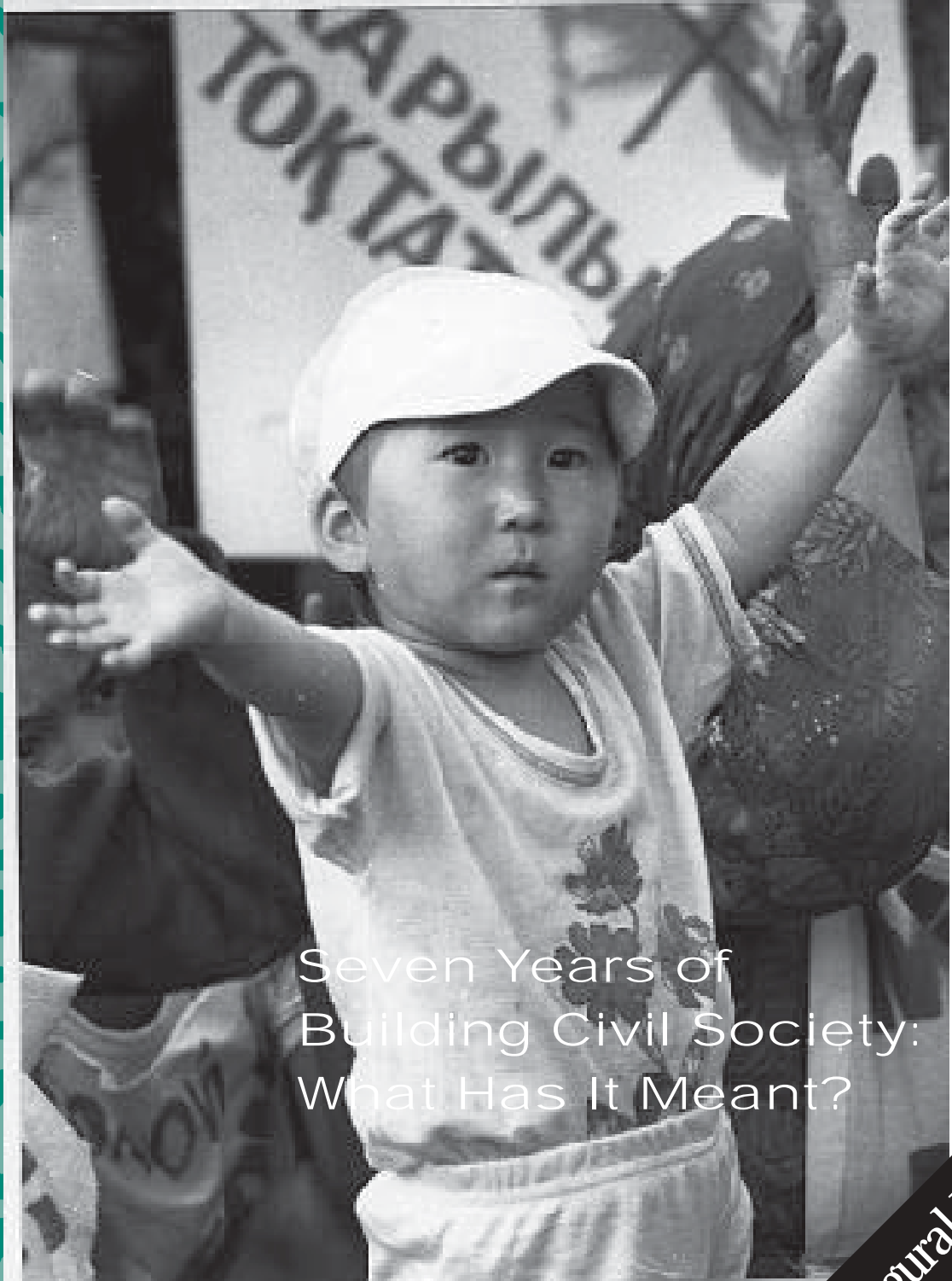


Give & Take

A Journal on Civil Society in Eurasia

Summer 1998
Vol. 1 / Issue 1



Seven Years of
Building Civil Society:
What Has It Meant?



Inaugural Issue

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ISAR promotes citizen participation and the development of the nongovernmental sector in the countries of the former Soviet Union by supporting citizen activists and grassroots nongovernmental organizations (NGOs) in their efforts to create just and sustainable societies.

ISAR's offices work to facilitate partnerships between and among NGOs in Eurasia and the United States, and to educate the public in the US and Eurasia about the unique role that grassroots organizations play in shaping a positive transformation in the countries of the former Soviet Union.

Established in 1983 by Harriett Crosby and Nancy Graham as the Institute for Soviet-American Relations, ISAR originally served as a clearinghouse on US-USSR citizen exchange and published the journal *Surviving Together* until the end of 1997.

More information about ISAR's programs is available on our web site, www.isar.org.

For more information about receiving ***Give & Take***, please see the back cover.

On the Cover: Embracing Civil Society: A child gets his first taste of citizen action at a protest against nuclear testing in Semipalatinsk, Kazakstan.

Photo by: Yuri Kuidin

Contact information on organizations in bold text throughout the journal can be found in the index.

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Seven Years of Building Civil Society

Welcome to the first issue of *Give & Take*, ISAR's new journal on civil society in Eurasia. The quarterly publication will present insights and information from people in the US and former Soviet Union on the development of nongovernmental organizations (NGOs) in the region and Western efforts to support them.

For 15 years, ISAR's previous journal, *Surviving Together*, explored the Cold War question of how cooperative citizen efforts could contribute to our mutual survival. As the articles in this issue suggest, those efforts have done much to create a stronger base for civil society in the former USSR. Now, therefore, it is time for a different look at the role of NGOs in the FSU. It is no longer enough simply to celebrate the fact of their existence and striking growth. It is important to examine what they are achieving and how they operate—on their own, with each other and in partnership with Western NGOs.

Each issue of *Give & Take* will consider a different aspect of the question, looking at the evolution of civil society in Eurasia from the ground up and giving context to the accomplishments of grassroots action. Exploring such topics as the image of NGOs in the former republics and the ways in which NGOs are responding to the influx of multinational corporations, the publication will be a forum for diverse voices and differing points of view.

We feel that honest give and take on issues of civil society development and the role of cooperation has often been hard to come by. Post-Soviets have sometimes felt imposed upon by US partners, while US partners have at times felt their intentions were misunderstood. We hope that this new journal can contribute to the back and forth essential to the success of any mutual endeavor.

This first issue of the journal reviews civil society building efforts since 1991. Fred Starr, chairman of the Central Asia Institute, sets the scene with a global overview of the concept of civil society; Margot Minnini, one of the first Americans involved in US government support for NGOs in the FSU, reminds us what the early days of foreign assistance were like. Several post-Soviets reflect on their part in creating change, grounding the abstract ideas of civil society in the practical activity of promoting citizen involvement and taking community based action.

A look at the role of US assistance providers through American and Russian eyes helps assess the place of collaborative efforts in this new period of development. Examples of cooperation between government agencies and NGOs in Siberia and Central Asia demonstrate that citizen involvement in community affairs has come a long way since 1991 and must continue to increase. And, last but certainly not least, a short examination of funding for civil society introduces perhaps the most crucial issue facing NGOs in the FSU—their long-term sustainability.

Through articles such as these, *Give & Take* will offer a forum for the kind of honest exploration that can air differences, identify common purposes and promote understanding. In this way, we hope to nurture grassroots links that will anchor the long-term process of building stronger societies in both the United States and the post-Soviet world.

Eliza K. Klose
Editor in Chief

Amy Forster
Managing Editor

Belarus to Further Regulate Humanitarian Aid

The Belarusian government announced this May its intention to require all humanitarian aid organizations in Belarus to obtain a license from the Presidential Administration Department for Humanitarian Aid. The five-year licenses, which will be mandatory even for organizations that provide overseas medical care to Belarusian children, can be revoked at the discretion of the government and have been seen as yet another way for President Lukashenko to exercise control over citizen initiatives in Belarus.

-Radio Free Europe/Radio Liberty, May 1998

NGO Coalition Wins Case Against The Russian Government

In a historic decision this February, the Russian Supreme Court sided with a coalition of NGOs, Duma deputies, scientists and concerned citizens to protect the nation's forests. After three days of hearings, the Court found that the Russian Forest Service had acted illegally in withdrawing 36,000 hectares of strictly protected forest land—in nature reserves, recreation areas and along riverbanks—from their "Class One" status, thus making them eligible for logging. (The sale of logging permits provides the bulk of the Forest Service's annual income.) Led by EcoJuris, a Russian NGO specializing in environmental law, the coalition attracted the attention of the media, the Russian public and the international community and was able to convince the Supreme Court to act even though the illegal decrees had been signed by Prime Minister Victor Chernomyrdin. The Court decision was an important victory for the rule of law in Russia.

Poll Shows Concern About The FSU Environment

In June, the United States Information Agency released the results of a poll on environmental awareness conducted in Russia, Ukraine and Kazakstan that suggests that citizens of the former Soviet Union are very concerned about environmental degradation. Fully 65 percent of Russians said they favored stringent environmental protection, even at the cost of jobs or economic development. The majority of those polled also felt that their government was not doing all they should to protect the environment, with over 70 percent of Kazaks and 85 percent of Ukrainians and Russians expressing disapproval of government environmental policy. Since many of the earliest FSU protest movements centered on the environment, RFE/RL's Paul Goble suggests that the poll should be a warning to governments.

-Radio Free Europe/Radio Liberty, June 1998

Carnegie Report Examines the NGO Role In Democracy Building

This summer, the Columbia-Carnegie NGO project began field interviews for its evaluation of NGO strategies for democratization in the formerly communist states. The project, which is scheduled for completion this winter, is aimed at better targeting Western assistance efforts to Central and Eastern Europe and the FSU by evaluating what type of NGO activity has been the most conducive to democracy building. For more information contact research director Sarah Mendelson at the Carnegie Endowment for International Peace at (202) 939-2268 or <sarahm@ceip.org>.

The Era of Civil Society In Perspective

by S. Frederick Starr

WHEN HISTORIANS LOOK back at the waning phase of this millennium, they may term it the “Era of Civil Society.” For even though many new governments have been formed and global businesses have burgeoned, it is the so-called “Third Sector” that has registered the most impressive growth over the past generation. Data compiled by Lester Salamon of Johns Hopkins University’s Institute of Policy Studies indicate that half of all nongovernmental organizations in Europe have been founded during the past decade. In countries of the former Soviet bloc alone, some 100,000 independent associations were set up between 1988 and 1995. India now claims more than a million independent groups.

No less impressive than the sheer number of voluntary associations is the bewildering variety of the missions they serve. Social services, sports, community improvement, women’s issues, rural development and recreation have long been established as focuses of their activity. Such associations have become the dominant means of organizing public concerns over environmental and ecological issues, whether at the local, national or international level. Education, long seen as the exclusive domain of the state in most countries, has also grown increasingly open to independent initiatives.

Religious life has also reflected this revolution. The Catholic Church has expanded greatly in Asia and Africa, but its growth is outstripped by self-organized evangelical denominations. In Islam, state-funded proselytizing has proven less dynamic than the independent and self-financed brotherhoods that have proliferated through local initiative.

The roots of this epochal shift can be traced to both negative and positive causes. On the negative side, governments at all levels found themselves unable to extract the volume of taxes needed to fund the many social functions they had arrogated to themselves. Whether in Brno or Bishkek, Vancouver or Vladivostok, political leaders had no choice but to invite “society” to help in the execution of functions that had previously been monopolies of the state. This

development, long in the making, was among the root causes of the collapse of the Soviet system and the eclipse of socialism elsewhere.

On the positive side, the change was hastened by the spread of education, new communications technologies, and expanded sources of wealth. Mass education empowered millions of men and women to pursue their needs directly, and thanks to modern communications they were able to inform themselves on virtually any subject without being limited by official sources of information. Expanding economies and the “Green Revolution” multiplied the numbers of people who could look beyond mere subsistence to bettering their own lives and the lives of others in their communities.

All these developments culminated in the political revolutions of the years 1985-1995. During this “great breakthrough,” the emerging forces of civil society threw off many of the shackles that had constrained them for generations. The wreckage of the Soviet system gave rise to numerous new states, most of which promptly legalized voluntary initiative in many areas of civic life. International organizations, including the United Nations and major aid providers, acknowledged the independent sector as a full partner in their work. Previously unimaginable quantities of national and international funding flowed to nongovernmental organizations in many countries.

This is, by any measure, one of the most dramatic episodes in the entire history of human emancipation. It represents a triumph of democracy scarcely less significant than what occurred during what historian Robert Palmer termed “The Age of Democratic Revolutions” stretching between 1776 and 1825. In a few short years, hundreds of millions of ordinary men and women gained a new degree of control over their own destinies. This is a landmark achievement, accomplished *by* average citizens and not merely *for* them.

But history flows on. The sense of triumph that accompanied the “great breakthrough” will eventually pass, giving way to a spirit of realism. Besides being inevitable, this shift is much to be desired. Instead of

In a few short years, hundreds of millions of ordinary men and women gained a new degree of control over their own destinies.

dwelling on what has been achieved to date, it is time to look soberly at what remains to be done. The list of unfinished tasks is long, and failure to address them could hasten this springtime of voluntary initiative to a premature and possibly harsh winter.

This is not the place to offer a complete inventory of unresolved issues in the worldwide movement towards voluntarism and group self-initiative. But any such accounting is likely to include at least the following three issues.

First, legislative protection of the independent sector remains, at best, a work in progress. Charters and licenses, taxation, methods of accounting and official oversight all present thorny questions that remain unresolved in most countries. Rather than confront these issues directly, all too many friends of the Third Sector sidestep them, hoping that the mere continuation of nongovernmental activity will somehow reduce the likelihood that these problems will explode in their faces.

It won't. The will to control others through the power of the state did not vanish from the earth in 1991-2. It remains strong, not only in the former Soviet Union, but in all countries with strong traditions of state control over society. Good legislation alone will not contain such urges, but it is unlikely that they will be constrained without good legislation implemented under the rule of law.

Second, the "independent sector" is far from being independent financially. Many of the most productive nongovernmental organizations are nongovernmental only with respect to their legal status and organization, but are dependent on support from the state for their survival. This is not necessarily bad, but it carries dangers that go largely unacknowledged and hence unaddressed.

In former Soviet bloc countries, hundreds of NGOs have acquired habits of financial dependence that jeopardize their long-term existence. NGOs that are truly independent of the government have, in many cases, instead become dependent on Western funding. It might be argued that this is unavoidable for the time being, since the habit of private giving remains undeveloped in those societies. While true, this line of reasoning threatens to become self-fulfilling in the long term. There is no more urgent task facing the indepen-

dent sector throughout the world, and especially in countries formerly under Soviet rule, than to foster private giving and the "habits of the heart" which underlie it.

Third, those involved with the independent sector must rethink their relationship to government and to their broader role as citizens. The recent effervescence of interest in community action traces its immediate roots to Communist-ruled Central Europe in the 1970s. Under the totalitarian system that prevailed there, it was natural that independent associations would view themselves as alternatives to the state, if not, as in Poland's Solidarity movement, its opponents. In formulating their approach to civil society, they tapped into the Hegelian tradition of juxtaposing state and "society," according to which the former was considered bad and the latter good. Hegel's approach in turn had made good sense in post-Napoleonic Prussia, where an autocratic regime all but smothered independent civic initiative.

But friends of the independent sector must ask themselves whether in a democratic system it is wise to counterpose "civil society" and the state. They must ask if it is appropriate to define civil society in purely negative terms, as is implied in the popular usage "Non-Governmental Organization."

When English and Scottish thinkers first elaborated the concept of civil society, they took a far more positive view of the matter. John Locke and his contemporaries viewed civil society not as a separate sector within the state but as a *condition* that prevails when all parts of a civic community are in a proper relationship to each other. Civil society meant a community ruled by law, in which people are free to organize themselves into various types of associations, and in which the state is one organization in society but not the only one. The key to civil society, then, is the concept of *citizenship*, which embraces both ruler and ruled under law.

What does this imply for the new states created from the ruins of the old Soviet bloc? It means that the voluntary sector must not segregate itself as a "we" in opposition to some demonized "they," and that it must engage fully and actively in the larger life of society, including political and economic affairs. It means, significantly, that the independent sector must embody and foster the ideals of law, citizenship and democratic order.

Does this imply that the development of a micro-loan bank, the promotion of women's health or the

Those involved with the independent sector must rethink their relationship to government and to their broader role as citizens.



conservation of a polluted river are not extremely valuable objectives? Not at all! But in the end, building a true civil society is more important even than “getting the job done,” no matter how urgent or significant the specific task may be. For only in a civil society will men and women be empowered to address the urgent issues that life continually sets before them, and able to

devote their best energies freely and voluntarily to improving the lot of their fellow citizens. ●

S. Frederick Starr is the chairman of the Central Asia Institute at the Nitze School of Advanced International Studies at Johns Hopkins University.

Making a Difference: Early Interventions at the Grassroots

by Margot Mininni

FOR ALL THE YEARS OF SLOW INNER decay, in 1991 the Soviet Union ended rather abruptly, and along with it any government supported social safety net for the vulnerable and marginalized of society. With the loss of funding and authority by the responsible ministries and the addition of academics, pensioners and women to the at-risk categories, the situation in the region soon became one of chaos, dislocation, and urgency. All levels of society were shaken. The “new Soviet man” metamorphosed into “New Russian” millionaires or the new poor.

The Rush to Aid

At the end of 1991 the western countries, notably the US, Germany and Great Britain, quickly convened development assistance organizations to discuss humanitarian intervention. Spurred on by “the CNN effect”—Western citizens’ reactions to news reports showing people suffering—American and European humanitarian aid organizations were soon delivering food, medicine and equipment to former Soviet states. Most traditional assistance providers were unfamiliar with the FSU, and there were many obstacles in getting programs established and operational. Nonetheless, these humanitarian aid regulars received a majority of the first grants from American and European government funders, due to their years of experience in delivering aid.

Alongside these big providers, smaller organizations with an interest or background in the region offered their help. Because of the need to get aid flowing quickly, donors were forced to take a chance with them. Also due to the urgency of the assistance,

few of the traditional restrictions on contractors were imposed.

The partnership model of delivering aid was one of the mechanisms that developed out of this flexibility.

One of the first projects set up to establish and support partnerships was the Private Voluntary Organizations in the New Independent States (PVO/NIS) Project administered by World Learning Inc.

and funded by the US Agency for International Development (USAID). This project worked with US organizations either unfamiliar with the cultural or social environment in these countries or unfamiliar with the process of working with government money; it helped local NIS organizations that were just getting started strengthen their services and structures and work effectively with their US partners.

The Early Days of NGOs

Many of the indigenous groups involved in partnerships were inexperienced, having sprung up in response to a particular need of some segment of society, for example the elderly, disabled, or unemployed. Groups were often comprised of just a few people with a charismatic leader whose personal vision formed the organization’s mission. These strong and inspiring personalities, while important in jump-starting independent action, would later pose obstacles to groups making the transition to a more structured

Spurred on by “the CNN effect,” American and European humanitarian aid organizations were soon delivering food, medicine and equipment to former Soviet states.

organization with a clearer mission and more defined goals.

Some of the better known groups had antecedents in Soviet-era public associations, such as the Union of Women, All-Union Societies of Disabled and Chernobyl aid societies. These groups, with their inherited structures, funds from dues and a ready membership and communications network, were resented for their history and distrusted for their "Soviet" mentality, whether justified or not. While it was difficult for leaders of these traditional organizations to change, some did embrace progressive ideas and began to refocus and reorganize their associations. Others did not, exacerbating the mistrust and tensions between groups. Knowing which organizations were sincerely trying to change, serve their constituency and become more independent was part of the challenge for those involved early on in helping NGOs develop. Some PVOs tended to see viable organizations where none

How could organizations from a country rich in volunteers and leisure time, with tradition and tax laws supporting charitable activities, work productively in countries struggling to create or resurrect such traditions?

existed. It took time, research and good information-sharing to separate those groups that had merely learned the lingo of development from those that were providing much needed services and were ready to move to the next level in their development.

These early post-Soviet NGOs, whether former state-sponsored public associations or rag-tag brigades of volunteers, had elements in common. All needed the most basic information, technical assistance and skill-building programs. Yet they were also diverse, posing great challenges to structuring assistance programs. Partnership projects in many cases allowed for the type of patient, step-by-step work that nurtured leadership abilities and strengthened these organizations.

Progress Through Partnership

Partnerships were successful for a number of reasons in the early days of civil society development. Local NGOs with western contacts received useful information and guidance. Foreign organizations worked intensively with their partners, preparing them to manage, report and distribute grant money responsibly.

Partners acted as sounding boards for ideas and strategies and provided legitimacy and prestige to struggling groups. Through partnerships, local groups began developing networks and coalitions. When

partners worked well together, difficult tasks such as defining organizational structures and writing grant proposals went more smoothly. Western partners played a useful role in prodding groups to devote time to organizational development, since local groups were often so overwhelmed delivering services that they were reluctant to spend time thinking about how to improve their organizational infrastructure. The concepts of clear financial management, long-range strategic planning and comprehensive fundraising strategies were even harder for local groups to master, and partners proved to be essential consultants. In other cases, the most valuable role of the partner was simply being there as the young organization navigated a new environment.

Things did not always go smoothly within the partnerships, of course. Cultural clashes arose. The western examples of nonprofit organizational function and management introduced in training were interesting models for these FSU NGOs, but difficult for them to apply to their reality. How could organizations from a country rich in volunteers and leisure time, with tradition and tax laws supporting charitable activities, work productively in countries struggling to create or resurrect such traditions?

US organizations served as models, and although indigenous groups found the comparison daunting at times, they nevertheless drew inspiration from US examples. Information and case studies provided by US groups, though not entirely applicable, provided models that enterprising local groups could adapt to their own circumstances. In one instance, Global Jewish Assistance and Relief Network's (GJARN) meals-on-wheels activity in Kharkiv took off after local NGO leaders visited the US. They brought back ideas seen at soup kitchens and adapted them to the situation in Kharkiv. Also valuable was witnessing how US groups grappled with their own program difficulties, a process which demonstrated to GJARN-Kharkiv how crucial their own ingenuity in marshaling local resources would be to their success.

Despite the success of many partnerships, some local groups felt, not unreasonably, that foreign donors should fund them directly and let them fill the needs themselves. Resentment ensued because the system in the earliest days of assistance was not set up to operate this way. The funding went to Western partners, who then passed on the assistance in the form of equipment, technical assistance and training for the local groups but kept a good portion for their own operational expenses. Donors maintained they could not give directly to the local groups, which had no transparent

processes for handling and accounting for the money. In time, with the help of training programs and coaching from their partners, the groups were brought up to a standard where foreign donors felt comfortable making grants directly to them.

A Sustainable Future?

In late 1993, starting with the Eurasia Foundation, donors including the US government began to give small grants directly to carefully chosen local groups. While it is true that in many cases a small amount of funding had a dramatic effect, often the early grants were so small and the tax and banking guidelines so complex that the grants were hard to apply in any meaningful way. Just researching the best kind of bank account could take months.

Such internal stumbling blocs were a drain on the energy and enthusiasm of local groups, particularly when coupled with the day-to-day operational difficulties of providing services and establishing a viable Third Sector. But the NGOs that made it through this difficult period now have proven track records of achievement and are strong and able to set their agendas. In creating action plans for their organizations at the final PVO/NIS Moscow conference, local groups showed how far they had come. Several demonstrated the ability to think strategically and long-term and to plan joint activities in fundraising and training. Many had targeted the writing of reform legislation as an important part of their action plan. Several were already engaged in lobbying activities and developing a message for the media. Where strong distrust had once existed, many groups were prepared to collaborate with local government to provide services.

These original NGO leaders, who took the initiative to serve their communities and lobby for changes in social policy, have been pivotal in building civil society in the NIS countries. They did not “wait for the state,” but rolled up their sleeves and took action. They have now become not only service providers, but also proactive participants in their own future who are taking the sector to the next level. There has been a fundamental and revolutionary change in the psychology of a significant segment of society. Emboldened by the power of grassroots action, these NGOs stand ready to move to a new level of productivity and stability.

This momentum has come as foreign donors seem to be bureaucratizing and scaling back funding. Local philanthropy is still too weak to support the sector, although in various cities, small efforts at building a base for philanthropy are being undertaken.

So, despite progress and myriad small victories, the Third Sector is struggling to maintain its foothold as an important element of society. After six years of struggling to achieve standards of accountability and transparency demanded by donors, groups that receive funding now often spend more time in paperwork than

courtesy of Lake Defenders

Children protest commercial satellite launching in front of an abandoned rocket fuel cell in Siberia.

in providing services or developing their skills. Traditional donors are now more comfortable in the region and are using their usual strategies with their customary bureaucracy. Donors also spend less time in conversation with local NGOs about local needs, and consequently are less able to accurately assess funding priorities. NGOs and Western funders now need to work together to promote innovation and creativity in NGO work while helping local NGOs identify and cultivate local resources that will keep them working long after Western donor interest dries up. ●

Margot Mininni witnessed the beginning and subsequent development of the NGO sector in the NIS as deputy director of the PVO/NIS project for World Learning from 1992-97. For the last four months she has worked as a full time consultant on NIS programs and NGO activity for the ABA/CEELI project.

"Democracy doesn't fall from the sky..."

An interview with Galina Venediktova

Galina Venediktova's first taste of activism came in 1989 when she joined Democratic Russia, a broad citizen movement opposed to the Communist party. After the collapse of the Soviet Union, she became a founding member of the Social Democratic Party and chaired its Commission on Women's Issues. However, frustrated with the sex discrimination she felt from her colleagues, Galina and other female members of the party founded Women for Social Democracy, a public organization dedicated to promoting women's rights. In 1994, Galina was approached by the Network of East-West Women (NEWW) to work on their Internet training program. Galina worked for NEWW, both in the former republics and in Washington, DC, until 1997. She now works at Women, Law and Development as a project coordinator. In a recent interview with Give & Take, Galina offered her thoughts on how the NGO movement has changed over the years and how she has come to see activism differently since coming to the States.

The idea of changing the status quo through citizen action is not understood yet, because for years attempting to exert this type of influence was unimaginable and life-threatening.

What was your impression of the NGO movement when you began your work?

I think NGO leaders were great activists, eager to jump in and very enthusiastic. It was a thrill to find them because they wanted e-mail so much and they were very active in using it. ... I remember when we were in Mirni, in northeastern Siberia, they wanted e-mail and the Internet so much that we would sit there all night. We would sit until four o'clock in the morning. I would be exhausted and they would keep pushing me 'let's get connected,' but connecting was very difficult. 'Let's get connected, we have to do it.' So we would spend eight hours to send one e-mail. They were really eager and you felt this attitude.

How do your impressions of that time contrast with what you see now?

I meet the same people at conferences and I think how sophisticated they have become ... At first I was pushing them to use the Internet, now they are using it, they are browsing the web, they find resources, they subscribe to mailing lists, they look at UN documents on the Internet.

Also, I see that many of them are now very sophisticated in fundraising. They get grants from different foundation offices in Russia, as well as having connections with foundations abroad. It's a kind of selection process, some didn't make it. Some fall apart and can't make it, but those who stuck with it are really good, although it is still very hard for them.

Having now worked in the US and the former republics, what recommendations would you have for your FSU activist colleagues?

I think the American experience is very valuable in terms of explaining how social change works. I think

there are different mechanisms for social change—participating in public movements or organizations, making contributions, taking part in the political process—and people ought to make an effort to understand them.

My mother was in the US on a visit and she kept saying, 'This is so great. For the handicapped there are elevators, everything is accessible. If I were in a wheelchair, I could go anywhere. This is wonderful.' I said the important thing is not to just think 'okay, we have to go home and make everything accessible for the handicapped,' the important thing is to understand how this was done and look at which forces and actors were involved.

Americans have a different attitude to problems based on the experience of two hundred years of democracy. It goes back years, how they developed this attitude and this feeling of being able to achieve and to make a change. Because that's what's crucial here. In the FSU, people don't believe they can make a change.

The important thing is that democracy and all these nice things in America didn't fall from the sky. Americans got them through participation, through volunteering, through sacrificing their time in the election process.

I think it would help if NGOs in the FSU learned more about how social change works in America. The idea of changing the status quo through citizen action is not understood yet in the region, because for years attempting to exert this influence was an unimaginable and life-threatening thing. The NGO community in the FSU should play a role in encouraging the public to get involved. I must tell you the attitude in the FSU is 'that is the West, they have everything. It's not the same for us.' We have to show the public in the FSU that it was people who made the difference. People like them. ●



The Evolution of an NGO: “Phoenix” Rises Out of Government Effort to Stop Poaching

by *Karin V. Elliot*

IN 1994, THE RUSSIAN MINISTRY OF Environment officially created **Operation Amba** in a last-ditch effort to stop illegal poaching and save the great Siberian tiger from extinction. Faced with budgetary cut-backs, however, the Ministry was unable to commit the resources necessary to launch the ambitious species recovery program. Although the Russian government provided Amba with expertise and office space, it was Western supporters, primarily the **Global Survival Network** (GSN) and the Siberian Tiger Support Coalition, that offered direct financial support and also did fundraising on Amba’s behalf. Worried that the pool of foreign grant money could dry up at any time, Operation Amba, GSN and the Siberian Tiger Support Coalition decided to found the NGO “Phoenix: A Collective Biodiversity Recovery Program” to take over Amba fundraising and serve as a coordinator of biodiversity groups in Primorski Krai.

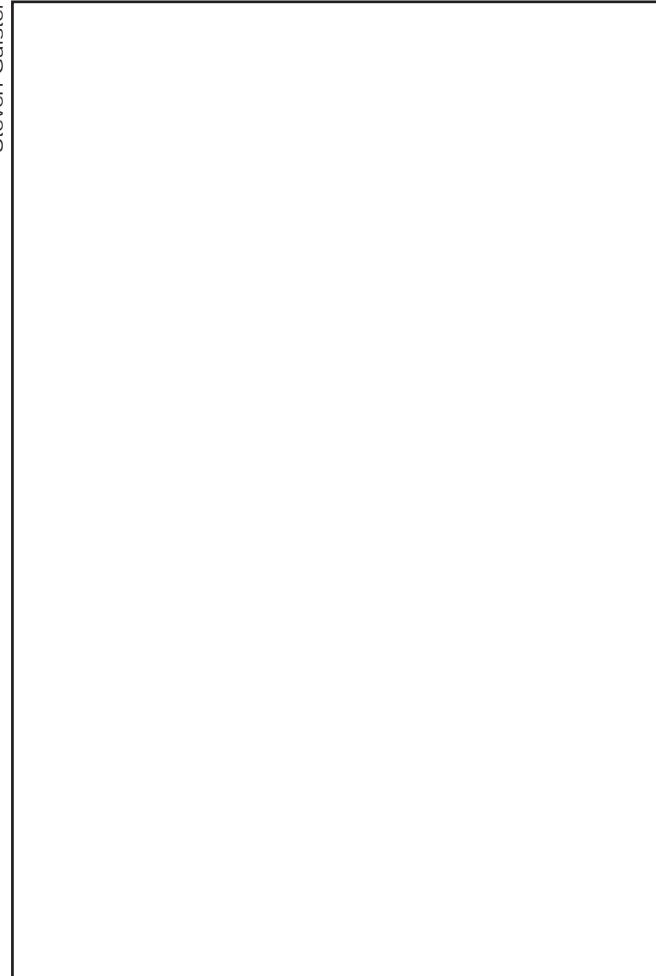
At its inception, Amba included only ten rangers and was designed as an “environmental security” program to halt the rapid decline in the tiger population, which at the time was estimated at only around 200 animals. While initially its inexperienced rangers found it difficult to challenge poachers, over time and with training from Western NGOs, their presence in the woods became increasingly effective. Moreover, as Amba grew, eventually reaching a total of 22 rangers, its reputation spread due to high visibility and coverage in the local media. This exposure helped the Amba teams garner the support of many locals, who began to provide information on poachers. As a testament to Amba’s success, the Amur tiger population has almost doubled since Amba’s creation and the scope of its work has expanded as well. For example, at the request of the Primore Forestry Ministry, Amba has even formed an anti-logging team to guard against illegal logging.

In 1996, GSN and Amba began to define Amba’s role more broadly, moving from a tiger-specific program to a broader conservation program in recognition of the need to address the health of the

entire ecosystem. Part of the new agenda called for making Amba less dependent on Western sponsors. Unfortunately, significant Russian government funding was not an option at that point. Although the Russian government had produced a document on conservation of the Amur Tiger, outlining an excellent, comprehensive program for the region that includes funding for Amba, it will be at least a couple of years before they can financially support the program.

Since all parties involved with Amba believed that the primary responsibility for funding the program ought to lie with Russia, they launched Phoenix to function as a stopgap Russian fundraising mechanism for Amba and other biodiversity conservation organizations until Russian government funding is available. Phoenix will also serve as a supplementary source of financing after the federal program is implemented. The organizers believe that, as an indigenous organization, Phoenix will be able to more credibly solicit funds from international donors, the Russian government and the Russian business community as well as assume a leadership role in the Primorski Krai tiger preservation effort. Phoenix, which was registered in Primorski Krai at the end of March 1998, continues to receive interim support from GSN and has already been awarded funds from the California-based Delano Foundation.

Steven Galster



Amba rangers with tiger skin.

The heart of Phoenix's mission is to coordinate the efforts of wildlife conservation organizations and individuals. When foreign money for environmental work initially became available in the Russian Federation, Russian environmentalists began to compete over funding. Vasily Solkin, director of Zov Taigi, a local environmental publisher in Primorye, explained, "they smelled a cake coming from abroad, and everyone wanted a piece of it before it was gone." Phoenix will attempt to be a less competitive, more collaborative, indigenous funding mechanism—an attempt to get the Russians to bake their own cake. One way of doing this is by disseminating information on tiger protection, and the Phoenix Board of Directors will be responsible for ensuring that groups exchange information on their current projects. Phoenix also believes it is important to involve the public in wildlife conservation, and is currently undertaking the construction of a wildlife education facility near the Ussurisk Wildlife Preserve to help ensure that people in the Primorski Krai are aware of the environmental importance of their region and are supportive of conservation efforts.

There is good reason to celebrate the many successes in tiger conservation in Russia's Far East, but continued efforts to combat illegal poaching and logging remain central to the survival of the area. The creation of Phoenix to spearhead these efforts is a testament to the increased capacity of Russian groups to solve the problems around them. With Amba at its core, Phoenix hopes to become an effective leader in the movement to protect the rich biological diversity of Primorski Krai. ●

Karin V. Elliot has been working as a consultant, interpreter and translator for GSN since March 1997. From January to March 1998 she lived in Vladivostok, where she served as the program coordinator for Phoenix in Operation Amba's office at the Primorski Krai State Ecology Committee. The Siberian Tiger Support Coalition, which has provided funding for Amba, now includes Tusk Force, the David Shepherd Conservation Foundation, the I-Mei Foundation, MSPCA, the Delano Foundation, the International Bear Foundation, Stitching Tigris, Save the Tiger Fund and GSN.

Reflections on Georgia's Emerging Civil Society

Changing Georgia's "Monologue Culture"

When ISFED works in the regions, many believe that it must have a special task from the government to create civil society.

The **International Society for Fair Elections and Democracy** (ISFED) was founded in September 1995 to monitor the presidential and parliamentary elections throughout Georgia. After the elections it was to become a permanent election-monitoring organization, which would also work on electoral legislation and monitor government bodies between election periods. ISFED is dedicated to educating the public about civil society through its local branches, government-citizen dialogues and monthly bulletin *Civil Society*. ISFED has been supported by the National Democratic Institute (NDI) since its inception, and an advisor from NDI works with the ISFED staff.

Nugzar Ivanidze, the organization's executive director, explained that ISFED's main goal is to "help our people to become citizens, to change the relations between citizens and government as well as among citizens." One of the ways in which ISFED has done this is through community dialogues between local officials and citizens. Because all local officials in Georgia are appointed by the president, they are not directly

responsible to the people, and have not had much of an incentive to spend time hearing citizens' concerns. As Ivanidze put it, "Georgia has a monologue culture: a monologue of government to the people. [ISFED is] trying to change that culture."

Ivanidze explained that it was initially difficult to persuade local officials to participate in dialogue sessions since they were afraid to face people and tell them that there was no money to solve their problems. ISFED worked to convince them that it was as important to explain to people about budgets and constraints as it was to listen to their needs.

Citizens were also skeptical about publicly criticizing the local authorities. "I can't say all citizens are ready for such a dialogue," Ivanidze acknowledged. But, he continued, "there are citizens who are actively critical of the government, who speak out, who analyze problems, who make recommendations."

The dialogue sessions succeeded in many communities and after the meetings ISFED suggested that interested participants form citizen advisory



committees. Committees were established in 18 districts and are now working effectively in most of these, interviewing people about their needs, collecting data and attending government sessions. They have secured citizen access to local officials and, in several districts, have even been able to obtain copies of proposed budgets and hold public hearings on them.

Ivanidze commented, "Usually when people ask me how satisfied I am with the progress of democracy, elections, civil society, I answer by saying that it depends on what criteria we are using. If we are comparing it with other former Soviet republics, I agree that we are quite advanced. If we judge based on real criteria, human rights, civil society, how the

government works, we are at the very beginning. Due to very strong Western support we already have some really strong institutions of civil society, but in rural areas there are generally very few strong NGOs."

Since Georgians are used to everything coming from the center, Ivanidze remarked that when ISFED works in the regions many believe that "this NGO must have a special task from the government to create civil society." But the visibility of ISFED and other NGOs has had a positive effect: "Now, every Georgian has heard this term civil society. They may not know exactly what it means, but they know it is a new style of life."

Taking Responsibility for the Future

Society Varketili, the oldest community-based organization in Georgia, emerged out of the difficult economic and social circumstances faced by a Tbilisi suburb of 70,000 people. Galvanized into action by the desire to find a nonviolent way to protest the deteriorating conditions in their district, a small group of residents began to mediate between the frustrated community and government officials. That core group of residents attracted others and formed Society Varketili, which has since expanded to take on a whole spectrum of social and economic issues, including health care, education and other problems of poor families.

Varketili initially received small amounts of assistance from humanitarian organizations and generated some income through small enterprises, such as arts studios and a handicrafts business. As they proved themselves, they won larger grants, and they have now carried out a community health care program with World Bank assistance, and are applying to the Georgian Social Investment Fund for money to repair roads.

Varketili's leaders have seen the attitude of their neighbors change over the course of their work. Gogi Dzumukashvili explained, "When we approached people about our health care program, they took the attitude that someone else could solve their problems, and they could stay at home. Now, more people see that we are doing good things, and think that they should get involved. We're trying to convince more people away from pessimism and towards doing something."

He emphasized that Varketili is based on the understanding that, "The main capital here is people, particularly youth. If you approach people directly and ask them what their problems are, they will get more involved and active. The government hasn't understood this idea."

Now, in addition to their work in the community, Varketili's leaders also spend their time advising others on how to create and sustain effective community-based organizations. Dramukashvili explained, "Our goal is for the movement of community-based organizations like ours to expand, since with more and more such organizations it will be easier for us to build democracy. ... People are seeing that they are citizens and they are responsible for what's happening in their country." ●

-Amy Forster, managing editor of Give & Take.

Amy Forster

Planting hope: Vano Tsnobiladze stands proudly before a tree in Varketili's new community park.

Aid to the Former USSR: Is Less Still More?

by Nancy Lubin

IN 1994, JNA ASSOCIATES, INC. LAUNCHED its Project on the Newly Independent States, an effort supported by five US foundations to examine US assistance to the former USSR. The project, part of which focused on the role of NGO partnerships and smaller projects in the overall US assistance package, released its first report, *Aid to the Former Soviet Union: When Less is More*, in March 1996, and an update is due at the beginning of 1999. While much has changed over the past two years, the preliminary results of this update suggest that confusion and discord over the goals, strategies and tactics of the aid program within the Western assistance and foreign policy communities have left the future of small partnerships uncertain.

The 1996 Report

The 1996 JNA report examined the balance of funding among the different mechanisms for delivering aid—in

Some in the foreign policy and donor communities believe that if the West were to funnel the vast majority of assistance into a few key areas—such as large scale, higher priced economic advisory projects—reform in other areas would follow.

particular, among large consortia and contractors, private voluntary organizations, small indigenous organizations and small US-FSU partnerships—and attempted to isolate elements important to a project's success. The analysis suggested two sets of conclusions.

First, the report found that while there is certainly a role for all of these mechanisms, the vast

majority of USAID funds went to large contractors and voluntary organizations, with roughly half a billion dollars in contracts and obligations for the FSU and Central and Eastern Europe distributed to only four firms. In contrast, smaller projects and partnerships, defined by the report as under one million dollars and usually funded at a few hundred thousand dollars, were

scraping to find funding at all. This situation was only exacerbated by the fact that these large firms had never been subject to a full financial audit, while small projects and partnerships faced often excessively stringent budget requirements both in their initial proposals and subsequent financial reporting. Also, while multi-year funding was typical for large consortia, it seemed a rarity for small partnerships.

Second, the report found that qualitative elements important to the success of a project—such as the inclusion of Western staff with prior on the ground experience in the FSU in key positions, local participation in project design, transparent oversight mechanisms and extensive follow-up and evaluation—tended to be more typical of smaller partnerships than of larger projects and consortia, where they were often overlooked if not actively resisted. The project recommended that the imbalance in funding between larger projects and smaller partnerships be addressed and that all projects—large and small—be subject to more uniform funding and accounting procedures. Likewise, it argued that these elements be required in all projects, regardless of size.

The Update

Information collected for the report's 1999 update is inconclusive. On the one hand, the stated US assistance strategy has changed markedly and US-FSU partnerships seem to have taken center stage. Impressive, hands-on “umbrella” organizations such as the Eurasia Foundation and IREX remain committed to funding small partnerships. There has also been more concern about follow-up and coordination among donors than in the past and, partly due to the findings of the first report, the 1997 Appropriations Bill placed greater emphasis on the participation of Western regional specialists in projects. Finally, new initiatives and competitions are reportedly opening the way for more partnerships.

At the same time, what exactly constitutes a “partnership” under the new Partnership for Freedom

initiative has yet to be defined. Our team, for example, was told by several in the donor community that “partnership” by no means implies anything about size or involvement of the NGO community; they tell us that large agreements supporting the work of major US contractors and their FSU counterparts can also be considered “partnerships” insofar as the two sides are working together. In the meantime, although USAID computer problems have made it impossible to determine precisely where Freedom Support Act funds have been spent over the past two years, it seems the overall level of funding for small partnerships is still limited and some established US umbrella mechanisms have been cut back or killed. Anecdotal evidence also suggests that while the number of competitions for NGO partnership activities may have grown, the number and size of awards granted in each competition may have shrunk. Finally, it seems that important elements, such as Western staff with prior on-the-ground experience in the FSU, are still often considered peripheral by many in the donor community.

Thinking about Future Assistance

Part of the reason for these contradictions is that there is little consensus regarding the goals, strategies and tactics of US assistance to the FSU in the first place. For example, some in the foreign policy and donor communities believe that if the West were to funnel the vast majority of assistance into a few key areas—such as large scale, higher priced economic advisory projects—reform in other areas would follow; others believe that economic issues cannot be isolated from political and social concerns, so that funding should be dispersed in smaller amounts and more widely. Some believe that the role of the nongovernmental sector should be limited primarily to grassroots development; others argue that the flexibility and hands-on approach of small partnerships may enable them to work with local and national governments more effectively than large consortia on certain issues.

Likewise, there is no consensus regarding the more qualitative issues of project design. One Congressional staffer, for example, echoed the sentiments of others in the aid community when he told us that he does not understand the relevance of requiring regional, on-the-ground expertise in the FSU as long as we know what reforms we would like to “impose.” Others argue we cannot achieve any substantive reform without understanding the nuances of how things currently

operate—formally and informally—and shaping our assistance programs accordingly. All of these debates have been clouded by the difficulties in finding adequate ways to measure our progress in the first place.

Conclusion

These and other controversies form the backdrop against which all actors must compete for funds. Certainly there is pressure for the donor community to be all things to all people, but this undoubtedly brings disappointment and disenchantment in many quarters as well. Perhaps this is particularly true among those trying to sustain small partnerships because, while assistance strategies highlight their successes, many have found funding increasingly elusive.

It is unlikely that these and other controversies can be resolved any time soon. But now that USAID computers are up and running again, it would be useful if USAID would more willingly share comprehensive data about the allocation of assistance funds by size and type of project and clarify the mechanisms considered appropriate to meet different kinds of objectives. This clarity would help all actors in the assistance effort better direct their strengths and talents in an endeavor that requires all kinds of expertise to be effective. ●

Nancy Lubin is president of JNA Associates, Inc. and directs the reports on western assistance to the FSU.

INPUT WANTED: The update currently in progress examines the role of large and small projects in the FSU, the overall funding situation in various regions and sectors, and the successes and challenges of current assistance efforts. The update also presents recommendations for the future. Comments, stories or any other input would be greatly appreciated and can be sent directly to JNA by e-mail (lubin@jgc.apc.org), fax (301) 229-5831 or phone (301) 229-8492.

Certainly there is pressure for the donor community to be all things to all people, but this undoubtedly brings disappointment and disenchantment in many quarters.

“Americans need to be flexible...”

An interview with Natasha Mirimanova

Natasha Mirimanova began her work with NGOs in Moscow in 1990 as a trainer with Golubka, a Russian organization dedicated to conflict resolution and strengthening emerging organizations through training in organizational development and fundraising. She has since worked with the British conflict resolution NGO, International Alert, as well as the American organizations Search for Common Ground and Partners for Democratic Change. She has been a consultant for Internews and worked as a civic expert with the National Democratic Institute (NDI). She also served as a trainer with an OSCE program for human rights NGOs in the former Soviet Union.

Natasha has spent the last year as a graduate student at the Institute for Conflict Analysis and Resolution (ICAR) at George Mason University while continuing to serve as an NGO consultant. In an interview with Give & Take, Natasha commented on the role for Americans in building civil society in the FSU.

People sometimes don't have a piece of bread to eat, so it's important not to overdose them with cheerful optimism.

What are some ways in which things have changed for NGOs and their American partners?

I see [the former Soviet Union] as a patchwork, and each piece requires a particular kind of project, a particular target, or style, if you wish. In this sense, it is important that American NGOs offer more specialized assistance, because they shouldn't perceive the FSU as one big piece of land with all the same people. It's not the case.

And do you find that Americans act as if that were the case?

Oh yes. Like not taking into account cultural, political and historical differences and that kind of thing. It happens very often and is a disadvantage. Taking into account that NGOs in the FSU are now so diverse, Americans need to be really, really flexible.

What differences between regions have you observed in the course of your work?

Cultural things are very important generally. Working in ... Moscow and in Turkmenistan is really different in terms of culture, in terms of how you present yourself, how you express yourself. These differences might seem superficial, but in fact they are extremely important.

Second of all, the political culture is extremely different. In Moscow you can talk about protest, letters to the government, all these kinds of political actions. In Uzbekistan forget it. Ultimately, it's a question of responsibility. Let's say you come to Uzbekistan or Turkmenistan and you tell people, 'Oh listen, there are these great things you can do. You can write this letter to your president and you can organize a protest' and you can do this and that. And what if people do it? Then they are in trouble. So it's very important not to raise false expectations and not to try to apply your own pattern to every single situation.

Also the economic context. I found that people in Turkmenistan and Kyrgyzstan get offended if you or I talk about fundraising or about large amounts of money. People sometimes don't have a piece of bread to eat, so it's really important not to overdose them with cheerful optimism, 'we will raise \$100,000,' when people haven't eaten breakfast. What I'm trying to say is, before initiating a project, investigation and research are needed. Now people are looking more for what someone can specifically teach them rather than just wanting to listen to stories [of how things are done elsewhere].

And what kinds of topics can Americans address that local trainers are less able to teach themselves?

... [Training is needed on] how to become visible, how to be respected. How to affect political decision making and still serve a community.

Who are the most effective trainers for these topics?

I would do the training in partnership. The Soldiers' Mothers [a Russian organization founded by women with sons in the Russian military], for example, could come here and train American activists on how to launch campaigns, how to advance their political agenda. They are an example of a Russian resource on advocacy. But at NDI I was working with [an American] director who was a grassroots activist and had lots of experience in the States, and we worked together on trainings. It worked very well because I have the Russian context plus experience in Russia and she had experience in the States.

I'm not saying [American experience] is useless, not at all, it just needs some filtering. Cultural filters and political filters. And being responsive and open is a virtue for both sides, American and Russian. ●

Partnership is a Matter of Mutual Benefit

by Rachel Griffiths

WHEN PEOPLE TALK ABOUT FSU-US partnerships, they tend to concentrate on the benefits these partnerships offer to the FSU side. Such an attitude may have been appropriate several years ago, but today's partnerships are increasingly built on common interests and common needs. As conversations with US organizations reveal, partnerships nowadays are anything but one-sided.

There are all sorts of ways in which US groups gain from partnering with FSU NGOs. Working together can lead to positive transformations on both sides. For example, ECOLOGIA, a Pennsylvania-based environmental group with partners throughout Central Europe and the FSU, initially found itself disagreeing with its Moscow partners regarding the audience for their efforts. The US side emphasized working at the grassroots level, while the Moscow staff, made up of highly trained scientists, felt more comfortable dealing with other scientists and intellectuals. Negotiating a compromise resulted in improvements on both sides; the US staff has become more scientific and professional in its approach while the Moscow office has discovered the excitement and power of working at the community level.

Partnerships can also lead to technical innovations. For instance, in a recent IREX-sponsored project the Research and Education Foundation of the University of South Carolina and the Russian Academy of Sciences joined forces to study fish farming techniques. The Americans, used to doing their outdoor studies only in the summer, were fascinated by a year-round fish tank developed by the Russians and have since built themselves a similar tank.

The US-based World Institute on Disability (WID) learned new approaches to fundraising from its partner, the All-Russian Society of the Disabled (ARSD). WID discovered that the ARSD funded 50 percent of their activities through revenues from a network of 2,000 ARSD-owned businesses employing over 50,000 people. While American disabilities organizations have generally been more successful in advocating for people with

disabilities than their Russian counterparts, US organizations are just beginning to investigate self-financing activities. Certainly nothing on the scale of ARSD's innovative fundraising operation has ever been attempted in the US.

Marc Behrendt, WID's program manager, said that the differences between Russian and American approaches to disability work forced WID to reevaluate certain aspects of its program. Marc commented that the reassessment process was invaluable, actually helping the organization rethink the training manuals it used for its American programs.

Another benefit to US groups is the prestige and credibility that international experience can lend to their domestic work. For example, Tri-Valley CAREs, a US organization that works on nuclear weapons and clean-up issues, sponsors an annual event in DC to present their concerns to Washington policymakers. This year, Marylia Kelley, president of Tri-Valley CAREs, brought the head of their Russian partner organization to meetings with officials at the Department of Energy. Marylia reported that having a Russian discuss the impact of US decisions on Russian nuclear policy made the overall presentation much more convincing. Marylia also commented that having an international partner has made the American members of Tri-Valley CAREs feel that they belong to a global citizen's movement and helped attract new members to the organization.

When it first became possible for US NGOs to work in partnership with FSU NGOs, few organizations on either side knew what they were getting in for. Their reasons ranged from an idealistic desire to help people in a formerly closed part of the world to the more materialistic hope of gaining access to funding. In the course of time, some of those early attempts failed. The ones that succeeded were those in which each side learned from the other, seeking and finding the mutual benefit in the partnership process. ●

Rachel Griffiths is the assistant editor of Give & Take.

USAID Program Brings Development Lessons Home

In 1994, the US Agency for International Development launched the Lessons Without Borders (LWOB) program to introduce techniques used overseas to community development leaders in the United States. Since then, at LWOB conferences and smaller meetings around the United States, representatives of NGOs and government ministries from Central Europe and the former Soviet Union have engaged with their American colleagues on such issues as health care education for poor and semi-literate audiences; establishing successful microenterprise programs and designing rural development strategies based on local needs assessments and NGO-business partnerships. LWOB participants who have described their experiences and insights have included: the Consul for Economic and Commercial Affairs of the Czech Republic, who addressed women entrepreneurs in Maine on the economic empowerment of women; sanitation utility managers from the Russian Far East who met with rural and tribal leaders in Alaska; and a Slovakian NGO advisor who traveled to Knoxville to discuss leadership development and community participation strategies with colleagues working in Appalachia. For more information on Lessons Without Borders, contact Linda Moffat at (202) 712-5178.

Civil Society Takes Three-Way Dialogue

By Sarah Lindemann

YOU HEAR A LOT OF TALK THESE days about “civil society development.” In fact, the term is bandied about so often it has become a catch-phrase that allows us to get by with little thought about what it is we are actually talking about. This lack of reflection has led to an almost de-facto equation of civil society development with support for the nonprofit sector. By limiting ourselves to working with the Third Sector, we are left supporting the NGO community for its own sake rather than addressing its broader function in a democratic society.

By limiting ourselves to working with the Third Sector, we are left supporting the NGO community for its own sake rather than addressing its broader function in a democratic society.

To encourage a healthy and just democracy we must take a more integrated approach, one that encompasses all three sectors—government, business and nonprofits—since none of them operate in a vacuum. Developing ties between sectors is especially important in post-totalitarian

countries where the value of citizen participation is only now being understood.

Civil society development in Russia is about changing the rules of the game to achieve a positive and sustainable outcome. Russia is not a brand new ballgame, and you cannot expect to introduce a new player, such as the nonprofit sector, without establishing its role in the context of the already existing players. It is understandable that government and business are suspicious of the newcomer, but collaboration between sectors lies at the very heart of civil society development. By isolating development efforts to one sector we not only miss the chance to encourage cooperation and understanding among all three, we actually reinforce the distance between them. If democracy is to succeed, we must find and expand areas of common interest.

Opportunities for dialogue between representatives of the different sectors can be created through specially designed programs or by expanding existing

programs, for instance, by inviting government representatives to take part in an NGO training of trainers program. Another good way to build longer-term relationships is by including people from different sectors on organizing committees for community projects. In such a setting representatives from different sectors are more likely to feel themselves on an equal footing. They can exchange ideas and develop greater understanding by offering their different resources and expertise to solve mutual problems. This kind of shared experience is a form of democracy-in-action that has a resonance far beyond a single event.

Review boards are another excellent mechanism for fostering cooperation. In Siberia, representatives of different sectors have served together on boards that award grants to NGOs, select recipients for community service awards or choose schools to participate in democratic education training programs. Working with Third Sector representatives in such a context exposes government and businesspeople to the dynamics of open and fair competition and broadens their knowledge of what the Third Sector can do. For their part, members of the nonprofit sector learn a great deal about how the other sectors respond to ideas and how to pursue their organizations’ goals without alienating others. On occasion, government officials participating in grant review committees have even been inspired to fund some of the activities they learned about.

Schools provide another good venue for stimulating dialogue among all members of a community. In Krasnoyarsk Krai, for instance, the Krasnoyarsk Center for Community Partnerships worked with 12 schools to develop school/community partnerships. Each of the schools created a strategic plan for bringing together parents, teachers, students, administrators and other interested members of the community to address such varied issues as smoking, school renovation, children’s healthcare and fundraising. The teachers and school administrators were then joined by representatives of the Department of Education from another region for a week-long training session. At first the antagonism between the groups threatened to disrupt the entire program, but in the end, the experience of living and

working together as equals forced the participants to get to know each other as individuals with shared goals and gave them a chance to escape their usual roles. The connections were reinforced by the joint need to find solutions that would respond to the concerns of both government bureaucrats and school practitioners.

The creation of boards of directors for local nonprofit organizations should be another promising mechanism for promoting intersectoral cooperation. At a recent quarterly meeting, NGO resource center coordinators from 12 Siberian cities took part in a seminar on developing nonprofit boards. While most of the participants felt that it was still too early for most local NGOs to see the benefits of boards, they could all appreciate the fact that board membership could become a good way for bringing the three sectors together in the future.

Russia faces enormous challenges, but it can only succeed if its citizens learn to work together. Failure to include representatives from business and government in programs when appropriate reinforces the existing lack of trust between sectors, thus defeating the higher goal of fostering a fully functioning civil society.

The Russians with whom I work in the nonprofit sector have created the phrase “effective partnerships” to describe the linkages necessary for intersectoral civil society development. By participating in such partnerships, the Third Sector can take steps toward sustainability while government and business can enhance their legitimacy. ●

Sarah Lindemann is the president of ECHO, Inc. and consultant to the Siberian Civic Initiatives Support Center and the Krasnoyarsk Center for Community Partnerships.

Failure to include representatives from business and government in programs reinforces the existing lack of trust between sectors.

Siberian NGO Fairs Promote Intersectoral Cooperation

The **Siberian Civic Initiatives Support Center**, a 12-city network of NGO resource centers, applies an inter-sectoral approach to all its activities. We recognized the need for this early on since one of the primary constraints to the development of the Third Sector was a lack of awareness by government and business.

Our first major effort to address the issue developed out of a seminar on coalition building in 1996. Representatives of Novosibirsk NGOs decided to hold an NGO Fair on Russian Independence Day, June 12, to raise understanding of the Third Sector. The organizing committee consisted only of NGOs, since government officials were aware of the initiative but hesitant to play a large role, and business support was nonexistent. The Mayor decided to attend at the last minute; he was joined at the Fair by over 400 others who came for the cultural program and to see displays from about 40 organizations. The event, which was covered by all major media outlets, ushered in a new era of respect and cooperation between the government and the Third Sector.

The organizers decided to make the NGO Fair an annual event. In 1997, the organizing committee included representatives from the Novosibirsk city and

oblast governments. The committee decided that a primary objective should be to attract business support for the nonprofit sector. Organizations were invited to present projects for sponsorship, while organizers conducted an active fundraising campaign for the Fair itself. In addition to corporate donors, the City of Novosibirsk became a major sponsor. Over 80 organizations took part in the event, and 39 of these presented projects that were published in a booklet.

As part of ongoing attempts to encourage intersectoral cooperation, this year a grant competition was added to encourage organizations to develop projects; business, government and NGOs worked together on the awards committee. Six grants were awarded with funding from New York Pizza, the Novosibirsk oblast administration, the Novosibirsk city administration and the Fund for Trust and Partnership in Novosibirsk. Roundtables dedicated to human rights and intersectoral relations were also added to the program. The success of the Novosibirsk NGO Fair has inspired similar events throughout Siberia and is even being replicated on a national level by youth organizations.

- Anatoly Zabolotny, executive director, Siberian Civic Initiatives Support Center

NGOs and Governments Join Forces in Central Asia

by *Djamila Babadjanova*

DESPITE THE VARYING PACE OF Third Sector development and the differing government policies towards NGOs in each of the Central Asian countries, NGOs have played an important role in democratization and economic growth throughout the region. However, the stabilization and sustainability of the NGO sector is largely dependent on cooperation between NGOs and government, since with the exception of the highly repressive state of Turkmenistan, governments appear

Cooperation should not be a one-way street, but a mutual relationship in which NGOs express their willingness to interact with governments, and governments are responsive to NGO needs.

to be the major source of funding for NGO initiatives. Such cooperation should not be a one-way street, but a mutual relationship in which NGOs

express their willingness to interact with governments, and governments, in return, are responsive to NGO needs. Both sectors provide social benefits to the public, both sectors exist to serve people's needs and both play crucial roles in the development of civil society.

Though the history of the NGO sector in Central Asia is short, an examination of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan reveals at least three distinct periods in the development of NGO-government relations.

Period of misunderstanding (1991-1995)
During this first period, the NGO sector faced hostility from governments, which believed that nongovernmental organizations oppose government interests and undermine public confidence. This attitude arose from the extreme politicization of these newly independent societies, the advocacy orientation of the first NGOs and the complete lack of understanding of the importance of philanthropy, voluntarism and the NGO sector in a democratic society. Central Asian governments

feared NGOs, were skeptical about what they could actually do and consequently resisted their activities. Having been isolated for many years from the international community and feeling threatened by emerging NGOs, Central Asian governments were unready at this point to cooperate with them in any way.

The hostility was mutual; NGOs also did not try to work with governments. They were reluctant in part because they did not want to be perceived as government organizations, but even more so because they were afraid that government participation in their activities would result in a loss of autonomy. Their concern was understandable, but also indicated that they did not appreciate the ways in which governments can support the development of the NGO sector.

Period of Awareness (1995-1997)
Over time both sides came to realize that antagonism between them would not benefit society. By 1997, Central Asians were developing a much clearer concept of civic responsibility, and national and local governments, facing tremendous societal challenges including restructuring their social welfare systems, had to seek alternative ways to address the needs of their people. NGOs offered one alternative for delivering public services, and as they learned about successful NGO efforts to address problems, local governments began to contact such organizations and seek their assistance. Such government willingness to support local NGO activities led to a rapid increase in the number of NGOs in all four countries, though the growth rate in Uzbekistan and Tajikistan was lower than in Kyrgyzstan and Kazakhstan. Central Asian governments supported NGOs in a variety of ways during this period, participating in NGO programs and providing in-kind contributions, such as office space and furniture, as well as moral support.

Examples of such cooperation include the Tashkent Public Education Center in Uzbekistan, which worked with local governments to conduct a civic education program, taking advantage of the two

sectors' mutual interest in fostering democratic ideas. Local officials provided space for the trainings and were responsible for coordinating program logistics. In Tajikistan, the Citizens' Council on the Environment conducted regular meetings with the Ministry of the Environment.

Period of Joint Initiatives (1997-present)
Governments and NGOs are now working together more actively. Governments, having seen the results of cooperation with NGOs, have begun to realize that the NGO movement is able to address many social problems: NGOs have shown a high level of mobility, competitiveness and skill in raising funds from other sources and their programs have been cost-effective and varied. On the other hand, having gained experience in marketing their services, NGOs have expressed more willingness to cooperate with governments. They have invited governments to become more closely involved in their activities and have also appealed to them for funding. As a result, the number of NGO programs that include government participation has grown considerably. In addition to in-kind contributions and participation in NGO activities, which remain the most common types of support, governments are now subcontracting with NGOs to provide certain services or are directly subsidizing parts of NGO programs.

For example, in Uzbekistan, Junior Achievement and the Ministry of Public Education have launched a training program in economics for school teachers. The Ministry allocated funds to print an Uzbek version of Junior Achievement's textbooks and organized the participation of school teachers in the trainings. In Bishkek, Kyrgyzstan, the local government employment agency contracted with the Chinson Society to conduct computer trainings and a job placement program for the unemployed. And in the city of Kyzylorda, Kazakstan, the municipal government has hired homeowner cooperatives to maintain city housing.

Future Challenges

Although cases of government agencies working with NGOs are more frequent, they still occur only on an ad hoc basis. The primary reason that joint efforts have not become more systematic is that government attitudes to the NGO sector tend to be indifferent, if not downright opposed to NGOs. This has led to a lack of clarity in government policies on the Third Sector. As a result, it is still too early to declare that relationships between the NGO movement and the governments of Central Asia are firmly established.

A number of steps must be taken to enhance the development of NGO-government collaboration. These include the following:

- Government policies affecting NGOs need to be clarified. Incomplete or poor legislation leads to misunderstandings and, in some cases, to mistrust.
- Relationships between NGOs and governments must be institutionalized. Governments lack institutional mechanisms for maintaining relations and providing support, directly or indirectly, for NGO programs.

Government officials need training in managerial skills if they are to work more effectively with NGOs.

The issue of working with NGOs did not arise in training programs for public officials in the Soviet era. Training government officials how to improve their interactions with NGOs would much enhance the environment for the development of the NGO sector. It is critical to establish short- and long-term training programs designed to retrain current government officials and educate the new generation of government administrators.

- NGOs need to increase their management capabilities and improve their abilities to communicate with the government sector. Most NGOs are small and lack organizational structure. They tend to be run by teachers, scientists, former government employees or aspiring businesspeople, not professional managers, and usually have done little planning for long-term sustainability. They often do not have full-time staff and frequently fall apart due to internal conflicts. The best way to address the lack of managerial professionalism within NGOs would be to establish degree and non-degree training programs in the fields of NGO human resources management, program development, evaluation, financial accounting, leadership and fundraising. ●

NGOs and government both provide social benefits to the public, both exist to serve people's needs and both play crucial roles in the development of civil society.

Djamila Babadjanova works for the Eurasia Foundation in Tashkent, Uzbekistan. Research for this article was supported in part by a grant from the International Research and Exchange Board (IREX) with funds provided by the United States Information Agency through the Freedom Support Act. The author is solely responsible for the views expressed herein.

A Unity of Purpose

A Russian community pulls together to combat its alarming health problems.

by *Barbara Felitti*

WALKING THE STREETS OF Nizhnii Tagil, it feels like there is no escape from the sight and smells of orange, black and white smoke billowing from one of Russia's largest iron and steel plants. The accompanying health effects are more insidious, but no less real. Nizhnii Tagil has Russia's highest rates of stomach and lung cancer as well as pervasive children's health problems.

Life is not easy in Nizhnii Tagil. Yet a group of citizens working to improve the quality of life in their city is moving forward one step at a time. A unity of purpose has crossed sectoral lines, bringing divergent groups and interests together towards a common

goal—improving the health of their population. A closed city only eight years ago, Nizhnii Tagil is now a model for how a citizen advisory group can work collaboratively with its local government to solve local problems.

As part of a Russian-US cooperative project initiated in 1994, a multi-sector priority-setting committee, composed of government, industry, academic, NGO and citizen representatives, has just completed an analysis of the air pollution problem in Nizhnii Tagil. The recommendation to control particulate emissions from operations at the local mining plant will eliminate an estimated 28 deaths per year—a very tangible impact on the health of local citizens. Equally important, the chair of the local city administration Ecology Department recommended that the priority-setting committee continue to work with the city on other environmental problems. A newly funded solid waste project will provide an important opportunity for this new “citizen-government” partnership to demonstrate the merits of this approach over the upcoming years.

The critical first step of the project was taken by the city administration itself when it agreed to work with Americans on the project. This invitation to the American partners to work in Nizhnii Tagil was essential. Without the city's support, efforts to engage citizens would have been resisted, and would likely have failed. Instead, the strategy pursued was to “create a space at the table” for all key groups to participate. Both the government and the American partners agreed to the composition of the committee, with the city appointing the actual members. A decree signed by the mayor, establishing the committee and its membership, was an important acknowledgement of both the committee's right to exist and the role committee members could play in helping the city resolve environmental issues.

The composition of the committee was greatly influenced by the project's need for emissions and

A Brief History of Nizhnii Tagil

Nizhnii Tagil is a city whose history incorporates all the pomp and glory of Russia's past. Founded by Peter the Great as part of the wave of industrialization that spread across Russia, Nizhnii Tagil's metallurgists forged iron renowned for its quality throughout eighteenth and nineteenth century Europe. Home to inventors, Nizhnii Tagil is the birthplace of the first locomotive engine in Russia. Its resources were coveted—with malachite from Nizhnii Tagil gracing St. Isaac's Cathedral and the Hermitage in St. Petersburg. The Malachite Room of the Hermitage was the site of the last meeting of the provisional government of Russia before the Bolsheviks came to power. Perhaps it is a twist of historic fate that linked Nizhnii Tagil with events that would so precipitously affect its future in years to come.

Fueled by worldwide conflict and the ensuing cold war, the military-industrial complex in Nizhnii Tagil grew. And pollution levels grew with it. As a closed city until 1991, Nizhnii Tagil was removed from most eyes, even those of Russian citizens living outside of the city. Under perestroika, the first environmental protests surfaced in the 1980s, with mass demonstrations drawing thousands. The citizens had no real opportunity to effect change, and this early movement lost focus and dissipated. But it did not die. The desire to make change survived in the hearts of dedicated environmentalists, many of whom are now engaging local government, industries and citizens in constructive ways.

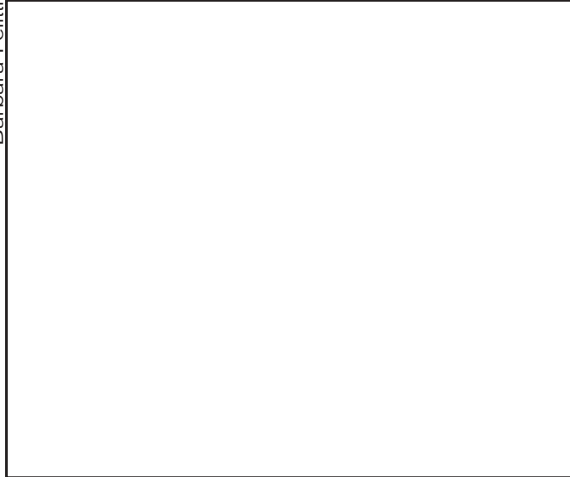
health data, making the participation of key data providers—government agencies and major polluters—crucial. Without hard data, the project results would be discounted as being unsound. An arrangement was created for industries and government agencies, neither of which had previously made data available to the public, to release the results of pollution analyses while maintaining the confidentiality of specific pollution sources. Risk assessment data has now been made available for each district of the city, and the main industrial processes causing pollution have been identified, while the data on specific sources of pollution at each plant remain under the control of the local environment committee.

Citizen desire to participate was also an important factor in the make-up of the committee. The first training session included both committee members and other interested citizens. Following the training, several non-members requested to be on the committee. The city agreed to expand the membership to include them, and these “self-selected” members have been among the most active and dedicated.

As is the case in many international assistance efforts, the first months were characterized by a period of skepticism and doubts about the motivations behind the assistance. Building trust and mutual respect takes time. A one- or two-year project might have achieved the technical results, but would not have been able to bring about the substantive changes in relationships among participants. Nizhnii Tagil’s Mayor Nikolai Didenko commented about the results of the Russian-US cooperation, “The most important thing is that we learned to trust each other.”

This new understanding is not just between Russians and Americans, but also among the diverse participants in the project. The priority-setting committee marked the first time that different groups worked collaboratively to solve a common problem. Fear and mistrust come from the unknown. By working together, committee members learned that they shared not only such common problems as children, family members and friends ill from pollution, but also a common vision: mitigating the impacts of the pollution they had grown too accustomed to living with. One of the participants summed it up when he said, “There is now a corps of people in the city who are all working together to solve its problems.”

Barbara Felitti



A committee member presents findings on pollution in Nizhnii Tagil.

At the heart of this corps are two NGOs, Clean Home and Tagilecoprom, which have been working to coordinate the efforts of the committee, industrial leaders and the city administration. Their work has earned them the respect of the city and set an example for other local NGOs. But the real triumph lies in the fact that the process involved not only NGOs, but a broad-based citizen effort with a common vision.

On a trip to the United States to visit their sister city of Chattanooga, the Nizhnii Tagil partners commented on the “fairy tale” story of Chattanooga—a city, once among the most polluted in the US, now recognized by the President’s Council for Sustainable Development as a national model. The story of Nizhnii Tagil is still unfolding, with the hope of an equally notable and bright future. ●

*Barbara Felitti is director of the Eurasia Program at the **Institute for Sustainable Communities (ISC)**. The **Nizhnii Tagil Environment Project** is a multi-component project designed to demonstrate new methods of environmental management at the community level. Funded by the US Agency for International Development (USAID) through an interagency agreement with the US Environmental Protection Agency (USEPA), the implementation partners include ISC, the Nizhnii Tagil City Administration, Clean Home, Tagilecoprom and the Sverdlovsk Oblast Environment Committee.*

There is now a corps of people in the city who are working together to solve its problems.

US Foundations Find Civil Society Is Taking Root

A Survey of Funders on Third Sector Development

By *Eliza K. Klose*

AMONG THE MOST CAREFUL observers of Third Sector development in the former Soviet Union are the US private foundations that fund NGO activities and democratic reform in the region. Not only have these institutions committed significant resources to the cause—collectively, well over \$400 million—they also continuously monitor the post-Soviet transition as they attempt to judge the impact of their programs and consider how to maximize the effects of their funding.

ISAR contacted a number of these foundations to learn their views on the development of NGOs since 1991. We asked whether they felt the NGO movement in the FSU had made progress and how their funding goals and operations had changed to reflect changes in the region. Their responses provide a down-to-earth, generally encouraging look at civil

society in the FSU, but they also remind us that the situation varies considerably from country to country—that it is important not to generalize about the conditions for NGOs in Azerbaijan or Uzbekistan, for instance, from the conditions for groups in Russia and Ukraine.

We heard from twelve foundations, ranging from ones that focus on very specific issues like biodiversity or cultural exchange to those with the broad mission of promoting civil society and market reform. The latter group includes veteran US philanthropies like the Ford, MacArthur and C.S. Mott Foundations; the Soros Open Society network, which was founded in the 1980s specifically to “create small cracks in the monolith called communism;” and the hybrids, the National Endowment for Democracy (NED) and the Eurasia Foundation, that operate as 501(c)(3) charitable

organizations but are funded by the US government. Information on the entire group is presented in the box below.

Approaches to Strengthening Reform
The foundations that promote democratic reform have supported many of the same types of organizations— independent media, human rights organizations, rule-of-law projects, women’s groups, NGO resource centers and the like, but they also have their own special emphases. NED provides grants to political parties, independent trade unions and think tanks promoting democratic development while the MacArthur Foundation supports intellectual and scientific communities to promote independent research and more pluralist policy-making in the region. The Eurasia Foundation has consistently committed from 9 to 12% of its resources specifically to NGO development, while promoting reform through grants to nonprofits in seven other priority areas including business development and business education as well as public administration and electronic communications. Soros, which began by supporting independent social initiatives, soon added technical economic assistance to governments, trying to create “pockets of openness and reform—whether in state structures, in society or in the economy.” C.S. Mott included conflict resolution and capacity building for environmental NGOs among its original program goals, while the Ford Foundation gives grants to government agencies for economic and legal reform as well as to NGOs.

Signs of Progress

All the foundations that responded to ISAR’s questionnaire said they felt the NGO movement in the FSU had made great strides. They noted that there had been growth in both the number and sophistication of NGOs, especially in countries like Georgia, Russia and

Foundation goals and activities have changed in a variety of ways to reflect developments in the NGO movement.

Ukraine, where NGOs can register, hold bank accounts and have been granted special tax status. Summing up the situation in Russia, Mary McAuley of the Ford Foundation wrote, "Institutions associated with civil society show signs of influence and promise....New types of cooperation between government and NGOs are emerging. On a federal level, several leading NGO representatives advise Duma committees; in Russia's regions, NGOs are increasingly looked to by local administrations to share the burden of providing services. A few companies and banks now employ consultants to advise them on charitable giving; the media, in particular the press, is beginning to consider some NGO activities potentially newsworthy."

The improved status and capabilities of NGOs is reflected in the funder-grantee relationship as well. Ten years ago virtually all funders supported local groups through US intermediaries and partnerships. Now the majority of grants go directly to indigenous organizations, which have gained the experience to

successfully manage both project activities and grant funds.

The funders are properly reluctant to take direct credit for the progress made by NGOs, but along with the MacArthur Foundation, they trust that their funding "has bolstered the impact of independent voices and institutions in the region." MacArthur also commented that US foundations operating in the FSU have tried to function as role models by working in an open, democratic and meritocratic fashion.

Obstacles to the Movement

Domestic sources of funding, or rather the lack of them, was mentioned by all respondents as a key obstacle facing the NGO movement. They noted that economic problems and the absence of a philanthropic tradition in the FSU make local fundraising extremely difficult while reliance on Western funding creates another set of problems. Groups can become dependent on Western assistance, shaping their programs to

Funders noted that economic problems and the absence of a philanthropic tradition in the FSU make local fundraising extremely difficult.

Name	Began FSU Funding	Funds FSU NGOs	Geographic Focus	Funding Priorities	Total Funding to Listed Priorities
Eurasia Foundation	1993	Yes	FSU-wide	Democratic & Economic Reform	\$60,000,000
Ford Foundation	1989	Yes	Russia	Civil Society & Democratic Reform	\$25,000,000
W. Alton Jones Foundation	late 1980s	Yes	Russian Far East	Biodiversity	\$1,010,000 *
MacArthur Foundation	1992	Yes	FSU-wide	Support for Scholars & Researchers	\$24,400,000
C.S. Mott Foundation	late 1980s	Yes	Russia & Ukraine	Civil Society	\$9,502,000 *
National Endowment for Democracy	1984	Yes	FSU-wide	Democracy Building	\$32,600,000
Ploughshares Foundation	1986	Yes	FSU-wide	Nuclear issues & Arms Control	\$1,436,000
Rockefeller Brothers Fund	1989	Yes	Russian Far East	Biodiversity	\$750,000
Soros Open Society Network	1987	Yes	FSU-wide	Civil Society	\$210,000,000 **
Trust for Mutual Understanding	1985	No	Russia & Ukraine	Cultural & Environmental Exchange	\$16,617,000
Weeden Foundation	late 1980s	Yes	Siberia	Biodiversity	\$717,000
Winston Foundation	1987	Yes	Russia & Caucasus	NGO Support, Free Press, Disarmament	\$863,000

* Figure does not include grants prior to 1993 or to groups not based in the FSU.

** Grants given by Soros National Foundations 1994-1997.

match funder priorities, or in some cases forming for the express purpose of winning grants. Rachel Larkin at the Eurasia Foundation pointed out that funders hoping to foster self-sustainability must design programs to encourage charitable giving and voluntarism among indigenous businesses and other institutions.

The funders observed that the weak legal and financial infrastructures for nonprofits create obstacles

The funders observed that the weak legal and financial infrastructures for nonprofits create obstacles to NGO development in all the former republics and contribute to the ongoing harassment of NGO activists throughout the FSU.

to NGO development in all the former republics—although to a varying degree—and contribute to the ongoing harassment of NGO activists throughout the FSU. Several funders mentioned that NGOs are still hindered by inexperienced management, low credibility with the

public, a lack of media savvy, and the inability to build links with their own constituents or work in coalition with others. These problems are exacerbated by the poor telecommunications infrastructure, particularly outside major urban areas.

Changing Funder Goals

Foundation goals and activities have changed in a variety of ways to reflect developments in the NGO movement. Several respondents remarked on the increasing number of proposals they receive for projects that were inconceivable only a few years ago. These new opportunities raise funder expectations as to what can be done in the region and require them to be “more vigilant, inquisitive and selective” in awarding their grants. Nadia Diuk at NED made the point that in the early days the mere existence of an NGO was enough to inspire support, but today NED can focus on groups that carry out specific democracy promotion activities, except in countries like Belarus or Turkmenistan, where environmental and social welfare NGOs are just about the only ones able to operate.

The foundations that have committed major funds to civil society building are revising their programs to address the obstacles they have identified. The Mott Foundation will focus its NGO program in Russia on

raising public awareness of the nonprofit sector and developing local funding sources; in Ukraine it will concentrate on strengthening the legal framework for the sector. MacArthur plans to focus on capacity building in the social sciences, enhancing the long-term development of independent research in four priority areas: environment and society; human rights, particularly women and ethnic minorities; law and society; and peace and security.

The Eurasia Foundation believes that its funding for NGOs in Russia and Ukraine may decline since much progress has been made; however, its NGO funding will probably increase in places like Central Asia where NGOs are less developed. The Ford Foundation feels its original goal of helping to create a better-balanced relationship between state and civil society is equally valid today, thus it plans to continue supporting human rights organizations, law-based democratic institutions and the independent press.

Development of the NGO sector continues to be “a goal in and of itself” for all the national foundations in the Soros network since they see fostering citizen participation in the public policy debate and in solving social problems as key to consolidating democracy in the region. Over the past ten years, however, as civil society has taken root, the Soros foundations have begun trying to reform state institutions as well.

The Future

There seems some question among the funders as to whether, in the long run, direct grants to NGOs are as important to the development of civil society as efforts to reform local and regional governments and economies. Some feel that the most effective and sustainable way to support the NGO movement at the present time is to concentrate on improving the overall environment for NGOs, while others, especially those that target specific issue areas, plan to continue making grants primarily to NGOs. Whatever their approach, however, all the respondents indicate that they see NGOs as a significant part of their portfolio and intend to continue working in the region. ●

Eliza K. Klose is executive director of ISAR.

FSU NGOs Look to Corporate Donors

Businesses Begin to Return Overtures

by Rachel Griffiths

FORWARD-LOOKING NONPROFITS IN the former Soviet Union understand that Western assistance will inevitably dry up one day and they will be forced to find funding elsewhere. As foundations are few and far between in the former republics, NGOs are increasingly looking to local and international business as a potential source of revenue. A quick survey of NGO and business leaders reveals that while corporate support for NGOs in the FSU is still rare, the ground is being laid for increased cooperation.

NGO leaders list several factors that limit corporate giving in the FSU. First, there is little official encouragement of philanthropy. This is reflected in the tax laws of post-Soviet countries, which do not offer any significant financial incentives to give. Many also argue that the volatile economic situation in the FSU checks corporate philanthropy, since businesses are reluctant to give when they cannot first guarantee their own profitability. For example, the Georgian Center for the Conservation of Wildlife dedicated a great deal of effort to finding corporate sponsors, and although they did succeed in finding a few willing donors, one company was soon forced to stop giving due to financial difficulties.

NGOs face an additional set of constraints when soliciting from FSU companies. FSU businesses often do not understand the function of charitable organizations or worse, because of a few well-publicized scandals, view them with suspicion. The credibility of the NGO community is further undermined by its lack of public relations experience and fiscal transparency. Accordingly, FSU business leaders tend to contribute only to organizations that they know personally, making it difficult for NGOs to approach businesses where they don't have an established "in." Also, since many FSU businesses do not report their full income in order to avoid heavy taxation, they fear that advertising their wealth by making large donations will attract the tax collector. Consequently, the great majority of FSU business donations are made anonymously, with the unfortunate effect that there are few public role models for corporate philanthropy.

When large businesses do give, they are more likely to support major cultural programs like the opera and ballet or orphanages and hospitals, activities which are non-controversial and provide them with good publicity. Yuri Dzhibladze, a veteran of the Russian NGO movement, commented that perhaps in 50 years time wealthy Russian business leaders like Potanin and Berezovsky will establish charitable foundations, but he doesn't foresee such a development in the near future.

Bankers Trust: A Case Study of Corporate Philanthropy

One example of corporate charity is Bankers Trust. BT is a US corporation with operations in 55 countries and 1997 revenues of \$6.25 billion, which opened an office in Moscow in September 1996. A company with a long tradition of corporate philanthropy in its hometown, New York City, BT expanded its Bankers Trust Foundation programs overseas in the 1980s when revenues from international business increased dramatically.

From the start, the focus of its philanthropy has been community development, offering resources to the people negatively affected by the globalization of the marketplace, or in the case of Central Europe, by the rapid introduction of market reform. Programs range from microlending and rural business development in South Africa and Thailand to cooperative housing initiatives and finance training in Hungary, Poland and the Czech Republic. Such philanthropy is an important way for the company to demonstrate that it wishes to contribute to the regions where it does business, not just make a profit.

The BT Foundation prefers to support projects that are important to local staff, i.e., projects in which BT employees play a role as volunteers, board members or consultants, since integrating staff interests with philanthropic outreach is a good way to promote the company's ethic of social responsibility. When it is not possible to identify such programs, BT works through intermediaries, as in Hungary, where it has joined forces with the Soros Foundation to support a Nonprofit Information and Training Center for NGOs.

In May, Gary Hattem, head of BT's Community Development Group, traveled to Moscow to explore ways to launch its program in Russia, with a probable two-year commitment of \$50,000 to \$75,000. As a result of Hattem's discussions, BT will join the organizing committee for Moscow's first community foundation, a Most Bank initiative, and is considering a variety of other ways to provide small grant support to appropriate local projects.

Despite all of these obstacles, interviews with NGO and business leaders suggest some recent signs of change. Although still uncommon, examples of corporate support for NGOs, mostly in the form of in-kind contributions such as office space or travel expenses, can be found throughout the FSU. Perhaps more importantly, businesses are increasingly understanding the benefits of charity to themselves and their communities and some are actively working with NGOs on ways to facilitate giving.

A report by the Russian NGO Interlegal lists positive publicity and the desire to help as the two major motivations for corporate philanthropy in the FSU. While many FSU business donors still request anonymity, other companies are using philanthropy as a form of self-promotion. In Siberia, for example, the American company New York Pizza, which owns six

pizza parlors in Novosibirsk, is now working with a local NGO to set up a grants competition for youth groups. New York Pizza has sponsored a number of programs for youth and for the arts, including a weekly jazz radio show, a talent contest and several holiday pageants for underprivileged children. Eric Shogren, owner of New York Pizza, explained that corporate philanthropy is an integral part of his advertising campaign: "Our company is in the business of brand building and we feel strongly that one of the reasons we have been so successful in opening six restaurants in twenty months has been our high visibility in the community.... I have been teaching our staff to look for the 'win-win' situation where we can help out those around us and garner the local support that accompanies such activity."

Larger foreign companies have seen philanthropy as a way of building a more positive image, and although they are more likely to focus their giving on high-profile areas such as support for the arts or endangered species, there are examples of multi-national corporations sponsoring NGOs. For example, in Kazakstan, Chevron Oil has supported the Association of Parents of Invalids, and Special Olympics has received money from Reynolds Tobacco.

However, as elsewhere in the world, the prospect of funding from large corporations is met with mixed feelings by NGO leaders. This is especially true of environmental organizations, who fear that corporate funding may compromise their ability to serve as independent watchdogs. In Kazakstan, the NGO Green Salvation would like to convene other environmental groups to discuss the implications of donations from oil companies. Sergei Kuratov, one of the leaders of Green Salvation, commented that the situation "is very complicated. On one hand we have information about very good, very useful [charitable] activities of oil companies. On the other hand, we have information about great pollution [they are causing].... We can't avoid the influence of oil companies in Kazakstan. It's necessary to develop some sort of policy on collaboration."

Recognizing the mutual benefits in philanthropy, some NGO and business leaders are working to establish clear mechanisms for giving. In Georgia, the local company Kartu recently opened the first corporate foundation in the country. Although the company had been an active donor in the past, its foundation represents a new approach to giving. As its spokesman explained, "... the time for change has come. Charity should be more than private, established sympathies. Charity should be based on objective criteria and transparent mechanisms." One of Kartu's first acts was to announce a scholarship fund for Georgian university students; other funding priorities include communications and the arts and sciences. The foundation has said that next year it will also begin giving to NGOs.

For their part, NGO leaders are placing a greater emphasis on outreach to the business community. A recent informal survey of Caucasian NGOs identified improving relations with business as one of the main concerns for the future, and the Georgian NGO Horizonti now routinely includes a section on business-NGO relations in its NGO training course.

Although the number of businesses that currently donate to NGOs in the FSU remains small, it is clear that areas of mutual concern do exist. The first steps have been taken towards developing a closer and more constructive relationship between business and NGOs, but in the coming years further work must be done to improve incentives for giving and identify new ways that NGOs and businesses can work together to address the needs in their communities. ●

Rachel Griffiths is assistant editor of Give & Take.

Counterpart International Corporate Challenge Grants

In an effort to encourage business support of nonprofits, the US NGO Counterpart International launched a corporate challenge program in Central Asia that provides matching grants on business contributions and helps NGOs find prospective donors. The program, which has already given out over \$200,000 in grants, is designed to improve NGO fundraising skills and provide an added incentive for businesses to give. So far, several local and international businesses have participated in Counterpart's program, including Kazakomersbank, which helped a local NGO to establish a center for disabled children and their families in Almaty, Kazakstan, and Chevron Oil, which supported a Junior Achievement project to introduce an economics curriculum in Kazak schools.

Western Assistance: A View from Azerbaijan

by Amy Forster

FOREIGN DONORS AND PARTNERS are a fact of life for NGOs in the FSU. While indigenous support—particularly in the form of in-kind gifts and small donations—is becoming more common, foreign funds sustain most NGOs. In some regions foreign funders and partners also provide crucial protection, shielding local NGOs from government harrassment. NGOs are appreciative of the support Westerners offer, but they also criticize certain aspects of the way foreign grant money is distributed and foreign donor organizations operate. Vusal Rajabli of the Azerbaijani humanitarian NGO **Hayat** summed up the mixed feelings many NGOs have towards foreign funding in a recent conversation.

Reflecting the reality of working in a country with a government that is often hostile toward NGOs, Rajabli was quick to admit that Hayat would not have survived without USAID, UNHCR, IOM and other international organizations. He acknowledged that NGOs in Azerbaijan are dependent on foreign organizations not only for funding, but also for protection, since it takes a powerful backer even to get registered as an NGO and a national organization without foreign support can be shut down at will.

Rajabli spoke from experience. Hayat was established by Rajabli and a friend in May 1994 when Rajabli discovered that international organizations were looking for local partners. He said to himself, “I’m a lawyer. I can draft a charter, register as an organization.” Although Rajabli had worked for international organizations, he had no real idea what it meant to be an indigenous NGO in Azerbaijan. Nevertheless, Hayat soon became the most well known Azerbaijani NGO. It began its activities by distributing food to needy populations, such a refugees; it then expanded, taking on income generation, construction and vocational rehabilitation projects. Hayat became the local partner to Mercy Corps as the US organization established its presence in Azerbaijan, developing a mutually beneficial relationship that brought funding and new skills to Hayat and on-the-ground knowledge and experience to Mercy Corps.

Then the government intervened. For almost a year and a half Hayat was the target of extensive harrassment and negative publicity that virtually shut the organization down. The political investigations and tax police scared away many funders. The problems forced Hayat to shift its focus: unable to continue working directly with refugees and displaced people due to the false accusations leveled against it by the government, the organization decided to turn its negative experience to the good by opening a resource center to help NGOs working on migration related issues. Rajabli is convinced that without international support the organization would have been shut down long ago. “We are trying to get to the point where NGOs are not considered criminals,” he explained, “and international organizations are playing an irreplaceable role in the process.”

Despite Rajabli’s sincere appreciation of the support that international intermediary organizations have provided, he also noted that many of these groups have not acknowledged the growing sophistication and capabilities of local NGOs. Now that local groups are more and more able to manage the financial and programmatic responsibilities of handling assistance projects, it is difficult to watch large amounts of grant money intended for local activities being siphoned off in overhead expenses to foreign intermediaries. He gave as an example a \$100,000 grant made by an international corporation to help local orphanages. The grant was channeled through a Western organization that took \$45,000 off the top and subgranted \$55,000 to Hayat, which supported 10 orphanages. Speculating on how much more could have been done with the full amount of money, Rajabli remarked that international donors—whether governmental, intergovernmental or corporate—“need to show more faith in local NGOs.”

Amy Forster is managing editor of Give & Take.

Give Us Your Take

Comments on our articles? Join the dialogue. *Give & Take* welcomes letters to the editor. You can send your thoughts to ISAR, 1601 Connecticut Ave., NW, Suite 301, Washington, DC, 20009 or to <letters@isar.org>.

Bread and Hope from a Tbilisi Bakery

Amy Forster

The Association for the Social Protection and Rehabilitation of Invalid Children opened a bakery in Tbilisi, Georgia, in February 1998 in an attempt to finance its charitable programs. Although the bakery, which was launched with support from Save the Children, does not bring in a great deal of money, its proceeds cover many of the Association's expenses. In fact, when foreign funding for the group's psychiatric program for disabled children runs out in six months, the Association believes it will be able to finance the program exclusively through bakery revenues.

The Association also uses the bakery to provide employment for the fathers of disabled children. As the group's president commented, "[Through the course of our work], we learn not only about children's physical health, but also about their social environment. We looked through questionnaires and found unemployed parents who might be useful in the Bakery. All of them, hopeless and

A bakery-funded program for children with developmental difficulties.

frustrated with life, were so happy to suddenly get jobs." In the future the Association also hopes to be able to provide children's hospitals and educational institutions with bread at subsidized prices. The Association can be reached at 32/34 Kazbegi St., Building of the Institute of Construction Materials, Tbilisi, Georgia, ph: (995-32) 39-65-74.

Eurasian Trainers' Network Established

In April, the Conference of International Trainers met and created Intertraining, an association of trainers that work with NGOs in the FSU and the Baltics. Intertraining, which includes trainers from all the former republics, was formed out of the belief that the goal of improving trainer effectiveness crosses country borders. The association hopes to raise the level of professionalism of trainers, facilitate information exchange between trainers and spread the word about the training profession in the FSU. Over the next year Intertraining's board will work on registration, fundraising and coordinating information sharing. Further information about Intertraining is available through the Russian NGO, Golubka, at Ulitsa Ordzhonikidze, 13/2, 15th Floor, Office 3, Moscow 117071, Russia, ph: (095) 958-2215, fax: (095) 958-5130, e-mail: <golubka@glasnet.ru>.

New Center Encourages Citizen Participation in Policymaking

Returning to Moscow after two years at Columbia University, NGO leader Yuri Dzhibladze plans to establish a new organization, the Center for the Development of Democracy and Human Rights, in an effort to foster cooperation between Russian think tanks and advocacy groups and ensure citizen involvement in the policymaking process. Recognizing that policy formulation is increasingly controlled by a tight circle of government officials and business interests, the Center seeks to increase public involvement by engaging both academic think tanks and advocacy groups and providing policy recommendations and analysis to NGOs and the government. The Center will officially open in the fall and will focus its work on the development of democratic institutions and the protection of human rights. Yuri Dzhibladze can be reached at Filevsky Bulvar 1-48, Moscow, 121601 Russia, ph/fax: (095) 142-92-83, e-mail <dzhib@glasnet.ru>.

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Can't make a long-term commitment at this point? Turn the page to find out more about subscribing to Give & Take and joining ISAR's annual membership program.

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