

Eurasia Foundation 2007 Network Yearbook













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Archil Kikodze's first prize winning photo in EPF in Georgia's Water Without Borders photo contest

Eurasia Foundation believes societies function best when people take responsibility for their own civic and economic prosperity. Through cooperation based on mutual respect, our programs equip citizens to define and achieve outcomes of enduring benefit to their communities.



MISSION

This publication is made possible in part by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Eurasia Foundation and do not necessarily reflect the views of USAID or the United States Government.

Letter from the Chair & the President

The Eurasia region has changed dramatically in the 15 years since Eurasia Foundation (EF) began operations. After the breakup of the Soviet Union, all twelve newly independent nations faced the same enormous task of nation building. Today, the region's countries differ widely in their economic and political achievements: Azerbaijan, Kazakhstan and Russia prosper thanks to oil revenue; Ukraine, Georgia, Armenia and Moldova vie for entry into the European Union, while Kyrgyzstan and Tajikistan struggle for political stability amid economic difficulties; and Belarus, Uzbekistan and Turkmenistan are largely isolated due to regressive policies. In many countries, civic participation in government remains undervalued; elections are neither free nor fair. Across the region, the middle class struggles for financial security and growth in small and medium businesses stagnates. Independent media outlets face immense pressures.

Recognizing these differences and to meet the evolving needs of the region's citizens, EF launched Eurasia Foundation Network in 2008, a partnership of four autonomous regional foundations supported by Eurasia Foundation in the United States. The launch is the culmination of Eurasia Foundation's transfer of ownership of local office programs and finances to local management and staff.

Highlights from the collective work of EF Network partners—the East Europe Foundation in Ukraine, Eurasia Foundation of Central Asia, Eurasia Partnership Foundation in the Caucasus and the New Eurasia Foundation in Russia—have been compiled in this inaugural Network Yearbook. An in-depth look at each foundation begins on page 6.

After 15 years of operations, Eurasia Foundation programs are more diverse, and more needed, than ever before. For example, in countries that are more economically advanced, we are leaders in supporting the expansion of corporate philanthropy and helping to protect the rights of labor migrants drawn to local economic opportunities. Across the region we support increased citizen participation in local government and equitable allocation of economic and social development resources. We support local print media capable of insightful coverage of local events. We also support a broad range of initiatives that stimulate the growth of small and medium businesses, whether in the field of innovation, tourism or agribusiness. A retrospective of 15 years of our work, which begins on page 22, offers a brief glimpse of the innovative and long-lasting nature of our efforts.

We are proud to note that in 2007 Eurasia Foundation surpassed the \$380 million mark of resources entrusted to us. We value the deep commitment the U.S. government has shown to our work over the years, as well as the significant and growing support of governments, foundations and businesses in the Eurasia region and beyond. We also value the contributions of our trustees and friends. A list of these supporters begins on page 28.

Finally, 2007 marked the launch of the Bill Maynes Fellows program, which honors Eurasia Foundation's former President by recognizing new civic leaders who are making a difference in the regions where we operate. The first fellows will visit the United States in fall 2008.

With a new network of partners rooted in the region, Eurasia Foundation Network is uniquely able to address the challenges facing the region, to appreciate the opportunities presented and to embrace the next phase of our operations.

Sarah C Carey

Sarah Carey *Chair*

W. Horton Beebe-Center *President*





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Eurasia Foundation has evolved from a single U.S.-based, international foundation with multiple field offices into Eurasia Foundation Network—a constellation of affiliated, locally registered organizations. Today, the Network consists of four local foundations that work in partnership with the U.S. foundation, incorporating 15 years of experience and social capital into regional and international relationships.

Eurasia Foundation Network injects capital, technical knowledge and fiscal management skills into grass-roots organizations to improve public policy and administration, develop private enterprise and advance civic participation in the Eurasia region. We support and implement projects led by the region's citizens to further social and economic transformation and strengthen civic institutions.

Network foundations, staffed by local citizens and governed by international boards of trustees, are becoming leaders in the local philanthropic community, supporting social entrepreneurs who play active roles in ensuring the civic and economic prosperity of their communities.

We remain convinced that the mission of Eurasia Foundation is as worthy and vital today as it was when the Foundation was created in 1992, and that local government transformation, private enterprise expansion, independent media strengthening and citizen-led initiatives continue to be instrumental to the future of the Eurasia region. Despite the economic, social and political diversity in the region, Eurasia Foundation Network offers programs and international expertise appropriate to the needs of each locale.

> Eurasia Foundation Network engages the citizens of Eurasia to bear responsibility for their civic and economic futures through social networks that connect people to each other, to their governments and to the wider world. In this way, Eurasia Foundation Network does more than merely advance the agenda of one particular country; it embraces the shared aspirations of the citizens of the entire region and works together to achieve them.

Belarus

Moldova

Ukraine

Russia

Georgia

Armenia

Turkmenistan

Kazakhstan

Tajikistan

Kyrgyzstan

2 | Eurasia Foundation

1zerbaijan

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Eurasia Foundation Network Localizing our Legacy

Eurasia Foundation (EF) was created in 1992 to support demand-driven development opportunities at the citizen level in the former Soviet Union. At the time, this privately managed foundation was experimental: the delivery of financial resources to inexperienced local nongovernmental organizations and the provision of financial support for grassroots-based program ideas was a pioneering method of providing aid.

Eurasia Foundation has proved to be a highly effective development instrument. Since 1992, EF has made more than 8,400 grants, disbursed more than 450 loans and invested more than \$380 million in support of programs in twelve successor countries of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. The Foundation goes beyond financial assistance, helping small nongovernmental organizations develop ideas into durable programs and training staff in financial accountability.

Today, the Foundation is a recognized leader in the field of grant and program administration, supporting private enterprise development, facilitating cross-border cooperation and strengthening civil societies. Based on this strong tradition and history, EF looked to the future and its greatest challenge: building legacy institutions throughout the Eurasia region.



EF has created four autonomous regional foundations able to address local needs and cross-border issues. These organizations represent a new type of institution for the region, combining local knowledge and leadership with international best practices of program management and financial stewardship, all carried out under the governance of international boards of trustees.



5 partners 12 countries 15 years

New Challenge: Creating Legacy Institutions

In 2001, EF initiated an effort to establish local, self-sustaining institutions. This decision acknowledged the fundamental political, economic and social changes taking place in the region and the Foundation's need to adapt its operations adequately to address those changes and continue to provide locally responsive support.

To create these local entities, EF planned to "graduate" two projects then being incubated: the Economics Education and Research Consortium (EERC) and the Small Business Loan Program. Both projects had garnered significant local financial support and were highly regarded in the region.

EERC became an independent organization in 2003. It has since grown into the Kyiv School of Economics and currently administers an internationally recognized master's degree program in economics and a World Bank-funded research center in Kyiv, Ukraine. Since inception, 367 students have received master's degrees in economics and today are employed in Ukraine and abroad in academia, government and business.

The Izmirlian-Eurasia Universal Credit Company (UCC)—successor to EF's Small Business Loan Program that operated in Armenia for 10 years—received its license from the Central Bank of Armenia in 2004. To date, UCC has made over 200 loans totaling \$13.4 million, leading to the creation of more than one thousand new jobs.

Given the success and sustainability of these programs, EF began transferring board governance, program strategy and financial management responsibility to its regional offices, and in 2004, EF launched the New Eurasia Foundation (FNE) in Moscow. FNE is registered in Russia, headed by a Russian citizen and governed by an international board. An overview of FNE begins on page 18.

The second local foundation created was Eurasia Foundation of Central Asia (EFCA), which launched as an autonomous, locally registered entity in 2005. With offices in Almaty, Kazakhstan; Bishkek and Osh, Kyrgyzstan; and Dushanbe, Tajikistan, EFCA mobilizes public and private resources to help citizens participate in building their futures, strengthen their communities and improve their civic and economic well-being. An overview of EFCA begins on page 10.

East Europe Foundation and Eurasia Partnership Foundation, both launched in 2007, complete the constellation of citizen-focused entities working in the region. Overviews of these foundations begin on pages 6 and 14, respectively.

These four new foundations have joined with Eurasia Foundation, their American counterpart, to form **Eurasia** Foundation Network. Working together enables the Network to improve the quality of programs, increase interaction among local and international institutions throughout the region, and multiply donors' social return on their investment.











East Europe Foundation



Ukraine

Moldova



Andrew Wilson

For more information on EEF, please contact: info@eef.org.ua

www.eef.org.ua

On behalf of the board of directors of the East Europe Foundation (EEF), I am delighted to report on the successful launch of the new Foundation, which will carry on the work of Eurasia Foundation (EF) in Ukraine. Eurasia Foundation has invested nearly \$47 million in grants and technical assistance in Ukraine, which has helped build small businesses, strengthen local community organizations, improve public services and establish international-caliber educational programs. The East Europe Foundation plans to build on these successes and continue responding to the evolving needs of communities across the country.

In addition to running local economic development and municipal partnerships programs, EEF will expand its work on *Sustainable Solutions for Vulnerable People*, a program which will help improve the lives of the elderly, orphans, people living with disabilities and other vulnerable groups. Furthermore, with its highly successful *Ukraine Corporate Social Responsibility (CSR) Bulletin* and other initiatives, EEF will continue to promote CSR best practices in Ukraine. The success of the CSR Bulletin, which has more than 3,500 subscribers, led EEF to launch a sister site, *wwm.eco-ukraine.org.ua*, to provide regular news on corporate environmental programs and sustainable business. For more information about these and other initiatives, I invite you to visit our website, *wwm.eef.org.ua*.

Another program EEF will carry on—in the tradition of Eurasia Foundation—is *Open Door* grant making, a proven approach to encourage organizations to submit innovative proposals to the Foundation. The staff reviews these proposals and identifies cutting edge ideas that could produce effective development models for Ukraine. A number of our larger initiatives in the past evolved from projects that EF supported through open door grant making; EEF will continue to recognize and cultivate leading ideas from communities across the country in this manner.

We are extremely pleased with all the support we have received from international and domestic partners, and we are excited to be a part of Eurasia Foundation Network, grow our programs and turn the East Europe Foundation into a leading Ukrainian nonprofit organization.

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Andrew Wilson President East Europe Foundation

EEF MISSION

The East Europe Foundation empowers citizens to build their own futures by mobilizing resources, strengthening communities and fostering public-private cooperation.

PROGRAM HIGHLIGHTS

In 2007, Eurasia Foundation (EF) launched the East Europe Foundation (EEF) in Kyiv, Ukraine to build on its development over the past 15 years with more diversified resources. EEF will continue the programs initiated by EF as well as expand programs to respond to ever-changing local needs. The new international charitable foundation implements economic, community and social development programs for more than 30 donors including USAID, European governments, multilateral organizations, foundations and corporations working in Ukraine. EEF's development philosophy revolves around building the capacity of local organizations, creating sustainable partnerships and directing development resources into the hands of local communities. The Foundation:

- Identifies and strengthens partnerships between and among nonprofit organizations, local authorities, businesses and other local stakeholders;
- Builds the capacity of its partners to achieve their missions by providing knowledge, skills, financial assistance and other resources;
- · Cultivates innovative development models and fosters synergy among its programs and partners.

The excerpts that follow are a sample of the program portfolio EEF is currently implementing. For a more comprehensive review of their programs, please visit the EEF website, *www.eef.org.ua*.

Promoting Corporate Social Responsibility in Ukraine

As international aid agencies turn their attention to more needy countries, nongovernmental organizations (NGOs) are increasingly looking to corporations to support their important social, community, environmental, educational and economic development programs.

However, there is much more to Corporate Social Responsibility (CSR) than contributing to NGOs. EEF's CSR program addresses those issues, including best practices in and public awareness of CSR, balanced media coverage of CSR issues and international standards for CSR and responsible philanthropy. EEF implements a diverse array of projects to develop CSR practices in Ukraine.

EEF and *Expert Ukraine* regularly organize seminars on CSR for journalists and editors in targeted regions across Ukraine. The ongoing program has covered ten oblasts across the country, from Donetsk to Odesa, with more planned for the future.

In 2007, EEF launched the Ukraine CSR Bulletin, a weekly



Journalists in Ukraine's Mykolaiv Oblast learn about CSR, why it's important for their community and how to report on it in a balanced fashion at an EEF CSR seminar, organized in partnership with *Expert Ukraine*

electronic newsletter that delivers information on CSR events and accomplishments to over 3,500 subscribers throughout Ukraine and other countries in Ukrainian, Russian and English languages.

The Bulletin's website, *www.csrukraine.org.ua*, has quickly become the most visited CSR website in Ukraine, according to Google and other search engines. Recently, EEF launched *Eco-Ukraine (www.eco-ukraine.org.ua*) to deliver corporate environmental news.

Municipal Partnerships for Better Energy Use

Ukraine's communal buildings are notoriously energy inefficient. As energy prices climb, outdated technology becomes a significant liability for municipal budgets. Like many towns in Ukraine, Trostyanets' apartment buildings featured poor lighting schemes that not only waste energy, but also pose a serious safety threat to residents. In 2007, Eurasia Foundation helped upgrade the public lighting systems in 61 municipal residential buildings—75 percent of the town's apartments—by fostering a pioneering public-private partnership between the Trostyanets City Council and the Union of Trostyanets Entrepreneurs.

The *Municipal Partnerships for Better Energy Use* program engages local governments and communities to stimulate local innovation and improve energy efficiency in public spaces. A critical component of the program is local government support: all of the program activities have secured co-funding from municipal budgets or other community sources.

EEF has taken over this program, in which EF invested over \$250,000 since 2006, with support from the Embassy of Finland in Ukraine, the Ministry of Foreign Affairs of the Netherlands, the Norwegian Embassy in Ukraine,



LEAD program beneficiary Praskovya Tanova displays a souvenir doll she made during a workshop on craftmaking organized by the *Izmail Foundation for Entrepreneurs' Support*

the U.S. Agency for International Development, as well as the OSCE Project Coordinator in Ukraine and Telenor Ukraine. EEF will continue to implement grass-roots energy efficiency initiatives and innovative solutions to energy challenges in cities and towns across the country.

Local Economic Development

Eurasia Foundation is passing on its legacy of the Local Economic Development (LEAD) program to the East Europe Foundation. Over the past five years, Eurasia Foundation has invested more than \$750,000, helped 14 regions of Ukraine create almost 2,700 new jobs and start over 1,200 new businesses. EEF is pursuing this program in response to growing demand from local authorities and businesses for assistance creating economic and social development programs. The Foundation helped the *Izmail Foundation for Entrepreneurs' Support* train individuals to create handicrafts and to sell them at a profit. The Izmail Foundation in the Odesa Oblast works with the local port authority to make these handmade souvenirs available to tourists arriving by boat.

EURASIA FOUNDATION IN EASTERN EUROPE

In addition to supporting EEF, Eurasia Foundation works in the Eastern European region through its Moldova Representative Office in Chisinau and the New Eurasia Establishment, which was founded by EF in Minsk, Belarus. The following excerpts are some of the successful programs implemented in these countries.

European Union (EU) Integration in Moldova

As Moldova moves towards closer ties with the European Union, it becomes clear that more work and strategic planning are needed and should involve a broader range of stakeholders. Moldova is part of the European Neighborhood Policy (ENP) and its government has already adopted a European Union-Moldova Action Plan (EU-MAP) to strategize and guide necessary reforms.

Eurasia Foundation seeks to help Moldovans understand the European Union and the role they can play to advance integration. A survey commissioned by Eurasia Foundation revealed that a majority of Moldova's population expects favorable outcomes from European integration.

The LEAD program has created 2,685 new jobs in Ukraine.



"Our project has shown that by uniting the efforts of local administrations, unemployment centers and successful entrepreneurs at a regional level it is possible to create new jobs," said Lilia Popova, project director of the Sumy branch of the Union of Entrepreneurs of Small and Medium Enterprises of Ukraine, a LEAD grantee.

With funding support from the Swedish International Development Cooperation Agency, USAID and the Norwegian government, EF supports European Interactive Centers, operated by local NGOs in the Moldovan cities of Balti and Cahul. These Centers provide students, public servants, journalists and civil society representatives with information on the EU, prospects for integration and the government's progress towards implementing the EU-MAP.

"Our involvement [with the Center] made us realize the big importance it has not only for students, but also for the whole population of the region because more and more people are realizing the benefits of European integration," said Ludmila Noni, a university student in Cahul.

For more information on EF's work in Moldova, please visit www.eurasia.md.

Developing Legal Clinics in Belarus

Belarus' vulnerable populations, including impoverished families and prisoners, often cannot afford legal assistance. To combat this issue, Eurasia Foundation's Belarusian entity—the New Eurasia Establishment (NEE)—helps these groups access free legal advice through its *Legal Clinics Support* program. The program trains law professors and students to provide legal aid and counseling on family law, property rights, labor law and other issues to needy populations.

By teaming with the Center for Legal Clinical Education at Belarus State University (BSU) and other university legal clinics around the country, NEE uses its expertise to provide training and technical assistance to 11 legal clinics. NEE and BSU hold joint workshops and study tours to help clinic staff learn and share best practices to improve their services for needy populations.

Legal clinic staff used their experiences from these exchanges to publish a new textbook on legal clinics and develop a new curriculum for law students based on practical knowledge and input. The Ministry of Education of Belarus is expected to adopt the new learning tools.

For more information on the New Eurasia Establishment, please visit *www.eurasia.by*.

Eurasia Foundation of Central Asia



Kazakhstan

lajikistan



Jeff Erlich

For more information on EFCA, please contact: eurasia@efcentralasia.org

www.efcentralasia.org

Measuring success in a business is straightforward. But for nonprofit organizations like the Eurasia Foundation of Central Asia (EFCA), success is harder to measure.

EFCA's "product" is positive social change, which is both ambitious and intangible. Take EFCA's project to improve the legal status of Central Asian labor migrants. We have less than one dollar of funding for every five migrants, so we sponsor demonstration projects, develop the capacity of labor migrants' organizations and spur public debate, in the belief that we can act as a catalyst for larger efforts.

But how do we know if the project is a success? Did it improve migrants' legal status, and if so, how many and by how much? What role did it play amid far more powerful social and economic forces?

These questions are exceedingly difficult, and expensive, to answer. Sometimes we settle for answering simpler questions, like how many people received consultations. But this only measures how efficiently we spend money, not how effective the project was.

Despite these challenges, EFCA is well positioned as a leader among Central Asian nonprofit organizations. Fifteen years of experience in Central Asia, membership in Eurasia Foundation Network and staff from all five Central Asian countries, Europe and America give us deep and broad knowledge. Our flexible USAID core funding allows us to react quickly to emerging issues—often years before other organizations—and after we identify these issues, our corporate and public donors allow us to focus long-term and in-depth on them. And our approach, to strengthen and support other organizations, is both respectful of the cultures in which we work and effective.

We still have a long way to go in understanding the results of our work, but we are not standing still. In 2008, we are focusing on improving our ability to produce and measure results, through staff training and refined program design and monitoring techniques.

If all of this sounds a bit abstract, I hope you will continue reading some of the stories of how EFCA is helping people throughout Central Asia take responsibility for their future.

Jeff Erlich President Eurasia Foundation of Central Asia

EFCA MISSION

Eurasia Foundation of Central Asia mobilizes public and private resources to help citizens participate in building their future by strengthening their communities and improving their civic and economic well-being.

PROGRAM HIGHLIGHTS

Eurasia Foundation of Central Asia (EFCA) was created in 2005 to locally embed Eurasia Foundation's (EF) work in the landscape of Central Asia by transferring management responsibilities, finances and program operations to local staff. Together EF and EFCA have invested more than \$54 million in Central Asia to support local initiatives in community development, private enterprise, education and public administration.

From offices in Kazakhstan, Kyrgyzstan and Tajikistan, EFCA staff manage a broad portfolio of programs, developing local organizations through technical assistance and grants. EFCA staff have extensive experience in project design, implementation and oversight.

EFCA is governed by an international board of trustees and is supported by USAID, as well as governments, foundations, corporations, intergovernmental organizations, universities and individuals.

EFCA develops sustainable local institutions by assessing local needs and identifying motivated civic actors, mobilizing resources among public and private stakeholders and providing intensive capacity building training to partner organizations. These partner organizations include community nonprofit organizations, associations, universities and research institutions, among others. EFCA works closely with national, regional and local governments in all of the countries where it operates.

To strengthen local communities, EFCA builds the institutional capacity of partner organizations by:

- Training staff in financial and project management;
- Consulting staff in project design and implementation;
- Providing resource mobilization training to partner organizations to help them become more sustainable;
- Providing self-evaluation training;
- Helping establish and train boards of trustees.

EFCA believes that citizens can and should take responsibility for their well-being. To facilitate this, it supports engagement among the government, business and nonprofit sectors, and promotes transparency and adherence to local laws through its own operations and those of its partners.

The excerpts that follow are only a sample of the diverse program portfolio EFCA is currently implementing in Kazakhstan, Kyrgyzstan and Tajikistan. For a more



EFCA's Kazakhstan Artisans Business Development program aims to preserve cultural traditions and help craftspeople learn new techniques, improve their business skills and increase their access to markets

comprehensive review of its programs, please request a copy of the EFCA 2007 Annual Report (contact information is available on the inside back cover) or view it online at *www.efcentralasia.org*.

Developing Local Communities in Kazakhstan

Kazakhstan's first community foundation—the local community foundation of Enbekshikazakh district of Almaty Oblast—opened in 2007, with technical assistance from EFCA and financial support from Philip Morris Kazakhstan.

As a locally registered, grant-making foundation that inherited 15 years of good practice from Eurasia Foundation, EFCA was uniquely positioned to help the Enbekshikazakh foundation. EFCA's grant managers and program officers transferred their policies and procedures for grant-making, and EFCA's finance specialists worked with the new foundation's accountants to set up bookkeeping systems. EFCA also drew on its colleagues in the EF Network to arrange a training visit to the Togliatti Foundation, Russia's first community foundation.

"The foundation is a unique resource for our community, bringing together funding, ideas and projects," says Bakhytgul Elchibaeva, executive director of the foundation. "It's managed by the community itself, and it is open, transparent and based on equal representation of business, government and local community."

In its first year of operation, the foundation awarded more than \$50,000 through seven grants supporting the blind, disabled children, the elderly, ethnic Kazakh migrants, youth and unemployed women.

As part of one project, the NGO Kamkor set up a rehabilitation center for disabled children in the town of Issyk. The center has exercise equipment and a relaxation room for the children. Specialists provide children with medical care and physical therapy, and parents with advice and psychological counseling.

What is a Community Foundation?

A community foundation is a charitable organization that partners with companies, government and individuals to develop a community. The foundation attracts funding and distributes grants through a merit-based competition of local social projects. The guiding principles of community foundations are openness, transparency, independence from government oversight and accountability to the local community. Decisions are made with support from collegial management bodies; in the case of the Enbekshikazakh foundation, a Board of Trustees and an independent Board of Experts. "My son has been going to the center for one month, and I already see a positive change in him," says Gulnara Kabieva, mother of 8 year-old Almat. "By playing with children like him, he's become more relaxed and friendly, and now he looks forward to visiting the center."

While Philip Morris Kazakhstan is the community foundation's primary donor, it will work with EFCA to attract additional funding from other corporations, individuals and government sponsors. The foundation already received its first international donation: \$12,000 from the Brussels-based WINGS Global Fund for Community Foundations.

Opening Government Budgets in Kyrgyzstan

In 2007, local councils in Kyrgyzstan were given greater control over government spending. EFCA saw this as an opportunity to increase citizen oversight and help governments better allocate resources.

Through its *Open Budget* program, EFCA worked with local government representatives, local administrators and civil society organizations in 11 communities in the Issykkul, Naryn, Osh and Batken Oblasts. The program, funded by the British government, OSCE, the European Union and USAID, enabled dozens of people in each community to attend budget hearings and trainings on the budgeting process.

In one budget hearing, the community voted to reallocate \$4,000 toward equipping schools and providing professional development for teachers. In Issykkul, waste collection was included in the budget for the first time. In other communities, substantial increases in revenue were possible from improved collection of land, pasture, hotel and transport taxes that were then allocated to local priorities.

In Kazakhstan, EFCA's network of five labor migration centers aided 9,300 labor migrants.



"... The center gives real help both when leaving the Kyrgyz Republic and entering the Russian Federation, and, as necessary, keeps my relatives informed also. And on top of all this, the center offers its services for free," said 44 year-old Azizbek Shatmanov, labor migrant from the Kyrgyz Republic.

In addition, EFCA produced three educational films in both Russian and Kyrgyz on budget reform processes in Kyrgyzstan as learning tools for local government and civil society.

"For the sake of budget transparency, we must inform the community about the budget reforms and involve people in the process," said Turdukan Narimbetova, a government official in Suzak district. "It is very important to build trusting relations among the local population and the *Ayil Okmotu* [local council]."

Facilitating Global Trade in Tajikistan

One of the obstacles Tajik manufacturers face in selling goods internationally had been the absence of a uniform barcoding system—the internationally accepted tool for tracking movement and inventory of goods.

In 2007, EFCA, together with the United Nation's International Trade Center, provided financial and technical support to the Tajik nongovernmental organization, Consumers' Union, to establish a national barcode association.

The Union first established a group of entrepreneurs interested in spearheading the initiative. The group developed and submitted a request to join GS1, a nonprofit, neutral global organization that sets standards for supply chains with over 108 member countries.

The request was accepted in mid-2007 and the Association of GS1-Tajikistan received a unique barcode. Within months, the Association was registered with the Tajikistan Ministry of Justice.

With funding from the International Trade Center, the Consumers' Union purchased equipment for the Association of GS1-Tajikistan to produce barcodes and trained association staff. The Union met with local manufacturers from Khujand, Dushanbe and Kurgan-Tube to promote the barcode system. The introduction of the barcode system in Tajikistan was featured in major TV, radio, newspapers and online media outlets across the country. As a result, the Association has become the barcode provider for all products produced in Tajikistan.

"Today big supermarkets apply new methods of work with large amounts of goods, and the barcodes are important for their convenience," says the director of LLC Aqua, a producer of bottled water. "It is easier for us to obtain a unique, permanent barcode for our firm, which is admitted throughout the world, than it is to create new codes every time we take our goods to supermarkets for sale."

Eurasia Partnership Foundation



Arme



George Zarubin

For more information on EPF, please contact: info@epfound.ge

www.epfound.org

Constant and often break-neck change have become the norm in the South Caucasus over the last several years. Gross domestic product and foreign investment are rising at the fastest rate in the modern sovereign history of these three nations, while each election cycle brings new crises, new opportunities and further change. The frozen conflicts in Nagorno-Karabagh, South Ossetia and Abkhazia are hardly frozen. Almost daily, new developments in these regions are taking place. Amidst this never-ending tumult, how do we continue promoting sustainable, responsible civil society in Armenia, Azerbaijan and Georgia?

The good news is that citizens are demanding greater opportunities for participation in shaping their own futures and achieving economic prosperity and social justice; the less positive news is that civil societies, though active, are marginalized from the processes that are driving change in this region. This is due to a combination of factors—many civil society organizations are unable to engage policy makers in a meaningful way, they lack financing and governments are frequently unwilling to listen to the third sector. Our approach to addressing these problems attempts to be comprehensive, systemic and sustained.

In November 2007, we embedded over a decade of experience supporting civil society in the South Caucasus into a long-term commitment—we launched three new foundations in Armenia, Azerbaijan and Georgia. These new local foundations, collectively called Eurasia Partnership Foundation, inherited the key assets and resources that made its predecessor, Eurasia Foundation, successful: experienced staff, rigorous financial and accounting systems, expertise in program and grant management and in-depth knowledge of the needs and characteristics of civil society in the region. As local organizations, we are well placed to take a long-term, strategic view of civil society development and are pleased to be a part of the broader Eurasia Foundation Network.

At Eurasia Partnership Foundation, we believe that our grass-roots approach to programs helps people improve their communities and their own lives, empowering them to effect change for social justice and economic prosperity. This approach is based on the conviction that individuals and institutions matter the most, and I am hopeful that our Foundations will weather the capricious volatility of the short-term to allow citizens to become ever more responsible and effective in their civic and political engagement.

George Zarubin President Eurasia Partnership Foundation

EPF MISSION

Eurasia Partnership Foundation's mission is to empower people to effect change for social justice and economic prosperity through hands-on programs, helping them to improve their communities and their own lives.

PROGRAM HIGHLIGHTS

Eurasia Partnership Foundation (EPF) implements programs and awards grants from three locally registered offices in Armenia, Azerbaijan and Georgia and is guided by the six program mandates and approaches listed below.

Civic Participation & Monitoring: The Foundation seeks to increase citizen action in monitoring the activities of businesses, government and the donor community. Policy formation and implementation, public and social service delivery and public works all have significant impact on society and the economic development of the South Caucasus. The Foundation encourages nongovernmental organizations (NGOs) to pursue public accountability based on international project and audit standards. Direct citizen engagement constitutes a key component of these activities.

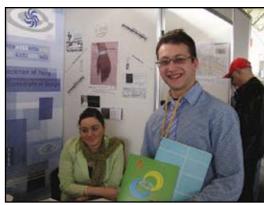
Corporate & Community Philanthropy: The Foundation encourages community volunteerism and activism, including deepening the understanding and practice of local corporate philanthropy and developing the skills and vision of youth so they may become stronger advocates for and implementers of social change.

Research & Policy Capacity Building: The Foundation works to improve the quality of social science research in the South Caucasus through trainings in research methods, fellowships and advocacy. The Foundation's primary mechanism for building research and policy capacity is the Caucasus Research Resource Centers (CRRC). The voice of social science researchers in the policy formation process is critical to building effective programs that provide solutions to existing problems. Recognizing that research and sound policy are built on the foundation of reliable and unbiased information, the Foundation supports the annual Data Initiative, a yearly household survey of social attitudes and perceptions in the South Caucasus performed by CRRC. More on the Data Initiative can be found on pages 17 and 24.

Improving the Business Environment: The Foundation promotes operational transparency and adherence to international standards and best practices by the private sector. Encouraging public-private partnerships through policy dialogue between small and medium businesses and the government is also a priority. Furthermore, the Foundation promotes institutional development of business and vocational education programs.

Cross-Border Cooperation: The Foundation is one of the leading program implementers in cross-border activities within the wider South Caucasus region. Regional programming aims to contribute to security and stability by building links among individuals and civil society groups in different countries who face similar problems and are working toward common goals.

Open Door Grant Making: Social entrepreneurs bring fresh solutions and ideas to existing challenges and are the driving forces behind many of the most successful interventions. The Foundation's *Open Door Grant Mechanism* supports innovative and sometimes high-risk pilot projects and tests new ideas on a small scale. When



George Tsimintia and Mari Nanitashvili of the Association of Young Economists show off their booth at the 2nd Annual Civil Society Organizations Fair

projects supported through the Open Door Grant program demonstrate success, the Foundation often helps to replicate them on a larger scale or in different locations. Frequently, the success of these pilot programs is noted by other donors, who then lend their financial support to proven initiatives.

The excerpts that follow are only a sample of the diverse program portfolio EPF is currently implementing. For more comprehensive information on the programs EPF is delivering in the South Caucasus, please contact EPF (contact information is available on the inside back cover) or visit *www.epfound.org*.

Labor Migration in Armenia

Aiming to reduce illegal labor migration from Armenia and promote the reintegration of returnees, Eurasia Partnership Foundation is implementing a program that will increase the understanding among policy-makers of current trends in labor migration, develop the capacities of local institutions to serve as Migration and Return Resource Centers and develop partnerships between these resource centers and similar centers in Armenia and abroad.

Additionally, Eurasia Partnership Foundation's Caucasus Research Resource Centers (CRRC) conducts the Data Initiative, an annual three-country survey of household economic behavior and social attitudes, including attitudes towards labor migration. In 2007, with support from the International Organization for Migration, CRRC conducted a pilot survey in Yerevan and three of Armenia's regions to examine attitudes towards labor migration among adults and to determine the profile of potential labor migrants. The results were disseminated to the government, civil society organizations and the general public through presentations and the CRRC website.

In order to better understand migration dynamics among highly educated Armenians, Eurasia Partnership Foundation will examine trends in elite migration from Armenia, including:

- · Current geographic location of graduates from selected departments of Armenia's top schools and universities;
- Employment history of highly educated migrants both abroad and in Armenia;
- Labor migrants' experience in finding jobs upon return;
- The remittance patterns that these labor migrants demonstrate.

The study is planned for mid-2008 and will produce recommendations for businesses and government on how to retain highly educated young people in Armenia's work force.

Youth Initiatives in Azerbaijan

The Youth Fund is an innovative, youth-led, grant-making program that provides small grants to fund good ideas that young people believe will benefit their local communities. In a unique approach to local development, young people



EPF in Azerbaijan's Youth Fund program provides small grants to fund youth-led ideas; pictured above is a Sheki Youth Fund training on grant-making

themselves make the decisions about how their funds are managed, what community needs are targeted and what projects receive support.

Since its inception in 2005, the Youth Fund has established five youth-led grant-making committees responsible for disbursing financial resources to youth projects across Azerbaijan. Within these grant committees, 35 young people aged 18-30 have overseen the disbursement of \$12,500 to 28 youth-led community projects in their respective regions. Projects supported by these young grant committees varied from drug abuse campaigns in Lenkoran to artistic competitions in Guba, and from vocational training in Ganja and Sheki to the opening of an all-girls café in Goychay.

The Youth Fund simultaneously develops the professional skills of youth in the regions and puts tangible resources directly into their hands. The young grant committees receive training and assistance from EPF staff throughout the lifecycle of the grants program: conducting community assessments, developing outreach materials, evaluating project proposals, managing small grants and assessing project impacts. EPF has now expanded the Youth Fund

program to new regions of the country and has introduced similar YouthBank programs in Armenia and Georgia.

European Union (EU) Integration in Georgia

Before Georgia can join the EU, the country must implement political, economic and social reforms that will bring stability, improved security and social welfare to its citizenry. EPF's EU Integration program engages Georgian citizens and civil society actors in Georgia's implementation of the European Neighborhood Policy (ENP) Action Plan to ensure that Georgia utilizes the EU's expertise and resources in this effort.

The program, which is implemented in close collaboration with other foundations, NGOs, governmental agencies and the EU Delegation in Georgia, has mobilized civil society organizations to monitor the implementation of the ENP

In Azerbaijan, 35 young people oversaw the disbursement of \$12,500 to 28 youth-led community projects.



"The project has engaged an enthusiastic youth base here. If we are able to expand [the Azerbaijan Youth Fund program] with government support, I think it can have a huge impact here," said Declan Byrne of the Foreign and Commonwealth Office of the United Kingdom.

Action Plan in Georgia. The program has hosted a number of roundtables on the various priority areas of the ENP Action Plan. A bilingual electronic newsletter, available online at *www.enp.ge*, highlights the major developments in the process and posts recommendations from the roundtables. EPF will continue to host these roundtables as the process continues.

Regionally, a second project fosters dialogue and collaboration between government and civil society on public policy issues common to all three ENP Action Plans in the South Caucasus: waste management, food standards and safety and vocational education training. The project includes policy forums, research grants and contracts and complementary media components. Policy forums bring together government, civil society, businesses and international representatives to frame the research agenda for policy reports on the three research themes. After each policy forum, a solicitation for a trilateral grant or contract is issued to support the project's policy research. A partnership of three policy research organizations (one from each country of the South Caucasus) spearheads the development of each joint policy report. The media component includes the development of four televised documentaries and six radio programs. EPF is organizing seminars on research and analysis and on EU institutions and instruments for grantee organizations in order to ensure high quality policy reports.

Caucasus Research Resource Centers

The Caucasus Research Resource Centers (CRRC) program is a network of resource and training centers established in the capital cities of Armenia, Azerbaijan and Georgia to strengthen social science research and public policy analysis in the South Caucasus.

A partnership among the Carnegie Corporation of New York, Eurasia Partnership Foundation and local universities, the CRRC network offers scholars and practitioners stable opportunities for integrated research, training and collaboration in the region. To increase cross-comparison of regional social and economic dynamics, the centers began a coordinated data gathering effort—the Data Initiative—to obtain reliable, comparable data on household knowledge, attitudes and practices across the South Caucasus.

The CRRC teams in Armenia, Azerbaijan and Georgia have been collecting data on the region on an annual basis since 2004. While the survey in 2004 was carried out only in the capitals of the South Caucasus, the 2005 survey included one region in each country; since 2006, the survey has been carried out nationwide in both urban and rural areas. As part of this program, CRRC awards fellowships to researchers to analyze the survey results with training and guidance from the centers.

To learn more about CRRC, please visit www.crrccenters.org.

New Eurasia Foundation

Russia





Andrey Kortunov

For more information on FNE, please contact: reception@neweurasia.ru

www.neweurasia.ru

Although the programs, projects and activities of the New Eurasia Foundation remained multiple and diverse, the bulk of our efforts in 2007 were united around one principal goal—continued transformation of the Foundation into a truly innovative social development agency in Russia. We consider the primary strength of the Foundation to be its ability to design and implement social strategies of varying scales, duration and complexity. And with each year, that work brings new experiences, new partners and new social technologies to help us better meet our goal.

Over the past several years, Russia's social development has been gaining momentum providing new opportunities and creating new problems. To keep abreast of these changes, the New Eurasia Foundation has steadily widened its program portfolio and replenished its pool of experts and partner organizations. For example, in 2007, the Foundation significantly expanded its operations in the housing and utility sphere—by supporting, first and foremost, homeowner's associations. In addition, we've started to focus greater attention on such important areas as development of vocational education within Russia's regions. Last but not least, we continue to implement our traditional programs in areas such as university administration, migration-related issues and community schools education, to name but a few.

The past year was also an important phase in the development of partner relations between the Foundation and leading organizations operating within the social sphere. Indeed, we owe much of our success to the close cooperation between the Foundation and the Institute for Urban Economics, the Business Communications Agency, Small Towns Institute, the Concept Analytical Center and our numerous other partners in Russia's regions. We would also like to recognize and thank our colleagues within the government of the Russian Federation. The Ministry of Regional Development, the Ministry of Education and Science, the Federal Migration Service and the Public Chamber all provided invaluable assistance and support to the Foundation's programs over the course of the past year. In addition to the continued active development of our long-term relations with Eurasia Foundation, we are pleased to be a part of the wider Eurasia Foundation Network.

While, of course, we faced our share of challenges, the past year was on the whole a very successful one for the Foundation. Not only did we manage to implement a great many interesting and innovative projects, we also laid the groundwork for the development of new initiatives. This is why the New Eurasia Foundation has reason to be optimistic about the future.

Andrey Kortunov President New Eurasia Foundation

FNE MISSION

The New Eurasia Foundation enhances people's lives through effective social and economic development programs carried out at the regional and local levels. We attract and apply the best international expertise and innovative technologies available and consolidate the efforts of the public and private sectors to ensure programmatic effectiveness.

PROGRAM HIGHLIGHTS

The New Eurasia Foundation (FNE) implements its programs in the following areas:

Enhancing Social Development and Human Capital

- Support of general and vocational education;
- Support of tertiary and post-graduate education;
- Development of support infrastructure of youth initiatives;
- Development of migration processes;
- Development of housing self-management;
- Support of independent print media.

Improving Russian Competitiveness and Innovative Potential Beyond the Capital

- Development of territorial management;
- Development of entrepreneurship;
- Development of innovation infrastructure.

The excerpts that follow are only a small sample of the diverse program portfolio FNE is currently implementing. For a more comprehensive review of the programs FNE is delivering in Russia, including the Russian Far East, please request a copy of the FNE 2007 Annual Report (contact information is available on the inside back cover) or view the PDF online at *mmm.neweurasia.ru*.



FNE's Housing Self-Management program supports the Russian housing movement by implementing housing reforms; promoting competition in housing and utility services markets; and developing new institutional forms in housing education and housing policy

Education and Dialogue with Society

A good education is the cornerstone of individual success, and a quality educational system is what makes the prospect of success available to all. Yet many education professionals, parents and students remain unaware of what constitutes a good education, much less how it can be attained.

FNE believes that modernization of Russia's educational system begins with improved excellence in the classroom. Accordingly, the Foundation has partnered with the government of the Voronezh region on a new initiative to facilitate more active participation by education professionals, parents and members of the public in the workings of their local secondary schools.

Under the project, visiting experts worked with teams of school representatives, parents, government officials, representatives from institutions of higher learning and relevant NGOs to develop consensus on educational standards for high school graduates as well as criteria for meaningful academic achievements testing. The result was a meaningful and frank discussion about a more effective and quality educational assessments system—one that realistically gives students the knowledge and skills required to succeed in life.

Next, attending members of the public were integrated as members of the participating school teams and worked together with local educators to develop formal school Boards of Trustees. The Foundation provided the Voronezh school teams with opportunities to learn about the experiences of Russian and international models of public school boards and education forums. Using innovative game methods, the participant schools prepared their first public reports and provided opportunities for public assessment of their performance. At present, participating Voronezh schools are testing and adapting these models with a view towards ensuring a more open and quality education for students.

Development of Labor Migration Processes

The New Eurasia Foundation initiated the *Migration Bridges* project with the goal of establishing direct relations between Russian citizens and people from the post-Soviet region that have emerged as principal suppliers of foreign labor to Russia—including citizens of Uzbekistan, Tajikistan, Kyrgyzstan, Armenia and Azerbaijan.

The project provides a complex assistance package to both migrants and host communities: creating employment databases for both migrant job seekers and potential employers, establishing migrant labor support centers and lessening potential sources of ethnic tension. Assisted by these centers, migrants become more aware of the rules, document requirements and other conditions necessary to work in Russia. In turn, employers are better informed of the skills possessed by migrant workers and become aware of the steps necessary for legal hire.

For example, the project allowed *Uralsky Dom*—an NGO from Yekaterinburg—to partner with the Public Association of Youth Initiatives in Kyrgyzstan for a program focusing on issues of migration and development. Through the project, program organizers secured employment and housing for 97 migrants from post-Soviet countries—including 51 physicians, 4 agricultural specialists, 2 school teachers, 18 factory workers and 22 laborers. In addition, the partner organizations conducted a charitable awareness campaign called *Migrants are Not a Burden but [are] for the Common Good of Russia*. Seeking to promote positive attitudes among local residents with respect to migrant doctors, the campaign disseminated some 2,500 books to district hospitals throughout the Sverdlovsk region.

FNE also supported *Migration Bridges* between the Volgograd region and Tajikistan and between the Stavropol territory and Armenia. Migration Service officials and local government representatives were included in various project events. Following his participation in an event in Vladikavkaz, the head of the Interregional Department of the Russian Federal Migration Service in Vladikavkaz, V. A. Nifontov, commented, "…The panel discussion made it possible to initiate a partner dialogue between representatives of mass media and bodies of power, various social groups, including those divided by inter-ethnic conflicts, on a range of socio-political problems associated with population migration…I consider it both necessary and expedient to continue to expand similar projects in other regions of the Russian Federation…"

Independent Media: Instituting Quality Standards

Establishing an industry standard of quality is a critical aspect of the New Eurasia Foundation's media support program's efforts to build a free and independent press in Russia. Towards that aim, a truly professional—and truly independent—competition for newspapers is an important first step. Only when a community of reporters and



FNE's media programs support independent, quality newsmedia; pictured above is Marina Vasiljeva from *Diapason* newspaper in Aktobe, Kazakhstan, judge in FNE's *Best Newspaper* competition

editors are able and willing to distinguish quality works from poor journalism will the industry truly begin to move forward as a whole.

Accordingly, FNE's media support program has made every effort to ensure that its sponsored competitions are both trusted and unbiased. The panel of judges is comprised of representatives of the Russian independent central press as well as leading foreign reporters who speak fluent Russian and know the country well.

All panel members, as well as conference speakers, donated their time and effort to the creation of a strong community of regional reporters. In turn, the employees of the media development department of FNE—all professional and experienced journalists themselves—were limited to participation in the events' organizing committees. To avoid any possible conflict of interests, no FNE staff participated in the work of the judging panel. Nonetheless, the judges awarded many of the prizes to newspapers that had actively participated in the Foundation's programs in previous years.

In looking ahead, FNE's mass media support program seeks to further establish the *Best Regional Newspaper* contest as an annual competition for independent newspapers in the industry. Future goals include expanding the number of nominations and publishing annual compilations of the best works of the Russian regional press.

FNE helps disabled youth work together to overcome obstacles and achieve personal goals.



"We are Together!' was a success namely because it was implemented by both children and adults...My special thanks go out to the New Eurasia Foundation and Chevron—who not only believed in this project, but also had given their wholehearted support to the project," said Galina Nikanorova, president of the Children's Charity Order.

New Opportunities for Youth in the Russian Far East

One of the major priorities of the New Eurasia Foundation's office in the Russian Far East is to reverse the current negative trends among the region's younger generation. Indeed, unemployment, general apathy and the growing exodus of the population 35 and younger pose serious problems, with long-term consequences, for Russia's Far East.

As a result, the Foundation has launched a number of projects to aid young people in the region. In the city of Khabarovsk, a newly created Center in Support of Young Entrepreneurs helps provide young people with business and leadership skills; in the Khabarovsk territory, an internship program gives rural youth employment at dairy farms; in Vladivostok, a business support training program imparts skills to young aspiring entrepreneurs; and in the Primorye territory, Foundation programs work to improve living standards of rural youth.

In 2007, FNE joined efforts with the Primorye Division of the Russian State Employment Department to design a curriculum and launch a business school intended for temporarily unemployed residents of the territory. Accordingly, FNE experts designed business starter textbooks containing information on a variety of entrepreneur related issues including business registration, meeting the requirements of regulatory bodies, as well as tax and labor inspections. In the end, more than 40 young people interested in starting new business careers participated in the school's training seminars and workshop sessions.

Another project—*Establishing a School for Young Farmers in the Primorye Territory*—sought to develop a new generation of agricultural specialists in the region. Through the program, 12 candidates were selected from the Primorye State Agricultural Academy and two leading vocational schools for specialized training over the course of a year. Program participants familiarized themselves with cultivation of corn, soy and rice; learned to effectively operate high-tech agricultural equipment; and gained valuable exposure to management issues facing agricultural businesses today.

Major Milestones 1992-2007

1992

Eurasia Foundation is founded and incorporated as a nonprofit organization in Washington, DC.

1993

Eurasia Foundation makes its first grants benefiting Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine and Uzbekistan.

EF's Board of Trustees directs the Foundation to open offices in Kyiv, Ukraine and Moscow, Vladivostok and Saratov, in the Russian Federation.

1994

Eurasia Foundation makes its first grants benefiting Tajikistan and Turkmenistan.

EF's Board of Trustees directs the Foundation to open country offices in Yerevan, Armenia; Tbilisi, Georgia; Almaty, Kazakhstan; and Tashkent, Uzbekistan.

1995 EF Armenia and Georgia offices begin operations.

1996

EF's Board of Trustees directs the Foundation to create Small Business and Loan Programs (SBLP) for Ukraine and Armenia, and the Media Viability Fund (MVF) for Russia and Ukraine.

Eurasia Foundation leads a donor consortium to create the Economics Education and Research Consortium (EERC).

EF's Board of Trustees directs the Foundation to open offices in Ashgabat, Turkmenistan and Dushanbe, Tajikistan.

1997

EF makes its first grant to BASA-Press, then the only independent news agency in Moldova.

EF's Board of Trustees directs the Foundation to open offices in Baku, Azerbaijan; Minsk, Belarus; and Chisinau, Moldova.

Retrospective Fifteen Years of Positive Change

Eurasia Foundation (EF) was originally established in 1992 to deliver seed capital to emerging civil society organizations following the collapse of the Soviet Union. During the first years of EF operations, rigorous grant management procedures improved the financial and project management skills of start-up civic organizations. Many of the strongest and most active civil society organizations in the region today received initial financial support from EF in the early- and mid-1990s.

The missions of EF-supported organizations vary, though a partial list from Georgia illustrates the depth and breadth of Eurasia Foundation's impact on the region: Georgian Young Lawyers Association; the Association for Legal and Public Education; Radio Green Wave; the Civil Society Institute; Caucasus Environmental NGO Network (CENN); Liberty Institute; Caucasus School of Business; European School of Management; Association of Young Economists; Caucasus Institute for Peace, Democracy and Development; Georgian Federation of Certified Public Accountants and Auditors; and Association for the Protection of Landowners Rights. While the credit for the individual success of each of these organizations goes to the organizations themselves, this impressive group with ties to EF indicates that EF's early grant making had notable impact.

As EF is reborn as Eurasia Foundation Network, this early impact will continue to bear fruit. The next phase of the Network's activities focuses on deepening and strengthening existing partnerships, consolidating the capacity of partners and grantees and achieving concrete program impacts in fields identified as critical to civic and economic development. The following excerpts represent some of our most significant accomplishments over the past 15 years. Network staff look forward to the challenges and opportunities as they enter the next 15 years of positive change in the region.

1996

Created the Economics Education and Research Consortium in Ukraine

The Economics Education and Research Consortium (EERC)—now known as the Kyiv School of Economics (KSE)—recently completed its tenth academic year. Originally launched in 1996 as a master's level economics program training a new generation of economists in Ukraine, the program became independent in 2003 and now aspires to become one of the top schools of economics in Central and Eastern Europe.

KSE's reputation for excellence—both within Ukraine and internationally—is apparent in the accomplishments of its alumni, who have gone on to positions at Citibank, Ernst & Young, General Electric, PricewaterhouseCoopers, the World Bank and tenure track positions at Cornell, Princeton, the University of California at Berkeley and other top universities. Several KSE graduates now serve in governmental and policy institutions in Ukraine. To further increase the competitiveness of its graduates, KSE has partnered with the University of Houston to offer its students the opportunity to earn an Americanaccredited master's degree in economics.

KSE serves as a regional source of expertise and recent outreach efforts have included conferences and seminars at universities in Armenia, Belarus, Georgia and Moldova. Local events have featured such notable speakers as Nobel Prize winner Robert Engle, political economist Francis Fukuyama, former President of Ukraine Leonid Kuchma and former U.S. Secretary of State Colin Powell.

Since the school's founding, 367 students have received their master's degree in economics. For more information on KSE, visit *www.kse.org.ua*.

1999

Developed Independent Newsmedia in the Russian Far East

In 1990, five journalists broke from the government newspaper in Barnaul, a city of 600,000 in far Siberia, to establish Altapress and publish their own paper, *Svobodny Kurs (Free Course)*.

Initial efforts at creating a rival paper were amateur and offered little promise of success. From 1999 to 2001, Eurasia Foundation, working through its own Media Viability Fund (MVF) along with its partner, the Media Development Loan Fund (MDLF), assisted Altapress in improving news publications, strengthening finances and extending its outreach. By September 2001 these efforts had born fruit. Horton Beebe-Center, then Eurasia Foundation's vice president for projects and development, and Bill Maynes, then president, visited Barnaul in late September 2001 to inaugurate a new building and press acquired by Altapress with a \$1.2 million loan from the MDLF.

In a letter to EF supporters after the trip, Bill Maynes had this to say:

"Altapress is a post-Soviet star, to be sure. Nonetheless, neither Horton nor I was prepared for the scale of what [they] had accomplished with our help. The owners are not only sound businessmen, they are also excellent journalists. We toured both Altapress and the formerly dominant government presses on the same day. The first was humming with activity and movement. The government press, technologically a dinosaur by comparison with the new Altapress machine, was almost dead: a few workers sat around reading novels waiting to print the government newspaper later in the day.

Horton and I came away intensely proud of the Foundation's association with Altapress not only because of what has been accomplished there but because three other MVF clients in Russia chose to send their editors to the ceremony in order to see what lessons they could derive. They came away as impressed as we were. One hopes that we will see the contagion of a good example.

Altapress demonstrates that it is possible in Russia to operate a private newspaper profitably and serve the larger interests of the community. Central to its success is, of course, leadership. The management team that runs Altapress is remarkable. But such talent must [also] lie elsewhere. Our task is to find it."

Altapress has grown to become the dominant publishing house in the region: publishing 11 newspapers with a total circulation of over 240,000 and a 63 percent market share of advertising revenue in the region. The company has grown from five employees to over one thousand working in the newsroom, sales department, advertising agency, distribution network and retail outlets.

The inauguration of Altapress' new building



EF's former President Bill Maynes (right), Horton Beebe-Center (back) and the Mayor of Barnaul (front) read newspapers printed by Altapress



EF Network Top Accomplishments 1992-2007

Created the first locally registered, linked partnership network designed specifically to support civil society, private enterprise and public policy reform in the Eurasia region. *Eurasia Foundation Network*

Developed the only independent news agencies in Moldova. BASA-Press; DECA-Press

Created the first international loan program in Armenia. Izmirlian-Eurasia Universal Credit Company

Created the Press Center of Azerbaijan, a project that was replicated in new geographical areas by USAID. *International Press Center*

Broke the government monopoly on newspaper printing in Armenia. *Gind Printing House*

Created the premier business school in northern Russia. St. Petersburg School of Management

Supported award-winning, antinuclear environmental advocacy in Kazakhstan. *Karaganda EcoCenter (the director won a Goldman Prize in 2005)*

Facilitated the passing of a critical consumer protection law in Uzbekistan. Federation of Consumers' Rights Protection Societies

Created the only western-style MBA program in Belarus. Business Administration Program of the Institute of Business & Management Technologies (Belarus State University)

1998

Eurasia Foundation establishes the South Caucasus Cooperation Program (SCCP) to increase cooperation among Armenia, Azerbaijan and Georgia.

1999

EF makes its first grant to the St. Petersburg School of Management.

EF's Board of Trustees directs the Foundation to open an office in Bishkek, Kyrgyzstan.

2000

EF's regional office in Almaty, Kazakhstan begins operations.

2001

EF funds the first independent higher education institution in Uzbek history: the Kelajak Ilmi International Business School.

2002

Eurasia Foundation establishes the Caucasus Research Resource Centers (CRRC), providing a large institutional development grant to fund its operations.

2003

The Economics Education and Research Consortium (EERC) becomes an independent, nonprofit organization.

2004

The New Eurasia Foundation is launched in Russia as a Russian-American-European partnership.

The Izmirlian-Eurasia Universal Credit Company makes its first loan in Armenia.

2005

EF's Russian Far East office in Vladivostok officially becomes part of the New Eurasia Foundation.

2006

Eurasia Foundation of Central Asia begins operations in Almaty, Kazakhstan; Bishkek and Osh, Kyrgyzstan; and Dushanbe, Tajikistan.

2007

Eurasia Partnership Foundation and East Europe Foundation are launched in Tbilisi, Georgia and Kyiv, Ukraine respectively.

2001 Funded the Only Private Undergraduate Business Program in Uzbekistan

In response to strong, increasing demand for western quality business training in Tashkent, Uzbekistan, the Foundation selected—through a competitive process—two universities to perform an assessment of the institutional capacity of the Kelajak Ilmi International Business School. Kelajak Ilmi, the only private undergraduate business program in Uzbekistan, enjoys an excellent reputation among the local and international business community, which provides paid internships to all of the school's upper classmen and jobs for many of its graduates.

In 2001, EF funded a partnership between Kelajak Ilmi and the William Davidson Institute at the University of Michigan. This partnership has implemented American standards in curriculum development and administrative practices to the school. Following this success, EF sustained its partnership with the Kelajak Ilmi International Business School, funding a scholarship to lower the number of students forced to drop out due to tuition costs, and working with the school to purchase a building, allowing the school to add a computer center and upgrade its library.

2004 Promoted Social Science Research in the South Caucasus

Recognizing that the quality and quantity of social science research in the South Caucasus were not meeting the needs of policy makers, analysts or donors, EF launched the Caucasus Research Resource Centers (CRRC) with support from the Carnegie Corporation of New York. CRRC strengthens the quality of social science research in, for and about the South Caucasus, most notably by conducting the Data Initiative, a yearly household survey containing over 120 questions conducted simultaneously in Armenia, Azerbaijan and Georgia.

Begun in 2004, the survey provides publicly accessible, consistently sourced raw data on local opinions of and trends in demographics, education, migration, economic behavior, health, political activities, social institutions and crime. The first survey polled 1,500 households in each capital city; by 2007 over 12,000 households from all regions of Armenia, Azerbaijan and Georgia (except conflict zones) were polled. Remaining information gaps were filled with the inclusion of more questions in 2007; the expansion of the survey pool enabled researchers to make statistically significant comparisons across regions within each country.

The data gathered is relevant to many problems facing the development community as well as academic research questions. The dataset—long a tool for researchers conducting academic and policy research—now teaches policy makers and analysts how to better analyze data and educates the development community about the importance of using data in decision-making through CRRC trainings. Many training participants apply the hands-on activities to their classrooms or workplaces.

2005

Supported the Civic Coalition for Free and Fair Elections in Moldova

In Moldova, EF has made one of its most lasting achievements by supporting the efforts of citizens to ensure free and fair elections. In March 2004, EF organized a roundtable that presented best practices and lessons learned from the coalition for free and fair elections in Ukraine. EF invited 12 top NGOs working in Moldova to discuss how civil society organizations could mobilize to ensure free and fair elections in Moldova the following year. The event proved to be a watershed: all the participants agreed the best approach would be to coordinate their efforts and form the Civic Coalition for Free and Fair Elections (Coalition 2005).

The Coalition united nearly 200 non-profit organizations and served two primary functions: monitoring the election process and providing much-needed advice and support to government institutions responsible for implementing and overseeing the elections. On election day itself, the Coalition provided 2,200 local monitors who observed about 94 percent of the polling stations across Moldova and ran a legal holline on voter rights. The parallel vote tabulation—the first one in the history of independent Moldova—was conducted to verify election results.

The Coalition continues to play a major role in elections and maintains 10 representatives of core member NGOs. Active in the 2006 gubernatorial election in Gagauz-Yeri and the 2007 local general elections, the Coalition plays a key role in monitoring and analysis of local elections to promote an open, transparent democracy—a key element in Moldova's European integration.

2008

Launched Eurasia Foundation Network

This year, Eurasia Foundation realized a vision years in the making by completing the localization of its field offices and formally launching Eurasia Foundation Network. In completing this localization, EF succeeded in doing what few other organizations have even attempted—it has transformed its field offices throughout the Eurasia region into autonomous, local organizations and linked them together into an effective partnership: Eurasia Foundation Network. This family of local foundations works together to help build prosperity and stability throughout the Eurasia region, amplifying the contributions of partners in meeting local needs for many years to come.

In early 2008, the Foundation celebrated this 15th anniversary milestone and the launch of the EF Network at a reception honoring distinguished guests and supporters. Special remarks were given by Robert Zoellick, president of the World Bank Group and a member of EF's Board of Trustees from 1997 to 2000. The Foundation also recognized Sarah C. Carey, current Chair of the Board and the Honorable William Frenzel, current Vice Chair and founding Chair, for fifteen years of dedicated service to the Foundation.

"I have been affiliated with Eurasia Foundation for many years, first as a member of the Board of Trustees and subsequently as an interested observer. I strongly support the Foundation's ongoing efforts and believe its positive impact will reverberate throughout the Eurasia region for years to come."

~ Robert Zoellick, former EF Trustee, 1997-2000

Robert Zoellick (left), president of the World Bank Group, and Horton Beebe-Center (right), EF president



Mr. Zoellick offered remarks at Eurasia Foundation's 15th Anniversary reception on April 15, 2008



Created the first community foundation in the Russian Far East. *AMURNET; Soglasie*

Introduced the first professional development training to Tajik government employees in over a decade and served as the only foreign organization allowed to do this. *Municipal Workers' Training Center*

Launched the leading master's degree program in economics in Ukraine. Economics Education and Research Consortium, now called the Kyiv School of Economics

Cultivated cross-border collaboration in the South Caucasus (Armenia, Azerbaijan and Georgia) on seismic issues and emergency management. *Armenian Fund of Seismic Protection*

Provided critical funding to the only independent media outlet in southern Kyrgyzstan. The Agency of Commercial Information Kyrgyzstan (Aki-Press)

Funded the first and only independent higher education institution in Uzbek history. Kelajak Ilmi International Business School

Significantly improved small business support and provided actual assistance with private ownership registration of both urban and agricultural land in Russia. Association of Regional Small Business Support Agencies

Created a court of arbitration, enhanced cross-border cooperation and fostered civilian-authority business oversight procedures in Northern Kazakhstan. Northern Kazakhstan Chamber of Commerce and Industry

EF NETWORK GRANTS & PROJECTS

Eurasia Foundation Network partner activities are divided into three broad areas: public administration and policy transformation, civil society strengthening and private enterprise development. EF Network grants and program work fall into several sub-categories, including anti-corruption, community development, corporate philanthropy, education, independent media, labor migration, small business development, strengthening local government and youth activism. The list below offers a small sampling of hundreds of grants and programs under each broad area.

Public Administration and Policy Transformation

More effective, responsive and accountable local government, emphasizing anti-corruption, government accountability and citizen monitoring of government activities.

- Improving cooperation among communities by promoting networking between municipalities (Armenia)
- Increasing public involvement in budgetary processes by improving strategic planning and budget transparency of local government institutions (Azerbaijan)
- Creating professional environmental scientists by launching a Master of Science in Environmental Management and Engineering at the Eurasian National University in Astana (Kazakhstan)
- Integrating international best practices into legislation and administrative procedures regulating the creation of new businesses (South Caucasus)
- Strengthening the ability of rural councils to respond to citizens' needs in areas such as improving energy efficiency and protecting the environment (Ukraine)

Civil Society Strengthening

Increased citizen participation in the political and economic decision-making process, including voter education, election monitoring, independent media, self-management of housing and community-supported schools.

- Promoting the socio-economic integration of disabled children into society through sign language courses, computer literacy classes and local-crafts training (Armenia)
- Deepening citizen participation in discussions related to the government's policies on managing oil resources (Azerbaijan)
- Creating community radios in Marneuli and Ninotsminda districts to facilitate the integration of ethnic Armenians and Azeris into society (Georgia)
- Supporting labor migrants in southern Kazakhstan by creating information centers in districts bordering Uzbekistan to provide migrant workers with legal support and counseling (Kazakhstan)
- Protecting the rights of Kyrgyz labor migrants working in Russia by establishing labor migration assistance centers to help migrants legally register for work (Kyrgyzstan)
- Strengthening the capacity of voters, media and government agencies to ensure free and fair elections (Moldova)
- Increasing citizen participation in Moldova's European Integration by creating a European Interactive Center, *Pro-Europa*, in the city of Balti (Moldova)
- Developing a community schools network in Primorsky Krai to improve local education and promote community development (Russia)
- Demonstrating the effects of corruption by organizing events, broadcasting television shows and distributing brochures to inform people of the economic consequences of corruption (Tajikistan)
- Raising awareness of energy-saving practices within local communities in the Zhytomyr Oblast through outreach campaigns and the installation of energy-efficient systems (Ukraine)



Eddy Opp (left) from Kommersant newspaper in Moscow, judge in the New Eurasia Foundation's Best Newspaper competition

Private Enterprise Development

Accelerate development and growth of small and medium-sized business by enhancing the climate for such businesses, including support of tax code reform, professional associations, advanced business education and professional development opportunities.

- Promoting green tourism as viable business opportunities in rural areas (Azerbaijan)
- Promoting standards and best practices for the hospitality industry, with emphasis on service improvement in small to medium size hotels (Georgia)
- Advancing rural economic development in the agricultural districts of West Kazakhstan Oblast through the West Kazakhstan University-Based Agricultural Consulting Services Initiative (Kazakhstan)
- Accelerating small business growth in Kamensk-Uralsky, Sverdlovsk Oblast, through institutional development and broadening the services of the Kamensk-Uralsky Municipal Small Business Support Fund (Russia)
- Supporting small business development in economically depressed districts of the Murmansk region by facilitating entrepreneurs' access to credit resources (Russia)
- Training craftsmen in Zakarpatska Oblast and improving their marketing skills through innovative business practices (Ukraine)

EF NETWORK DONORS

Eurasia Foundation Network thanks its generous donors. We are grateful for their support.

South Caucasus

Altria/Philip Morris International (PMI) Azersun British Government Carnegie Corporation of New York Danish Refugee Council South Caucasus Garadagh Cement Lodestar Foundation National Democratic Institute (NDI) Norwegian Government Organization for Security and Cooperation in Europe (OSCE) StatoilHydro Swedish Government Transparency International United Nations Association United Nations Children's Fund (UNICEF) United Nations Democracy Fund (UNDEF) United Nations Development Programme (UNDP) United States Government Western Union Foundation (WUF)

Central Asia

Abai-Tazalyk Rural Consumer Cooperative ABN AMRO **AES** Corporation Altria/Philip Morris International (PMI) Association of Tobacco Planters in the Saryagash district Australian Government British Gas British Government Chadbourne and Park Chevron Corporation Danish Government Department of Internal Policy of Almaty Oblast, Kazakhstan Department of Social Protection of the Population in Enbekshikazakh District Dutch Government European Commission ExxonMobil Fund for the Support of the Entrepreneurial and Agricultural Sector

GSM Kazakhstan Ltd (K'CELL) International Trade Center (ITC) Joint Venture Inkai **KazPhosphate** KazZink **KPMG** International New Zealand Government Norwegian Government Open Society Institute and the network of Soros Foundations Organization for Security and Cooperation in Europe (OSCE) **PriceWaterhouseCoopers** Public Association of Invalids Kamkor Abdibek Sardarbekov Shell Swiss Government Tatishev Foundation United Nations Educational, Scientific and Cultural Organization (UNESCO) United States Government

Eastern Europe

Altria/Philip Morris International (PMI) Association for Community Relations Avon Balkan Trust for Democracy Baltic Beverage Holding (BBH) Bioprotect Ltd. Brand Time PR Agency Canadian Government Charles Stewart Mott Foundation Coca Cola Company Dutch Government EuroCreditBank Expert Finnish Government Foxtrot Group Glass Container Company S.A. Industrial Union of Donbass Interpipe Group Khortitsa **KPMG** International Kyivstar Latvian Government Leogrand Convention Center MĚTRO Cash & Carry Moldova Foundation National Endowment for Democracy (NED) Norwegian Government Office of the Coordinator of OSCE

Economic and Environment Activities Open Society Institute and the network of Soros Foundations **Open Ukraine Foundation** Orange Moldova Organization for Security and Cooperation in Europe (OSCE) OSCE Project Coordinator in Ukraine OSCE Mission to Moldova **OSCE** Secretariat, Vienna Pontis Foundation PricewaterhouseCoopers Robert Bosch Stiftung Rompetrol Swedish Government System Capital Management (SCM) Telenor Tetra Pak TNK-BP **UC-RUSAL** Union Fenosa International United Nations Development Programme (UNDP) United States Government Victor Pinchuk Foundation (VPF) Xerox Corporation

EERC/Kyiv School of Economics

Citigroup Foundation Concorde Capital Dragon Capital EERC Faculty and Alumni Global Development Network Kytasty Foundation Norwegian Government **Open Society Institute** SÊB Bank Swedish Government TAS Kommerzbank Tetra Pak Ukraine TNK-BP in Ukraine United States Government Victor Pinchuk Foundation The World Bank

Russia

AgroDesynKhanka LLC Anik Driving School Bolshoi Kamen Employment Center (Primorye) British Government

Special thanks to our sustaining donor: The United States Agency for International Development.

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Siberian Coal Energy Company (SUEK) Stefan Batory Foundation SUAL Holding Swiss Government Tambov State Technical University Taseyevskoye LLC Training Center of Trade Union of Primorsky Krai Union of Entrepreneurs (Artem, Primorye) United States Government University of Economy and Service Voronezh Institute of High Technologies Yupiter Ltd

EF Unrestricted and Special Programs

Altria/Philip Morris International (PMI) Fondazione Romualdo Del Bianco Global Systems Analysis and Simulation USA (GLOSAS/USA) Heinrich Boell Stiftung Huang Hsing Foundation Lodestar Foundation United States Government

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Academy for Educational Development (Stephen Moseley) AES Corporation (Dale Perry) Madeleine Albright Anonymous APCO Worldwide (Margery Kraus) Arca Foundation (Nancy Bagley) Anders Aslund Frank and Mariann Baker James A. Baker III Ambassador Robert Barry Horton Beebe-Center Eric and Yulia Boyle Gloria Brissman Sarah Carey Carnegie Endowment for International Peace/Foreign Policy Magazine **Charles Stewart Mott Foundation** Peter and Ann Connell George Dalley

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EURASIA FOUNDATION FINANCIALS

Eurasia Foundation Statement of Financial Position as of September 30, 2007 with Summarized Financial Information for 2006

ASSETS	2007	2006	
Cash and cash equivalents	\$ 6,703,452	\$ 4,632,47 0	
Investments	1,654,605	1,649,461 1,500,000 15,839,623 89,303 59,099	
Investment in Subsidiary	-		
Grants, accounts and other receivables	13,124,062 116,099		
Prepaid expenses			
Program related investments, loan receivable	29,630		
Fixed assets, net of accumulated depreciation and amortization			
of \$1,565,611	11,748	13,344	
Advances and deposits	26,014	27,514	
TOTAL ASSETS	\$ 21,665,610	\$ 23,810,814	
LIABILITIES AND NET ASSETS			
LIABILITIES AND NET ASSETS LIABILITIES			
LIABILITIES	\$ 589,084	\$ 609.057	
LIABILITIES Accounts payable and accrued expenses	\$ 589,084 10,975,621	\$ 609,057 12,361,964	
LIABILITIES Accounts payable and accrued expenses Grants payable	10,975,621	12,361,964	
LIABILITIES Accounts payable and accrued expenses Grants payable Recoverable loan payable		12,361,964 58,048	
LIABILITIES Accounts payable and accrued expenses Grants payable Recoverable loan payable Refundable advance	10,975,621 29,630	12,361,964	
LIABILITIES Accounts payable and accrued expenses Grants payable Recoverable loan payable Refundable advance Total liabilities	10,975,621 29,630 77,343	12,361,964 58,048 168,948	
LIABILITIES Accounts payable and accrued expenses Grants payable Recoverable loan payable Refundable advance Total liabilities NET ASSETS	10,975,621 29,630 77,343	12,361,964 58,048 168,948	
LIABILITIES Accounts payable and accrued expenses Grants payable Recoverable loan payable Refundable advance Total liabilities NET ASSETS Unrestricted	10,975,621 29,630 77,343 11,671,678	12,361,964 58,048 168,948 13,198,017	
LIABILITIES Accounts payable and accrued expenses Grants payable Recoverable loan payable Refundable advance Total liabilities NET ASSETS Unrestricted Temporarily restricted	10,975,621 29,630 77,343 11,671,678 7,204,531	12,361,964 58,048 168,948 13,198,017 6,946,118	
	10,975,621 29,630 77,343 11,671,678 7,204,531 2,783,601	12,361,964 58,048 168,948 13,198,017 6,946,118 3,660,879	

Complete audited financial reports are available upon request. Network partners' financials should be requested from the appropriate organization.

Eurasia Foundation Statement of Activities and Change in Net Assets for the Year Ended September 30, 2007 with Summarized Financial Information for 2006

				2007	2006
	Unrestricted	Temporarily	Permanently	Total	Total
REVENUE		Restricted	Restricted		
Contributions	\$ 53,996	\$ 19,802,222	\$ -	\$ 19,856,218	\$ 24,269,538
Investment income	318,738	-		318,738	239,095
Other income	86	-	-	86	19,290
Cancellation of donor awards	-	(256,906)	-	(256,906)	(138,613)
Net assets released from donor					
imposed restrictions	20,422,594	(20,422,594)	-	-	-
Total revenue	20,795,414	(877,278)	-	19,918,136	24,389,310
EXPENSES					
Program services:					
Headquarters	8,526,030	-	-	8,526,030	8,618,532
Caucasus	5,493,882	-	-	5,493,882	4,902,835
Central Asia	950,440	-	-	950,440	2,761,845
Western NIS	2,812,582	-	-	2,812,582	2,362,797
Russia	42,926	-	-	42,926	171,067
Total program services	17,825,860	-	-	17,825,860	18,817,076
Supporting services:					
Management and General	2,711,141	-	-	2,711,141	3,226,887
Total expenses	20,537,001	-	-	20,537,001	22,043,963
Change in net assets	258,413	(877,278)	-	(618,865)	2,345,347
Net assets at beginning of year	6,946,118	3,660,879	5,800	10,612,797	8,267,450
NET ASSETS AT					
END OF YEAR	\$ 7,204,531	\$ 2,783,601	\$ 5,800	\$ 9,993,932	\$ 10,612,797



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