

As Ukraine's democratic standards continue to deteriorate, Ukrainian civil society is in need of external support to ensure that it remains vibrant and diverse. International donors may help make the NGO sector sustainable by reaching out to grass-roots initiatives as well as by providing institutional funding to established and growing organizations. Such are the key conclusions of the present report which was prepared jointly by the Institute of Public Affairs in Warsaw and the Ilko Kucheriv Democratic Initiatives Foundation on the basis of interviews with leaders of non-governmental organizations in five cities of Ukraine. The report offers a number of evidence-based recommendations, which include lowering application barriers, offering staff training and coaching and increasing transparency in beneficiaries' internal management. Such changes are essential for international assistance to be an effective tool for making the Ukrainian civil society a strong and lasting foundation of Ukrainian democratic culture.

INSTITUTE OF PUBLIC AFFAIRS (IPA) is a leading Polish think tank and an independent centre for policy research and analysis, established in 1995. Our mission is to contribute to informed public debate on key Polish, European and global policy issues. Our main areas of study include European policy, social policy, civil society, migration and development policy as well as law and democratic institutions. The IPA has a team of in-house researchers/policy analysts and an extensive network of associate experts from academia and other paths of life. We publish the results of our projects in research reports, policy papers and books, which are broadly disseminated among members of parliament, government officials and civil servants, academics, journalists and civil society activists.

IPA's Mission:

To elevate the quality of Polish and European public debate, to make it merit-oriented and focused on problem-solving and knowledge-building

To initiate new topics of public debate and popularise innovative approaches to public issues

To develop mechanisms that aim to engage individual citizens and groups of citizens in public debate and other forms of active participation in public life

To enhance the quality of public policy in Poland through initiating legal and institutional changes

MAKING UKRAINIAN CIVIL SOCIETY MATTER

MAKING UKRAINIAN CIVIL SOCIETY MATTER

Enabling Ukrainian NGOs to absorb international assistance.
A review of capacity gaps and needs for institutional support

IRYNA BEKESHKINA
PIOTR KAŻMIERKIEWICZ



MAKING UKRAINIAN CIVIL SOCIETY MATTER

Enabling Ukrainian NGOs to absorb international assistance.
A review of capacity gaps and needs for institutional support

MAKING UKRAINIAN CIVIL SOCIETY MATTER

Enabling Ukrainian NGOs to absorb international assistance.
A review of capacity gaps and needs for institutional support

INSTITUTE OF PUBLIC AFFAIRS

European Programme

The publication was prepared under the “Strengthening the capacity of Ukrainian NGOs to absorb international assistance – review of institutional gaps and needs for intervention” Project.

The project was implemented by the Institute of Public Affairs (Warsaw) and the Ilko Kucheriv Democratic Initiatives Foundation (Kyiv).



The project was supported by the Local Government and Public Service Reform Initiative (LGI), affiliated with the Open Society Institute – Budapest, the Stefan Batory Foundation under the “East East Beyond Borders Programme” and the International Renaissance Foundation.



Research team: Jacek Kucharczyk (team leader), Svitlana Barbeliuk, Iryna Bekeshkina, Iuliia Ilczuk, Elżbieta Kaca, Piotr Kaźmierkiewicz

Reviewers: Vladyslav Galushko, Balázs Jarábik, Jan Piekło, Iryna Solonenko

Project coordinator: Łukasz Wenerski
Proofreader: Elena Rozbicka

All rights reserved. No part of this report may be printed or reproduced without the permission of the publisher or quoting the source

© Copyright by Instytut Spraw Publicznych, Warszawa 2012

ISBN: 978-83-7689-095-1

Published by:
Fundacja Instytut Spraw Publicznych
00-031 Warszawa, ul. Szpitalna 5 lok. 22
tel. (22) 55 64 260, faks (22) 55 64 262
e-mail: isp@isp.org.pl www.isp.org.pl



Activities of the Institute of Public Affairs are supported by the European Union: support for organizations active at European level in the field of active European citizenship. This publication reflects the views of its authors, and the European Commission cannot be held responsible for any use which can be made of the information contained therein.

TABLE OF CONTENTS



Executive Summary	7
Key conclusions and recommendations	9
Foreword	15
Introduction	21
An assessment of the current Ukrainian NGO capacity and identification of needs	27
a. Current assets and shortcomings of the Ukrainian civil society sector	27
b. The roots of current strengths and weaknesses	31
c. A self-assessment of the NGO community	36
d. Communication with donors	38
e. Coping with application procedures	40
f. NGOs' needs for institutional support	42
g. The changing legal and administrative environment for NGO activities	45
h. Strategies of NGOs <i>vis-à-vis</i> the authorities	46
Annex 1. List of respondents	51
Annex 2. Sample questionnaire	56

the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA).

There are a number of reasons why the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important.

First, they provide a platform for the publication of research findings in the field of behavior analysis. This research is often groundbreaking and has the potential to significantly impact the field.

Second, they provide a platform for the publication of theoretical and methodological articles. These articles help to advance the field by providing a deeper understanding of the underlying principles and methods of behavior analysis.

Third, they provide a platform for the publication of review articles. These articles provide a comprehensive overview of a specific area of research, helping to identify key findings and future research directions.

Finally, they provide a platform for the publication of book reviews. These reviews provide a critical analysis of new books in the field, helping to identify the most important and influential works.

In conclusion, the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important because they provide a platform for the publication of research findings, theoretical and methodological articles, review articles, and book reviews.

These journals are essential for the advancement of the field of behavior analysis and for the dissemination of research findings to the broader community.

Therefore, it is important to stay up-to-date on the latest research published in these journals, as they provide a wealth of information that can be used to inform practice and further research.

By reading these journals, researchers and practitioners can gain a deeper understanding of the field and identify new opportunities for research and practice.

In summary, the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important because they provide a platform for the publication of research findings, theoretical and methodological articles, review articles, and book reviews.

These journals are essential for the advancement of the field of behavior analysis and for the dissemination of research findings to the broader community.

Therefore, it is important to stay up-to-date on the latest research published in these journals, as they provide a wealth of information that can be used to inform practice and further research.

By reading these journals, researchers and practitioners can gain a deeper understanding of the field and identify new opportunities for research and practice.

In summary, the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important because they provide a platform for the publication of research findings, theoretical and methodological articles, review articles, and book reviews.

These journals are essential for the advancement of the field of behavior analysis and for the dissemination of research findings to the broader community.

Therefore, it is important to stay up-to-date on the latest research published in these journals, as they provide a wealth of information that can be used to inform practice and further research.

By reading these journals, researchers and practitioners can gain a deeper understanding of the field and identify new opportunities for research and practice.

the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA).

There are a number of reasons why the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important.

First, they provide a platform for the publication of research findings in the field of behavior analysis. This research is often groundbreaking and has the potential to significantly impact the field.

Second, they provide a platform for the publication of theoretical and methodological articles. These articles help to advance the field by providing a deeper understanding of the underlying principles and methods of behavior analysis.

Third, they provide a platform for the publication of review articles. These articles provide a comprehensive overview of a specific area of research, helping to identify key findings and future research directions.

Finally, they provide a platform for the publication of book reviews. These reviews provide a critical analysis of new books in the field, helping to identify the most important and influential works.

In conclusion, the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important because they provide a platform for the publication of research findings, theoretical and methodological articles, review articles, and book reviews.

These journals are essential for the advancement of the field of behavior analysis and for the dissemination of research findings to the broader community.

Therefore, it is important to stay up-to-date on the latest research published in these journals, as they provide a wealth of information that can be used to inform practice and further research.

By reading these journals, researchers and practitioners can gain a deeper understanding of the field and identify new opportunities for research and practice.

In summary, the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important because they provide a platform for the publication of research findings, theoretical and methodological articles, review articles, and book reviews.

These journals are essential for the advancement of the field of behavior analysis and for the dissemination of research findings to the broader community.

Therefore, it is important to stay up-to-date on the latest research published in these journals, as they provide a wealth of information that can be used to inform practice and further research.

By reading these journals, researchers and practitioners can gain a deeper understanding of the field and identify new opportunities for research and practice.

In summary, the *Journal of Applied Behavior Analysis* (JABA) and the *Journal of Experimental and Applied Behavior Analysis* (JEA) are important because they provide a platform for the publication of research findings, theoretical and methodological articles, review articles, and book reviews.

These journals are essential for the advancement of the field of behavior analysis and for the dissemination of research findings to the broader community.

Therefore, it is important to stay up-to-date on the latest research published in these journals, as they provide a wealth of information that can be used to inform practice and further research.

By reading these journals, researchers and practitioners can gain a deeper understanding of the field and identify new opportunities for research and practice.



Although the level of institutional support as a whole has been increased in Ukraine, non-state actors are facing significant barriers in making use of available international funding. Newcomers to the field often find application procedures complicated, requiring expertise that is not available to them as they face problems in recruiting qualified staff. In turn, growing organizations lack the core funding which would allow them to cover their fixed costs or enter new fields of activity. Access to information on funding opportunities is more difficult for organizations in locations that are “off the beaten track” of donor’s presentations.

Capacity-building support is particularly timely given the pressure to which most NGOs working on human rights, civic liberties and European issues are subject in Ukraine’s current political situation. As funding from the authorities and business is fraught with difficulties (mistrust, incompatible agendas), civil society organizations tend to rely on support from international donors. The beneficiaries’ precarious position may lead to dependence on the donors, not only in terms of their finance but also their agenda. Thus, a twin challenge facing the funders is on the one hand identifying new beneficiaries who have not applied before but represent genuine social causes, and on the other hand customizing their support to recurring applicants (e.g., financing activities of their choice).

This report presents key conclusions from research carried out in five regions of Ukraine in November 2011, suggesting ways in which international donors could facilitate the institutional development of civil society organizations. It recommends that donors identify the institutional needs of their beneficiaries through a combination of coaching and training as well as by running institutional audits. Funders could also lower barriers to first-time applicants by making formal requirements understandable and easy to follow. In turn, organizations in the expansion stage are in need of core funding which would help address the shortage of skilled staff and enhance their fundraising abilities.



Interviews with Ukrainian NGOs confirm that they encounter significant barriers in three key areas: identifying international funds matching their needs, making themselves credible long-term partners for foreign donors and responding to the negative policy environment. Major characteristics distinguishing NGOs successful in receiving assistance are: their familiarity with application procedures, a proactive attitude toward seeking funding opportunities and the ability to identify emerging issues of importance to the local community. Preliminary investigation leads to the following conclusions and recommendations:

Identifying underlying barriers to seeking and implementing assistance

A major barrier in persuading donors as to the desirability of providing support is the NGOs' general inability to recognize the funders' long-term priorities, identify their own resources and define the topics in their own activities where donors' aid is needed. This deficiency in terms of taking an analytical approach to one's own activities, planning one's own activities and assessing the need for sustained assistance should be addressed in *institutional audit* exercises, which should pay closer attention to these aspects of organizational performance. Attention to particular needs should be addressed and applied to the analytical skills of the staff involved in preparing applications and overseeing project implementation.

Donors are also advised to identify and deal with problems of organizations that are already implementing projects. Best practices implemented by leading funders are, for instance, *coaching* the staff through regular meetings with the project supervisor (Kyiv), the placement of external experts proficient in identifying opportunities and applying for assistance for extended internships (up to six months) in organizations in need. Such coaching may be run usefully within the structure of a project, helping identify and address daily management issues

Reaching out to prospective beneficiaries by lowering application barriers and ensuring even regional coverage

“Complicated” application forms and “burdensome” procedures were cited as a major obstacle to seeking assistance by many organizations, especially from outside the capital city. In order to attract new entrants in their competitions, donors are encouraged to make their requirements understandable to the participants firstly by accepting applications in Ukrainian and secondly by providing information on how to interpret the terms used in the procedure. Of particular relevance is the *flexibility* with which the issue areas for assistance are defined—a number of interviewed NGO activists have called on donors to be more open to emerging social initiatives and offer funding based not only on a past record of cooperation with other donors but also on the relevance of the issue to the local community. Application procedures should strike a balance in their emphasis on technical competence and the ability to manage funds and resources on the one hand, and representation of genuine social interests and promotion of worthy causes on the other.

Donors need to establish more effective coordination mechanisms in the regions. Concerns have been raised that despite some reallocation of funds eastwards, the regional coverage is still uneven, leaving some areas without adequate funding. For instance, attention needs to be paid to some second-tier regional capitals (e.g., Cherkasy, Sumy or Poltava). Decisions on reallocating funds could usefully be informed by regular assessments of civil society which, unlike current evaluations, are either too technical, unavailable to other donors or limited to specific issues. Such assessments, identifying the emerging needs for financing certain aspects of NGO operations, directed towards the most effective forms of capacity-building and raising alerts and awareness towards negative developments, could help donors on a regular basis (for instance, if done every two years), in order to adjust and coordinate their programming.

Helping organizations grow by making core funding available

None of the investigated organizations have received funding targeting the institutional foundations of their activities, and the majority

expressed interest in gaining access to such financing. Assistance projects as a rule target funds toward specific activities, assuming that the organization is able to secure their own administration, rent and permanent staff salaries. A need for sustained funding has been made clear, especially among representatives of organizations that are expanding their activities to other regions of the country or are seeking to professionalize their staff. This type of assistance needs to be well-tailored to match the specific circumstances in which an organization operates. A step towards providing a more solid financial foundation for many organizations could be increasing the duration of donor projects through offering *follow-up funding* which would tackle the identified problem of short duration and small scale of projects. Sequencing would make funding of subsequent stages of a project conditional on content delivery as well as on demonstrated improvement of organizational performance. Such arrangements would require, however, that the beneficiaries be much more open with regard to their internal finances and management structures, revealing their assets as well as demonstrating actual organizational needs at the time of application.

Institutional support would enable some organizations to pursue issues that are unlikely to receive support from authorities but are recognized as priorities by most international donors (e.g., monitoring electoral processes, combating corruption, defense of civil and human rights). On the other hand, some NGOs are in need of funding that would allow them to embark on new fields of activity or ensure the continuity of actions in sectors where they have developed a reputation for excellence. Finally, organizations in the capital city and in other regional centers have raised the issue of the difficulty of attracting and retaining well-qualified staff due to relatively low salaries or temporary forms of work contracts.

One barrier to allocating steady funding to Ukrainian NGOs is their low level of transparency in internal management. An area in which potential beneficiaries could raise their credibility for international donors is good governance. This includes, on the one hand, giving donors and partners insight into the organization's accounts through making financial reports

available online.¹ On the other hand, larger organizations are advised to follow best practices in the setup of their supervisory boards in order to prevent conflicts of interest—by limiting the term of membership (thus ensuring turnover) and requiring that board members are not remunerated.

Improving staff qualifications through trainings and internships

Representatives of NGOs have placed stress on the quality of personnel, in particular of the staff members responsible for fundraising, contacting and accounting to donors as well as monitoring project implementation, as a crucial factor in their capacity to secure project funding. It was suggested that the staff at those organizations that are less familiar with the practice of applying and carrying out donor-funded projects could especially benefit from internship programs enabling them to work in an environment provided by organizations with a track record of using donor funds. In turn, the more established organizations would benefit from trainings for their middle management on developing and drafting strategies for the organization's institutional development.

Another form of support could consist of trainings involving role-playing of the stages in the development and elaboration of a project concept delivered by the staff of the more experienced Ukrainian NGOs at one of the resource centers found throughout the country. Such trainings should be realistic and comprehensive, covering not only the formal requirements of various donors (as this information may be more easily obtained at various presentations made by the donors themselves), but also should elaborate on the finer points of planning work on a project proposal, thinking through the concept of a project and disaggregating the project idea into stages and matching resources and project activities. Other areas of need in terms of training include: communication with donors, watching for grant opportunities, work with the media, producing press releases and organizing conferences.²

1 According to the regular polls of civil society organizations, in 2009, only 17% of CSOs made their financial records available to donors, which represented a drop from 22% in 2007. See L. Palyvoda, S. Golota, *Civil Society Organizations in Ukraine. State and Dynamics (2002-2009)*, Kupol: Kyiv, 2010, p. 65. However, many civil society organizations may be reluctant to make such information public since arbitrary interpretation of tax regulations by the authorities has been used as an element of pressure on some NGOs by the authorities.

2 Common Space Association/Access Committee, Kyiv.

Strengthening the internal capacity of the CSO sector to deal with the difficult environment

The adoption of several laws and strategic documents in March 2012 regulating the activities of non-governmental organizations³ could potentially usher in a favorable climate for genuine consultations between the authorities and CSOs. However, interviews reveal an atmosphere of deep mutual mistrust attributable primarily to officials' unwillingness to cooperate with civil society as well as to attempts to limit cooperation to those organizations that are not critical of state policy. NGO leaders are concerned that under the current conditions of fragmentation of the civil society sector, engaging in consultations with the government by individual organizations may actually only serve as a token gesture, aimed at a foreign audience. Each organization must face the dilemma of where to establish the "line" beyond which participation may weaken its credibility and choose carefully which activities to enter and decide what forms of cooperation are acceptable.

The tenuous position of most organizations requires, however, that efforts are made by leading NGOs to coordinate their activities and positions on key issues. In this context, it is also important to publicize attempts by the authorities of dividing the civil society sector through selective consultations with "constructive" civic groups. As the conditions for cooperation with the authorities are particularly difficult for independent NGOs in some regions (notably in the West and East of the country), it is recommended that the stronger CSOs share their best practices of engaging the local authorities through trainings and internship programs. Such programs of horizontal capacity building, enabling the transfer of working solutions for dealing with unfavorable local conditions, were named as a potentially effective form of capacity-building program, financed by foreign donors.

3 Law "On Public Organizations" of March 22 and the Decree "The State Strategy on Promotion of Civil Society Development in Ukraine" of March 24, 2012.



Following the presidential elections of 2010, Ukraine and its civil society find themselves at a crossroads. The resulting change of government undid the progress in democratic governance that was a result of the political reforms of 2004 and which had significantly extended rights of the Parliament and turned Ukraine into a parliamentary-presidential republic. A fundamental shift was made when the decision of the Constitutional Court amending the Constitution of 1996 was overturned. The return to the Constitution of 1996 created a top-down command structure, doing away with the democratic division of government branches. The only decisional center today is the President, Victor Yanukovich, and his administration. The Parliament has become an obedient voting machine, while the judicial authorities are also completely dependent on the President. A deterioration of democratic standards was noted by Freedom House which in its annual reports 2010 and 2011 downgraded Ukraine from the category of “free” to “partially free.”

These legal and institutional changes have brought Ukraine closer to the model of a “managed democracy” as implemented in contemporary Russia, doing away with the progress in democratic development that was gained and defended during the Orange Revolution. Freedom of speech is oppressed. This has been documented by the results of TV program monitoring conducted by public media organizations. Security services have started to conduct “preventive” conversations with activists of public sector organizations. Defense and law enforcement agencies limit the right of people to protest and conduct peaceful meetings and demonstrations. Elections to local authorities carried out in October 2010 were recognized as not genuinely complying with democratic standards and represent a step backwards as compared to the elections conducted in Ukraine after the Presidential elections of 2004.

The political opposition’s response to the rollback of democratic standards has been relatively weak. The main opposition force – Yulia

Tymoshenko's Bloc – after the defeat of their leader has not been able to recover for quite a long time, losing much of its popular support. The Our Ukraine Bloc has almost ceased to exist as most of its parliamentary deputies have joined the ruling coalition led by the Party of Regions. The opposition has been significantly weakened by repressions and pursuit and is compromised by internal divisions;⁴ numerous criminal cases against its leaders have been initiated. The selective character of Ukrainian justice is obvious both in Ukraine and abroad. The prison sentence of Yulia Tymoshenko shocked the whole world and has placed the perspective of European integration of Ukraine in doubt, which indeed had already become less clear as the new authorities had implemented policies typical for former President Kuchma's administration – maintaining the balance between Russia and the West. The actions against the opposition appear to be aimed at the exclusion of its leaders from the next parliamentary elections and their further marginalization.

Today the opposition is actively criticizing reforms conducted by the government, but is not offering alternatives, other than populist slogans. The rollback of democratic institutions, the weakness of the opposition, the oppression of citizens' rights and freedoms have together created a new environment for the civil society in Ukraine. Human rights organizations and think tanks are playing a significant role in the struggle against establishing authoritarian rule and the oppression of people's rights and freedoms by monitoring violations of civil rights and freedoms and influencing public opinion in Ukraine and abroad. Apart from the activities of established non-governmental organizations, the active part of the Ukrainian population has become increasingly involved, leading some observers to conclude that since 2010 a "springtime of civil society" is underway. This must be nonetheless be seen against the background of prevailing stagnation and frustration in the general public so that the active part of the population is facing a challenge in reaching out to a wider audience.

In general 2010-2011 were marked by the activation of the Ukrainian civil society, manifest in the new trend of public movements which took the form of mass ad hoc popular protests against decisions and actions of the authorities. Examples included meetings in Mykolaiv supporting the just punishment of Oksana Makar's murderers; protests against the

4 One-third of the Yulia Tymoshenko bloc deputies left for the Party of Regions.

police assault on the public activist Rostislav Shaposhnikov (manager of the “Road Control” project); students pasting up leaflets; opposing illegal building in cities, supporting the preservation of historical memorials, parks in cities, etc. A common feature of these local mass protests was their spontaneous and non-political character, such as, for example, actions by entrepreneurs, Chernobyl rescue crews, veterans of the war in Afghanistan, students and others, which were organized not by political parties but by public organizations. While local and uncoordinated, the protests were numerous and all of them aimed at the protection of certain interests of respective social groups.

These actions have proved to some extent effective. Protests of entrepreneurs against the new Tax Code forced the ruling power to meet them half-way at the negotiating table and partially take into account their requests and demands (while the protesters were prosecuted). The journalist movement “Stop Censorship!” somewhat constrained the attack of the authorities on the mass-media. There have been mass demonstrations of students against the restrictive new law on higher education which significantly narrowed the rights of students and practically terminated Universities’ autonomy, placing them completely under the supervision of the Ministry of Education. All these actions – both organized by public organizations and emerging spontaneously – serve to educate the new citizen, who needs to believe in his or her power and start demanding real social dialogue with the government which so far has exhibited little interest in such dialogue and has instead offered a mere imitation of cooperation with the public sector.

Today the major questions which need to be asked are: Will Ukrainian society be able to stop Ukraine’s progression on the path of establishing an authoritarian regime? Will the public be able to achieve fair and just elections? And even more importantly, will there be a possibility to change political principles in Ukraine and the mechanisms of MP selection? The parliamentary elections that will take place on October 28, 2012, will be a test of public organizations’ capabilities. There are numerous signals that the 2012 Parliamentary elections will not be fair and democratic, as the elections of 2006, 2007 and 2010 were. The first elections under the new government – local elections in the fall of 2010 – were marked by numerous violations.

Today public organizations dealing with elections are making efforts to act in unity. In particular, the public movement “Honestly” (*Chesno*), which unites public organizations from all over Ukraine, is worthy of note. According to a survey conducted by the Democratic Initiatives Foundation in the beginning of April 2012, five percent of the population knew about the movement “Honestly” and 18% had heard of it. This is a major achievement in Ukraine, where most central TV-channels, which are controlled by the authorities, are silent on the initiatives of the civil society.⁵ Will the movement “Honestly” and other public organizations make a difference in getting Ukraine back on the track of democracy and European integration? The success of such efforts will determine whether Ukraine will be able to defend democracy and not further deteriorate into an authoritarian regime approximating neighbouring Russia or Belarus.

To capitalize on these successes, Ukrainian civil society organizations need to overcome several “chronic” problems in the areas of internal organization, staff professionalism and access to resources. A fundamental problem is the low level of financial sustainability of non-governmental organizations. It is striking to what extent the structure of Ukrainian NGO financing differs from that found in EU countries. In the majority of EU countries the main sources of funding of CSOs are sales of their services and financial support from the state (totally up to 85%), with donations making up not more than 20%. In Ukraine, however, the income of selling services and financial support from the state make up less than 30% of general income. While NGOs in Central European states manage to draw from 47% (Czech Republic) to 60% (Poland) of their income from selling services, this share is at a mere 18.7% in Ukraine.⁶

Dependence on foreign funding, which always characterized a section of the Ukrainian NGOs, has become more acute recently as other sources of funding are less readily available. Charitable donations from Ukrainian enterprises to public organizations in 2010 made up only 15.1%, though in 2009 they made up 20.7% of NGO funds. Particularly striking is the low level of state funding (at both the central and local levels), which supplies only eight percent of the general NGO budgets while constituting a substantial item in European NGO budgets (ranging

⁵ Channels TV1 and 5, which provide an alternative perspective, have limited audience.

⁶ А. Кривоносова, *Європейські мірки. Показники розвитку громадянського суспільства України у європейському контексті*, available at: <http://www.ucipr.kiev.ua/modules.php?op=modload&name=News&file=article&sid>

from 24% in Poland to 27% in Hungary and 39% in the Czech Republic). Thus, it comes as no surprise that donations from non-residents (foreign donors) constitute the top source of funding, particularly outside of the capital city—standing at 21.5% of the average NGO budget in Kyiv-based organizations, and at 30.5% elsewhere in the country.

These weaknesses have been partly acknowledged and a new tendency in the development of the civil society is the creation of associations of public organizations. A case in point is the actively operating partnership “New Citizen,” which united over 50 organizations. The civic movement “Honestly” (mentioned above), fighting for better members to be elected to the parliament, now includes more than 150 NGOs and more than 400 activists from all over Ukraine. Organizations working in public councils attached to various Ministries also consolidate their forces, for example the public council attached to the Ministry of Foreign affairs. All these initiatives reaffirm the need to unite all the democratic forces of civil society – think tanks, NGOs, politicians and all citizens who care about the future of democracy in Ukraine.

The new challenges highlight the importance of properly diagnosing the internal shortcomings of Ukrainian civil society organizations and identifying ways in which external funding could be used to strengthen NGOs’ internal organization. This report collects evidence from five regions of Ukraine, highlighting problems that civil society organizations are facing in seeking and managing international assistance and suggesting ways in which they could be made sustainable. It reveals insufficient use of institutional support by organizations that are in clear need of such assistance, and points to several critical areas where such support could be usefully targeted.

INTRODUCTION



Ukraine remains a major target country for international donors – drawing the largest sum of ODA among Eastern Partnership states (\$668 million in net official assistance in 2009). The leader among the donors is the European Union, providing 26.5% of the total pool, followed by Germany (18.2%) and the US (15.4%). Funding is on the rise (60% up from the level in 2003) for the country as donors recognize persisting challenges to the country’s economic and political stability. Ukraine was hit hard by the 2008 crisis as its economy shrank by 15% in 2009 and the currency devalued by 60%. Recent actions of the government have been generally evaluated as signs of the erosion of civil liberties and fundamental freedoms, leading to deterioration of the democratic credentials of Ukraine.⁷

The post-2010 political developments (concentration of executive power, the precarious position of the opposition and difficult access to independent information) have all galvanized the Ukrainian civil society to action, which has begun to gain the public trust. Nevertheless, the CSO sector’s capacity for sustained, coordinated and effective action in defense of democratic standards is conditional on its organizational ability. Assessments of the state of civil society and donors’ policies in Ukraine have noted that virtually all funding went to support specific activities and projects, which at times resulted in a “project-based” mentality. This tendency has brought about a significant shift in the relationship between donors and beneficiaries—whereas in the 1990s cooperation was initiated by the funders, by the next decade a group of established CSOs was in place, which became technically proficient in securing funding for their activities.

Nonetheless, the emergence of professional service providers, able to implement a growing number of projects did not mean that the organized

⁷ Freedom House downgraded Ukraine in January 2011, considering it no longer a “free” country, while the country was not classified as a democratic system in the *Economist’s* Democracy Index for 2011.

civil society in Ukraine achieved a sound level of institutionalization. As the political environment deteriorated and the competition for a limited pool of funds increased, some significant shortcomings of the sector have become apparent. Firstly, many of the established organizations have realized that success in handling donor requirements and in implementing assistance does not guarantee their long-term sustainability. They have become increasingly interested in such “non-tangible” elements of performance as their credibility to various stakeholders (especially the local community), the ability to set the agenda of their activities and establishing ties with other CSOs for advocacy of socially-relevant issues. Secondly, donors are becoming aware that they need to broaden their appeal to reach out to emerging grassroots initiatives and to regions where they have so far not been prominent. As new forms of self-organization in Ukrainian civil society flourish, an adequate response is called for from foreign donors to assist the newcomers in a way that respects their autonomy while providing needed support.

The available assessments of the relations between donors and the civil society in Ukraine have helped identify some deep-seated problems in the absorption of international funds among NGOs in Ukraine. They suggest that the existing assistance programs presuppose a level of institutional capacity that is often lacking among Ukrainian state and non-state actors. However, the evaluations published so far provide only a fragmented picture as they:

- do not cover in sufficient depth the barriers to participation of those NGOs which have not made use of assistance yet could be of interest to foreign donors on account of their record of public activism,
- fail to adequately present the regional variation among NGOs and to reflect the different needs and concerns of various categories of organizations,
- provide a fragmented picture, either by focusing on formal project procedures and the requirements of individual donors or by concentrating on the characteristics of the sector of the NGOs.

Dynamic changes in Ukrainian public life and in the self-organization of the civil society have put the need to investigate the issue more broadly, identifying gaps in organizational performance among actual and potential beneficiaries of international assistance in various locations within Ukraine, on the agenda. This need was the basis for

launching the project “Strengthening the capacity of Ukrainian NGOs and local governments to absorb international assistance—a review of institutional gaps and needs for intervention,” commissioned by the Open Society Institute and carried out in May 2011-May 2012 by the Institute of Public Affairs (IPA), Warsaw and the Ilko Kucheriv Democratic Initiatives Foundation (DIF), Kyiv. The project eventually focused on the internal capacity of civil society actors with key focus on regional variation and the quality of relations with donors and local stakeholders (in particular, the national and local authorities).

This report presents thus key conclusions and recommendations from interviews conducted in November 2011 with civil society representatives in five regions of Ukraine. In general, it verifies the findings found in earlier studies and raised in the public debate and in the donor community, pinpointing the difficulties faced by Ukrainian NGOs in identifying and using funding opportunities offered by international donors. This study considers three major indicators of NGOs’ capacity in this regard: (1) their ability to learn and meet donors’ requirements, (2) NGOs’ position *vis-à-vis* society and the authorities and (3) the internal organization of resources.

At the same time, the research takes into consideration the differences among NGOs, based on their geographical location, size and experience in cooperating with donors. Organizations’ capacities for absorbing funds effectively vary greatly and attention has been paid (a) to the specific situation in which NGOs find themselves in the capital city, the regional centers of Kharkiv, Lviv and Odesa and in the smaller town of Ivano-Frankivsk, (b) to the different conditions for operation of NGOs in various sectors of activity, and (c) to the varying track record of absorption of funds.

During the field research, quantitative and qualitative information was collected from a sample of non-governmental organizations in five locations in Ukraine. The key objective was to survey the institutional capacity of the organizations and the ways in which the organizations interact with donors (especially with the EU, the US, German and other European states). Questions concentrated on those areas that are in need of improvement so as to make the organizations more capable of absorbing funds from international donors.

The research consisted of two stages: first, questionnaires consisting of a set of standard questions were circulated amongst the organizations, collected and analyzed jointly by Polish and Ukrainian experts. A sample

questionnaire is included in Annex 2. Secondly, based on the responses from the questionnaires, customized follow-up questions were developed. The Polish and Ukrainian experts then visited the organizations to collect additional information (including reports and statistics supplied by the staff). A combination of the standard and follow-up information was used to produce this report.

Considering budget and time constraints, a sample of over 40 organizations was selected for identifying both success factors and barriers in fund absorption. Sampling was done jointly by the IPA and DIF experts to ensure that apart from a geographical diversity, various categories of NGOs were included: both small and large, new and established applicants for funding, beneficiaries of EU, US, German and other major donors as well as organizations lacking experience in cooperation with donors.

The initial selection of NGOs to be included in the sample was made by the IPA and DIF experts from among the current beneficiaries of the following key donors operating in Ukraine: the EU, USAID and other US funders (e.g., NED) and German political foundations. Several categories of NGOs were of particular interest: (1) those involved in setting up NGO coalitions or serving as NGO resource centers, (2) large organizations (in terms of budget or staff), (3) recipients of large grants from donors, (3) NGOs working on women's, youth or minority issues, (4) organizations monitoring the state of democracy, enforcement of human rights and good governance. The full list of respondents is included in Annex 1.

Organizations that were surveyed were located in five regions: the capital city Kyiv, two western locations (Lviv, Ivano-Frankivsk), one eastern location (Kharkiv) and one southern location (Odesa). The locations provide a balance including a central, big-city location, three regional centers, where NGOs are concentrated, and one smaller city. It was expected that differences will emerge with regard to NGO capacity between regions, reflecting the contrasts between those places where donors have concentrated much funding (e.g., Kyiv) and the less popular destinations. The sample gives prominence to two locations – Kyiv and Lviv where a larger number of beneficiaries were selected each, while a smaller number of organizations was surveyed in each of the other three cities (Ivano-Frankivsk, Kharkiv, and Odesa). In addition, roundtable discussions were held in the four locations other than Kyiv, and a focus group discussion was held in Kharkiv.

We would like to express our gratitude to the Local Government and Public Service Reform Initiative, affiliated with the Open Society Institute, Budapest; the Stefan Batory Foundation under the “East East Beyond Borders Programme” and the International Renaissance Foundation, which have generously financed this research. Moreover, acknowledgment is due to the reviewers, who have helped highlight the key issues as well as put them in a broader perspective: Iryna Solonenko (International Renaissance Foundation), Vladyslav Galushko (Think Tank Fund), Balázs Jarábik (Pact Ukraine and Belarus) and Jan Piekło (Polish Ukrainian Cooperation Foundation PAUCI). Finally, we wish to thank project supervisors and coordinators: Jacek Kucharczyk, Elżbieta Kaca and Łukasz Wenerski (IPA) and Svitlana Barbeliuk (DIF).

AN ASSESSMENT OF THE CURRENT UKRAINIAN NGO CAPACITY AND IDENTIFICATION OF NEEDS⁸

a. Current assets and shortcomings of the Ukrainian civil society sector⁹

Size. In 2011 positive trends of institutional development of the Ukrainian civil society were observed as the number of officially registered citizens associations continued to grow. The number of public organizations registered in the Unified State Register of Enterprises and Organizations of Ukraine rose from 67,696 at the beginning of 2011 to 71,767 a year later. They consisted of 27,834 trade unions and their associations (previously 26,340), 13,475 charitable organizations (up from 12,960), 13,872 associations of apartment and home owners (up from 11,956) and 1,306 bodies of self-organizations of population (1,210 the year before).¹⁰

Another source of information on the size and composition of the Ukrainian civil society sector is the “Unified register of civil formations” public database, located at the official website of the Ministry of Justice of Ukraine since March 2009. At the beginning of 2012 this register included information on 3,526 legalized organizations with all-Ukrainian and international statuses, 323 public organizations, legalized by means of information regarding their founding, 1,118 charitable organizations, 66 permanent arbitration courts, and 22 creative unions.

Available data show that Ukraine lags behind most EU countries, including those in Central Europe, in all economic indices of civil society development. Non-governmental organizations employ nearly one percent of the economically active population of Ukraine. The ratio is roughly equal to the levels found in Romania and Poland, but is half of those for the Czech Republic and Hungary (1.7% and 2%, respectively)

⁸ Sections a, b and g were written by Iryna Bekeshkina (DIF) while sections c-f and h were written by Piotr Kaźmierkiewicz (IPA).

⁹ In this chapter we used statistical data from the report of the National Institute of the Strategic Studies “About the condition of the civil society in Ukraine” – Kyiv, 2012. Available at: http://uniter.org.ua/data/block/niss_stan_poz_gp_sus_2012.pdf

¹⁰ The register lists all international, all-Ukrainian, local organizations and their branches, subsidiaries and individual units.

and a fraction of that for Germany (6.8%). The distance from EU countries is also striking when the share of NGOs in Gross Domestic Product is considered. The figure is 0.73% for Ukraine, compared to 1.3% for the Czech Republic, 4.2% for France, 5% for Belgium and 7.9% for Canada.

The structure of public organizations according to the directions and types of activities in 2010 shows that the largest part (16.7%) consists of recreational, physical culture and sports associations, while professional unions take the second place (10.4%). Out of the general number of public organizations, 9.6% of the total represent youth organizations, followed by associations of veterans and disabled people (8.6%) and educational and cultural organizations (5.2%). The structure of sectors of activities of public organizations and their growth in numbers have been stable for the last several years.

It should be acknowledged that conclusions regarding the entire civil society sector are hard to draw as no available statistical data on the number of civil associations in Ukraine can be considered reliable. First of all, the data on the number of registered civil associations of different state registers vary greatly, as different institutions use various methods of calculation and none of these methods of statistic records correspond with European standards in this sphere. Secondly, not all registered NGOs are active and operating, or even necessarily existing. Thus, according to the data of the State Committee of Statistics of Ukraine 21,677 central bodies of public organizations reported on their activities in 2010, which makes up 39.2% of their general number. According to evaluations of the

Only 8-9% of registered public organizations have been active, having experience in running more than one project

Creative Center “Counterpart” only 8-9% of public organizations have been found to be active (i.e., working for at least two years with the experience of running more than one project and are known in their region of operations).

State of the sector. International organizations have positively assessed civil society development in Ukraine over the past decade in their indices. Research results of *Nations in Transit* by the American NGO *Freedom House*¹¹ show that the evaluation of civil society development in Ukraine has improved from a rating of 4.75 in 1998 to 3 in 2005, and 2.75 in 2006 (Fig. 1). The rates have stood at 2.75 during last six years,

11 The evaluation of different directions of democratic development of nations in transit is made using the following scale: from 7 points – “the worst”, to 1 point – “the best”.

remaining stable at that level. This indicates that this area of democratic governance is one of the few that did not deteriorate in recent years – unlike the electoral process (sliding from 3.00 to 3.50 between 2008 and 2009) or independent media (deteriorating from 3.50 to 3.75 in 2011).

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50	3.50
Civil Society	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75	2.75	2.75
Independent Media	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50	3.75
Governance	5.00	5.00	5.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	5.00	4.50	4.75	4.75	5.00	5.00	5.50
Local Democratic Governance	n/a	n/a	n/a	5.25	5.25	5.25	5.25	5.25	5.25	5.50
Judicial Framework and Independence	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00	5.50
Corruption	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Democracy Score	4.92	4.71	4.88	4.50	4.21	4.25	4.25	4.39	4.39	4.61

Fig. 1.
Nations in Transit Ratings
and Averaged Scores for
Ukraine

In 2011 the Democracy Score (i.e., the average general index, based on integrating the other indices) was 4.61, National Democratic Governance – 5.5, Electoral Process – 3.5, Independent Media – 3.75, Local Democratic Government – 5.5, Judicial Framework and Independence – 5.5, Corruption – 5.75. To determine the abovementioned rating of democratic society experts take into account: the qualitative growth of non-governmental organizations (NGOs) of Ukraine, their organizational capacity and financial stability, the legal and political environments in which NGOs operate, the development of independent trade unions and the level of participation of interest protection groups in political processes.

It is also demonstrative that the *Nations in Transit* rating of civil society development in Ukraine (2.75) is better or much better than it is in other post-Soviet countries (with the exception of the Baltic states). The same index in 2011 states the following ratings: in Azerbaijan – 5.75, in Belarus – 3.75, in Armenia 3.75, in Georgia – 3.75, in Kazakhstan – 5.75, in Kyrgyzstan – 4.75, in Moldova – 3.25, in Russian Federation – 5.5, in Tajikistan – 6, in Turkmenistan and Uzbekistan – 7. However, Ukraine scores significantly worse than EU Member States. The ranking for Hungary is 2, for Estonia, Lithuania, Latvia, Slovakia and the Czech Republic – 1.75, and for Poland – 1.5.

NIS countries	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Armenia	N/R	5.5	5.1	5.0	4.4	4.2	4.1	4.1	4.1	4.1	4.0	4.0	4.0	4.0
Azerbaijan	N/R	6.4	5.7	5.0	4.9	5.2	5.0	4.9	5.0	5.0	4.9	4.8	4.7	4.7
Belarus	N/R	N/R	N/R	5.7	5.5	5.3	5.6	5.6	5.8	5.9	6.0	6.0	5.9	5.9
Georgia	N/R	3.4	3.8	4.0	4.0	4.2	4.1	3.9	4.0	4.0	4.1	4.2	4.2	4.2
Moldova	N/R	N/R	N/R	4.6	4.2	4.2	4.3	4.3	4.2	4.3	4.3	4.2	4.3	4.2
Russia	3.4	3.4	4.1	4.3	4.3	4.0	4.4	4.2	4.3	4.3	4.3	4.4	4.4	4.3
Ukraine	4.0	4.2	4.1	4.4	4.3	4.0	3.9	3.8	3.7	3.6	3.6	3.6	3.5	3.5

Fig. 2.
Civil Society Index EURASIA: Russia, Western NIS, and Caucasus

According to the data of another rating – the *USAID NGO Sustainability Index* – the state of civil society development in Ukraine scored 3.5 points (on the scale from 1 to 7, where the consolidation threshold is up to 3) (Fig. 2). Here the weakest components of the sustainability of NGOs are financial sustainability (4.2 points) and perception of NGOs by the public (3.8), while the strongest are advocacy (2.8) and services provision (3.3). It is significant that the index of NGO advocacy has overcome the threshold of consolidated democracy. The general evaluation by foreign experts

Ukrainian civil society enjoys a much higher level of public trust than either state institutions or politicians

shows that civil society in Ukraine can be described as in transit and non-consolidated, i.e., it has not yet reached the level of countries with developed democracies and is still at risk of returning to a less developed state.¹²

A major asset of Ukrainian civil society is the fact that it enjoys a relatively high level of public trust. This must be seen against the generally low levels of trust citizens have toward state institutions and politicians – both in the government and the opposition. According to the data of the Kyiv International Institute of Sociology the level of trust in President Yanukovich in February 2012 stood at 22%, while as many as 66% reported distrust. The figures were not much different for the opposition, which evoked trust among 24% of the respondents, while as many as 53% reported distrust.

Trust in public organizations is rising while a significant loss of credibility has been recorded for all politicians – both the ruling party and the opposition. According to data provided by the Razumkov Center, the trust in public organizations rose in December 2011 to 35% up from 26% in October 2009, while the level of distrust declined from 62% to 49%.

12 The dynamics of post-Orange Revolution developments are discussed in: D'Anier, Paul (ed.), *Orange Revolution and Aftermath: Mobilization, Apathy and the State in Ukraine*, Woodrow Wilson Center, Washington D.C. and Johns Hopkins University Press: Baltimore 2010.

The belief in the necessity of the existence of public organizations has also increased: IFES research shows that in 2005, 41% of respondents supported the idea of the necessity of NGOs, while in 2011 this figure almost doubled, up to 76%.

b. The roots of current strengths and weaknesses

The level of civil society development is a sign of democratic development and progressive movement of a country. The history of independent Ukraine is complicated and controversial, being influenced by contradictory factors, involving on the one hand civil society activism and on the other hand its post-Soviet heritage.

Contrary to popular belief, social activities took place in Ukraine while it was part of the Soviet Union although the civil society at the time lacked independence and was subject to strict state control. Until 1987-89, the time of “perestroika,” civil society existed in the territory of Ukraine in the deformed form of Associations of citizens regulated by the state; at maximum the governance of these organizations was controlled by the state. Members of the youth party organization as well as members of the Communist Party were obliged to undertake public works as part of their “civil assignments.” In reality, their activity was far from voluntary as these activities were planned from “above” by higher administrative officials, heads of educational institutions, party ranks or by the trade union management, and if it was party assignment – by higher party institutions. Activities that were not initiated from “above” were considered to be suspicious and could result in prosecution for “unapproved” activities.

“Perestroika” started by Gorbachev awakened the larger part of the society, and throughout the country the movements of so called “*neformals*” – young people united by their interests without any approval from “above,” socio-political clubs and other organizations which were never registered and existed only on account of unpaid work and the energy of their activists and volunteers – started to appear. In the second half of the 1980s numerous national-cultural, environmental and political movements of national-democratic character were created in Ukraine. In 1989 the People’s Movement of Ukraine was founded; this movement voted for “perestroika” and enlisted tens of thousands members all

over Ukraine. The People's Movement and numerous civil movements and organizations played a significant role in the establishment and recognition of independent Ukraine, helping overcome the consequences of the Communist regime.

From the very beginning of the existence of Ukraine as an independent state it seemed that a large self-organized civil society already existed in the country with tens of thousands people involved. Moreover, in 1992 the *Verkhovna Rada* (Parliament) of Ukraine provided legal status for public organizations by passing the Law "On Citizens' Associations." However, in the beginning of the 1990s the country's economy sank. With the collapse of the economy, enterprises were closed, people lost their jobs, and those who still worked did not receive their salary for months. In the harsh conditions of the economic downturn, with the need to fight for survival, citizens found it difficult to set aside time for public activities. As a result, the decay of social activities was observed and civil society leaders transferred many of their activities to other sectors – to business and politics and to emerging political parties. The sprouts of public life, germinated during the struggle for independence, did not grow into a stable tradition of civil activism.

Under these conditions the decisive role in the establishment and development of civil society in Ukraine was played by international foundations which started their activities in Ukraine and provided financial support to public organizations. In the beginning of the 1990s, thanks to the support of grant funds, many public organizations were founded, a number of which became well-known and respected.¹³ The first organizations founded with the support of international foundations were either think tanks, human rights organizations or resource centers for other public organizations. The founders of these organizations had a high level of education, knew foreign languages and in general were quite competitive. In the early 1990s the civil society sector was able to attract the best personnel – active, smart and educated people – as the work in public organizations funded by international foundations offered better opportunities than the wilderness of business with its uncertain tomorrows or the state sector with its low salaries and salary

13 Among them are the Ukrainian Independent Center for Research (1992), the "Democratic Initiatives" Center (1992), the Kharkiv Human Right Group (1992), the Voters' Committee of Ukraine (1994), the Razumkov Ukrainian Center for Economic and Political Research (1994), and the Resource Center GURT (1995).

delays.¹⁴ Besides that, work in the public sector offered the possibility to travel abroad and attend various trainings or traineeships, which was very attractive after years of living behind the iron curtain.

Throughout the decade of the 1990s the number of public associations in Ukraine entered a period of rapid growth. In 1991 around 300 organizations were active in the country, in 1996 – over 12,000, and in the year 2000 some 27,000 (it should be noted that a significant number of these organizations have ceased their activities but are still kept in the state registry). Subsequent developments proved a mixed blessing for the sector. In the beginning of the 2000s the economy started to grow, helping establish small and middle-sized businesses as well as increasing the power of big Ukrainian companies. The improving economic situation helped widen the funding base, though the public sector active in the field of human rights, lobbying and protecting democratic rights and vitally important interests of the people, conducting independent research, observing elections could only be created and developed due to the contributions of foreign states, private donors and development programs of international assistance. Local charitable foundations as a rule avoided direct assistance to democratic activists fearing backlash from officials. This trend continues today when the majority of national philanthropists supported and continue to support important, though politically safe, public needs in the spheres of healthcare, culture and education.

The emergence of an active civil society further strained relations with the authorities, which had so far had ignored its activities. At the beginning of the first decade of the 2000s no serious repressions of NGOs in Ukraine were observed (as had occurred in Russia and Belarus). However, NGOs that disturbed the authorities were visited by tax officials, after which some organizations had to close and register under a new name.

The organizations became increasingly involved in public issues as officials and politicians visited round tables and seminars, trainings and NGO-run educational activities. The turning point in the visible impact of the organized civil society was first seen during the “Ukraine without Kuchma” protest campaign, held in 2000-2001, which marked a resurgence of public activism after over a decade. Afterwards, civil society

14 For example, in the beginning of the 1990s the wages of a researcher with an academic degree working in an academic institution could make \$15-20 while a think tank or NGO expert earned \$50-100 a month.

was galvanized into action in the runup to the Parliamentary elections of 2002, when thanks to the association of public organizations it became possible to observe elections and avoid falsifications, especially due to the independent exit-poll, funded by international donors. Representatives of oppositional political forces became members of Parliament (apart from the “Our Ukraine” bloc, which took 119 out of 447 seats, the Yulia Tymoshenko bloc (BYT) won 23 seats and the Socialist Party (SPU) of Oleksandr Moroz 22 seats). The election results of the two smaller opposition parties were just enough to pass the electoral threshold (BYT 7.5%, SPU 7.1%). Independent Public Radio created by journalists in 2002 and funded by international foundations played a significant role in further events.

The presidential election campaign of 2004 and the events of the Orange Revolution became the apogee of activity and force of civil society in Ukraine. Hundreds of NGOs all over Ukraine and hundreds of thousands of public activists participated in these events. This was met with persecution on the part of the authorities in early 2004. The Committee on the investigation of foreign funding of public organizations was created. Closer to the election date, when it was obvious that falsifications would take place, the most active youth organizations experienced serious pressure from law enforcement agencies and the security service: shotguns “were found” in their offices, leaders were arrested and accused of subversive activities, etc.

The victory of the Orange Revolution was a huge step forward on the path of democracy – the situation with adherence to political and civil freedoms was greatly improved. As a result of this Ukraine was transformed from a “partially free” to a “free” country in the classification of *Freedom House*. The victory of the candidate from oppositional forces, Viktor Yushchenko, during the Presidential elections of 2004 and the credit of public trust received by political parties and blocs that belonged to the Orange coalition, gave hope that the process of democratization of Ukraine was irreversible, and that gradually the democracy would be consolidated and urgent reforms would be made.

Unfortunately, these expectations remained unmet. The new government was ready to utilize expert papers compiled by analytical centers, cooperate with the public sector and delegate certain state functions and works to NGOs, but it was not ready to pay for such

activities. The new authorities failed to develop any program on the promotion of civil sector development, preferring populist gestures, such as direct payments to the population (the so-called “Yulia’s thousands” as compensation for lost Soviet savings) and offering various privileges. Charitable foundations belonging to businessmen (Akhmetov, Pinchuk) funded events directly and not through public organizations.

In fact, civil society itself was in crisis. The first issue was popular passivity. Citizens appeared to be capable of impulsive actions, but not ready for everyday public activities. The results of sociological polls show that the percentage of people participating in the activities of civil society organizations (CSOs) did not grow at all. After electing a “proper” President the millions of activists who had gathered in the main squares of different cities and towns in Ukraine took discharge and decided that their activities were no longer needed. In everyday, non-revolutionary situations public activities turned out to be activities for the minority. This passivity was further stimulated by the loss of public trust toward politicians, as during the first year the leaders of the new government found themselves in a serious public conflict, which lasted throughout the five years of Yushchenko’s presidency.

Civil society organizations also fell on hard times, especially those organizations existing due to grant support. Many civil activists left their public organizations and started working for the government, causing a personnel crisis in NGOs. After the significant increase of salaries in the state sector (first, by the government of Yanukovich before elections, and later again by the Tymoshenko government after elections) the wages in the public sector were not so unattractive as earlier. International technical assistance went directly into the programs of the new government and public organizations received less funds.

Finally, the crisis also was evident in the fact that civil society organizations, which over many years had been fighting for rights and freedoms for society, against the censorship and tyranny of the former authorities, could not easily adapt to the new situation, one where those who had stood side by side with them during the Orange Revolution became members of the government. CSOs as well as the general population took a wait-and-see attitude, rather than demanding a peculiar program of reforms and its realization from the government.

Regrettably, civil society never used its opportunities, rights and freedoms at full capacity to stop the infighting between the President and Prime Minister, which compromised the idea of democracy in the eyes of the Ukrainian population. As a result a significant portion of voters equaled democracy with managerial chaos. In the end the disappointment in democracy and the desire for a “strong hand” contributed to Victor Yanukovich’s victory in the subsequent presidential elections.

c. A self-assessment of the NGO community

It is the general opinion of surveyed NGOs that the conditions for receiving donor assistance have become more difficult. One problem is the growing competition among NGOs for a stable pool of funds,¹⁵ a trend which had already been observed in previous surveys of civil society.¹⁶ Another trend is the channeling of a majority of external assistance directly to the government, and finally the reluctance of local and central authorities to cooperate with NGOs that are recipients of Western assistance and their preference for working with more pliable organizations.¹⁷ At the same time, recent public opinion polls suggest a growing social recognition of NGOs’ value and public trust toward them.¹⁸

Prior research and interviews reveal that the NGO sector is quite heterogenous, placing demands on donors to distinguish between various categories. A major divide runs between professional registered NGOs and grassroots spontaneous movements. While the former serve a number of important functions (advocating better laws and policies or monitoring the status of human rights observance), the latter have recently become prominent in expressing public sentiment. This was revealed in a study by Ishchenko which showed that over 60% of social protests and demonstrations had an informal character and were staged

15 Interview at GURT Resource Centre.

16 42% of CSOs surveyed in 2009 by the CCC Counterpart subscribed to the statement “competition for funds and resources prevents CSOs from cooperating with each other” (an increase from 37% two years earlier). See Graph 4.2.3 in: L. Palyvoda, S. Golota, *op. cit.*, p. 32.

17 Kharkiv roundtable discussion.

18 In an IFES 2011 survey in Ukraine, 55% of respondents declared that NGOs “contribute to the betterment of Ukraine” while 66% noted that they “address areas that the government is either unable or unwilling to address.” Nearly half (49%) felt that NGOs “represent all of the Ukrainian society.” See the survey results at: [http://www.ifes.org/Content/Publications/Press-Release/2011/~media/Files/Publications/Survey/2011/Public_Opinion_in_Ukraine_2011_Presentation.pdf](http://www.ifes.org/Content/Publications/Press-Release/2011/~/media/Files/Publications/Survey/2011/Public_Opinion_in_Ukraine_2011_Presentation.pdf).

without the participation of either political parties or registered NGOs.¹⁹ Among the registered NGOs, the respondents distinguished between those select organizations that are representative of societal interests and the large number of registered organizations that are “established for business or political objectives” (see more in section “h” below on this phenomenon).²⁰ Another line of division highlighted by the respondents runs between those that are set up as part of donor activities, but disappear once the grant financing runs out, and those grassroots initiatives that remain overlooked by donors. Many interviewees raised the need for donors to learn more about the NGO sector and to avoid creating dependence (in terms of financing or agenda-setting) on the one hand and on the other hand to reach out to those organizations that lack either a “credit history” of interaction with donors or a staff competent in application procedures, but have the “drive” that would make them effective. Adequate solutions need to be developed so as to identify their needs for financing without reducing their autonomy.²¹

The Ukrainian NGO sector remains fragmented,²² and donor policies overall have not addressed this problem adequately. Only few cases of *regranting* were identified even though in the opinion of some respondents, this would provide opportunity for pooling resources and sharing best practices. One respondent in Odesa, who had successfully carried out two regranting initiatives, noted that a barrier to the more widespread use of this scheme is the “organizational weakness” of many entities.²³ The survey carried out in 2009 revealed a decline in various forms of cooperation among CSOs relative to 2007: provision of services (down from 44% to 35%

Donors are facing dilemmas—how not to make veteran NGOs dependent on assistance and how to identify new initiatives worthy of funding

19 V. Ishchenko, *Протести, перемоги та репресії в Україні: результати моніторингу, жовтень 2009 – вересень 2010*, International Renaissance Foundation Kyiv 2011, available at: http://ukma-kiev.academia.edu/VolodymyrIshchenko/Books/494477/_2009_-_2010

20 Interview at GURT Resource Centre. It is worth noting, however, that altruistic motives are regularly reported by the overwhelming majority of NGOs surveyed in USAID-commissioned polls. In 2009, only 15% of CSOs admitted that the rationale for their establishment was the “potential to receive financing” and 32% claimed it was the need to “support organization members.” In turn, as many as 70% and 65% respectively declared the reasons for their establishment to be the “potential to influence the development of society” and the “desire to help others.” See Graph 3.1.2 in: L. Palyvoda, S. Golota, *op. cit.*, p. 32.

21 Interview at GURT Resource Centre.

22 A large share (43%) of CSOs surveyed in 2009 had only 30 members or fewer while only a quarter reported membership of over 100. L. Palyvoda, S. Golota, *op. cit.*, p. 37.

23 Public Institute of Social Technologies, Odesa.

of respondents), joint activities (down from 82% to 73%) and partnership projects (down from 67% to 64%).²⁴

d. Communication with donors

Almost all of the interviewed representatives of NGOs criticized the current donor practice of declining to provide explanation of the grounds for refusal. The respondents found this practice a major obstacle to identifying problems in their applications. A Kyiv-based charity network²⁵ representative voiced a common perception of distrust on the part of donor staff, which failed to communicate sufficiently the areas in which organizations fail when applying or to suggest improvements and alternative approaches. According to her, organizations lacking application experience tend to apply only once and do not try to reapply in the case of failure the first time.

She differentiated between the expat and native donor staff in this regard, which is in line with the results of interviews carried out as part of a FRIDE-run assessment of democracy assistance to Ukraine. Respondents in that query welcomed the “balance between international and local staff.”²⁶ The cited charity representative and other interviewed CSO

New applicants are looking for “responsiveness” and “some help and advice” from the donor staff without becoming “too close friends”

leaders echoed those sentiments in this research. While the international staff are criticized as being overly bureaucratic and unfamiliar with the environment of NGO work in Ukraine, the Ukrainian staff were appreciated for having insight into the situation of Ukrainian NGOs, as they had first-hand insight into the civil society sector.²⁷ The respondent thus summarized expectations held by NGO activists toward donor grant officers: A good supervisor is “communicative, can listen and has good relationships with other staff members in the donor’s office.”²⁸ Good communication implies

24 Graph 4.2.1 in: L. Palyvoda, S. Golota, *op.cit.*, p. 53.

25 Centre for Philanthropy.

26 N. Shapovalova, *Assessing Democracy Assistance: Ukraine*, FRIDE 2010, p. 12, available at: http://www.fride.org/download/IP_WMD_Ucrania_ENG_jul10.pdf.

27 Donors’ insufficient familiarity with the local situation becomes a particularly acute problem when the pace of political and social changes is as fast as it is in Ukraine. This point was noted by respondents, cited by Shapovalova in 2010, who noted that “donors are not expected to be up to speed with local problems as the situation is changing so rapidly.” (p. 12).

28 A similar perspective was offered by a manager of an EU-funded project, cited by Shapovalova in 2010, who saw the role of the local staff “to provide an effective interface with the beneficiaries, and to enable working without translators.” *Ibidem*.

the ability to turn to “whoever is in the office.” NGOs, especially those only beginning to apply, are looking for “responsiveness” and “some help and advice” without at the same time becoming “too close friends.”

The problem of distrust on the part of donors can be overcome, according to a representative of a Kyiv-based youth platform,²⁹ through direct involvement of donor representatives in project activities. Permanent communication with donors was achieved thanks to the shared background of the donor and NGO representatives – “young, experienced, with American education, sharing interests and values.” Apart from weekly roundtable discussions at which donor representatives suggested changes to the implementation of project activities, day-to-day communication was maintained via an online discussion group. While welcoming this new form of communication for its speed and informal character, the respondent suggested that new technologies (blogs, online forums) should be used to a much greater extent by other donors so they could target potential applicants from among the emerging social initiatives.

Another way of gaining familiarity with donor requirements and directions of assistance consisted of informational meetings. Such events provide insight for prospective applicants into the informal conditions of competitions and interpretation of terms of application. A Kyiv-based respondent³⁰ admitted that up to half of the information required to apply successfully could be obtained at informational meetings. However, their effectiveness depends on the quality of a project manager – in particular, the willingness to contact the fund manager and clarify the understanding of conditions. This, in turn, is dependent on the project manager’s experience and at times personal familiarity with the donor’s representative.

Access to information on grant opportunities varies by region. If the Kyiv-based NGOs find the information sufficient and adequate, the situation is different outside of the capital. In both locations, however, a clear division appears between the more proactive organizations, which approach donors with queries regarding possibilities on financing their own activities and the passive organizations, which limit their interaction with donors to responses to application calls.³¹ Smaller organizations

29 “New Citizen” Platform.

30 Laboratory for Legislative Initiative.

31 Focus group discussion, Kharkiv.

in the regions tend to rely on information available online on the websites of major donors, in particular of the European Commission and embassies.³²

More proactive organizations approach donors with queries on possibilities of financing their own activities; the passive ones only respond to application calls

In some locations, potential beneficiaries have only a limited understanding of the formal requirements of various donors or of the way to interpret the preferred issue areas for funding. A striking contrast was observed in Western Ukraine between the regional center of Lviv and the smaller city of Ivano-Frankivsk. The latter location was reported to be rarely visited by donor representatives, organizing information events, during which the attendees could ask specific questions or sound out the feasibility of securing funding for certain activities.

In this context, NGO resource centers such as GURT³³ play an important role, serving as intermediaries between donors and civil society organizations. This is vital as according to a representative of the Kyiv office of the center, many donors lack knowledge of the NGO market and their staff do not work in the field. In turn, in his view regional NGOs are too passive, looking up to donors for setting the agenda. GURT's role is that of monitoring the trends in supply of services by NGOs, inviting service providers to fairs where the two sides may learn of opportunities for cooperation.

e. Coping with application procedures

Meeting the formal requirements when applying for funds can prove to be an entry barrier, discouraging an organization from entering a bid. Organizations from outside Kyiv noted as a significant obstacle the requirement to apply in a foreign language (usually English), which requires proficiency in technical and formal vocabulary as well as in the interpretation of the donor-specific requirements. This point was raised in particular with regard to some procedures, whose financial mechanisms were found to be especially difficult to handle such as that applied by

32 All-Ukrainian Organization "Council of Female Farmers of Ukraine", Odesa.

33 GURT ("Team"), founded in Kyiv in 1995, provides consulting and training services to Ukrainian NGOs throughout Ukraine. It runs the most popular national CSO web portal, and is engaged in activities aiming at raising NGOs' transparency and improved relations with the donors. Further information can be obtained at its website: <http://global.gurt.org.ua/>.

the European Commission—a Lviv-based organization attributed its lack of success in applying for EIDHR funding to the staff’s “lack of capacity to write in perfect, formal English”.³⁴ The absence of internal staff with sufficient language command to apply thus places an additional burden on organizations, which are then forced to resort to paid translation services or to seek support from other, more experienced NGOs. The problem is most acute in organizations without established links to partners abroad, which would allow the internal staff to improve their language proficiency as well as to learn the application craft first-hand.³⁵ A representative of an Odesa-based organization welcomed the practice of accepting applications in Ukrainian enacted by the International Renaissance Foundation.³⁶

Conditions for applying to some donors were considered particularly difficult by some organizations. A representative of a Lviv resource center noted that many NGOs in Western Ukraine find the formal requirements “bureaucratic,” citing in particular the necessity to provide multiple supplementary documents. Common complaints centered on the application forms of the European Commission, which were frequently described as “large-scale” and “complex,” requiring many additional documents.³⁷ Applications for USAID and other American funds (with the notable exception of NED, which accepts applications in Russian) were also found to be difficult, which was partly attributed to the poor awareness of the US donors as to the current priorities of NGO activities.³⁸

However, some respondents expressed a different view, stressing that the requirements could be met once an organization gains experience in completing the forms. Many organizations suggested that this gap could be filled if one staff member was assigned to deal with project applications, and thus could develop competence in this regard. Many organizations stressed the role of resource centers such as GURT in assisting first-time applicants in filling out the application. At the same time, regional centers sometimes lack expertise in certain issues as it was noted by an energy-efficiency NGO which has had to rely on its own internal assets in this regard.³⁹

34 Law and Democracy.

35 Public Institute of Social Technologies, Odesa.

36 Local Initiative Fund, Odesa.

37 “Together towards life.” Odesa.

38 Resource Centre, Lviv.

39 Local Initiative Fund, Odesa.

Differences in the evaluation of application procedures and communication were noted with regard to various categories of donors. Results of the interviews are in line with those obtained in 2010 in the FRIDE study, which was critical of some big donors' practice (clearly reflecting their own internal procedures) of imposing "inflexible" regulations for implementing the project (inability to redefine outcomes or reallocate resources), which soon became out of touch with the changing policy environment and the local needs.⁴⁰ In contrast, as was also noted in the 2010 research, respondents welcomed procedures adopted by embassies as "flexible" with regard to priorities, and offered good communication. An Odesa-based organization noted that embassies define priorities broadly, indicating "directions for activity" rather than the narrow issue areas defined by other donors.⁴¹ "Small grant" funds administered by embassies on an annual or even shorter basis offer opportunities to reduce the time for processing applications and thus to quickly respond to emerging needs, for example, with regard to the deteriorating human and civil rights situation in the country.⁴²

f. NGOs' needs for institutional support

The interviews revealed regional differences in NGOs' capacities which suggest a need to tailor support to different types of organizations. This finding is in line with the disparities observed in terms of organizational capacity among NGOs questioned in the regular USAID survey: the most apparent distinctions in 2009 were those of procedures for managing human and financial resources – with the organizations in the East and West regions performing better than those in the Center and South, and governance structure—where organizations in the East outperformed those elsewhere.⁴³

The main line of division apparent in the interviews is between Kyiv-based organizations that have established themselves in respective sectors with some even expanding into other regions, and NGOs in the

40 N. Shapovalova, *op.cit.*, p. 11.

41 "Face to Face" Youth Organization, Odesa.

42 This could help realize a plea from local CSO actors, noted by Shapovalova that "aid projects need to be backed up by more focused diplomatic pressure," helping engage embassies in targeted support for pro-democracy assistance complementing technical forms of assistance offered by big donors.

43 Table 6.5 "Regional Trends for the Organizational Capacity of CSOs Measured by the Organizational System Index" in: L. Palyvoda, S. Golota, *op. cit.*, p. 77.

other regions of Ukraine which are still struggling with maintaining their own operations. A number of interviewees have stressed the importance of donors' gaining insight into the genuine needs of organizations, suggesting an *institutional audit*, which would enable them to verify the declared record of experience and identify their developmental needs. This exercise could provide a "big picture," enabling organizations to see how a given activity fits their area of interest and expertise. At the same time, it would help address several problems identified by both donors and beneficiaries in earlier assessments. On the one hand, donors note the danger of organizations concentrating on acquiring successive grants (as one donor representative expressed it, they exhibit a "project-only mentality" in which they "jump from grant to grant"). On the other hand, many among the recipients of assistance interviewed in 2010 felt that "local needs [were] not taken into account" in donors' grant-giving decisions and especially the larger funders were characterized by "long, rigid decision-making procedures."⁴⁴

Growing organizations are calling on donors to offer an *institutional audit*, helping them identify their strengths as well as developmental needs

An example of a mature Kyiv-based organization entering the stage of regional expansion is the Institute of Political Education. According to the head of the Institute, the organization, which had originally emerged as a coalition of politically-active youth, gained support from non-partisan sources, including the Republican Fund, the Renaissance Foundation and USAID, reaching out to new partners, such as NED. However, he attributed its lasting presence to "sticking to our own agenda," developing links with other organizations and drawing from a pool of committed, "enthusiastic" volunteers as well as of experts. The interviewee indicated new needs arising as the organization expanded into other regions. As offices were opened in other regions of Ukraine, equipment was needed to furnish the premises, and work was needed on acquiring and developing communications staff able to conduct professional IT activities (editing and disseminating online materials) as well as raising the competence of experts in 'soft' skills, such as identifying target groups, tailoring the message to the audience, providing coaching to new hires.⁴⁵

44 N. Shapovalova, *op.cit.*, p. 11.

45 Institute of Political Education, Kyiv.

In contrast, a number of organizations in Western Ukraine have highlighted several barriers to their further growth, raising the need for targeted support that would address their shortcomings. The respondents noted a scarcity of funds as the interest of many donors had shifted eastwards. One issue is the necessity to cover the high costs of office maintenance.⁴⁶ This question is most acute in the smaller locations. As a representative of an Ivano-Frankivsk organization noted, the bill for office maintenance could be a substantial budget item (running up to EUR 1,800 in the winter season for heating).⁴⁷ Smaller organizations have to deal with a shortage of basic funds that could be used for covering basic amenities.⁴⁸

Another, related problem is the difficulty to compete for projects as resource-strapped organizations cannot afford to keep permanent staff on payroll and increasingly rely on volunteer staff. Whereas 61% of surveyed CSOs maintained permanent staff in 2006, in 2009 the share dropped to 48% and 22% of organizations increased volunteer staff between 2007 and 2009.⁴⁹ However, the interviewed organizations stress the short supply of volunteers with the skills necessary for project acquisition and reporting, such as the ability to write quality applications. According to a Lviv respondent, the short duration of projects presents a barrier to the development of volunteer staff who are hired only for individual projects.⁵⁰ Several organizations in Ivano-Frankivsk are forced to rely on uncompensated workforce as a matter of policy; such an option is not readily available to organizations located in larger cities, where youth are lured away from non-profit activity by more attractive posts in business and public administration.⁵¹

Ukrainian organizations implementing projects funded by international donors have limited opportunities to improve their management skills. A problem noted by a Lviv-based human rights

46 In 2009, only 11% of the surveyed organizations owned their premises and another 35% had access to free office space while nearly half (47%) had to pay rent. See Table 3.7.1 in L. Palyvoda, S. Golota, p. 39.

47 Karol Yuria Foundation.

48 This was apparent during some interviews (especially in smaller cities) that took place in unheated and substandard premises.

49 L. Palyvoda, S. Golota, *op.cit.*, pp. 36, 38.

50 Institute of Political Research.

51 Roundtable in Kharkiv. It is worth noting that even volunteer staff are compensated in some form in the majority of cases. As many as 72% of surveyed CSOs admitted to providing some compensation to this category in 2009.

organization⁵² is the short *duration* and *small scale* of projects. The majority of projects funded by donors in Ukraine do not exceed six months and are on average of \$10,000-15,000 in value.⁵³ When coupled with the absence of core funding, this pattern suggests that the organizations have limited opportunities for acquiring the managerial skills necessary for running longer, more complex projects.

g. The changing legal and administrative environment for NGO activities

Civil society organizations need to cope with a strained relationship with the authorities as they engage in activities in defense of civil rights and liberties. The new phenomenon of public protests, both spontaneous and led by public organizations, an intensification of connections between the opposition, leaders of public organizations and Western partners, an association of public organizations which adds to their strength, were all met with mixed reactions on the part of the authorities. These took two forms. On the one hand, attempts were made to frighten active citizens, consisting of calls to security services for “preventive” conversations with activists, opening criminal cases against the organizers of meetings and demonstrations for “defacing public property” or “violation of public peace” and charges against NGOs for working for foreign countries, etc. On the other hand, failures to provide necessary social reforms and the sharp decrease of government public ratings have forced the authorities to establish contacts with civil society. These initiatives are still characterized by the selective approach in which financial support has been extended to organizations inclined to support the government line, and thus caution must still be exercised by representatives of the civil society in dealing with the authorities.

An opportunity for involving the civil society was the passing by the *Verkhovna Rada* (Parliament) of the Law On Access to Public Information. On March 22, 2012, the *Verkhovna Rada* passed (with a Constitutional majority) the Law On Public Organizations, which had been long ago written with the active participation of experts from public organizations,

52 Law and Democracy.

53 The majority (55%) of CSOs surveyed in 2008 reported a funding base of less than \$10,000 a year, and the share had actually risen from 47% in 2006. Over a quarter of the organizations reported relying on less than \$1,000. See Graph 3.8.3 in: L. Palyvoda, S. Golota, *op.cit.*, p. 42.

but could not be passed for several years. This Law includes many norms that would create a favorable environment for the activities of public organizations: an easier registration of NGOs, the right for foreigners and stateless persons to create NGOs, the right for public organizations to act on the entire territory of the country, the right to conduct economic activities, and many other progressive innovations.

Two days after the Law was passed, on March 24, 2012, the President issued a decree: “The State Strategy on Promotion of Civil Society Development in Ukraine.” This document has been welcomed by civil society. The project of this strategy was created in close cooperation between the President’s administration and a coalition of public organizations dealing with the development of the civil society. The strategy also formulated very important principles of interaction of the authorities and public organizations as well as mechanisms and forms of participation of civil society in governing the country. It remains to be seen whether the adoption of the strategy is going to be matched by the government’s growing openness to the involvement of the civil society.

These limited actions of the government cannot yet be unequivocally concluded as signs of genuine progress. Questions remain as to the authorities’ motives – whether it is real concern for the development of the civil society or an attempt to convince the West of its democratic governance, or maybe even an attempt to copy Russian policy where a parallel civil society, completely subordinated to the central power, has been created. Regardless of these doubts, public organizations have to use the opportunities provided by the new legal environment to their full capacity. Lessons need to be drawn from the initial drawbacks. So far two spontaneous attempts – by the President and Prime-Minister of Ukraine – to conduct public hearings on democratic governance, involving active NGOs in the dialogue, have resulted in nothing.

h. Strategies of NGOs *vis-à-vis* the authorities

Interviews and discussions at roundtables and in focus groups have helped answer the question whether Ukrainian NGOs can cooperate with the authorities at the local level even if relations are difficult at the national level. Such hope was expressed in the analysis of the results of the UNITER-funded 2009 civil society survey carried out by the Counterpart

Creative Center. Overall, the survey found cooperation to be below expectations as the majority (52%) of surveyed organizations viewed the level of their cooperation with authorities as “limited” (compared to 35% which recorded “some” or “a lot” of cooperation). On the other hand, the survey revealed a decline in the number of CSO respondents who blamed the local government for failing to see the benefits of cooperation with NGOs (down from 64% in 2005 to 47% in 2009) while noting a stable “reluctance of the national government to cooperate” during the first decade of 2000s. Nonetheless, it is worth noting that the surveyed NGOs blamed the authorities for failure to achieve progress in cooperation.⁵⁴

A common issue raised by representatives of NGOs in some of the investigated regions has been the difficulty of establishing and maintaining constructive relations with local authorities. In the Kharkiv and Odesa regions, respondents pointed to the scarce opportunities for receiving funds from authorities. During a roundtable in Kharkiv, several reasons were cited to account for the officials’ perceived unwillingness to engage in cooperation with NGOs. One of them was the passive attitude of government officials, sometimes interpreted as outright unwillingness to cooperate with NGOs. This is attributed above all to the emergence of a category of preferred organizations supported by the authorities with generous grants. Investigated NGOs claim to have little chance to compete with such organizations as the opportunities for government funds are often not publicly advertised and the terms of competition appear to be arbitrary.

Another factor working against applying for government funding is what NGOs perceive to be a negative bias on the part of local government officials against organizations which receive funds from international organizations or European partners. As an activist from Odesa noted, organizations in Ukrainian regions which are known to have applied for foreign resources tend to be stigmatized by the authorities and charged with “working in the service of foreign countries.”⁵⁵ This stereotyping has a negative effect on the overall relationship between the civil society and the government. While aiming to discredit the CSOs in the public eye, it mainly destroys the trust between non-governmental and state actors that is a prerequisite for their long-term cooperation. In fact, only

54 L. Palyoda, S. Golota, *op.cit.*, pp. 51-52.

55 Association of Ukrainian Journalists “European Choice,” Odesa.

a minority of Ukrainians share this belief: 22% of respondents in the 2011 IFES survey agreed with the statement that “NGOs represent interests that do not reflect the will of Ukrainians,” while 37% disagreed.⁵⁶

Support from international donors is both a matter of necessity and choice, representing a strategy adopted by NGOs in the face of the difficulties of cooperation with authorities. This was raised during a seminar in Lviv where one of the participants described this dilemma in the following words: “Organizations find it easier to receive donor funds than to become involved in corrupt schemes when absorbing funds from business or the government.” A barrier to effective cooperation with the authorities is the prevalence of corrupt practices on the part of officials who appear to be interested in cooperation only when it can bring personal benefit. Moreover, smaller organizations are especially wary

NGOs in regions rely on foreign aid to avoid becoming “involved in corrupt schemes when absorbing funds from business or the government”

of attempts by the authorities to pressure them to adopt a course that is aligned with official policy. Another strategy, which the respondents also saw in compliance with the donor policy, was the concentration of activities on humanitarian and social assistance niches to the exclusion of political and civil right issues.

In turn, NGOs (especially those active in defense of human rights and democracy promotion) are unwilling to carry out government-funded activities. One issue of concern is independence from the interference of officials. A representative of a social-assistance NGO from Kharkiv⁵⁷ noted insufficient transparency in the process of running government-funded projects. She referred to unpredictable mid-project controls and burdensome rules for tax accounting, making such projects appropriate only for entities with strong organizational foundations, “able to stand on their own feet.” Potential traps include demands for additional activities beyond those envisaged in the original contract or even corrupt proposals. Such practices prevent some NGOs from seeking assistance

Government-funded projects are only for NGOs “able to stand on their own feet”

from the government even when they generally share the authorities’ objectives in politically-neutral areas such as social policy.

56 http://www.ifes.org/Content/Publications/Press-Release/2011/~/_/media/Files/Publications/Survey/2011/Public_Opinion_in_Ukraine_2011_Presentation.pdf.

57 Association of Invalids.

Barriers to be overcome in the relations between NGOs and the authorities were enumerated by participants in a focus group in Kharkiv. One of them is a poor understanding of the role that NGOs play in representing the interests of society and the role that they can play in complementing the government's work. Participants attributed this to the small number of officials with NGO background. In their view it is necessary to demonstrate to the authorities the representativeness of NGO leaders in speaking for the electorate and accounting for its interests. This might be increasingly feasible as the public trust toward NGOs is rising. However, they were skeptical as to the likelihood of this working in larger cities or in the regions where government-supported organizations have dominated the NGO scene.

Another solution proposed by Kharkiv respondents to overcome the unwillingness of some NGOs to cooperate with the government was to engage in a more flexible form of "partnership" with the local government. Such a relationship would involve a range of strategies – conflict resolution, negotiation as well as bargaining – all aiming at a gradual building up of trust, and taking time and experience to develop. One participant thus formulated the prerequisite for success in such an endeavor: "Before you become friends with the government, you need to acknowledge the specificity of their work." Thus, she stressed the need to demonstrate that the NGO's activities complement those of the state agencies in a given sector. Speaking from experience, she stressed that entering a fruitful relationship with the local government required in the first place persuading the officials that cooperation with the NGO would help carry out the government department's responsibilities. Secondly, the terms of the collaboration need to be spelled out clearly in a legal contract, acknowledging the NGO as an official partner. Finally, the respondent warned against engaging in compromise with the government as this would weaken the bargaining position as well as ultimately discredit the NGO as a genuine representative of societal interests.

Annex 1.

LIST OF RESPONDENTS

Ivano-Frankivsk

Agency for development of private initiative

Mr. Bogdan Bilyk, City Council, Department of Economic and Integration Development

Etalon (working with youth in social projects)

Karl Yuria Foundation

Mr. Yuriy Lysyuk, Committee of Voters of Ukraine

Mr. Andriy Nikitin, Charitable Foundation “Solidarity” (charity working with external donors for 10 years)

Mr. Vitaliy Skomarovskiy, Youth Initiatives Fund

Mr. Taras Sluchik, All-Ukrainian Youth Organization “Demokraticheskiy Alyans” (Democratic Alliance)

Kharkiv

Ms. Maria Ivchenko, Mr. Viktor Kozoriz, “Tovarystvo Uchastnykov Dorozhnogo Dvizhenya” (Association of Road Traffic Participants)

Ms. Tatyana Kostenko, Association of Invalids (experience of working with government and international donors)

Ms. Yulia Levanda, Social Service of Assistance (a long-standing implementing agent of a major international charity)

Ms. Olga Myroshnyk, Local Democracy Fund (informal NGO resource center)

Ms. Yulia Samoylova, “Sodeystvye” / “Alma-Tsentr”

Ms. Tanya Voloshina, Ms. Alina Gestcova, Resource Center OSMD “Hozyaystvom Meste”

Ms. Olga Yarmak, First Capital Fund (a spin-off organization of journalists, developed out of a show)

Ms. Yulia Yesina, Golden Club of Ukraine (a smaller local association that has not received international funding)

Kyiv

Mr. Alexander Banchuk, Center for Political and Legal Reform (legal advice organization)

Ms. Iryna Bekeshkina, Ilko Kucheriv Democratic Initiatives Foundation

Mr. Oleksandr Chekmyshyn, Common Space Consortium, Access Committee (media monitoring organization with a long record of using donor assistance)

Mr. Denis Chernikov, Laboratory for Legislative Initiative (legal consultancy, proposing legislative drafts for the Parliament)

Ms. Svitlana Kuts, Center for Philanthropy (experience with carrying out evaluations of donor activities and running donor-related trainings for NGOs)

Mr. Yevhen Shulha, Razumkov Centre (leading think tank)

Mr. Oleg Soskin, Institute of Social Transformation (think tank with a record of cooperation with European partners)

Mr. Andriy Strannikov, Institute of Political Education (a well-established organization, expanding its activities into regions)

Mr. Taras Tymchuk, GURT Resource Center (NGO resource center)

Ms. Svitlana Zalizhuk, “New Citizen” Platform (a youth initiative, relying on new media and social networks)

Lviv

Association “Energy Efficient Cities of Ukraine”

Association of Ukrainian Cities, Lviv regional office

Committee of Voters

Mr. Jaroslav Koval, European Youth Union “Za obshchee budushche” (For Common Future)

Mr. Vitaliy Lesyuk, Western Ukrainian Regional Training Center

Mr. Ihor Makarov, “Laboratoria Sotsyialnih Issledovaniy” (Laboratories of Social Research)

Mr. Aleksandr Neberikut, Opora, Lviv branch (a beneficiary of various international funds)

Mr. Vasil Polujko, “Resource Center in Lviv”

Mr. Oleh Protsyk, “Institut Politiceskih Issledovniy” (Institute of Political Research)

Mr. Leonid Tarasenko, “Tsentr Obshchestvennoy Advokatury” (Public Defense Center)

Odesa

Mr. Vadim Georgiyenko, “Nashi deti” (Our children)

Ms. Yelena Gribova, Association of NGOs “Vmeste k zhizni” (Together toward Life) Youth Development Fund

Ms. Lyudmila Klebanova, Vse-Ukrainskaya Organizatsya “Sovet zhenshchin fermerov Ukrainy” (All-Ukrainian Organization – Council of Female Farmers of Ukraine)

Mr. Andriy Krupnik, “Odeskiy Obschestvenniy Institute Sotsialnih Technologiy” (Public Institute of Social Technologie)

Ms. Mihaila Oksaniuk, “Evropeyskiy vybor” (European Choice – Association of Journalists)

Mr. Igor Studennikov, “Center for regional research”

Ms. Anna Trybalup, “Litso k litsu” (Face to Face) youth Organization

Mr. Yuriy Zvelendovsky, “Blagotvoriitelniy Fond Miestnoy Initsiativy” (Local Initiative Welfare Fund)

Annex 2.

SAMPLE QUESTIONNAIRE

Name of your organization

Name, position of person filling out the survey

Information about the organization

1. How many staff members are on your payroll (full-time and part-time)?

1a. How many of these are in administrative positions? _____

2. How many external staff do you employ (on temporary contracts)?

3. How many of your staff members know English well enough to use it for professional purposes?

3a. What other foreign languages (e.g., French, German, other European) do your staff know sufficiently well to work with donors from European states?

Language	Number
French	
German	
Others? Please specify:	

4. Do you have an accounting department? YES/NO

4a. How many certified accountants are on your payroll?

4b. If not, do you use an external accounting office to prepare applications and report projects? YES/NO

4c. If the answer to **4** or **4b** is negative, why not? (cost, feel no need, other)

Working with donors

5. How do you learn about available grants?

■ Donors' websites (which ones)

■ Other NGO websites (portals, please name)

■ Media (which titles, channels)

■ Recommendations from beneficiaries

■ Other sources

6. How many applications for assistance from international donors (international organizations such as EU, UN, as well as states such as USA, Germany, etc.) has your organization submitted in the last 24 months?

6a. How many have been granted? _____

7. How many donors have you applied to in the last 24 months?

7a. Which ones have the most difficult application procedures?

7b. Please specify which conditions have been the most difficult to meet.

7c. Do you believe your organization has the capacity to absorb more funds? YES/NO

7d. If not, what type of constraints do you see?

- Not enough staff
 - Current staff already 100% allocated
 - Staff not sufficiently qualified
 - Difficulties in finding appropriate partners
 - Not enough donors in the fields of specialty
 - Too difficult conditions of application
 - Lack of information on grant possibilities
 - Others? Please specify:
-

8. If you have received assistance from the following types of donors, please assess different aspects of their funding from 1 (very bad) to 5 (excellent):

	Information on grant possibilities	Ease of application procedure	Matching your organization's priorities	Requirements for project implementation
EU	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Germany	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Other European states	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
US	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
International organizations	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

9. Are you planning to apply for assistance from some donors you have not worked with yet?

YES/NO

9a. Which ones?

9b. What is the reason for seeking new donors?

9c. What are the issues/areas that you are interested in receiving assistance for?

Project management

10. How many persons are on average directly involved in (responsible for) preparing a project application to an international donor?

10a. Do you have employees who are specialized in preparing documentation and submitting applications? YES/NO

11. What problems have you encountered in the last two years in implementing projects with regard to:

■ utilization and reallocation of funds,

■ meeting and shifting deadlines,

■ mid-term reporting on results,

■ flexibility of changes in the organization of the project,

■ other (please elaborate),

12. Do you have employees specialized in formal reporting of project results and utilization of funds (substantial and financial reports) to donors? YES/NO

12a. Or is both substantial and financial reporting done by project staff? YES/NO