe to any activity that suggests an effort to collectivize.

At the same time, the tradition of village community remains, and villagers still look to a handful of respected individuals for advice and leadership. Informal mutual self-help among neighbors continues. By identifying small, concrete projects that provide immediate benefit to community members and capitalize on existing community leaders, the Soros Foundation has experienced success in generating civic participation in villages around the country. In several cases, initiative groups have continued to develop community projects or developed community or youth councils that interact with local government officials to identify and resolve local issues.

Unfortunately, this limited sense of community begins to rapidly dissipate as one moves away from the village level to towns and cities. In these areas, NGOs are the only source of opportunities for civic action.

The Transdnister region has a handful of strong NGO leaders and active NGOs, but the NGO sector in the region is localized in Tiraspol and is subject to an extremely unsupportive environment.

The political situation in the self-declared Dnestr Moldovan Republic (Transdnistria) is far from resolution. The Transdnistrian government is largely authoritarian. Police harassment and infringements on political and civil liberties are commonplace. While Transdnistrian NGOs face similar challenges to those confronting organizations in the rest of Moldova, the Transdnistrian

legal environment is somewhat less supportive of NGO activity. NGOs have substantially less access to training, technical assistance, donor support, information, and modern office equipment. That said, Transdnistrian NGOs are more conscious about operating transparently and generally exhibit a greater capacity to implement activities solely on limited local resources. In April 2000, an NGO club was established to share information and develop as a resource center. The *Bulletin of Transdnistrian Public Organizations* sites 30 active NGOs in Transdnistria.

C. Opportunities

Thus far, USAID has not played a central role in the development of civil society and the Third Sector in Moldova. Other donors have filled some of the gaps typically covered by USAID implementers in the region, but the field is still quite open. There is an enormous amount to be done, and foreign donors and organizations in the region universally state that there is room for USAID. A more active role on the part of USAID would be useful and appreciated. There are several opportunities for USAID to achieve sustainable impact with limited funds.

In order to roll out a program quickly and cost effectively, the Agency could rely on regional resources, in-country USAID implementers that could add appropriate components to their activities, a handful of local NGOs, as well as existing IQCs and WNIS contracts/cooperative agreements. These include Romanian and Russian training/TA organizations and accompanying Romanian and Russian language materials; qualified Counterpart Creative Center trainers in Ukraine and Moldova; the Urban Institute's local government activity; the Eurasia Foundation; the CONTACT Centers; the Soros Foundation; the USAID/East-West Management Institute privatization program; and ICNL's activities as part of the Counterpart Consortium.

Establishment of a strong NGO sector profile and participatory methods for addressing citizen needs.

There is a rapidly closing window of opportunity to raise the profile of the NGO sector and civically active citizens as able to resolve local issues and thereby stem the expected devolution of all responsibilities back to government.

Likewise, throughout Moldova, NGOs need to be more responsive to broad community needs in order to raise the visibility of the sector, build constituencies, and establish roots in the community. The continued exodus of Moldovans through both legal and illegal emigration (estimates range from 15 percent to 30 percent of the population), and the reversion back to a Communist-dominated government in the 2001 Parliamentary elections demonstrate the extent of frustration in Moldova with the failure of reforms to meet citizen needs and expectations.

At the time of this assessment, it remained unclear to what degree the new Communist government in Moldova will act to devolve power back to the central authority. In an environment in which political and economic power is concentrated in the hands of a small elite and policy decisions may be set without regard to citizen input or priorities, well-trained and professional NGOs offer the best opportunity for citizens to pool their resources and maintain and defend their capacity to act independently of government.

Establishment of NGO communities.

There is an opportunity to help NGOs build community among themselves and build cooperative approaches by encouraging local NGO communities to identify their needs and develop NGO sector development action plans for their regions. Asking NGOs to set aside their individual

needs in favor of a strong regional sector will help develop transparency and collaboration among NGOs.

Transparency, ethics, and good governance.

As in Ukraine, the NGO sector offers a unique opportunity for donors to affect transparency and accountability. Unlike government programs, in which foreign governments must be careful about applying undue pressure, NGO programs, which are directed at private citizens, provide donors with particular leverage to set basic ethical requirements. Even with limited funds for grants, training, and technical assistance, USAID has the potential to affect a substantial number of NGOs with training and obligations related to financial accountability, democratic governance, and ethics.

NGO legislation.

Critical changes to the regulatory environment for NGOs are currently being discussed. While it is unclear whether the new parliament will move on the latest draft, the danger is that this process will occur without sound, professional review by NGO legal specialists. IFES has played an important role in developing this draft and in getting NGO regulatory issues on the table for discussion. However, there are still serious gaps in the current draft, and assessors are skeptical about IFES's "leave behind NGO," CDPD, to take a qualified lead role in this process. Some targeted and well-coordinated assistance from USAID could serve to ensure that any new legislation is beneficial to the NGO sector in both the short and long term.

Informal organizations.

In rural areas, where there is limited available funding to support formal and professional organizations, an opportunity exists to encourage informal and organic civil society associations that can mobilize community resources in collaboration with local government to solve community problems.

Both the Soros Foundation and DFID have had success working at the local level with informal groups. Their experience shows that villagers can be engaged in community action around concrete improvements such as libraries, wells, environmental cleanup, and youth programs. The success of community planning processes and resulting improvements create momentum that leads to greater involvement in local decision making by individuals and improved relations between local officials and the public.

Leveraging of donor successes in other sectors, particularly in agricultural development.

There is also an excellent opportunity to build on agricultural privatization and post-privatization activities of USAID implementers and other donors. Throughout rural Moldova, many community members who have not yet been able to overcome their distrust and cynicism about collaboration and collective action are carefully watching the development of agricultural and dairy cooperatives in their villages. As these cooperatives begin to provide benefits and services to their members, membership begins to grow. One USAID-supported dairy cooperative visited by the assessment team began with 30 members producing 450 liters of milk per day. During its first year of operation, the cooperative created a regular market for the milk produced, began to establish trust in the marketplace for their product regularly, and with training and technical assistance provided by a U.S. Peace Corps volunteer and the Citizens' Network for Foreign Affairs, increased volume to 740 liters per day. Entering its second year of operation, the

cooperative now has 70 members, local village in-kind support, and is planning to expand its services to include an agricultural shop to control by paying members for quality and reducing the cost of seeds for members. The shop will also sell commodities such as bread and other foodstuffs to members in exchange for raw milk.

Such cooperatives clearly demonstrate that tangible examples of collaborative community success, operated in a transparent manner, can overcome high levels of mistrust, encourage broader civic cooperation and have a domino effect that brings more and more citizens into the sphere of public involvement. Training in the techniques of community organization and project development, and micro-grants that can leverage local village resources and volunteer commitment, can forge stronger bonds and build trust between local government and its constituents, and assist citizens in carving out a substantial amount of space in public policy decision making for themselves, even in a political environment where authority is devolving to a centralized government.

Similarly, the accounting association set up through private sector development support and funding by the Eurasia Foundation to journalism associations both can serve as foundations for training in accounting and media relations for NGOs.

Training for local government officials on work with NGOs.

Existing local government professional associations, developed with support from the Urban Institute, should be accessed to provide training to local officials on government-NGO relations and community development. Likewise, Urban Institute trainers could work with NGO trainers to develop a similar curriculum for nongovernmental organizations.

NGO development in Transdnierster.

There is an immediate opportunity to provide funding to an NGO-initiated resource center in Tiraspol. A group of eight NGOs created an NGO club at the beginning of this year. The club now includes over 30 NGOs and hopes to develop a simple resource center or NGO incubator that would provide computer and Internet access, meeting space, information, training, and technical assistance to NGOs in the region. The members of the club are generally quite sophisticated. While they would not be able to conduct training themselves, they would be able to identify the training needs of local organizations and would be able to take advantage of training-of-trainer programs offered by USAID programs in the NIS or CEE.

Conflict resolution between Transdnierster and greater Moldova through NGO interdependence.

The recent election results in Moldova have produced a slight warming in relations between Transdnierstria and Moldova. This development presents an additional window of opportunity to encourage conflict resolution and contacts between civil society groups in Transdnierstria and Moldova, create interdependencies among citizens, and contribute to normalized relations.

D. Recommendations

Because USAID/MOLDOVA has not pursued a comprehensive program to support civil society and in accordance with the team's discussions with Thomas Lofgren, Country Program Officer, the following recommendations are directed at addressing immediate needs and sketching out a potential civil society activity for Moldova.

The following initiatives could be launched quickly through existing activities:

- Provision of quality legal technical assistance on nonprofit legislation structuring of registration/accreditation bodies and procedures.
- A small grant (not more than \$10,000) through an existing implementer for the purchase of equipment and rental of space to support an NGO resource center in Transdnistria.
- A small grant competition through an existing implementer to support partnerships, exchanges, and internships between Transdnistrian and Moldovan NGOs.
- A series of seminars for local government officials on public-private partnerships and a similar series for NGOs.
- A three-year (minimum) NGO Support and Civil Participation through Community Initiatives at the Village Level activity, with an estimated cost of \$750,000 - \$1,000,000 per year, including the following elements, is also recommended:

NGO Support.

- Development of a menu of services and programs, including small grants, training, technical assistance, social partnership challenge grants, Internet telecottages/resource centers, travel grants, seminars, etc., from which NGO communities (with support from the provider) can design NGO development plans for their region (Uezd). Regions should receive no more than \$40,000 to \$50,000 per year in order to avoid saturation and force NGOs to set priorities, strategize, and compromise.
- A required training program for all recipients on ethics, transparency, and good governance, as well as inclusion of requirements on knowledge sharing, development of ethics codes, and publishing of financial/program reports in all grant agreements.
- Support to regional and thematic associations of NGOs in order to create the foundation for the development of an NGO association or self-regulating body over time.
- Development of advanced training models and a trainer school in order to create sustainable in-country training and technical assistance resources.

Civil Participation through Community Action at the Village Level.

The following multi-tiered program is designed to provide basic community action skill development to at least 600 communities while providing increasingly targeted support to the communities most likely to succeed in catalyzing citizens to participate in local decision making. Further, the program is meant to encourage communities to develop new projects and continue work with diminishing support by creating incentives for ongoing work.

- A community development and community action training program to be provided to community leaders and other interested individuals in at least 200 communities/year.
- Further training to a smaller group of leaders and initiative groups that express interest in pursuing community action and/or are identified by trainers.

- Training and technical assistance (including moderation of hearings, etc.) in community action plan development, public hearings, and project design for a yet smaller group.
- Grants for activities designed using the action plan development and project design methodologies and for communities that have achieved full buy-in, community support, and participation (volunteers, in-kind donations, etc.). Approximately 20 grants per year.
- Diminishing support to grantee communities during the course of the project.
- Awards of library materials, youth center renovation, etc., for communities that have achieved the most progress in community improvements over the three-year period.
- Grants to successful leaders to provide training and technical assistance to neighboring communities.
- Creation of a resource book/case study guide on community action to be distributed to libraries and mayors' offices in all villages throughout the country.

E. Conclusion

The continued failure of government institutions to solve community problems creates an opportunity for NGOs to build sectoral credibility and social trust, and bring more people into the public sphere by creating positive changes in people's lives. There is limited foreign donor funding available to take advantage of current opportunities. USAID can and should play a critical role in developing civil society through targeted support to the NGO sector and informal groups at the village level.

¹ Adapted from NGO Global Network, NGOs associated with the United Nations.

² Roundtable participants and NGO interviewees are not quoted directly in this text because the team guaranteed that no specific references would be made in order to ensure that NGOs would speak freely without concern for future funding or adverse reaction by local or national agencies.

³ A full discussion of the definition of the terms "non-governmental organizations" and "civil society organizations" is beyond the scope of the present assessment. Although USAID/Kyiv has not until recently distinguished explicitly between NGOs and CSOs in its programming, the assessment defines NGOs, in the broad sense, as a non-profit association of citizens that operates independently of government or business structures and has non-commercial objectives. It is organized on a local, regional, national or international level, and performs a service, humanitarian function, brings citizen concerns to government, advocates, monitors policy or encourages political participation." For the purpose of this report, the term "NGO(s)" does not include political parties, labor unions, religious institutions, or the media.

⁴ Index, *Ukrainian Human Rights and Advocacy NGOs Directory*, Innovation and Development Center (Kyiv, Ukraine), 1999

⁵ For example, in Berdyansk, a local administrator commented that it is the job of the city government "to serve as a catalyst. If there isn't an organization addressing a need that we have identified, we find an initiative group and help them get registered. We only had environmentalists who screamed and didn't have any constructive ideas, so we encouraged a new green movement, with which we could work."

⁶ Svitlana Suprin in an interview on April 20, 2001. "The majority of the surveyed is practically unacquainted with the activities of public organisations." Index, *Ukrainian Human Rights and Advocacy NGOs Directory*, Innovation and Development Center (Kyiv, Ukraine), 1999

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- ⁷ Minutes of In-Country CAS discussions, Civil Society, Meeting with Ukraine NGO Contact Group, June 9, 2000, The World Bank Group. Can be viewed online at: [http://wbln0018.worldbank.org/ECA/ECC11/UkraineCAS/AR/DocLib.nsf/\(By+Theme+Web\)/14F7F03DAE8F4A258525690A007CDA44?OpenDocument](http://wbln0018.worldbank.org/ECA/ECC11/UkraineCAS/AR/DocLib.nsf/(By+Theme+Web)/14F7F03DAE8F4A258525690A007CDA44?OpenDocument).
- ⁸ Roundtable with Counterpart Creative Center Trainers in Kyiv on April 20, 2001.
- ⁹ Svitlana Kutz, citing research conducted by the Center for Philanthropy in an interview on April 20, 2001.
- ¹⁰ Thomas P. Carson, *Attitudes toward Change, the Current Situation and Civic Action in Ukraine*, International Foundation for Election Systems, Washington DC, 2001.
- ¹¹ Reported at Roundtable with Counterpart Creative Center Trainers in Kyiv on April 20, 2001.
- ¹² Svitlana Kutz, citing research conducted by the Center for Philanthropy in an interview on April 20, 2001.
- ¹³ NGO Representative at Roundtable Meeting in Simferopol, May 2, 2001.
- ¹⁴ Svetlana Kutz, Center for Philanthropy. In an interview on April 20, 2001; Roundtable Discussion I, Donetsk, April 25, 2001.
- ¹⁵ See U.S. Ukraine Foundation Web site: www.usukraine.org/cpp.
- ¹⁶ NGO Roundtable in Sevastopol on April 30, 2001. Similar statements were also made at roundtables in Luhansk, Zhitomyr, Chernihiv, Simferopol and Dnepropetrovsk.
- ¹⁷ Comment in response to question “what has changed for NGOs over the past seven or eight years?” Roundtable with Kyiv NGOs and USAID implementers in Kyiv on April 17, 2001. “We simply weren’t players before.” NGO Roundtable in Donetsk, April 24, 2001.
- ¹⁸ NGO Roundtable in Sumi on May 4, 2001.
- ¹⁹ Site visit in Kharkiv on May 3, 2001.
- ²⁰ Roundtable in Luhansk on April 26, 2001.
- ²¹ “Sometimes grants make it more difficult for us to get financial support from the city administration. Once they see that we are doing our work well, they don’t want to give us money because they think that the financial issues have been resolved with a foreign grant.” Participant, NGO Roundtable II, Donetsk, April 25, 2001.
- ²² Roundtable discussion with Counterpart Creative Center Trainers in Kyiv on April 20, 2001.
- ²³ Ibid.
- ²⁴ Ed. Adrian Karatnycky, Alexander Motyl and Aili Piano, *Nations in Transition 1999-2000, Civil Society, Democracy & Markets in East Central Europe & the Newly Independent States*, Freedom House, Washington DC, 2001.
- ²⁵ Paula Schreifer in an interview at Freedom House, Washington DC on April 13, 2001.
- ²⁶ *Civic Initiatives*, the publication of the West Ukrainian Resource Center, vol. 4, no. 6, p.20, 2000.
- ²⁷ Lyuba Palyvoda, Counterpart Creative Center, Kiev. Telephone interview on May 18, 2001.
- ²⁸ For example, during a site visit at the Woman for Woman Center in Zhitomyr, staff members in each department explained their methodology for client selection, registration, and service. Staff members exhibited familiarity with the many conflicts of interest that may arise in the course of provided services to victims of trafficking and domestic violence and willingly explained how the Center ensured equal access and privacy to its clients.
- ²⁹ Fund for Democratic Initiatives Press Conference at UNIAN/Kyiv, April 3, 2001.
- ³⁰ Paula Schreifer in an interview at Freedom House, Washington DC on April 13, 2001.
- ³¹ John Kubiniec, in an interview at Freedom House, Kyiv on May 15, 2001.
- ³² Paula Schreifer in an interview at Freedom House, Washington DC on April 13, 2001.
- ³³ Arkady Toritsyn in an interview on April 18, 2001.
- ³⁴ This section is not at all a criticism of the current state of definition of these terms in USAID policy, strategy, and implementation. There are several ways of defining civil society and prioritizing areas for attention in building civil society. USAID is not alone in having trouble creating clear definitions.
- ³⁵ Answers drawn from roundtable discussions and interviews.
- ³⁶ “To foster a pluralistic society in which citizens promote their interests to a responsive government held accountable by NGOs and a responsible, outspoken media.” Developed by Alex Newton and staff in 1998. Diamond, “Towards Democratic Consolidation,” *Journal of Democracy III*, July 1994.
- ³⁷ Natalya Maksimova, Committee on Aid for the Defense of Children’s Rights, Kiev. Interview on May 12, 2001.

³⁸ For example, local government efforts to encourage partnership between local government and NGOs should provide directly or participate in training of NGOs on the government perspective of NGOs. Such efforts should not be focused only on local government reform organizations such as the Association of Ukrainian Cities but should be broadened to include all kinds of NGOs. Similarly, ABA/CEELI should be considered as a resource for generating nonprofit law curricula and clinics at law schools and developing continuing education programs in nonprofit law for bar members in Ukraine.

³⁹ Vitalie Cazacu, Director of Deca Press, an independent news agency in Balti, Moldova, from a meeting with members of the assessment team, May 8, 2001.