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THE WORLD BANK

Washington, D.C.

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The World Bank

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PUBLIC DISCLOSURE AUTHORIZED

Meeting: Ambassador Pickering

Monday, March 24, 1997

5:00 - 5:30 p.m.

JDW Office

 Archives



30487318

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President Wolfensohn - Briefings Books for Presidents Meetings - Meeting Materials
Ambassador Thomas Pickering - March 24, 1997

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A. CLASSIFICATION

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☐	Other

B. SUBJECT: MEETING: AMBASSADOR PICKERING (B) (N)
VENUE: E1227 (OFFICE)
CONTACT: PETER @ 234-7370 EXT. 19 / FAX: 202-234-7377
IN ATTENDANCE: JDW, PICKERING & KAREN SALZ * (3/24- JUST ADVISED BY PICKERING)
Brief Includes: "Briefing for Meeting with Ambassador Thomas Pickering" from Greg Ingram; Letter and related docs. from Thomsas R. Pickering of The Eurasia Foundation to JDW - March 24, 1997 with tabs:
- Eurasia Foundation Press Release
- Russia Research Program
- Ukraine Research Program

DATE: 03/24/97

C. VPU

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E. COMMENTS:

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THE EURASIA FOUNDATION

1527 NEW HAMPSHIRE AVENUE, NW

WASHINGTON, DC 20036-1206

March 24, 1997

Mr. James Wolfensohn, President
The World Bank
1818 H Street, NW
Washington, D.C.

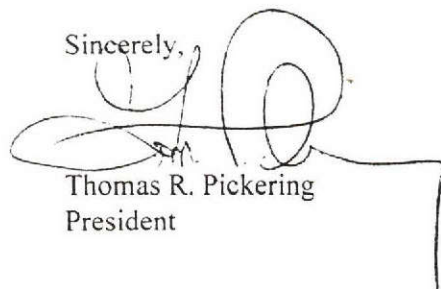
Dear Jim:

Given your interest in working collaboratively with other bilateral and multilateral donors, we believe the following three projects represent excellent opportunities to complement World Bank strategies in the NIS:

1. **The Economics Education and Research Consortium.** This project, designed jointly by the Eurasia Foundation and the World Bank, is a highly visible multi-donor initiative which addresses advanced research needs in Russia and provides post-graduate economics education in Ukraine. To date, the World Bank has committed \$750,000 for research activities in Russia. We would like the Bank to consider expanding its support to include EERC training activities in both Russia and Ukraine. We ask that the Bank increase its funding by \$750,000 to match the Eurasia Foundation's contribution of \$1.5 million towards a total budget of \$7 million.
2. **The Ukraine Municipal Development Program.** This project was developed in response to the dramatic decentralization of power in Ukraine and the increased need to effectively deliver social services at the municipal level. The Eurasia Foundation presented a proposal to EDI in February, 1996, which was received with enthusiasm. This project requests \$762,000 from the World Bank.
3. **NGO Sustainability in Central Asia.** NGOs in Central Asia have had a far more difficult time becoming established than NGOs in other parts of the NIS. To help them take root in their communities, this project will connect them with local government and business entities. EDI received this proposal on January 16, 1997. We are requesting \$754,000 from the World Bank.

I appreciate the personal attention you are giving these requests and look forward to increased collaboration in the future.

Sincerely,



Thomas R. Pickering
President

THE EURASIA FOUNDATION

ECONOMICS EDUCATION AND RESEARCH CONSORTIUM

Program Overview: Ukraine Economics M.A. Program and Russia Economics Research Program

A group of prominent donors has recently joined forces to address the need for greater understanding of market economics in Ukraine and Russia. The **Economics Education and Research Consortium (EERC)** is establishing progressive programs in Moscow and Kyiv which, through two distinct approaches to excellence in economics, will foster the strength of the economics discipline in local education and policy circles in the post-Soviet environment. During the first two years of operations, the Consortium has entrusted management of its programs to the Eurasia Foundation.

EERC UKRAINE

In Ukraine, the EERC is collaborating with a leading Ukrainian university (the **Kyiv-Mohyla Academy**) to establish an outstanding graduate program in market economics which will meet international standards in the quality of its teaching and its graduates. This new Ukraine Economics M.A. Program operates on a two-year curriculum including theoretical and practical coursework, instruction by visiting Western faculty, and collaborative professional development and research opportunities for participating Ukrainian faculty.

Studies began in the fall of 1996, with a total student body of 25. Enrollment is expected to expand to a total of 50 students per year. The primary language of instruction is English.

The program is designed to prepare its graduates to work effectively as economists in policy-making positions in Ukraine, or to apply successfully to Ph.D. programs in western countries, enabling them to advance the state of the economics discipline in Ukraine through teaching and research. The program will also create a "magnet" for economics research and resources country-wide, promoting policy-relevant research and allowing Ukrainian scholars to maintain contact with their academic counterparts abroad. Moreover, the program's teaching and research activities will make relevant contemporary economic information available to public policy-makers and private-sector economists throughout Ukraine.

International Advisors to EERC Ukraine

The Advisory Board of the EERC Ukraine Economics M.A. Program includes internationally prominent economists with experience in working with economies in transition, such as **Anders Aslund** (Carnegie Endowment for International Peace), **Daniel Kaufman** (World Bank/HIID), **Georges de Menil** (DELTA), **Michael Michaely** (Hebrew University), **Jeffrey Sachs** (Harvard University), and **Adonis Yatchew** (University of Toronto). The Program Director is **Dr. Robert Campbell**, Distinguished Professor of Economics at Indiana University. Dr. Campbell has had over 30 years experience in economics education, with a focus on analysis of Soviet and post-Soviet systems, and serves as a Trustee of the National Council of Soviet and East European Research. These individuals' participation will not only provide highly-qualified guidance and direction to the program, but will also establish its international profile, help attract outstanding western faculty, and assist in finding sound Ph.D. study opportunities for program graduates.

Ukrainian Host Institution

The University "Kyiv-Mohyla Academy" (UKMA) was selected as the host institution for the Ukraine Economics M.A. Program through a competitive process. UKMA was one of Ukraine's first higher educational institutions, established as an Academy in the mid-17th century, but was closed down almost two centuries later by Czarist Russia. It was newly re-established shortly after Ukrainian independence in 1991. Today, UKMA is considered to be at the forefront of liberal arts and science education in post-Soviet Ukraine.

EERC RUSSIA

In Russia, the EERC conducts semi-annual research grant competitions in support of original policy-related research. This effort complements and builds upon the significant progress already achieved in Russia in the realignment of economics education. The first RFP was issued nationwide on August 15, 1996 and solicited proposals which reflect themes relevant to current economic policy concerns in Russia's transition period. The program's long term goal is to integrate Russian researchers into the international economics community.

Proposals undergo an initial review by the Program Director and Senior Research Advisor, with finalists being selected by the Russia International Advisory Board (IAB). Individuals as well as small teams are encouraged to apply. Finalists attend an intensive peer review workshop, where they give an in-depth presentation of their project to the IAB. The Workshop serves as a final stage of review for grants awards, and results of outstanding research are presented at an annual conference which includes a panel of distinguished international economists as discussants. A portion of grant funds may be allocated for researchers wishing to collaborate with international scholars and/or travel to conferences in Russia and abroad to present their findings.

International Advisors to EERC Russia

The Advisory Board of the EERC Russia Economics Research Program includes internationally prominent economists with transition economics experience, such as **Richard Ericson** (Columbia University), **Zvi Griliches** (Harvard University), **Pavel Minakir** (Economic Research Institute, RFE Academy of Sciences/Khabarovsk), **Viktor Poltorovich** (CEMI/Moscow), **Evgenia Serova** (Institute for Economy in Transition, Moscow), **Jan Svejnar** (CERGE/Prague), **Judith Thornton** (University of Washington) and **Charles Wyplosz** (IIE/Geneva). The Program Director, **Eric Livny**, has extensive experience working with the New Economic School in Moscow, where he served as both Project and Research Coordinator. Senior Research Advisor **Michael Alexeev** is Associate Professor at Indiana University and serves as a consultant to the World Bank, US Treasury and HIID. These individuals' participation will provide highly-qualified guidance and direction to the program and establish its international profile.

Spanning Russia

A specific function of the EERC Russia Economics Research Program is to attract leading economists from all across Russia. Every effort is being made to reach beyond the Moscow-St. Petersburg corridor. This includes widespread program promotion in various regions outside of Moscow and program staff outreach via the Eurasia Foundation's Saratov and Vladivostok offices.

Background on the EERC

The Economics Education and Research Consortium (EERC) was launched in 1995 to strengthen economics education and research capabilities in Ukraine and Russia. The Consortium's founders recognized that one of the keys to successful economic reform in the (NIS) is greater knowledge and understanding of market-based economic systems, particularly at the policy-making level. Providing this over the longer term requires reform of higher-level economics training and research, and building sustainable, internationally-recognized in-country institutions.

The EERC is supported by the **Open Society Institute/Soros Foundation**, the **World Bank**, the **Ford Foundation**, **The Pew Charitable Trusts** and the **Eurasia Foundation** (also the project's implementing agency). Together, these funders have provided over 60% of the budget for the Consortium program's first three years of operation.

Contact information is as follows:

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EERC - Russia

EERC Russia Economics Research Program
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The Eurasia Foundation is a privately managed, grant-making organization dedicated to funding programs that build democratic and free market institutions in the 12 New Independent States (NIS) of the former Soviet Union. Programs are supported by a major grant from the U.S. Agency for International Development and private contributors.

The Ukraine Municipal Development Program

*A Collaborative Effort to Support
Multi-Sector Cooperation in Social and Economic Development*

by the

EURASIA FOUNDATION

submitted to

THE ECONOMIC DEVELOPMENT INSTITUTE

of

THE WORLD BANK

March 24, 1997

The Municipal Development Program

*A Collaborative Effort to Support
Multi-Sector Cooperation in Social and Economic Development*

Introduction

Decentralization and the development of local self-government are critical preconditions for building an open, democratic society. Local self-government in Ukraine is still in an early stage of development and is in need of foreign technical assistance. With the help of Western donor organizations, several Ukrainian municipal governments have applied innovative approaches to address issues of economic and social development involving local businesses and NGOs. This valuable experience needs to be shared and utilized by other cities. At the same time the Ukrainian people need to be aware of the value they can add to their community's development through citizen participation in municipal programs.

The Municipal Development Program, jointly initiated by the International Renaissance Foundation and the Eurasia Foundation (hereafter referred to as "Foundations"), seeks to accomplish these goals with the help of additional partners. More specifically, the program is designed to improve the current system of local self-government by identifying, supporting and publicizing successful, innovative models of cooperation between city administrations, business associations, and non-governmental organizations. We will encourage the development of innovative models by engaging progressive city governments and community organizations willing to enter into constructive dialogue, and supporting them in the development of cooperative mechanisms based on transparency and accountability.

World Bank Involvement

The Economic Development Institute of the World Bank was involved in the early planning stages of this initiative in February of 1996. EDI officers Robert Beschel and Patricia Langan met with Eurasia Program Officers to discuss how a focus on developing innovative practices might be introduced. This approach was well-received and incorporated into the design of the program. A letter of May 3 indicated that EDI was committed to providing financial resources, producing proceedings and planning follow-up. This support has not materialized. On January 16 of this year, a follow-up meeting was arranged involving Division Chief Danny Leipziger. Leipziger promised to have EDI personnel review the evolved "Municipal Development" proposal and a new "NGO Sustainability" proposal within a few weeks. We have not heard back. Although the program has already been launched, the quality of training, follow-up, grant assistance, and evaluation could be greatly enhanced by EDI's financial and in-kind contributions. The total financial contribution requested is \$761,250.

Context

The Municipal Development Program will begin during a crucial time in the development of democratic processes in Ukraine. The new Constitution of Ukraine, passed in June 1996, has laid the foundation for the development of a democratic governmental system in the country. A great deal of work must be done, however, to create an atmosphere that encourages private-sector involvement in municipal economic and social development issues. This requires that public administrators and private citizens understand the value of working together on issues that have traditionally been the exclusive responsibility of government. Draft laws on local self-government and local state administrations are currently being debated and are likely to be adopted by Parliament in the very near future. They will be followed by further legislative work and will provide local government bodies, including city governments, with new opportunities regarding their role in local economic and social development.

Legislators in Ukraine are now considering measures which will lay the groundwork for the development of local self-government in Ukraine. The Municipal Development Program will seize this opportunity to infuse concepts of participatory government, transparency and accountability into this process. The program will also foster the replication of practical models which exemplify successful democratic local governments at work.

Program Objectives

- To identify and support Ukrainian cities where municipal governments, local businesses, and NGOs have demonstrated the desire and ability to work in partnership on economic and social development projects.
- To introduce city administration officials to innovative methods of municipal management involving cooperation with the business and non-profit sectors.
- To promote the idea of responsive, transparent and accountable local government among Ukrainian civil servants.
- To increase public awareness of the importance of citizen participation in local government.
- To educate journalists about municipal development issues and community involvement in local government.
- To disseminate successful experiences in municipal economic and social development to cities throughout Ukraine.

Implementation

The program will be carried out in two phases over a two-year period, beginning in March 1997 and continuing through November 1998.

Phase One:

Partnership Grants: The Foundations will hold a grant competition among Ukrainian cities with populations of 50,000 to 500,000. It is anticipated that up to ten projects jointly developed by municipal and local private and non-governmental organizations will be selected on a competitive basis. Grants will be awarded in amounts up to \$50,000 for a time period of up to one year.

Journalism Competition: A separate competition will be held concurrently to select journalists to travel throughout Ukraine and write or create programs on how municipal governments address economic and social development issues. In particular, journalists will highlight competition winners in an effort to raise public awareness about the value of public-private partnerships. Consideration will be given to journalists who regularly cover issues related to municipal economic and social development in both print and broadcast media. The Foundations anticipate awarding ten grants up to \$2,000 for a period of one year.

Innovative Practices Seminar: A seminar on social partnerships between municipalities, private and non-governmental organizations will be held in Ukraine. The purpose of the seminar is to introduce the winners of the competition and to highlight innovative models and practices which proved successful in Central and East European countries and in Ukrainian municipalities. The seminar will be held soon after the grants have been awarded and will be attended by the competition winners, as well as the journalists participating in the program. Experts on local government and representatives from European and Ukrainian cities will be invited to make presentations and share their experiences.

Study Trip: Following the seminar, partnership grant competition winners (one municipal government official and one NGO/business association partner) and journalism competition winners will be taken on a study trip (30 persons total) to several Central and/or Eastern European municipalities that have had positive experiences with public-private cooperative approaches to municipal economic and social development.

Phase Two

Partnership Grantee Technical Assistance: During the implementation of the partnership grants, a technical assistance organization with extensive experience in municipal development and public-private partnerships will: consult on specific issues which may arise during project implementation; identify problems in project implementation and suggest possible solutions;

provide information necessary to the grantees on the topics relevant to their projects; initiate and assist in networking with other institutions working in relevant field; facilitate exchange of information between grantees.

Mid-Course Training: During the one-year project implementation period (after grantees return from the study trip in Central/Eastern Europe), ongoing training opportunities will be provided. Although the exact model of trainings and subject matter will be determined after the grantees and training providers are selected, the base option is for two three-day seminars in the topics of project management and team-building to be held four and eight months into project implementation. Two persons per grant (one municipal government official and one NGO/business association partner) will participate. These trainings will have the added benefit of networking the 10 grantees and allow them to share their experiences during the course of the projects.

Project Management Seminars: Short-term workshops in project management and team building will be held in each city on an on-going basis. Workshops will be aimed at strengthening the organizational capacity of grantees and building trust and cooperation between public and private institutions working in partnership. A U.S. technical assistance provider that has been working with local municipal governments in the region will be selected to provide training.

Case Studies Development: Western-trained, local public administration specialists will develop case studies of at least three partnership projects. Cases will be developed during project implementation for use as training materials.

Phase Three

Evaluation of Projects: The Foundations will select experts to carry out project evaluations of individual projects. Evaluations will be conducted by independent evaluators in an effort to obtain an objective, external analysis of project impacts and results. The evaluation process will be used to select the top three projects in each category.

Second-Round Partnership Grants: The winners of the first round competitions will be evaluated in terms of their local impact. The best three projects will receive additional grants up to \$25,000 for institutional development and follow-up activities. These funds will enable the most successful partnerships to build on their successes and disseminate their positive experiences among other cities.

Second-Round Journalist Grants: Journalists will be evaluated based on the quality of media coverage. Journalists who provided the best coverage of the projects and created the best stories on municipal economic and social development issues will receive awards of \$3,000 in support of equipment or travel.

Dissemination of Case Study Materials: Case study materials will be published in Ukrainian, Russian, and English. They will be disseminated broadly to local institutes of public administration, technical assistance providers, other donors, and conference participants. In addition, the Eurasia Foundation will make the studies available through its public administration listserv, which reaches dozens of organizations working on public administration and local government reform in the NIS.

Conference: At the end of the project, a conference will be held to recognize innovative approaches taken by local government. The conference will provide a forum for discussion of program results and ways to replicate innovative and successful approaches in other Ukrainian and NIS cities. The conference will be attended by all those who submitted applications for the competition, local and foreign experts in public administration, private associations working to strengthen local government, donor organizations, and mass media.

Eligibility

The following organizations are encouraged to apply:

- Municipal government agencies (city administrations and their departments).
- Associations of private entrepreneurs.
- Non-governmental, non-profit organizations.

Additional Requirements:

- Project proposals must be developed **jointly** by municipal governments in cooperation with organizations representing local businesses and/or NGOs. The roles and responsibilities of each organization, as well as the allocation of grant funds are to be agreed upon by the participating parties themselves.
- Community organizations must participate fully and equally with municipal government agencies in project development and implementation.
- Grants will not be awarded to commercial organizations.
- In-kind contributions on behalf of proposal applicants are strongly encouraged.

Projects may be submitted in support of the following topics:

Municipal Economic Development - Projects which may be submitted in this category should promote systematic dialogue between municipal governments and local business associations to address the city's economic development issues, and may include supporting the activities of local development agencies, city chambers of commerce, information and consulting centers (for small and medium business development) and municipal programs designed to stimulate private investment.

Development of Innovative Mechanisms for Social Service Delivery - Projects under this area may be aimed at attracting private companies to provide community services to citizens and/or

promote cooperation between municipal governments and community organizations to provide alternative mechanisms of service delivery.

Introduction of Mechanisms for the Citizen's Participation in Municipal Development Program Design and Implementation - Projects in this area may be aimed at increasing municipal government accountability to the community and expanding communication and information flows between city governments and citizens. Projects may include the creation and development of civic committees and self-government councils, as well as the introduction of mechanisms for cooperation between municipal governments and local mass media that lend to greater government accountability and transparency.

Schedule

March 1, 1997	Announce competition and release RFP
April 30, 1997	Deadline for grant proposals submission
June 1, 1997	Announce results of grant competition
June, 1997	Select journalists
June - December 1997	Project Management Seminars (on-going)
September - October, 1997	Hold Innovative Practices Seminar in Ukraine
October - November, 1997	Study trip to Central and/or Eastern Europe
January - September 1998	Project Management Seminars (on-going)
February - March, 1998	First mid-course training seminar
June - July, 1998	Second mid-course training seminar
October - November, 1998	Evaluate project results and select three best projects.
November, 1998	Evaluate and select journalists for additional funding.
December, 1998	Conference, award ceremony, and publication and dissemination of evaluation and case studies.

Evaluation of Project Impact

This initiative will help establish innovative mechanisms and create replicable models for cooperation between municipal governments, the commercial sector and NGOs, which will empower communities to effectively deal with specific issues of social and economic development in Ukrainian cities – such as housing construction and maintenance, design of effective transportation systems, employment, healthcare, education, water supply, electricity, heating and waste management.

The success of this initiative may be evaluated by the improvements made under specific municipal development projects which will use the methods and techniques developed under this program. Special efforts will be made to encourage the creation of an information clearinghouse of successful innovative practices at the municipal level in order to facilitate the exchange of information, new ideas and approaches between the cities.

Program Budget

	Total	Eurasia Foundation	World Renaissance Foundation	World Bank
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1997 Program Budget

Partnership Grants	500,000 ¹	400,000	100,000	0
Selection Process	3,000	3,000	0	0
Journalist Grants	20,000 ²	0	20,000	0
Selection Process	2,000	0	2,000	0
Innovative Practices Seminar in Ukraine	15,000	15,000	0	0
Study trip to Central and/or Eastern Europe	65,000	0	0	65,000
Partnership Grantee Technical Assistance (3 months)	60,000	0	0	60,000
Indirect Costs (@ 5%)	33,250	20,900	6,100	6,250
Total 1997	698,250	438,900	128,100	131,250

1998 Project Budget

Partnership Grantee Technical Assistance (9 months)	180,000	0	0	180,000
Mid-Course Training Seminars (2)	50,000 ³	0	0	50,000
Project Mgmt. Seminars	120,000	0	0	120,000
Partnership Grants	75,000 ⁴	0	75,000	0
Journalist Grants	9,000 ⁵	0	9,000	0
Selection Process	1,000	0	1,000	0

¹ 10 grants @ \$50,000 each.

² 10 grants @ \$2,000 each.

³ 2 seminars @ \$15,000 each.

⁴ 3 grants @ \$25,000 each. Selection process expenses folded into Evaluation.

⁵ 3 grants @ \$3,000 each.

Evaluation	50,000	0	0	50,000
Case Studies Dev. & Publication (3 cities)	100,000	0	0	100,000
Conference	100,000	0	0	100,000
Indirect Costs (@5%)	34,250	0	4,250	30,000
<u>Total 1998</u>	<u>719,250</u>	<u>0</u>	<u>89,250</u>	<u>630,000</u>
Two -Year Total	1,417,500	438,900	217,350	761,250

NGO Sustainability In Central Asia

by the

EURASIA FOUNDATION

submitted to

THE ECONOMIC DEVELOPMENT INSTITUTE

of

THE WORLD BANK

March 24, 1997

NGO Sustainability In Central Asia

Executive Summary

The non-profit, or "third" sector, is a new phenomenon in post-Soviet society. Its role as an essential component of communities is not well understood by the general public, government or business. Although Central Asia is witnessing a rather vigorous growth in the number of non-governmental organizations over the past several years - a phenomenon common throughout the NIS - the prevailing attitude in most of society remains one of expecting the state to take the initiative in improving the quality and delivery of social services.

The development of nonprofit or nongovernmental organizations (NGOs) in Central Asia has several unique characteristics. Unlike other NIS countries such as Russia, Moldova and Ukraine, where the NGO sector has been gaining momentum and become a real social force, Central Asian NGO development has been slow, and at times uneven. This can be largely attributed to Central Asia's isolation from the world's NGO movement and a lack of access to information about this movement.

A major stumbling block to the growth of a viable third sector in Central Asia is the lack of understanding among government and business sectors on the role of NGOs and on the potential for joint activities that are mutually beneficial to government, business and NGO partners. At best, government officials do not understand what positive role NGOs can play in society, and, at worst, they distrustfully guard against these organizations over which the government cannot exercise direct control. Legislation which would help regulate the nonprofit sector and promote its development still does not exist anywhere in Central Asia. Businesses are preoccupied with their own difficulties and survival during the economic crisis. Although some businesses do give charitable donations to various causes, this is mostly done haphazardly, and without an understanding of the role professional NGOs can play in ensuring that donated funds are spent effectively.

The above factors slow down the development of the nonprofit sector in the region. One prospective way to remedy this situation is to raise the awareness of NGOs among the general public, government officials and businesses, and to increase their understanding of the positive and critical role the non-profit sector can play in society. Through such greater awareness and understanding, citizens will see how they can take the initiative and effect social and economic change in their communities. Seeing the value of NGOs as vehicles for this change, citizens will eventually compel government to create legislative and other conditions which will allow the nonprofit sector in Central Asian countries to thrive.

Government officials will begin to view NGOs as potential partners in social and economic development, rather than adversaries. Businesses will also consider the benefits of cooperation with NGOs and become more willing to support them and the social improvements which they

can achieve. In time, businesses will likely press for changes in tax legislation that would allow them to deduct a larger portion of charitable donations from their income taxes. This will, in turn, greatly stimulate the development of the nonprofit sector. Before this evolutionary process can begin, however, NGOs, businesses and local governments need to begin to forge partnerships which will create the basis for these important inter-sectoral relationships.

PROGRAM OBJECTIVES

- To educate local government, businesses and NGOs about international models of multi-sector collaboration.
- To improve the professional knowledge and skills of NGOs and potential or existing resource centers.
- To provide resources for the implementation of collaborative multi-sector projects that will contribute to economic and social reform.
- To identify and publicize local models for business or government cooperation with NGOs.
- To educate journalists about NGOs and their role in a civil society.
- To increase public awareness of the role of the non-profit sector in building civil society in Central Asia through stimulating mass media coverage of NGOs and non-profit sector issues.

Rationale

Currently, more than 1500 nonprofit organizations have been registered in Central Asia, however, only about 15% of them have been active, thanks primarily to funding from foreign donor organizations and less because of earned income or local fund-raising efforts directed toward government agencies or businesses. The other 85% of registered NGOs are unable to maintain their own programs or activities, and therefore, exist only on paper. If the 15% that foreign donors have helped to support do not find a way to work in their communities in a self-sustainable way, much of our efforts in NGO development will be lost as foreign assistance decreases.

Establishing NGO's as vital community players in Central Asia can be done through several avenues. One is through the mass media. However, media organizations and journalists also lack a clear understanding of the third sector, and this is a major reason why they do not provide adequate coverage of it. Another avenue is NGOs themselves, through their outreach activities. Here the difficulty is that most NGOs in Central Asia still have a weak understanding of the value of public outreach (this problem is prevalent and is not limited just to NGOs) and lack the skills to effectively present and promote themselves in society. Educating communities about how NGOs can help local government in the provision of social services, and can help businesses by providing mechanisms for legislative and social improvements. The combined grant and training program described below can bring these conceptual linkages into practice while reducing the social costs of economic transition.

The Plan

To lay the groundwork for this project, a preliminary training series on the role of NGOs, models for multi-sector collaboration, and experiences of other countries will be presented to government officials, business people, and NGO leaders. This introductory training will take place at existing NGOs throughout Central Asia. (Hosting these training workshops can convey the conceptual basis for some of the NGOs to develop into NGO resource centers in the future.)

The project centers around a subsequent NGO partnership competition to be administered by the Eurasia Foundation's Central Asia Regional Office. The competition is modeled after a municipal economic development project being developed by the International Renaissance Foundation and the Eurasia Foundation in Ukraine. The Eurasia Foundation competition in Central Asia will recognize and support creative NGO partnerships with government and business sectors that are especially effective in addressing vital public needs.

This project is designed to take place over three years. The framework for the project consists of 2 two-round competitions: one for partnerships with NGOs that will serve as a catalyst for the development of local solutions and will stimulate the replication of successful models; the other for journalists, to reward quality reporting on NGOs and promote an awareness and understanding of the third sector through the media. After the first round of grants are implemented, grantees will have the opportunity to take part in a second-round grant competition for projects that build on or expand the achievements of the first-round grants. A primary criterion for awards under both competitions will be the degree to which projects lead to sustainable development of the NGO sector. The round two follow-up grants could include a component for a study trip to NIS or Central and East European cities to get a better understanding of the potential for NGOs to work with government and business. The project will culminate in a conference that brings together these grantees and other important actors in the region to discuss and disseminate the results.

Request

The Eurasia Foundation has submitted this proposal to the Soros Foundations and has been awarded \$60,000 from Soros Kazakhstan to implement a one-year pilot of the program in Kazakhstan. Initial results illustrate the program's potential throughout Central Asia. Over 550 individuals and 175 organizations participated in proposal writing seminars conducted in 18 of the 19 oblasts of Kazakhstan. Announcement of the program has generated important discussions. Local government representatives in many outlying regions openly questioned the motives of this program, directly equating nongovernmental with antigovernmental, and have been surprised by our answers.

There is a great deal of interest and demand among NGOs to expand this program to the four other countries of the Central Asia region -- Kyrgyzstan, Turkmenistan, Uzbekistan and Tajikistan, as a way to increase opportunities for nongovernmental organizations (NGOs) to sustain themselves. The Eurasia Foundation would very much appreciate the participation of the

World Bank's Economic Development Institute in facilitating this expansion. The Eurasia Foundation, in following EDI's approach to public sector management in the NIS, has noticed a convergence of approaches, including:

- learning from best practices and failures
- increasing public awareness and involvement of civil society to establish the linkage between good governance and private sector development

As much as this common strategy is reflected in the preliminary plans for this project, EDI would make a natural third partner. We present this proposed plan for discussion, and hope that the World Bank, either through EDI or another department, can play a meaningful role in its development.

Plan Outline

PHASE I: LAYING THE GROUNDWORK

The first phase of the program will involve a series of training seminars on the role of NGOs, models for multi-sector collaboration, and experiences of other countries. This part of the program is designed to: dispel misunderstandings and build trust among the government, business, and NGO sectors; educate government officials, business people, and NGO leaders on opportunities for multi-sector cooperation; and smooth the path for future NGO-government-business partnerships. Seminars will be designed to be conducted in several locations in Central Asia so as to attract a larger audience from the government and private sectors.

These introductory training programs will be conducted by qualified trainers that may include NGO directors trained under western auspices (e.g., Muskie Fellows, Johns Hopkins NGO Trainers, NIS Education and Training Project, Counterpart Consortium, Soros Foundation) or Western trainers already located in the region. The training will take place at existing NGOs throughout Central Asia. Journalists will also be invited to participate. The upcoming NGO partnerships grant competition will be announced during the training and serve as an incentive for active participation in this initial phase of the program.

PHASE II: IDENTIFY AND DEVELOP INNOVATIVE IDEAS TO ENHANCE NGO SUSTAINABILITY

NGO Partnerships Competition

A grant competition will be aimed at supporting projects that join nonprofit organizations seeking to work in the region with municipalities, local government agencies, local associations of businesses, higher educational institutions or individual businesses. The first round of the two-round competition will award 20 grants of up to \$30,000 in support of innovative approaches that enhance NGO sustainability in Central Asia. Grants are to be split between the two legal entities

of the project - the NGO and its partner, in proportions to be determined by the two entities themselves. National associations will also be included in the competition. Materials developed on models employed in other NIS regions will be distributed to competition participants to stimulate thinking about new approaches to reform. The competition will be structured to target the priorities listed below:

Priorities:

- educating local governments, businesses and NGOs on the role of the NGO sector in a democratic society;
- generating positive public awareness about the services and values of nonprofits, their achievements and needs;
- creating a legislative base for nonprofits;
- promoting NGO assistance in delivery of local government services;
- developing local philanthropic behavior and volunteerism;
- increasing NGO skill level in fundraising techniques and management;
- building donor relationships and fee-based services to generate revenues;
- training for local governments, businesses, and students on the legal, financial and ethical issues faced by NGOs.

The competition announcement or Request for Proposals (RFP), in and of itself, will stimulate dialogue between NGOs, government structures and local businesses. The RFP will be distributed widely among local and regional government agencies, NGOs, national associations, businesses and other interested groups. Eurasia Foundation staff will disseminate competition information and solicit grant proposals through existing networks from Tashkent, Almaty, Bishkek, Ashgabad and Dushanbe.

Based on prior Eurasia Foundation experience with grant competitions in Central Asia, this competition is expected to produce a total of at least 80 proposals from all five countries. Although the largest number of proposals is expected from Kazakhstan, special outreach and proposal writing seminars will be held in the other countries to encourage stronger participation by groups in these states. Multinational advisory boards will work with Foundation staff to select approximately 20 winners who will receive grants of up to \$30,000.

When formulating their proposals, competition participants will be encouraged to develop performance measures for evaluating project progress. Grant recipients will be required to provide quarterly narrative and financial progress reports that include an ongoing analysis of project results.

Journalism Competition

A grant competition for journalists, conducted concurrently, will select 12 journalists who best write articles or create TV/radio programs on issues related to NGO development in the country and the public benefits of a healthy NGO sector. Journalist grant winners will receive up to

\$2,000 to finance travel within their country or throughout Central Asia to report on NGO issues. During this grant period, journalists will be asked to highlight those cities where NGO Partnership grants have been received.

Winners of the NGO partnership and journalism grant competitions will be informed of opportunities for follow-up support upon the successful completion of their projects.

PHASE III: EVALUATING RESULTS AND REWARDING SUCCESSFUL APPROACHES

NGO Partnerships Competition

An independent evaluation of the first round of the competition will be conducted in the last few months of the grant period. Round II will provide further incentive to Phase I competition winners, and will be held a year after Round I grant awards. Only Round I winners will be invited to participate in this second-round competition, which will award five grants of up to \$30,000. Participation will require a proposal for the continuation, expansion, or replication of the project as well as a thorough report on the steps taken during the first year of activity to achieve and measure results. The same review process as described in Phase I will be used. However, results of the independent evaluation are expected to weigh heavily in the decision making process.

Those who have submitted the best proposals and have made the greatest strides during the first year will receive a monetary "Award for Innovative Partnerships." Each grant award will consist of two components:

- Support for the continued development, expansion, or replication of a cooperative project through grants of up to \$25,000. Emphasis will be placed on maximizing the impact and sustainability of each project.
- A true "reward" (\$5,000) that directly benefits grantees. Such benefits could include financing for office renovations, filling a computer and telecommunications wish list, or similar financial support that will both enhance the particular project and contribute to positive office morale.

Journalism Competition

Round I winners of the Journalism competition will submit an application and clippings or tapes of their recent NGO-related work to be considered for Round II awards. Based on the quality of these reports, five awards of either cash or equipment (a laptop, for example) worth \$5,000 will be granted to the top journalists.

Study Trip Opportunity

Round II grantseekers can apply to use a portion of a second award toward a study trip to a NIS or Central and East European city. Such a visit would focus on examining successful models of NGO collaboration with businesses or government.

PHASE IV: DISSEMINATE RESULTS AND ENCOURAGE REPLICATION NIS-WIDE

A year after Round II grants have been awarded, the Eurasia Foundation will hold a conference in Tashkent or Almaty to highlight successful Partnership projects, identify priority needs in NGO sustainability, and introduce key reform concepts that have proven successful in Central and Eastern Europe and in other countries of the NIS. The conference will bring together participants of previous NGO grant competitions, as well as government authorities, businesses, resident US experts, international donors, and local and international media. A special effort will be made to involve reform-minded groups that have not yet participated in activities of western donors. The conference will involve representatives from each country in the region. At this conference, the five best projects, that could be utilized as replicable models, and the five top journalists will receive awards.

Conference components:

- Panel discussions by grant recipients will highlight approaches developed by their organizations and spark discussion among attendees. Each presenter will describe a targeted problem, explain the approach they selected to address the problem, discuss pitfalls encountered along the way, and provide advice which may be useful to others wishing to adopt a similar approach.
- Results of the competition evaluation will be presented and discussed among grantees, NGO trainers and competition funders.
- Media representatives will have an opportunity to pose questions to the conference organizers at a press event. The press event will also serve to publicize the winners of the second round of the competitions.

One product of the conference will be a briefing book intended to encourage an ongoing exchange of information. Project reports from winners of the Round II competition will be edited and compiled into this publication. The briefing book will also provide contact information to encourage networking among participants, as well as minutes of the conference. Workshop materials that will be compiled and distributed in English and Russian.

Evaluation of Project Impact

The goal of this initiative is to serve as a catalyst for creative solutions to problems of NGO development and sustainability. The Eurasia Foundation does not seek to prescribe practices, but rather to facilitate local solutions in cooperation with local partners. Further, the Eurasia Foundation places a high priority on promoting mutual learning and interregional exchange of ideas.

Evaluation criteria developed for each grant project will serve as a blueprint for measuring the success of each project at the local level. Round II grants will serve as an incentive for grantees to achieve excellence and carry through on their evaluation strategies.

The broader impact of this initiative will be the replication of successful models of NGO-business-government cooperation in Central Asia and other regions of the NIS. The activities of previous phases are expected to spark new ideas even among those who have not been direct participants in the conference or grant competitions. In addition, training programs will provide necessary skills to NGO and municipal leaders, as well as raise public awareness about the value of public-private partnerships.

Budget

This preliminary budget is presented for discussion purposes only.

Year 1

General Expenses	Total	Kaz	Kyr	Uz	Taj	Tur
Advisory Board Meetings (2 per year)	\$3,000	\$600	\$600	\$600	\$600	\$600
Project Coordinators	\$7,200	\$3,600		\$3,600		
Sal. deduct. into social funds (@40%)	\$2,880	\$1,440		\$1,440		
Equipment	\$4,000	\$2,000		\$2,000		
Advertising costs	\$4,000					
Communications	\$2,500	\$500	\$500	\$500	\$500	\$500
Office Supplies	\$1,500	\$300	\$300	\$300	\$300	\$300
SUBTOTAL	\$25,080					
Project Expenses						
a) Pre-competition training program	\$60,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
b) Round I partnership grants	\$600,000 ¹					
c) Round I journalist grants	\$24,000 ²					
d) project monitoring:						
site visits	\$7,000	\$2,000	\$1,500	\$1,500	\$1,000	\$1,000
e) Competitions Expenses:						
material publication	\$6,000					
(2 competitions)						
outreach travel costs	\$16,000	\$5,000	\$3,000	\$3,000	\$2,500	\$2,500
reviewers salaries (2 panels)	\$1,000	\$200	\$200	\$200	\$200	\$200
reviewer travel costs	\$3,750	\$750	\$750	\$750	\$750	\$750
grant agreement signing						
ceremony	\$600	\$300		\$300		
SUBTOTAL	\$718,350					
Administrative (5%)	\$37,172					
TOTAL FOR YEAR 1	\$780,602					

YEAR 2

General Expenses	Total	Kaz	Kyr	Uz	Taj	Tur
Advisory Board Meetings (2 a year)	\$3,000	\$600	\$600	\$600	\$600	\$600
Project Coordinators	\$7,200	\$3,600		\$3,600		
Deductions into social funds (@40%)	\$2,880	\$1,440		\$1,440		
Advertising costs	\$4,000					
Communications	\$2,500	\$500	\$500	\$500	\$500	\$500
Office Supplies	\$1,500	\$300	\$300	\$300	\$300	\$300
SUBTOTAL	\$21,080					

¹ 20 grants @ \$30,000 each

² 12 grants @ \$2,000 each

Project Expenses

a) Round II partnership grants	\$150,000 ³					
b) Round II journalist grants	\$25,000 ⁴					
c) project monitoring:						
site visits	\$7,000	\$2,000	\$1,500	\$1,500	\$1,000	\$1,000
d) Competitions Expenses:						
material publication	\$2,000					
(2 competitions)						
outreach costs	\$3,000					
reviewers salaries (2 panels)	\$1,000	\$200	\$200	\$200	\$200	\$200
reviewer travel costs	\$3,750	\$750	\$750	\$750	\$750	\$750
grant agreement signing						
ceremony	\$600	\$300		\$300		
SUBTOTAL	\$192,350					
Administrative costs (5%)	\$10,672					
TOTAL FOR YEAR 2	\$224,102					

YEAR 3

General Expenses

Project Coordinators	\$7,200	\$3,600		\$3,600		
Deductions into social funds (@40%)	\$2,880	\$1,440		\$1,440		
Communications	\$1,000	\$200	\$200	\$200	\$200	\$200
Office Supplies	\$1,500	\$300	\$300	\$300	\$300	\$300
SUBTOTAL	\$12,580					

Project Expenses

a) monitoring projects	\$5,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
b) evaluation	\$25,000	\$9,000	\$5,000	\$5,000	\$3,000	\$3,000
c) publication of the briefing book	\$6,000	\$6,000				
d) conference expenses	\$8,000	\$2,500	\$1,000	\$2,500	\$1,000	\$1,000
SUBTOTAL	\$44,000					
Administrative costs (5%)	\$2,829					
TOTAL FOR YEAR 3	\$59,409					

³ 5 grants @ \$30,000 each

⁴ 5 grants @ \$5,000 each

TOTAL PROJECT COST	\$1,064,113
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Contribution from Soros Kazakstan	\$ 60,000
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Grant Fund Contribution from the Eurasia Foundation	\$250,000
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<u>TOTAL REQUEST</u>	<u>\$754,113</u>
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PROJECT ADMINISTRATION AND MANAGEMENT

The Eurasia Foundation's Central Asia Regional Office will:

- Define an Advisory Board (AB) to be comprised of representatives from donors organizations and local eminent specialists. This board will meet biannually and supervise the implementation of the project. In addition, the AB will serve as a final panel for competitions.
- Hire project coordinators who will be responsible for advertising the competitions, identifying potential competition participants, conducting competitions, monitoring grants, coordinating proposal review and evaluation, planning and implementing the conference, and organizing public relations activities.
- Ensure that in addition to the comprehensive evaluation of joint projects grants will be monitored using the Foundation's standard procedures and criteria -- evaluation of narrative interim reports, site-visits, mid-term project evaluations, as well as conducting a final evaluation.

TIMETABLE

Year I

Month 1	Pre-competition training seminars organized
Months 2-4	Training seminars conducted Grant competitions RFPs developed
Month 5	Competitions announced Materials disseminated
Months 5-8	Proposal Writing Training Seminars conducted in 15 cities Consultations provided Individual consultations provided Reviewers identified Proposals logged in
Month 9	Proposal submission deadline
Months 9-11	Review Panels conducted Pre-award site visits made Follow-up questions clarified Advisory Board Meeting Grants mgmt. review conducted and grant agreements prepared Competition results announced Grants management seminars conducted Open grant agreement signing ceremony held

Month 12 First disbursement of Round I grants

Year II

Months 13-24 Round I monitoring
Interim narrative and financial reports evaluated
Site visits conducted
Mid-term internal evaluation conducted
Remaining disbursements of grants made

Months 19-21 Evaluation conducted

Month 21 Round II competitions announced

Months 21-23 Reviewers identified
Proposals logged in

Month 23 Proposal submission deadline

Months 23-24 Review Panels conducted
Follow-up questions clarified
Advisory Board Meeting
Grants mgmt. review conducted and grant agreements prepared
Competition results announced

Month 24 First disbursement of Round II grants

Year III

Months 25-34 Round II monitoring
Interim and financial reports evaluated
Site-visits and mid-term internal evaluations conducted

Months 31-34 Evaluation of Round II projects

Month 35 Remaining disbursements of grants made

Month 35-36 Evaluation reports discussed
Briefing book prepared
Conference

Briefing for Meeting with Ambassador Thomas Pickering

Mr. Pickering is currently (until he joins Madelyn Albright at the U.S. State Department) president of the Eurasia Foundation, a position he assumed in December, 1996 [*Attachment 1*].

One item Mr. Pickering is likely to discuss is the Economics Education and Research Consortium (EERC), an economic capacity building program in Russia and Ukraine designed and developed jointly by the World Bank and the Eurasia Foundation with strong support from Michael Bruno. This program is now being implemented under the auspices of the Eurasia Foundation. The EERC currently runs two programs:

- **In Russia** it supports a program funding grants to individuals for research in economics. Grants are fairly modest (\$10,000 - \$20,000) for periods of one year [*Attachment 2*]. The first round of funding was in November, 1996 when 12 grants were awarded among 24 finalists selected from 199 proposals.
- **In Ukraine** it supports a new masters program in economics which was established in Kiev last summer under the leadership of Robert Campbell. The first class was enrolled in September, 1996 [*Attachment 3*].

Both programs are off to a very good start. However, Bank staff are keeping close tabs on them and are in frequent contact with Eurasia's Washington-based program director.

Charter sponsors of the EERC committed funding as follows for the first three year funding cycle of the program: Eurasia, \$1,500,000; Soros Foundation, \$1,500,000; World Bank, \$750,000; and Pew Charitable Trusts, \$250,000. The Ford Foundation has contributed \$400,000 over two years. The Starr Foundation recently committed \$1,200,000. World Bank funds are coming from the DEC-managed Research Support Budget--a portion of which is used to play a catalytic role in economic research capacity building in developing countries. The funds from the Research Support Budget are restricted to research aspects of the EERC, principally the Russian program. Some other donors (Pew, Starr) restrict their funds to the Ukraine program.

Mr. Pickering is likely to raise two issues: additional funds for the EERC from the Bank's Special Grant Program, and some involvement of EDI in the program.

- On the former, you might take a cautious approach. Current funding from the Bank's Research Support Budget is consistent with the fledgling stage of this program. After programs such as this one have more maturity and a performance track record, they become candidates for Special Grant Program funding. Programs funded by the Special Grant Program (soon to be Development Grant Facility) must be arms length from the Bank and have a credible record.
- EDI involvement in this program is worth exploring. EDI could consider providing some help with seminars and program content in Ukraine, and with access to information and data in Russia. EDI is now providing assistance with access to information to the African Economic Research Consortium, headquartered in Nairobi.

Gregory Ingram
X31052

PRESS RELEASE

Attachment 1

For Immediate Release
December 2, 1996

Contact: Karen Salz
202/234-7370
extension #14

AMBASSADOR THOMAS PICKERING ASSUMES PRESIDENCY OF THE EURASIA FOUNDATION

Washington D.C. - Thomas R. Pickering today assumed his duties as president of the Eurasia Foundation, the highly successful grant-making organization dedicated to fostering democratic institutions and free market economies in the New Independent States (NIS) of the former Soviet Union. As recent Ambassador to the Russian Federation, Tom Pickering brings to the Foundation a wealth of knowledge and on-the-ground experience about the region.

"This is a young, dynamic organization with a superb reputation for identifying and supporting reform-minded groups in the NIS," Ambassador Pickering said. "I am delighted to be joining this dedicated, hard-working group of individuals."

Ambassador Pickering's career has spanned three decades of foreign service. He has held the personal rank of Career Ambassador, the highest in the United States Foreign Service. Pickering has served as the U.S. Ambassador to the Russian Federation from 1993 to 1996. He previously served as Ambassador to India from 1992-93, Representative to the United Nations from 1989-1992, Ambassador to Israel from 1985-1988, to El Salvador from 1983-1985, and to Nigeria from 1981-1983. He was Assistant Secretary for Oceans and Environmental and Scientific Affairs from 1978-1981. From 1974 until 1978, Ambassador Pickering was the United States Ambassador to the Hashemite Kingdom of Jordan.

In 1983 and 1986, Ambassador Pickering won the distinguished Presidential Award. In 1984, he received an honorary doctorate-in-laws degree from his alma mater Bowdoin College, and has subsequently been similarly honored by ten colleges and universities. He is a member of the International Institute of Strategic Studies and the Council on Foreign Relations.

The Eurasia Foundation was established in 1993 with a major grant from the U.S. Agency for International Development, with backing from the Congress and Executive Branch. The Foundation works to promote economic reform and democracy in the NIS, and has awarded more than 1500 grants to support projects at the grassroots level in communities in all twelve NIS countries. Grants support management and economics training, local government reform, civic organization development, and free access to information through a free press and the Internet.

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THE EURASIA FOUNDATION

ECONOMICS EDUCATION AND RESEARCH CONSORTIUM

Russia Original Research Program

A group of prominent donors has recently joined forces to address the need for greater understanding of market economics in Ukraine and Russia. The Economics Education and Research Consortium (EERC) is establishing progressive programs in Moscow and Kyiv which, by establishing distinct indigenous programs meeting international academic standards, will foster the strength of the economics discipline in local education and policy circles in the post-Soviet environment.

In Russia, the EERC is conducting bi-annual research grant competitions for original theoretical and policy-related research in an effort to complement and build upon the significant progress already achieved in Russia in the realignment of economics education. The first RFP was issued nationwide on August 15, 1996 and solicits proposals which reflect themes relevant to current economic policy concerns in Russia's transition period. The Program's long term goal is to integrate Russian researchers into the international economics community.

Proposals will undergo an initial review by the Program Director and Senior Research Advisor, with finalists being selected by the Russia IAB. Individuals as well as small teams are encouraged to apply, and a portion of funds will be allocated for researchers wishing to collaborate with international scholars and/or travel to conferences in Russia and abroad to present their findings. Finalists will be invited to attend an intensive peer review workshop in November, where they will give an in-depth presentation of their project to the IAB. The IAB will announce award grants in the second week of December, and results of funded research will be presented at an annual conference which will include the IAB and a panel of distinguished international economists.

International Advisors to EERC Russia

The Advisory Board of the EERC Russia Research Program includes internationally prominent economists with experience in working with economies in transition, such as Richard Ericson (Columbia University), Zvi Griliches (Harvard University), Jan Svejnar (University of Michigan), Judith Thornton (University of Washington) and Charles Wyplosz (INSEAD/France). Russian board members include Viktor Poltorovich (CEMI/Moscow) and Pavel Minakir (Economic Research Institute, RFE Academy of Sciences/Khabarovsk). The Program Director, Eric Livny, has extensive experience working with the New Economic School in Moscow, where he served as both Project and Research Coordinator. Senior Research Advisor Michael Alexeev is Associate Professor at Indiana University and serves as a consultant to the World Bank, US Treasury and HIID. These individuals' participation will provide highly-qualified guidance and direction to the Program and establish its international profile.

Spanning Russia

A specific function of the EERC Russia is to attract leading economists from all across Russia. Every effort is being made to reach beyond the Moscow-St. Petersburg corridor. This includes having IAB representation from the Russian Far East and somewhat more lenient/less stringent English language requirements for those applying from outlying areas. Further, program staff at the Eurasia Foundation's Saratov and Vladivostok offices are assisting in issuing and promoting the RFP throughout their respective regions.

Background on the EERC

The Economics Education and Research Consortium (EERC) was launched in 1995 to strengthen economics education and research capabilities in Ukraine and Russia. The Consortium's founders recognized that one of the keys to successful economic reform in the (NIS) is greater knowledge and understanding of market-based economic systems, particularly at the policy-making level. Providing this over the longer term requires reform of higher-level economics training and research, and building sustainable, internationally-recognized in-country institutions. Activities in the Ukraine portion of EERC programs is collaborating with a leading Ukrainian university, the *Kyiv-Mohyla Academy*, to establish an outstanding graduate program in market economics, the first of its kind in Ukraine.

The EERC is supported by The Open Society Institute/Soros Foundation, the World Bank, the Ford Foundation, Pew Charitable Trusts and the Eurasia Foundation (also the project's implementing agency). Together, these funders have provided over 60% of the projected \$7 million budget for the Consortium program's first three years of operation.

The Eurasia Foundation is a privately managed, grant-making organization dedicated to funding programs that build democratic and free market institutions in the 12 New Independent States (NIS) of the former Soviet Union. Programs are supported by a major grant from the U.S. Agency for International Development and private contributors.

THE EURASIA FOUNDATION

ECONOMICS EDUCATION AND RESEARCH CONSORTIUM

Ukraine Economics M.A. Program

A group of prominent donors has recently joined forces to address the need for greater understanding of market economics in Ukraine and Russia. The Economics Education and Research Consortium (EERC) is establishing progressive programs in Moscow and Kyiv which, by establishing distinct indigenous programs meeting international academic standards, will foster the strength of the economics discipline in local education and policy circles in the post-Soviet environment. During the first two years of operations, the Consortium has entrusted management of its programs to the Eurasia Foundation.

In Ukraine, the EERC is collaborating with a leading Ukrainian university (the *Kyiv-Mohyla Academy*) to establish an outstanding graduate program in market economics which we hope will soon gain international recognition for the quality of its teaching and its graduates. This new Ukraine Economics M.A. Program will encompass a two-year curriculum including theoretical and practical coursework, instruction by visiting Western faculty, and collaborative professional development and research opportunities for participating Ukrainian faculty.

Studies begin in the fall of 1996, with a student body of 35 already confirmed for the first year. Enrollment is expected to expand to a total of 50 students per year. The primary language of instruction will be English.

The program is designed to prepare its graduates to work effectively as economists in policy-making positions in Ukraine, or to apply successfully to Ph.D. programs in western countries, enabling them to advance the state of the economics discipline in Ukraine through teaching and research. The program will also create a "magnet" for economics research and resources country-wide, promoting policy-relevant research and allowing Ukrainian scholars to maintain contact with their academic counterparts abroad. Moreover, the Program's teaching and research activities will make relevant contemporary economic information available to public policy-makers and private-sector economists throughout Ukraine.

International Advisors to EERC Ukraine

The Advisory Board of the EERC Ukraine M.A. Program includes internationally prominent economists with experience in working with economies in transition, such as Anders Aslund (Carnegie Endowment for International Peace), Daniel Kaufman (World Bank/HIID), Georges de Menil (DELTA), Michael Michaely (Hebrew University), Jeffrey Sachs (Harvard University), and Adonis Yatchew (University of Toronto). The Program Director is Dr. Robert Campbell, Distinguished Professor of Economics at Indiana University. Dr. Campbell has had over 30 years experience in economics education, with a focus on analysis of Soviet and post-Soviet systems, and serves as a Trustee of the National Council of Soviet and East European Research. These individuals' participation will not only provide highly-qualified guidance and direction to the Program, but will also establish its international profile, help attract outstanding western faculty, and assist in finding sound Ph.D. study opportunities for Program graduates.

(continued on overleaf)

Ukrainian Host Institution

The University "Kyiv-Mohyla Academy" (UKMA) was selected as the host institution for the Ukraine Program through a competitive process. UKMA was one of Ukraine's first higher educational institutions, established as an Academy in the mid-17th century, but was closed down almost two centuries later by Czarist Russia. It was newly re-established shortly after Ukrainian independence in 1991. Today, UKMA is considered to be at the forefront of liberal arts and science education in post-Soviet Ukraine.

Background on the EERC

The Economics Education and Research Consortium (EERC) was launched in 1995 to strengthen economics education and research capabilities in Ukraine and Russia. The Consortium's founders recognized that one of the keys to successful economic reform in the (NIS) is greater knowledge and understanding of market-based economic systems, particularly at the policy-making level. Providing this over the longer term requires reform of higher-level economics training and research, and building sustainable, internationally-recognized in-country institutions. Activities in the Russia portion of EERC programs focus on the development and support of original policy-oriented economics research, in the form of individual research grants to promising Russian researchers.

The EERC is supported by the Open Society Institute/Soros Foundation, the World Bank, the Ford Foundation, The Pew Charitable Trusts and the Eurasia Foundation (also the project's implementing agency). Together, these funders have provided over 60% of the budget for the Consortium program's first three years of operation.

The Eurasia Foundation is a privately managed, grant-making organization dedicated to funding programs that build democratic and free market institutions in the 12 New Independent States (NIS) of the former Soviet Union. Programs are supported by a major grant from the U.S. Agency for International Development and private contributors.