



TRUST FOR CIVIL SOCIETY
IN CENTRAL AND EASTERN EUROPE

REPORT 2001-2012

TRUST FOR CIVIL SOCIETY
IN CENTRAL
AND EASTERN EUROPE





THE TRUST FOR CIVIL SOCIETY IN CENTRAL AND EASTERN EUROPE 2000-2012: CIVIL SOCIETY AND THE REGION

The Trust for Civil Society in Central and Eastern Europe (the “CEE Trust”) was established in 2000 by a group of US foundations - the Atlantic Philanthropies, the Charles Stewart Mott Foundation, the Ford Foundation, the German Marshall Fund of the United States, the Open Society Institute, and the Rockefeller Brothers Fund - as an initiative to support civil society in seven countries (Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia). The founders committed \$60.5 million towards the target budget of \$75 million, with the remaining part to be raised over the lifetime of the CEE Trust.

The mission of supporting the sustainability of civil society was further defined through three mutually complementary objectives:

- supporting legal, fiscal and political frameworks needed for a thriving civil society;
- strengthening the nonprofit sectors through institutional capacity building; and
- supporting the long-term financial sustainability of nonprofit organizations.

Through a mix of grantmaking and some operational programs, the CEE Trust rolled out comprehensive efforts to achieve these objectives throughout the region. Having completed its grantmaking operations in 2012, the CEE Trust takes this opportunity to look back at this unique collaborative effort of a group of foundations set in the context of the social and political transformation of Central and Eastern Europe.

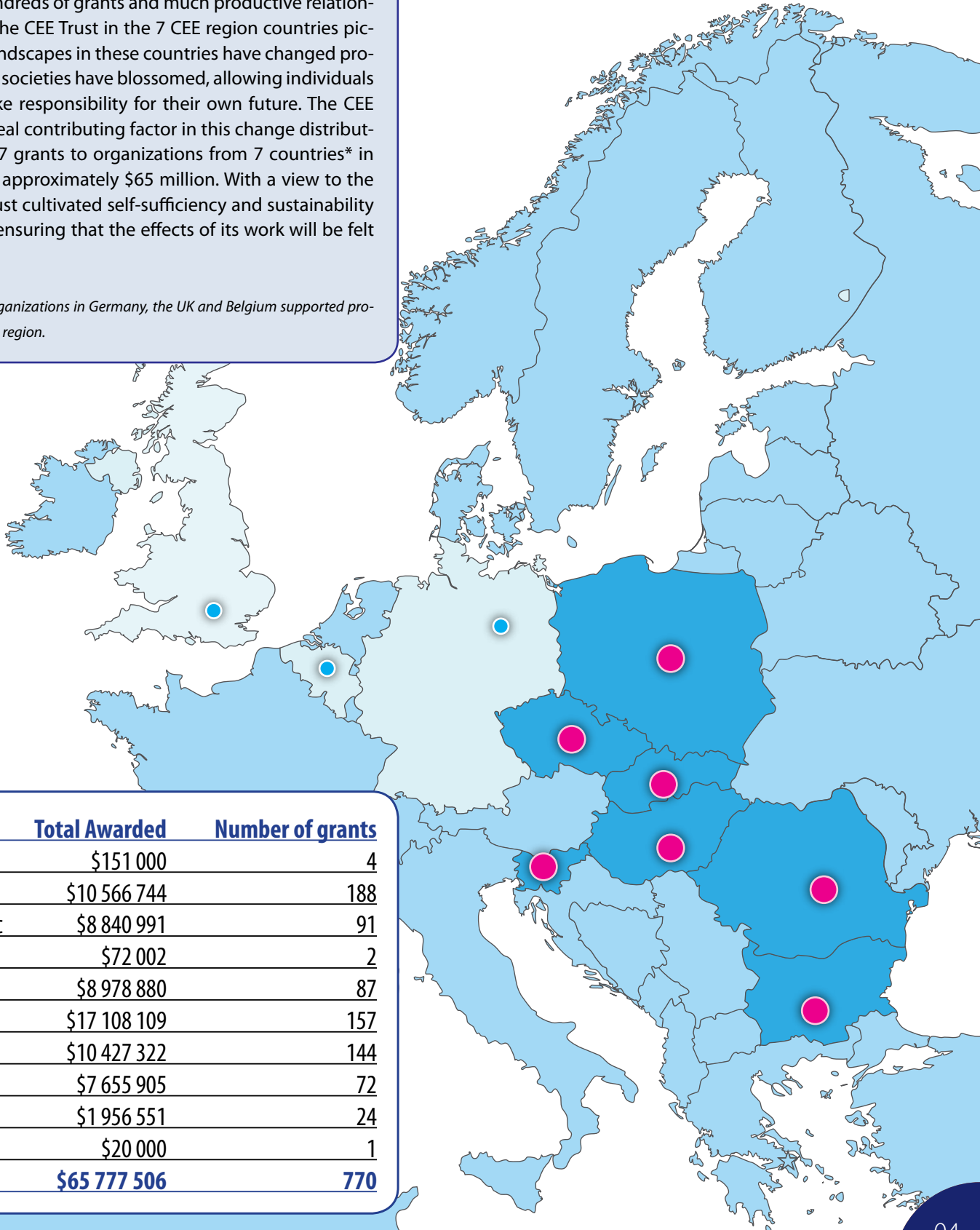
TIME LINE





After 10 years, hundreds of grants and much productive relationship-building by the CEE Trust in the 7 CEE region countries pictured, the inner landscapes in these countries have changed profoundly. Their civil societies have blossomed, allowing individuals and groups to take responsibility for their own future. The CEE Trust has been a real contributing factor in this change distributing more than 727 grants to organizations from 7 countries* in a total amount of approximately \$65 million. With a view to the future, the CEE Trust cultivated self-sufficiency and sustainability in all its partners ensuring that the effects of its work will be felt for years to come.

** Grants awarded to organizations in Germany, the UK and Belgium supported programs in the CEE Trust region.*



Country	Total Awarded	Number of grants
Belgium	\$151 000	4
Bulgaria	\$10 566 744	188
the Czech Republic	\$8 840 991	91
Germany	\$72 002	2
Hungary	\$8 978 880	87
Poland	\$17 108 109	157
Romania	\$10 427 322	144
Slovakia	\$7 655 905	72
Slovenia	\$1 956 551	24
United Kingdom	\$20 000	1
TOTAL	\$65 777 506	770



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Heike MacKerron
Chair of the Board

Message from the Chair of the Board of Trustees

I am very pleased to present the final report of the Trust for Civil Society in Central and Eastern Europe (CEE Trust), a report that covers eleven years of civil society grantmaking and operations. Founded in June 2000, the CEE Trust was a joint effort of a group of foundations devoted to the long term strategic development of civil society in Central and Eastern Europe: the Atlantic Philanthropies, the Charles Steward Mott Foundation, the Ford Foundation, the German Marshall Fund of the United States, the Open Society Institute, and the Rockefeller Brothers Fund.

A strong civil society is essential to the long-term vitality of democracy. The CEE Trust supported its development and strengthened the civic groups, networks, non-governmental organizations (NGOs) and foundations that constitute important civil society actors. Despite challenges associated with the sustainability of civil society groups and actors, their increasing diversity, creativity, and professionalism bodes well for the future of democracy in the region. From the Baltic to the Black Sea, individuals and organizations campaign for citizens' rights and fair laws, monitor the execution of these laws, and offer services that governments are unable to provide. In short, ordinary citizens have been empowered, and we as the CEE Trust hope to have made a contribution to this positive trend.

During the past eleven years, we focused on the challenges created by the historical changes in Central and Eastern Europe, and strove to help consolidate the progress made in the revival of civil society and NGOs since 1989. We tried to act as a catalyst, building on the efforts of the founding donors in the region at the time. We collaborated with civil society activists and organizations in a number of ways.

Most notably, we supported their effort to build an environment conducive to the development of a strong civic life. As a lean and flexible funding mechanism, the CEE Trust assisted civic organizations by addressing their most pressing needs.

As William Moody has noted, CEE Trust grants encouraged cooperative, mutually reinforcing initiatives that involved the public sector, businesses, academia, and civil society groups while also nurturing the 'watchdog role' of

civil society. The current diversity, vibrancy and strength of civil society throughout the region are a testament to the success of the CEE Trust and similar actors in the last two decades.

I was privileged to be part of this exciting effort and grateful that we as the CEE Trust Board had a chance to work with so many highly skilled and motivated people. I would like to thank all former and current Trustees as well as all members of the investment committee and staff for their hard work and dedication.



Lidia Kolucka-Zuk
Executive Director

Dear Friends,

When I joined the CEE Trust team in 2003, hardly anyone still remembered the many changes that had taken place in our lives and in the reality surrounding us. We went through such a great transformation after 1989; it seems that by 2003 we had already erased from our memory the events of just a few years earlier. Another ten years have passed and now photographs taken 25 years ago seem no more than snapshots of bygone days. Yet from time to time it makes sense to browse through them, to remember and visualize how deep the change that we experienced really is. Our report attempts to illustrate the prominence and significance of the changes in our countries. We hope that this will let us look to the future with plenty of optimism, enjoying what we have already achieved. The CEE Trust was established in 2001 as a mechanism for the reinforcement and support of civil society development. Our founders and, even more importantly, the people who acted on their behalf knew that democracy is not given once and forever, and the changes that followed 1989 required further “encouragement” and effort. This is precisely the reason why our institution was founded – to support and maintain what had already been achieved. In addition, the CEE Trust was designed as a flexible mechanism that could quickly react to the new trends and challenges of life in these developing democracies. For over 10 years, the CEE Trust assisted non-governmental organizations and their leaders in their work, helping them to fulfill their missions and goals. Having been supported by the CEE Trust, NGOs from Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia will carry out their and our mission at home and abroad in the future. All these organizations are ready to share their experience and knowledge within their countries and with other regions. This reach is very important since, thanks to technology, we no longer live in one place these days. Therefore, NGOs are also very much involved in international networks and in creating new trends in

philanthropy and civil society development. They have also changed the relationships between elected leaders, the state, and ordinary citizens by introducing more interactions between them. The CEE Trust has supported key organizations, key issues and - equally importantly - key people in Central and Eastern Europe. These are the driving forces of change.

Nevertheless, plenty still remains to be done. I believe the time has come for a sincere discussion about what nongovernmental organizations and civic movements are today. How do they operate and who are their constituencies? What is the responsibility of nongovernmental organizations towards people? This discussion began with the Civil Society Forum in 2009, yet the dialogue initiated there needs to be continued. The time of "opposition" and "reformatory" activism is long gone. What, therefore, is the role of NGOs today? There is still so much to be done including:

- *increasing independent sources of financing*

for watchdog organizations to avoid institutional fragility;

- *mitigating the financial difficulties of advocacy groups working on issues that are still controversial (e.g. LGBT rights, gender equality), particularly in still rather conservative-minded states;*
- *improving the quality of work in the non-governmental sector itself: especially standards of control and their management; and*
- *redesigning the format of the social dialogue itself by using modern technology, but on the condition that the technology does not exclude anyone.*

The list above is not exhaustive, and – with the plethora of challenges we are facing – can certainly be expanded. I am certain that NGOs are capable of meeting these challenges.

On a more personal note, I am in a very fortunate position to be able to thank all people who were involved in the CEE Trust's work, particularly all of our staff. It was a great honor to work with you.

KEY EVENTS

The CEE Trust Partners Meeting held on 30 June - 1 July 2002 in Banska Bystrica, Slovakia was attended by representatives of CEE Trust Partner Organizations from Slovakia and the Czech Republic, CEE Trust grantees from Slovenia, as well as guests from international donors. The highlight of the meeting was a round-table discussion on crucial issues for the NGO sector, such as sustainability, democracy and institutional development.



The 2nd Annual CEE Trust Partners Meeting held on 28 - 29 May 2003 in Liberec, the Czech Republic was attended by representatives of CEE Trust Partner Organizations from the Czech Republic, Poland and Slovakia, CEE Trust grantees from Hungary and Slovenia, as well as guests from international donor organizations that were involved in Central and Eastern Europe. The meeting was to serve as a networking event to facilitate exchange of experience among CEE Trust Partner Organizations, as well as provide first-hand information about the CEE Trust programs and their implementation to international grantmakers.



The 3rd Annual CEE Trust Partners Meeting held on 3-4 June 2004 in Warsaw, Poland was attended by representatives of CEE Trust Partner Organizations from the Czech Republic, Hungary, Poland, Slovakia and Slovenia, as well as guests from international donor organizations. The plenary session mapped the changes, which the CEE Trust had brought to the countries where it operated. The Partners emphasized the need for a long-term comprehensive approach and an inter-related character of programs to achieve synergistic impact.

KEY EVENTS



An International Seminar of Central and Eastern Europe NGOs on Strategic Litigation organized by the Helsinki Foundation for Human Rights in Poland in 2008 promoted strategic litigation as one of the most powerful tools to strengthen human rights protection and to encourage CEE NGOs to successfully select and litigate strategic cases in their own countries.



The Civil Society Forum was held in Bratislava in September 2008. It was based on the observation that civil society in Central and Eastern Europe had already had a wealth of good and bad experiences, and was now mature enough to offer ideas of its own that shape the way people think and act in their societies. The event in Bratislava engaged 250 people, with a parallel Social Innovation Camp CEE bringing another 70 from the CEE region and beyond.

KEY EVENTS



The Regional Digital Rights Roundtable gathered 36 representatives of 26 CEE Trust grantees from all countries in Budapest in October 2012. The discussions concerned openness as an instrument of efficacy but also as a means to achieve government accountability.



The Regional Women's Rights Roundtable was organized by the Congress of Women Association in September 2012. This acclaimed event took place in Warsaw, Poland attracting grantees dealing with issues of women's empowerment from every country in the region. They all reported being greatly inspired by the movement behind the event, its magnitude and societal recognition. The meeting inspired the Czech and Hungarian spin-offs that will be held in 2013.



CONTEXT AND CONTEXTUAL CHANGES IN CENTRAL AND EASTERN EUROPE

SOCIAL, ECONOMIC AND POLITICAL CHANGES

Let's begin with a very general description of the changes that have taken place in areas significant for the development of civil society in Central and Eastern Europe. We would all be very glad to declare "mission accomplished", democracy has been "installed" or "re-instated", and now a potent and pluralistic civil society is standing guard! This, we would add, was achieved thanks to assistance from others, such as partners from the U.S.

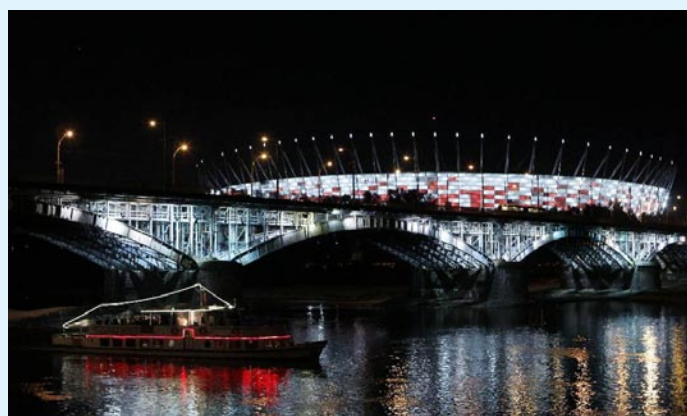
As in life, however, the reality is somewhat more complex. Undeniably, **the countries where the CEE Trust has worked have made a**

vast positive change in recent years and their aspirations are being fulfilled. They are intact, free, democratic countries functioning based on the rule of law. Their **road to freedom, embarked upon 20 years ago, has brought them to a place they could only dream of when they began.** The transformation, costly but overwhelmingly peaceful, **is one of the greatest "miracles" of post-war history.** Moreover, it stands as an inspiration for those who now tread the road of change (for example, in North Africa). This success is not only something the Europeans owe to historical circumstances, but also primarily to their ability to use these circumstances and muster the civic energy to exploit them. Without a doubt, much can be attributed to external institutions, both public and private, with the CEE Trust being one of them.





Maciej Skawinski / Forum



Wojciech Artyniow / Forum



Jerzy Makowski / FORUM



Erazm Ciołek / Forum

The road to success abounds with twists and turns, and history did not “end” after the fall of the Berlin Wall. On the contrary, it remains lively and seems to be gathering momentum. In the CEE Trust’s region, a good illustration of this is the developments of recent years in Hungary, which many observers believe to be a serious weakening of key democratic institutions, including the independence of the press and the judiciary. Another can be seen in the experience of Slovakia in the second half of the 1990s, and the current internal problems of Romania. In fact, monitoring by Freedom House of democratic institutions shows that four of the seven CEE Trust countries (Bulgaria, the The

Czech Republic, Romania and Slovakia) have seen five years of declining ratings in media independence.

Democracy cannot be established once and for all, and young democracies that continue to lack established practices run particular risks in mixes of populism, cronyism, corruption, social stratification, low levels of civic participation, lack of trust in public institutions and unstable economic situations. All these factors are, to a certain extent, still present in this part of Europe, and make for potential volatility.

Economic growth has recently been observed in the region. Countries have



broken free from the inefficient system of a planned economy and opted for the free market. People now enjoy far greater opportunities for realizing their aspirations, actually relying on their own work and talent. An impressive potential for entrepreneurship and resourcefulness fueled by a desire to make up for time lost under communism has been unleashed. As the free market gathers steam, factors related to its abrupt expansion generate new types of challenges, leaving unprotected those who cannot fend for themselves and even sometimes recklessly relegating public goods and services, such as education and healthcare, to the market itself.

In fact, Europe as a whole is undergoing many significant changes – most with real impact on the functioning of civil society. It is well worth mentioning a handful of them here:

The last 10 years have seen the emergence **of new groups of socially excluded people** including those whose quality of life deteriorated significantly due to the transition itself. Many public and other institutions either cannot help them or simply fail to take them into account.

Certain social and/or ethnic groups **continue to be discriminated** against, including Roma and other minorities.

To a great extent, these societies have **lived at the expense of their children**. Not only will they leave their children with monstrous debts, but will also be dependent on them for care. A worsening demographic situation and the related social challenges (for example, the cost of healthcare) make this one of the greatest challenges facing Europe today.



New forms of social movements, some powerful though devoid of structure, others political albeit absolutely non-partisan, have been emerging.

There is a profound change in the character of governance away from the hierarchical model toward a horizontal, networking model. Thus, citizens' expectations are also changing as they increasingly want governance to be more personal, continuous, and interactive.

Politics is shifting from traditional polarity to a **network of particular interests** (single-issue politics), which the authorities must somehow manage.

The limitations of natural resources are becoming more serious a fact frequently ignored in the CEE region.

Accession to the European Union also carries vast consequences, both in terms of privileges (especially in access to structural funds), and of resultant obligations.



We can state proudly that many of the important issues above were identified early on by the CEE Trust, which then supported active efforts to address them.

The CEE Trust was active at a unique moment in the process of transformation. After the first 10 years of change, achievements were being consolidated and critical assessments being made by populations in the region. The historical "adrenalin" and willingness to sacrifice was growing thin. The significant benefits brought by the changes were often forgotten, while the price to be paid for them was more and more frequently cited.

Paradoxically, accession to the EU may have comprised the last period of social consensus around the changes. What followed in many countries was the delayed calculation of public profits and losses. It assumed a variety of forms, ranging from acts of collective amnesia and sentimental yearning for the ancien régime, to the rise of political circles with a less enthusiastic attitude toward the





Tomasz Paczos / Forum

European project. Populism, and frequent suspicions about the institutions of civil society were also often conspicuously present.

During this period many expressed reservations about the role of nongovernmental organizations themselves. NGOs were charged with opportunism, lack of legitimacy as watchdogs, “alienation” and ties with the establishment among other things. This demolished the positive frame of mind of many activists for good and provoked important

debates in the nongovernmental environment itself. Legitimate questions on quality of NGO operations and governance surfaced more and more often. An increasing number of new organizations and civic movements emerged, and a veritable changing of the guard took place, in many cases with great efficiency. Many of the organizations and leaders visible in the public arena today have come into view during the last 10 years.

To sum up, the process of building and consolidating democracy is by nature complex



TRUST FOR CIVIL SOCIETY IN CENTRAL AND EASTERN EUROPE

and time-consuming. It first requires the establishment of institutional rules, a process most of the countries coped with. Now the key is to turn these formal rules into instruments for daily use through the learning and practice of civic virtues, including courage in action, prudence, moderation in claims, solidarity, readiness to debate, etc. These virtues cannot be imposed; they must be learned and practiced. Massimo d'Azeglio said after the unification of Italy: "we have made Italy. Now we must make Italians". To paraphrase this, we can analogously say: "we have made states, now we must make citizens".



Becoming a citizen in this more profound sense requires time. "It takes six months to build a market economy, six years to build a democracy and sixty years to build civil society": this particular prophecy, expressed by Ralf Dahrendorf accompanying the commencement of changes in this part of Europe, seems to be confirmed. It is not insignificant that the CEE Trust used this quote to characterize its mission and role in the first years following its launch.





CIVIL SOCIETY IN TRANSITION

A MODEL OF CIVIL SOCIETY IN THE CEE REGION

Considering the changes that have taken place in civil society, and subsequently in the CEE Trust's mode of operation, it is worth asking at the very outset what the significance of the term "civil society" is in this specific geographic and political context. The notion of civil society experienced a renaissance with the beginning of the region's transformation in the late 1980s and early 1990s. A name for this phenomenon that "was underway" at the time had long been sought, and the term "civil society", seemed to fit perfectly. The concept had the miraculous property of being at once the goal of the activity and its very modus operandi. This is how it was portrayed on the other side of the Atlantic as well, especially among private foundations. To this effect, it is worth recalling here is *The Rebirth of Civil Society in CEE*, a report produced in 1992 for the Rockefeller Brothers Fund by Daniel Siegel and Jenny Yancey.

"The first hours" of transformation in particular exhibited this character. In a sense, the tension between society and the authorities was described as tension between civil society and the state. Emerging from this

"primeval energy" (or civic movement if you will) were various types of institutions, including: political parties, independent media, local authorities, small businesses, and last but not least, the so-called "third sector". It is not without good reason that, of all the potential modifiers describing the newly established organizations, **nongovernmental** became the most popular in the majority of countries in the region, as it emphasized their existence independent of state institutions. However misguided and debatable an assumption, nongovernmental organizations were quickly considered and considered themselves the essence of civil society, and even its equivalent. At the time, efforts began (lasting to this day) to count and recount these organizations, in the hopes that the exercise would provide the best yardstick for measuring civil society. By this limited approach, CEE countries have performed reasonably well (the The Czech Republic and Poland boast approximately 100,000 organizations each, Hungary around 60,000, Romania approximately 50,000, Bulgaria and Slovakia 35,000 each, and Slovenia 20,000).

Much, however, has changed since that time. As a good illustration of the change, equating civil society with nongovernmental organizations themselves, common practice at the beginning of the transformation, was



then seen by some as the root of the problem 20 years later.

It turned out that the very notion of civil society can be perceived in highly dissimilar ways. It certainly **is more than a collection of third sector institutions**. Plenty of development has taken place, and continues to happen “off the radar” and outside the world of formal institutions. Significant deposits of civic energy are forming and being expressed outside the world of organizations, and their participants (justifiably or not) sometimes consider the latter an obstacle and an arrogation. Indeed, thanks to the development of modern technologies, civic activity and participation in the public realm have become a much more individual and personal exercise. Frequently, organizations are no longer needed to organize people around the passions and interests they share or to help them express their interest, rally civic movements, etc.

The formal environment and general setting in which civil society exists in the region has seen very significant progress. Central and Eastern Europe is still facing numerous challenges, nonetheless. Social apathy is still symptomatic. Although the so-called democratic deficit does not belong solely to the CEE region - as it also affects many other mature democracies - it is visibly more acute in this part of Europe. This is illustrated in many ways. Voter turnout is lower, as is

the frequency of pro-civic behaviors. These include, for example, significant acceptance for multiple, non-civic behaviors, such as travelling by public transport without a ticket, collection of undue social benefits, and underpayment of taxes. Such attitudes and behaviors are coupled with a low degree of voluntary activity and philanthropy. There is a plethora of reports (by Freedom House, the United States Agency for International Development (USAID) Sustainability Index, Civicus – Civil Society Index, and the European Value Survey), which show that the most significant indicators of democracy in recent years have stabilized at a relatively good level, yet still leave plenty to be desired. As a good illustration of the problem, all the countries in question found themselves below the European average on the DEMOS Everyday Democracy Index, a British instrument established in 2008, which measures six dimensions of practical democracy simultaneously in 25 EU states.

PARTNERSHIP WITH THE STATE: NGOS, THE TAX SYSTEM AND DIRECT SUPPORT

As part of the transformation process, nongovernmental organizations and governments in all the CEE Trust countries had to modernize, if not newly establish, legal standards governing their operations.



In most cases, the right to found an NGO was embedded in the newly established constitutions of every country, and as such was not usually the subject of fundamental controversy. Implementation of the principle was more of a problem, yet such disputes had been resolved before the establishment of the CEE Trust. What emerged afterwards was the “new generation” of legislation related to **tax exemptions (including incentives for philanthropy) and the phenomenon of percentage philanthropy.**

Similarly, many countries embarked on a quest to improve the enabling environment for voluntary work. The process was of a global nature (about 70 countries participated), and followed in the wake of the UN International Year of Volunteers in 2001. Yet another significant and difficult task was distinguishing, notably for tax purposes, between nongovernmental organizations focused on providing goods of a public nature (“public benefit organizations”), and those that purely serve their members. Finally, regulating specific types of relationships, namely those between nongovernmental organizations and the state, was an entirely new question.

Obviously, a range of other efforts took place, but those described above are the most important. To this effect, it was judicious and worthwhile for individual countries of the region to learn from one another, and

the CEE Trust significantly contributed to this exchange. It is noteworthy that this experience is currently being shared further with Belarus, Ukraine and the countries of Central Asia, as well as the Balkans.

Legislative changes are naturally only illustrations of a far broader revolution in the relationship between nongovernmental organizations and the state. During the CEE Trust’s tenure, the very understanding of the division of labor between individual sectors underwent a significant change. At the beginning of the transition, organizations devoted to monitoring and/or controlling the power of public institutions (such as watchdog and advocacy groups) were especially important and strongly emphasized. The significance of their role was the main ingredient in the “recipe” for healthy democracy that emerged with assistance from American foundations.

A notion of the oppositional relationship (one of checks and balances) between civil society and the state took shape. The search for an appropriate balance between them is one of the most significant challenges that all young democracies face. It seems that a certain balance has, in fact, been created in this part of Europe (thanks to a group of institutions that includes the CEE Trust). What remains a problem, however, is that this balance remains at a “low level”. In other words, both civil society and the state are,



in fact, fairly weak. The paradox lies in their mutual dependency: to grow stronger, they need each other, this time not as enemies but as partners. However, building real partnerships (based on cooperation between parties who preserve their independence and integrity) requires elementary, mutual trust. Unfortunately, this very ingredient remains exceedingly rare in the CEE countries.

Seeking partnerships is perhaps most important and politically less troublesome for organizations providing public (mainly social) services. In the last decade this area has experienced significant changes. Originally, many organizations sought to fill the gaps in government operations (e.g. in the area of social security and assistance), following the model of “division of labor”. They tried to do this on a minor scale, alongside the state, while also relying on philanthropy, including American foundations, for support. After EU accession, this model was gradually replaced by one where organizations were supported or contracted to perform tasks jointly with the public sector (and frequently on the state’s behalf). Therefore, what became a profound challenge for service organizations was not so much survival, but rather retaining their independence and specific style. This preservation of their identity is key in order to avoid the dangerous scenario of co-optation by the state.

Finally, the most fundamental question from the point of view of the CEE Trust

was whether civil society “as such” can be discussed at all, and whether it is necessary to give it a certain normative dimension? That is, can the operations of NGOs be considered “in principle” desirable or “good” for building civil society, or should some of their activities be considered, by contrast, a symptom of “uncivil civil society”? If this is so, who should decide which activities and NGOs belong to which category? These were not just academic questions for the CEE Trust, and it has in fact delivered some answers.

DEVELOPING NEW SOURCES OF FUNDING

From the very beginning, the issue of NGO sector financing remained at the center of interest for the CEE Trust, which supported the pursuit of new and long-term models - grantmaking and direct sources of financing - both public and private.

Stimulating **local philanthropy** became especially significant. What was and remains a challenge for the development of philanthropy in the region is the limited resources of individual citizens. Often left to fend for themselves in more market-oriented circumstances, their first priority is to satisfy their basic needs, treating philanthropy as an activity for a “special occasion”. In response, there were efforts to transplant American concepts, including **community foundations**, an original, proprietary model,



which grew out of the very need to establish institutions that rally individual resources.

Development of philanthropy – both individual and corporate – is favored by appropriate tax legislation. Much has been done in this case, thanks in part to help from organizations such as the International Center for Not-for-Profit Law, and later the European Center for Not-for-Profit Law. Most CEE states feature various forms of philanthropy incentives, but obviously there is still plenty to be done.

A specific tool generating new funds for the nongovernmental sector was the **idea of percentage-based tax assignation**. This is a specific tool, whose application actually remains unknown outside this part of Europe. Originally it was something of the “Hungarian *spécialité de la maison*”, but one which was quickly adopted in other countries, again mostly thanks to funds from American foundations. In essence, it is a mechanism where citizens (and in some states, like Slovakia, also corporate entities) can designate a nongovernmental organization to which 1% or 2% of their income tax will be transferred rather than going to the state. Currently, this provision functions in Bulgaria, Hungary, Lithuania, Poland, Romania, and the above-mentioned Slovakia.

The mechanism has plenty of advantages. It does generate significant funds (in Poland,

the equivalent of approximately \$100 million annually) and motivates potential recipient organizations to promote themselves to citizens. Nevertheless, it has certain drawbacks as well - funds often reach a fairly narrow group of organizations whose marketing proves most efficient, and tends to supplant authentic philanthropy rather than encouraging it.

Not all organizations can use philanthropic support to an equal extent. Despite a livelier philanthropy environment in this part of Europe, organizations such as watchdogs and think tanks have had limited opportunities to take advantage of it. This problem has existed since the beginning of the transformation, and will most likely remain a challenge. Indeed, to a certain extent, it affects nearly all organizations of this type worldwide. Some countries enjoy a better environment where public opinion values this kind of work more and thus foundation funding is available. In others, public institutions provide funding while also understanding that recipients should retain independence from government itself. However, with a few exceptions, such as human rights groups like Amnesty International in Slovakia, there is still a lack of systemic solutions in this part of Europe.

The concept of **corporate philanthropy** has been developing slowly but surely. It is a global phenomenon, and as such is governed



by its own rules. Having reached this part of Europe, it is frequently practiced in fairly superficial forms, namely marketing and self-promotion, yet **it is acquiring a growing authenticity.**

Vast changes have also taken place as regards access to public funds in the region. The need to regulate access to **public funds** (from both state and local/regional authorities) for public benefit organizations repeatedly rises to the surface. In other words, the key is no longer in supporting the organizations themselves, but in entrusting them with tasks, or simply purchasing services from them. Versions of this contracting culture have been implemented differently in individual countries. In Poland, as has been mentioned, it took the form of an independent act, defining principles of relationships and addressing the significant question of transparency and competition in accessing funds. As a result, over 70,000 contracts with NGOs were signed in 2011, with public funds currently accounting for more than half of the Polish nongovernmental sector's total income. It can be said that since the establishment of **the CEE Trust, the issue has gone in some countries from the lack of access to public funds to the challenge of maintaining "moderation" in their use.** A decade ago, we could only have dreamt of such a "problem".

We should mention here that in addition to local and regional government funds, many

countries have launched **long-term, public, national-level funds**, including the Hungarian National Civic Fund and the Polish Civic Initiatives Fund.

Yet another change in this part of Europe deserves mentioning – one that is frequently underestimated and yet highly symbolic. This is the allocation of **funds to support** other countries and societies undergoing transformation, including in the former USSR. Specifically, we refer here to the earmarking of public funds for Official Development Assistance. What was done for years by American (public and private) funds is now beginning to happen in CEE countries. In this context, we should mention the European Endowment for Democracy, which will function as one of the main pillars of the EU's neighborhood policy.

EU ACCESSION AND ITS CONSEQUENCES FOR THE NON-PROFIT SECTOR

The prospect of joining the European Union provided stimulus for development in all countries of the region, including development significant for civil society. To this effect, the Copenhagen Criteria, "imposed" by the EU were particularly important. They included the operation of institutions that guarantee a stable democracy, rule of law and respect for human and minority rights.



The accession process was also supported financially, particularly through the PHARE programme. These pre-accession funds played a significant role comparable to that of American institutions. They signaled (to local governments as well) that it is possible and appropriate to support nongovernmental organizations and – more broadly – civic activity with public funds.

NGOs did not remain passive while awaiting EU accession. Some of them became seriously involved in the process of preparation and promotion of accession in the national context. In the end, all seven countries covered by the CEE Trust eventually became members of the European Union. Accession to the EU opened up access to an entirely new type of support - the structural funds. In contrast to American foundations, these funds were not directly targeted at developing civil society. The scale of this EU funding vastly exceeded anything from any private organization, but it was mainly oriented toward other issues, such as the labor market, social inclusion, regional development, and environmental protection. The entire system was to undergo changes.

THE CHANGING ROLE OF AMERICAN DONORS AND THE EMERGENCE OF NEW DONORS

The presence of American donors (private foundations and public institutions) was unquestionably important from the beginning of changes in this part of Europe. It was particularly significant early on, when the very notion of an independent civil society was taking shape, as were its key institutions. Many of them would not have emerged or survived if it hadn't been for external support, especially the non-traditional ones, such as watchdogs, think tanks, and the so-called infrastructure of the sector (organizations supporting other organizations). In an environment of shallow resources of local philanthropy and an ambivalent attitude of the state towards them, their odds of survival were low without help from the outside. Naturally, such dependency on external funding has generated and continues to generate criticism, from charges of the artificial quality of activities (their "imported" origin, and cultural or political "colonialism") to accusations of opportunism (i.e. organizations that make use of this support are more likely to satisfy the expectations of the sponsors than solve actual problems). American support saw different phases, and in many cases was present before the transformation itself. To a certain degree,



this is true of the support for the democratic opposition of the 1970s and 1980s that prepared the ground for the shift. For example, the Rockefeller Brothers Fund was present in Poland from 1983 on. Yet from the first days of transformation, the presence of private institutions (American foundations, but also a variety of civic committees, national diasporas, Peace Corps, etc.) was highly visible. The “golden moments” of the transitions in this part of Europe have been characterized by the solemn mood of “bringing down the wall”, the spring (or autumn) of nations, the return of the individual countries to the family of free nations, etc.

More or less 10 years after the processes of transition were launched, it was becoming obvious that American institutions could not remain in this part of Europe forever. A specific language of “phasing out”, “mission accomplished”, and – most importantly – the term “sustainability” emerged as the necessity of moving on became apparent. It is important to note that in many cases support provided was project-related as opposed to institutional. This is why the benefactors of the aid did not in fact develop adequate levels of resilience (capacity for sustainability). An argument justifying a gradual withdrawal from the region by American institutions was looming EU accession. Membership in the EU indeed became a symbolic milestone, and was interpreted as the completion of

the first stage of transition and solid grounds to consider the American mission fulfilled. In such a complicated environment, donor organizations adopted various strategies. In some cases, formal phase-out procedures were launched, which was true, for example in the case of USAID.

It was assumed that gradual American withdrawal would continue concurrently with an increase in activity by European foundations, emergence of support from EU institutions, and development of local philanthropy. Reality was somewhat more complex. For example, the activities of European foundations remained highly limited and EU funds very much inaccessible. Thus, the year 2000 was one of the most difficult moments in the entire history of the nongovernmental movement since the revolutions of 1989 and was followed by some “lean years” for many organizations, with some even forced to terminate their activities.

The situation of private foundations, more flexible in the creation of proprietary, specific solutions, was somewhat different. Yet all donors were concerned about enhancing the sustainability of civil society institutions, and the quality of mechanisms and processes of key importance to civil society as a whole.

The idea of the CEE Trust had emerged.



CEE TRUST ACTIVITIES

THE CEE TRUST AS AN INSTITUTION

The first discussions on a possible cooperative initiative of US donors to provide long-standing support to civil society in Central Europe took place as early as 1997. At the time, many of these funders had already been present for as much as 10 years contributing to successful democratization, economic growth and the rise of civil society. Foundation representatives met with USAID to discuss a possible public-private partnership to invest in the region's civil society. Although USAID ultimately decided not to join, the private foundations pursued their common goal and established the Trust for Civil Society in Central and Eastern Europe in 2000.

“Motivations were diverse – one of them was “to create the last measurable impact before exit”. But it was also important to change the nature of our engagement in the region from supporting civil society organizations by pure grantmaking to something more crucial, i.e. building their capacity for policy engagement and better performance of other roles important for a well-functioning civil society.”

**Phillip Henderson,
The German Marshall Fund of the United States**

The new organization was founded as a 10-year initiative to operate in seven countries (Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia). Donors committed \$60.5 million toward the target budget of \$75 million, with the remaining funds to be raised over the lifetime of the CEE Trust.



“Talks for CEE countries to join the EU were still at an early stage. It was clear that there was still a lot of work to be done in strengthening democratic practices and civil society organizations. Initially, we were thinking about a much longer involvement of the CEE Trust in the region. It was clear to us that it would be very difficult to have all the work done in just a couple of years. Although we were able to mobilize substantial private resources, without government money it was clear that we would have to adjust our initial plans, and finally we decided to cut down the time span of its proposed activity to 10 years.”

William S. Moody, Rockefeller Brothers Fund



The founders brought considerable experience, a proven track record, and their own history to the newly established organization. All six founders had been actively engaged in the region either since the transition in 1989–1990, or even earlier through their support of dissidents under the communist regimes. The main reasons behind their decision to pursue a joint initiative were an interest in forming a collaborative donor initiative, a sense of accomplishment after almost 10 years of largely successful democratization, and a need to think in terms of legacy and phase-out strategy.

These funding organizations also had great esteem and appreciation for one another's funding strategies and achievements in the region and recognized the complementary nature, overlap and possible synergies of their efforts. Finally, all of them understood the need to foster the sustainability of civil society, thus completing their mission in the region, and making sure the pillars of their work would constitute a lasting legacy. Their move to establish this new institution meant shifting away from direct support of individual organizations toward enabling frameworks, and developing key local institutions that would take over their mission.

Both symbolically and practically, the CEE Trust was meant to be a conclusion and phase-out of a robust US investment in the



"It was becoming clear to American foundations that the process of democratization in this part of Europe had been set in motion, that it was of a relatively stable nature, and that it would progress without the participation of the Americans. It was evidence that the 'engine was already running.' Nevertheless, at the very end they wanted to do something more, something that would provide a lasting strengthening of the civic sector from the inside while also letting it operate independently in the future. This required identifying the course of action and the resources that were needed."

Irena Grudzińska-Gross, Ford Foundation

region's civil society and democratization process.

At the outset, founders sought to establish the CEE Trust as a light and flexible organization that would, through a competitive process, select national partners to implement its program. These partners would then work based on the CEE Trust's three objectives through a mix of re-granting and operational activities designed and implemented in a participatory and open manner. The model relied on analysis



and intuition as well as the organizational capacity of the partner organizations, valuing substance over procedures, and using simple application, reporting and monitoring methods.

After the first three years of operations, the CEE Trust conducted a mid-term review in 2004. Based on its results, the board decided to change the operational model to direct grantmaking with the realization that the diversity of civil society actors, initiatives and streams constituted a main indicator of a sustainable and vibrant non-profit sector. Thus, the CEE Trust adapted its existing strategic framework to a new, more flexible and responsive approach that would more easily accommodate new developments and needs. While the mission – to support the sustainability of civil society in the region – remained the same, the CEE Trust chose to expand its toolkit to include direct and targeted projects and core support to stimulate authentic, active, pluralistic, and independent civil societies.

By 2004, the CEE Trust had awarded 30 major grants, most of them a mix of re-granting and operational activities. Following the strategic change, during the remaining years of the CEE Trust's operations, over 700 grants were awarded to approximately 450 civil society organizations.

"The initial model was not flexible enough and not open enough to new kinds of

organizations and their functions (for example, watchdogs and advocacy groups)."

**Maureen Smyth,
Charles Stewart Mott Foundation**

Throughout its tenure, the CEE Trust worked with grantees to find solutions to important problems, responding to the lack of civil activism, accountability and solidarity in the region. At the same time, it demonstrated a strategic approach to grantees' organizational development and innovative methods of engaging a broader public and fostering mission-driven planning.



"We built a much more portfolio-oriented approach and re-conceptualized our engagement. We also tried to be closer to the needs of individual countries and much more adapted to the local circumstances and to other local grantmakers."

**Phillip Henderson,
The German Marshall Fund of the United States**

Another aspect of the new strategic framework was making the CEE Trust more of a catalyst to further its mission beyond grantmaking. To this effect, one of its main achievements was to organize the Civil Society Forum in Bratislava to discuss the challenges facing civil society 20 years after the revolutions.



THE CEE TRUST OPERATIONS

Given its broad objective of supporting civil society, the CEE Trust built an impressive and diverse portfolio over the years, both in terms of themes addressed and types of organizations supported. Some of its grants had immediate impact, and others will bear fruit over longer periods of time, often going beyond the CEE Trust's own lifespan. Principal threads running through the CEE Trust's activities included a commitment to democratic values, active citizenship and concern for human rights. When prioritizing fields of intervention in programming or short-listing applicants in an open call, these threads served as basic criteria.

With these values in mind, a driving factor for the CEE Trust was the principle of three keys: **key** organizations, running projects of **key** importance with the involvement of **key** people for the development of civil society. The presence of all the three key factors together became a significant criterion for the selection of projects. This in turn was expected to contribute to the sustainability of CEE Trust interventions in the field.

In keeping with the goal of identifying and supporting key people, the CEE Trust implemented a fellowship program to invest in leaders in the region. Specifically, it financed

the seconding of civil society leaders from the region to relevant organizations in Western Europe. In addition to helping them broaden their own horizons beyond their national borders, it also gave them an opportunity to inspire and motivate others to act. Thus, the CEE Trust became a catalyst for personal and institutional learning and networking by important civil society actors, contributing to the sustainability of the sector as a whole.

Of course, the concept of being "key" carries with it a substantial element of subjectivity. The CEE Trust was, however, built on the trust of founders in its local staff, advisory committees and local grantees. This, combined with a flexible organizational approach to grantmaking, became the key element of the CEE Trust grantmaking style.

"The CEE Trust combined a flexible approach, which allowed it to apply innovation and provide space for changes to adapt to the growth of the organizations it supported."

**Mariana Milosheva- Krushe, CREDA
(Creative Development Alternatives, Bulgaria)**

In terms of its grantmaking, the flexible set-up enabled the CEE Trust to react to a changing environment. The grant to support the strategic litigation program of the Polish Helsinki Foundation for Human Rights (HFHR) is one such example. The HFHR decided to engage law firms in their work, both to use their needed expertise and to gain their financial support.



Since it was impossible to determine the final level of financing they would obtain, the CEE Trust support was adjusted on a continual basis to assure balance while also driving robust fundraising and ongoing evaluation of results. Grants awarded by the CEE Trust enabled the internal transformation of the foundation in terms of enlargement of its legal team – it is now one of the largest and most progressive in the region. Moreover, in 2011 the Helsinki Foundation for Human Rights was awarded the PILNet European Pro Bono Award for the Best Partnership between an NGO and a law firm. The policy of the CEE Trust was not only to support organizations, but to invest in people – leaders of the nongovernmental sector. As a result, several lawyers associated with the Helsinki Foundation for Human Rights have become independent leaders in their respective fields of operation, including Adam Bodnar, head of HFHR's legal division.

For HFHR, CEE Trust grants paved the way for other donors to offer their support. These include not only law firms, but also the Sigrid Rausing Trust, which provided them with an institutional grant. Over the life of the cooperation, the share of HFHR's support from law firms and others grew, while the CEE Trust gradually phased out its support. As a result, the foundation is now stable and financially sustainable with other funds.

“The staff talks to grantees intensely, gives them advice and – if they feel safe with the

people and their way of acting and thinking – they trust them. They still monitor them, but do not manage them. This is completely different from what European foundations are used to doing.”

Heike MacKerron, German Marshall Fund

The flexibility of the CEE Trust was combined with a very high grant to staff ratio, where each staff member was responsible for programming and operational issues across a very large and diverse portfolio of grants. During its existence, the CEE Trust awarded 766 grants, an average of approximately 90 grants per year, with the majority being multi-year grants. The number of staff usually ranged from five to eight. Staff's primary role was not to manage or administer financial aid, but to pursue the CEE Trust's mission through grantmaking.



“Compared to other donors, the CEE Trust focused on the partnership and support of the relationship with its grantees. They did not treat our relationship as a simple subcontracting one, like other donors do. We believe this approach is one of the main recipes for the success of the CEE Trust funding program.”

**Nicoleta Fotiade & Paul Chioveanu,
ActiveWatch (Romania)**



THE CEE TRUST PROGRAM AREAS AND VALUES

CEE Trust programming was structured around four broad and largely overlapping areas:

- Civil society
- Accountability, transparency, and openness
- Watchdogs
- Human rights

The CEE Trust approached its work in seven countries with the ambition of fostering synergies, and the exchange of experience, know-how, working methods and tools between the countries covered under its mandate. Although the bulk of the grants and projects have a national or local character, the CEE Trust strived to ensure links and learning opportunities where relevant. The regional dimension of its work has been important from the very beginning. The first networking and exchange events were CEE Trust partner meetings in Banská Bystrica in Slovakia in 2002, and a year later in Liberec in the The Czech Republic.

These initial networking and learning opportunities for grantees later developed into a separate grantmaking program, the CEE Trust Cross-border Initiative, which addressed the issues at the core of the CEE Trust mission

through a regional approach that fostered learning and knowledge transfer.

For example, the CEE Trust supported the Regional Women's Rights Roundtable organized by the Congress of Women Association in Warsaw in September 2012. Grantees dealing with issues of women's empowerment representing all countries of the region participated and shared their experiences. They all reported to be greatly inspired by the movement behind the event, its magnitude and societal recognition, as well as the energy boost coming from getting together and sharing success stories and ways to overcome challenges.

Similarly, the Regional Digital Rights Roundtable was organized in Budapest by K-Monitor as a follow-up to the previous year's Digital Centre initiative on the digital agenda. This time, 36 representatives from 26 grantee organizations (all CEE Trust countries represented) discussed openness not only as a means of efficacy but also as an instrument for ensuring government accountability. The workshop reinforced the assumption that the rapidly increasing importance of this field makes it crucial to strengthen hubs of competence in their analytical, advocacy and litigation capacities.

The peak and highlight of the CEE Trust's regional efforts was the above-mentioned



Civil Society Forum held in Bratislava in 2009. The event was to a large extent devoted to new forms of civil society self-organization in this part of Europe. The forum produced an ample archive available at <http://csf.ceetrust.org>

CIVIL SOCIETY AS A PHENOMENON

The democratization process in Central and Eastern Europe has produced a vibrant civil society with discernible institutions and a tangible infrastructure. As a phenomenon, it has been at once the cause and result of democratic development since the 1980s. Its existence is a very significant achievement.

The most critical actors in civil society in Central Europe, those engaged in driving the democratization and transition process, developed themselves and their organizations with support from US based donors and were, thus, significantly influenced by the American approach. It follows that civil society in the region is based on a combination of the US model and domestic traditions of dissidence and distrust of state, a situation where actors organized in opposition to the state and, with strong external support, ultimately swept away the communist regimes. In so doing, they considerably weakened Soviet power and influence. The emerging pillars of civil society have been supported with

external financing under the assumption that local philanthropy would eventually take its place.



“US donors built their relations on mutual trust and are not afraid to support activities whose result is hard to measure, but are crucial for the healthy development of civil society – like capacity building, rule of law, good governance, policy development, advocacy and watchdog activities, etc. They also have the courage to ‘invest’ in a good idea, which still exists only on paper and has yet to establish a history of achievement.”

Robert Basch,
Open Society Fund Prague (The Czech Republic)

In the Western European model, civil society organizations tend to cooperate much closer with the state, and rely on substantial financial contributions. At the same time, the political culture in Western Europe is much more developed, and governments leave NGOs much more freedom to operate. By contrast, in post-communist countries, the public sphere has a tendency to interfere much more, in particular if there is a direct funding link. In the early days, all of these factors together led to a fragile situation



for civil society and its sustainability, which increasingly depended on still underdeveloped local philanthropy. The latter, moreover, tended to focus only on certain politically uncontroversial issues, such as provision of services, and avoid more delicate issues, such as advocacy and human rights. While continuing to support these core efforts, in the later part of its work the CEE Trust was bold enough to support new, budding civic initiatives that addressed new issues, and reflected new trends.

“The CEE Trust opened up to a new type of support – to informal groups of active individuals, bloggers, Facebook groups, campaigns, etc. This in turn reinforced public debates in the new media space on the critical issues of societies. I think that the CEE Trust is among the very few donors that have sensed the new pulse and trends in civic action and experimented in the search for the best way to support and tap into this new civic energy for change in critical areas.”

**Mariana Milosheva- Krushe,
CREDA (Creative Development Alternatives, Bulgaria)**

The CEE Trust actively supported many of the horizontal issues related to the infrastructure of civil society and its independent funding, becoming an observer member of the donors forums in its countries. Ultimately, the donor’s forums usually served as proxies for the sector, which they nurtured, advocated for

and also belonged to. Their involvement in the European Foundation Centre, and other broader networks (Grant-makers East Forum) fostered international networking for grantees of the members of individual donors forums as well.



“Thanks to the CEE Trust and other external funders, the network of donors in Central and Eastern Europe was strengthened. Moreover, they managed to launch cooperation with similar organizations from Western Europe as equal partners, or even become sources of inspiration for them.”

**Ewa Kulik-Bielińska,
Stefan Batory Foundation (Poland)**

The main issues which the CEE Trust directly supported were an improved legal and fiscal environment for civil society organizations and development of funding sources. The latter encompassed a broad array of potential donors and sources, including: individuals and corporations, community foundations, cross-sector co-operation, and innovative use of public sources without direct government influence, such as percentage tax assignment). The sustainability of civil society was a main



concern in the CEE Trust's earlier work and remained a driving force throughout the organization's existence.

"Each of the grants had a special focus on stimulating grantees to think about how they were going to further sustain their organizations and/or initiatives."

Mariana Milosheva-Krushe,

CREDA (Creative Development Alternatives, Bulgaria)



"All interventions of the Civil Society Development Foundation (CSDF) were meant to increase the capacity of Romanian NGOs, with a gradual approach

where each project funded by the CEE Trust built upon the results of the previous one and fell under a long term strategy for NGO sector sustainability. Apart from acting for the benefit of the entire NGO sector, CEE Trust interventions at the level of CSDF were of paramount importance for shaping the organization into what it is today – a mature foundation recognized by both the public and private sectors and acting as a strong resource for the NGO sector."

Simona Constantinescu,

Civil Society Development Foundation (Romania)

"The CEE Trust supported the growth of community foundations, which are introducing a new type of culture of giving in different localities that stimulates donations as a form of civic involvement in different causes of importance to the relevant communities."

Mariana Milosheva-Krushe,

CREDA (Creative Development Alternatives, Bulgaria)

Through its activities, the CEE Trust strived to foster broad cooperation of civil society organizations and local donors working on common causes, and thus strengthen civil society through improved and increased collaboration and coalition building. In the context of civil society development, another essential element of sustainability is the presence and health of local donors. Community foundations are the personification of philanthropy at the grass-roots level. To this effect, the CEE Trust made a truly crucial contribution when it made a major grant to the National program for the development of community foundations in Romania initiated and coordinated by ARC, in cooperation with the Romanian Environmental Partnership Foundation. Over a period of 4 years (2009 - 2013) the program worked to create a sustainable, local



community-led infrastructure for philanthropy with community foundations playing a key role in mobilizing community resources and funding nonprofit and community leadership initiatives.

As a result of these combined efforts, including an astonishing level of volunteer energy and creativity from local groups and established community foundations, the following was achieved:

- six new community foundations were set up in Alba, Bucharest, Covasna, Iasi, Mures and Sibiu;
- two regional funds were set-up within the structure of existing community foundations;
- Active community foundations were supported to exchange information, and to participate and assume leadership in national cooperation frameworks. This work will continue in the framework of the recently established Federation of Community Foundations; and
- three more community foundations will soon be active in Bacau, Prahova and Oradea - local groups have managed to raise the required donations for start up and are now entering the legal set-up phase.

Between 2010-2012, community foundations in Romania granted \$500,000 to local communities, including \$370,000 for 390 project grants and \$130,000 for 160 scholarships. An additional \$90,000 was invested in equipment and materials for 40

community renovation projects.

During the project period, community foundations raised over \$385,000 from over 300 local and national companies and over \$160,000 from more than 6,000 individual donors. In 2012, over 600 expert volunteers have been involved in community foundation activities and an additional 1,800 volunteers have contributed their time.

The total investment of community foundations in their communities since 2008 totals \$725,000 to over 700 projects.

ACCOUNTABILITY, TRANSPARENCY AND OPENNESS

Improvement of governance, accountability and transparency in the public sphere comprises a separate yet diverse group of projects and initiatives supported by the CEE Trust. The area is very broad and reflects national specificities. The primary and driving issues, however, remain the same: accountability of the authorities, rule of law, good governance, transparent decision-making and effective and efficient use of public finances.

From 2007 to 2008, the Media Monitoring Agency, Pro-Democracy Association and



Romanian Centre for Investigative Journalism implemented a project entitled **Transparency of European Funds in Romania**. The main need addressed by the project was a higher degree of information and control over the EU funds. The project's first important achievement was a database posted on the website (www.afaceripublice.ro). It was the first public database gathering and presenting information on projects financed by European funds in Romania. Another important result was the Transparency of European Funds in Romania 2008 report, which brought the most significant issues of EU funds spending in Romania into the public arena for debate. The report included an array of relevant issues on the subject, as perceived by the actors involved in the process.

As always, democratic elections play a central role in accountability. Civil society can engage in different strategies by actively running for office, supporting specific candidates, or by taking a more structural and systemic approach and focusing on achieving an electoral process of the highest quality. Monitoring, whistle-blowing and get-out-the-vote campaigns are also examples of civil society engagement for fair and free elections that are typical of an actively involved and well-informed citizenry.

The portal www.mamprawowiedziec.pl (I have the right to know), managed by Association 61, gathers, categorizes, and publishes data on people holding elected public office (especially

members of parliament and senators). A significant part of its activities is regular communication with members of parliament and candidates for election about their views on subjects important for the public.

In 2007, the **Media Monitoring Agency** had the opportunity to monitor the first European Parliamentary Elections in Romania. Their research prompted an extensive debate with stakeholders (e.g. journalists, members of the National Audiovisual Council, candidates and campaign managers) on the subject of European parliamentary elections in Romania. The European dimension of the campaign was a novelty for the Agency, as it was the first time that politicians and the media had to approach their topics of discussion and reporting from a European point of view during an election period.

The Fair-Play Alliance monitors political party financing in Slovakia and promotes transparency in party financing and procurement. It has developed and maintains databases of information about parties' financial status, donors, and internal structure. It also gathers and analyzes information on procurement and financial support that parties receive from the government. Using Fair-Play's databases, journalists investigate cases of misuse of public funds by political parties.

A necessary pre-condition for conducting many activities is access to public information



on the activities of government and its agencies. In recent years, the traditional access-to-information approach has become deeper and involves demand for public availability of data in digital form. This allows its further processing for watchdog and monitoring purposes and has particular relevance for programs related to electoral education, smartvoting and accountability of public institutions.

One example of an important development in this area, which was supported by the CEE Trust, is the **“The Roadmap for Open Government in Poland”**, a project run by the Digital Centre. This in-depth, extensive report (available at <http://en.centrumcyfrowe.pl/projects/roadmap>) presents a broad context. It includes the origins, goals and values of the open government model, as well as the experiences of other countries, which have already implemented or are implementing this model. It also consists of a list of recommendations for different types of institutions (both governmental and nongovernmental). The document was designed to become a navigation tool for government actions in this particular field and, in fact, became an important element of a very recent, major governmental shift regarding the digital agenda (including the creation in 2012 of a new Ministry of Administration and Digitalization in Poland).

The above-mentioned experience of the Digital Centre was long and complex. It showed that changes in this field require significant time and persistence on the part of those who want to introduce them.



“I am glad that the CEE Trust supported us in developing and promoting in Poland the concept of “Open Government”. It was an “up front” investment in a new idea,

being introduced by a young organization. Naturally, as with any such new idea - especially one attempting to reformulate the basic tenets of public administration - its implementation faces multiple obstacles. Still, the idea did become popular and the fact that it is being expressed is itself important. Today, it can also be heard stated not just by third sector activists, but also representatives of the government. Full change will surely take more than a few years - but by supporting us and other organizations working in this field, the CEE Trust has built a foundation for long-term civic oversight and stewardship of this process.”

Alek Tarkowski, Centrum Cyfrowe (Poland)

Another important element of the modern model of governance is its “interactive”,



participatory character. Increasingly, the participation of citizens in public affairs goes beyond the important act of participation in elections. True civic participation is of a direct, personal, and “everyday” character. Moreover, thanks also to new technologies, citizens increasingly want to and can comment upon the activities of public institutions in real time. Furthermore, democracy is developing beyond the traditional electoral model into deliberative and participatory forms. In short, more emphasis is being placed on discourse and the expression of opinions. Such activities are of fundamental importance from the point of view of consolidation of the democratic order. Thus democracy ceases to have a purely formal character and takes on the character of everyday practical involvement in public affairs. This participatory model of governance in the CEE states, an exception in the early days of the CEE Trust, if not a certain extravagance, is today becoming a growing reality. For example, it is more and more often the case that civil servants must publicly explain why consultations were omitted on important initiatives or decisions. Ten years ago such problems were practically non-existent, as they were not perceived as an issue at all.

WATCHDOGS

Watchdog organizations are perhaps the most crucial cog in the machinery that maintains accountability and transparency in society. They contribute to the quality of democracy by helping to maintain a system of checks

and balances within a country’s political and economic structures, especially in one undergoing a transition. The “watching” not only concerns the authorities, but also other sectors (for example, the Slovak Press Watch by the Institute for Economic and Social Reforms - INEKO), as well as civil society itself. This is a crucial and often unappreciated role for the civil society organizations that perform it. For self-explanatory reasons of maintaining their credibility and integrity, watchdog organizations need to maintain independence from the institutions they strive to control. In any case, governments are reluctant to support watchdog NGOs, as they consider it counter-productive to stimulate criticism of their own performance. Watchdog NGOs in Central and Eastern Europe need to take a very cautious approach to those rare sources of government funding available to them, as it could tarnish their reputation and credibility.



“Thanks to the concept designed by the Stefan Batory Foundation and the support of the CEE Trust, watchdog organizations successfully developed in

Poland. The process took a long time and is continuing, but we already know that years of persistent effort has brought results.”

Katarzyna Batko-Toluć,

Association of Leaders of Local Civic Groups (Poland)



TRUST FOR CIVIL SOCIETY IN CENTRAL AND EASTERN EUROPE

Watchdog organizations often engage in another crucial form of civic engagement – advocacy. As a basic aspect of democracy, advocacy is understood here as speaking out on behalf of individuals or groups to express or defend their interests, in particular vis-à-vis public authorities or public opinion. In many cases in the CEE region, such capability was missing and the assistance of the CEE Trust was crucial in developing it (for example, advocacy on behalf of the disabled, patients, victims of violence, ethnic minorities, etc.). Watchdogs do advocacy work by using and disclosing information they gained to push for changes on behalf of groups that are negatively affected. While not all watchdogs engage in advocacy, and not all advocacy organizations are watchdogs, there is a clear link between these two elements of civic activism. In the past, many watchdogs did not go beyond publishing the results of their activities – and the job of exerting pressure for change was left to the independent media and public opinion. This is changing as watchdog organizations increasingly try to perform the whole cycle, advocating for changes and solutions to problems they have discovered. Strategic litigation has also become a new and important tool for some watchdogs in Central and Eastern Europe. This has further impacted on the watchdogs themselves, as it has shifted their focus from cases of individual human rights violations to more systemic issues related to governance, transparency (including access to public information), rule of law, and accountability. To perform the role of a serious watchdog, a highly professional

and competent staff is vital. The CEE Trust nurtured several organizations of this kind. The CEE Trust supported the previously mentioned **Strategic Litigation Program** run by the Helsinki Foundation for Human Rights. It supports all major human rights cases in Poland and coordinates cases related to freedom of speech, freedom of assembly, personal liberty, the right to due process and a fair trial, and access to legal aid, as well as prisoners' and workers' rights. The program not only attains important and standard setting court decisions, but also showcases problems and stimulates public discussion. The grants also strived to achieve complete financial independence of the program by establishing a permanent, stable and sustainably-financed institution. **Slovakia's Via Iuris, another example**, developed the bottom-up approach of legal assistance (litigation and consultations) to citizens in precedent cases of public interest.



"The CEE Trust trusted us, and did so at a time when we were not a strong organization at all: they simply considered the project for monitoring the village council (solecki) fund important, and decided to support it, and, moreover, to do so on a long-term basis."

Katarzyna Batko-Tołuć,
Association of Leaders of Local Civic Groups (Poland)



Overall, the CEE Trust supported a few dozen watchdog organizations with extensive activities. CEE Trust support was crucial for these organizations, whose survival would probably have been unlikely without it. For these organizations, the end of the CEE Trust's presence represents a vast challenge: not only are they losing a tried and true partner, but also in most of the country contexts, there are no institutions capable of replacing it. Efforts to support advocacy by the CEE Trust and other donors, as well as by the watchdogs themselves, focused on finding a systemic solution and securing a stable and independent source of funding for watchdog activities from both public and private sources.

HUMAN RIGHTS

One of the driving motivations behind the establishment of the CEE Trust was to secure the sustainability of key civil society organizations in the long term. Thus, ideally, they would function beyond the departure of the US donors that helped nurture them and be independent in terms of financing, know-how and networking. It became very clear that human rights organizations needed to be at the centre of the attention, as they have belonged to the group most dependent on generous US support. Such organizations tended to fully focus their energy on their mission, thus often compromising their long-term institutional stability. At the same time, due to the nature of

their "theme" and its niche appeal, it has been very difficult for them to create and sustain broad supporting constituencies and/or partnerships enabling their bold operation after the withdrawal of US donors.

The intention of the CEE Trust has been to reach out to human rights organizations born as key achievements of the initial civil society development phase in the early 1990s. The CEE Trust has supported them both in their causes and their institutional sustainability.

"Without the support of the CEE Trust a number of watchdog and human rights organizations had little chance to continue their effective existence. The CEE Trust support was vital for their functioning and, more broadly, for supporting the continuation of much needed critical civic voices, public debates, monitoring, etc. in critical human rights areas. Especially important for these organizations and in the field of human rights in general was the core support introduced, which in turn provided space for the organizations not only to survive but to strategically re-adjust and develop in the new environment."

**Mariana Milosheva-Krushe,
CREDA (Creative Development Alternatives, Bulgaria)**

The human rights causes supported by the CEE Trust grantees varied widely across the region. Beyond protection of the traditional civic, political, and religious rights of citizens



in a democratic society, the protection of marginalized groups has been a common thread. These include: ethnic and national minorities, in particular Roma; gays, lesbians, bisexuals, and transsexuals; children, women and mothers; and people with disabilities. The rights of these groups in particular have been at the centre of attention for human rights organizations.

Romani CRISS (Romania) organized innovative initiatives to change attitudes and sensitize public opinion on discrimination and racist attitudes, as well as contribute to more balanced reporting by the media on Roma. Fundacja MaMa (Poland) triggered public debate on social security for housewives. The Hungarian Helsinki Committee helped establish an independent civilian monitoring body to investigate complaints against unlawful police action. They contributed to an evidence-based approach to these complaints about police using legal aid lawyers.

The CEE Trust tried to strengthen and nurture these organizations as solid and established champions of human rights causes in their

countries and within their constituencies. The latter were well linked into their societies and networks of support with some providing pro bono work, volunteering, fund-raising and partnerships with corporations or public institutions.

CEE Trust supported women's rights in the Czech Republic and Slovakia through flexible, multi-year grants to the **Slovak and Czech Women's Fund** (SCWF).

"This fact had an immense impact on the resource mobilization and donors' base diversification of SCWF. The grant did help us to stabilize our internal structure and to increase the grantmaking budget over a period of three years. Over 70 women's rights organizations benefitted from the support."

Viera Bottcher, SCWF, Slovakia

The CEE Trust's flexibility later saved the SCWF, which was allowed to divert the provided funding to more urgent use and overcome a critical financial turning point in 2011 and 2012.



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IN CENTRAL AND EASTERN EUROPE



Civil Society Forum, Bratislava, Slovakia



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We would like to thank the many individuals who have contributed to the work of the CEE Trust for Civil Society in Central and Eastern Europe (CEE Trust) over the years:

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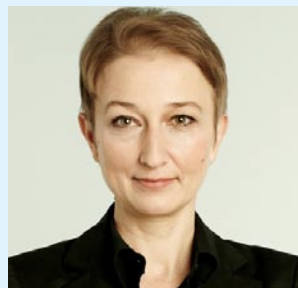
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We also want to thank all consultants, evaluators and members of advisory committees, as well as many other people not listed here who have contributed to the work of the CEE Trust.



SNAPSHOT OF FUNDING

OVERVIEW OF GRANTS MADE 2001-2012

Total Number of Grants:

Bulgaria	188
Poland	157
Romania	144
Czech Republic	91
Hungary	87
Slovakia	72
Slovenia	24

The CEE Trust also awarded the following grants:

Belgium:	4
Germany:	2
UK:	1

The grants listed above supported programs implemented in the CEE Trust Region.

Total Funding 2001-2012

Poland	\$ 17,108,110
Bulgaria	\$ 10,566,744
Romania	\$ 10,427,322
Hungary	\$ 8,978,880
Czech Republic	\$ 8,840,991
Slovakia	\$ 7,655,905
Slovenia	\$ 1,956,551

Additionally, the CEE Trust awarded the following grants:

Belgium	\$ 151,000
Germany	\$ 72,002
UK	\$ 20,000
Total:	\$ 65,777,507

CEE Trust detailed financial reports are available at:
www.ceetrust.org

List of grants awarded is available at:
www.ceetrust.org/grants-database.html



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REPORT 2001-2012

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