



**USAID**  
FROM THE AMERICAN PEOPLE

**JOINT ACHIEVEMENTS  
OF  
USAID/RSC AND OUR  
REGIONAL PARTNERS**

**March 2005**

**STRENGTHENING THE YOUTH SECTOR AND BUILDING CAPACITY IN THE BALKANS**  
**INTERNATIONAL YOUTH FOUNDATION/BALKAN CHILDREN AND YOUTH FOUNDATION**  
**May 2002 – May 2005**

The International Youth Foundation, through the Balkan Children and Youth Foundation, enhances the capacity of and supports regional cooperation among youth-oriented NGOs in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, Serbia and Montenegro, and Kosovo.

- **2<sup>nd</sup> Annual Balkan Youth Forum**

From September 6-12, 2004, BCYF hosted its 2<sup>nd</sup> Annual Balkan Youth Forum, attended by more than 130 youth NGO representatives from 10 nations throughout the region. The six-day event focused on four key themes: Youth Employment and Entrepreneurship, Youth Engagement and Leadership, Youth Policy Development, and Life Skills Learning.



*Youth representatives at the 2<sup>nd</sup> Annual Balkan Youth Forum in Trogir, Croatia*

- **Organizational Capacity Building Initiative**

In 2004, BCYF carried out an organizational capacity building program involving 135 NGOs serving children and youth from all of the countries in which it is active. Baseline assessments, interventions and post-intervention assessments were carried out by NGO service providers in each country. Trainings focused on areas of greatest need, including resource mobilization, human resource management, financial planning, budgeting, strategic planning, advocacy, and public relations.

- **Dissemination of “Best Practices”**

Published in 2004, BCYF’s *What Works in Youth Employment* profiles three youth NGOs operating in Albania, Bulgaria, and Romania and their efforts to provide young people with employment and entrepreneurial training.

- **New Board Members**

BCYF recently welcomed two business leaders to its Board of Directors. Mrs. Branka Minic is Director of Workforce Development at Manpower, Inc., a world leader in the employment services industry with 4,300 offices in 67 countries and territories. Mr. Afzaal Malik is Public Affairs and Communications Director for Central Europe, Eurasia, and the Middle East for the Coca-Cola Company.

**HISTORY AND RECONCILIATION IN SOUTHEAST EUROPE**  
**THE CENTER FOR DEMOCRACY AND RECONCILIATION IN SOUTHEAST EUROPE**  
**September 2002 –February 2005**

The Center for Democracy and Reconciliation in Southeast Europe (CDRSEE) has launched a number of programs all aimed at fostering reconciliation in the region, with a special focus on youth.

- Through its **Joint History Project**, CDRSEE has developed pioneering alternative teaching materials for primary and secondary school history teachers. To date, four history workbooks have been created based on original sources from archives and libraries in eleven countries. The workbook topics include: The Ottoman Empire, The Second World War, Nations and States in Southeast Europe, and The Balkan Wars. Local teachers have been trained and dissemination of workbooks and awareness building on the importance of history education are underway.
- **CDRSEE’s “Lustration Project”** aims to enhance legislation and to expand citizen participation in the public debate on the past in the Western Balkans.
  - ◆ A new publication on lustration, entitled *Past and Present: Consequences for Democratisation*, is now available, in electronic form, at [www.lustration.net](http://www.lustration.net). In this publication, widely acknowledged experts of the Western Balkans present their analyses on selected aspects of the democratisation processes.
  - ◆ In October 2004, 45 legal experts met in Tirana to discuss lustration legislation and procedures. The first available English translation of the Albanian laws on lustration is available on the **CDRSEE** website.
  - ◆ In July 2004 in Belgrade, a workshop and press conference was organised to raise awareness of lustration throughout the Western Balkans
- **“Building a Future Together” Youth Workshops**

During a youth workshop, a group of talented young activists had the idea to create a regional chain of coffee shops in the Balkans that would promote multiculturalism, Balkan culture, pop culture and music from neighboring countries. The goal of the café is to increase understanding and appreciation of ones’ neighbors. A workshop in Belgrade in July 2004 allowed this group to write their business plan, with the assistance of a professional business consultant. The business plan has been sent to several prominent entrepreneurs in Europe, and the initial response has been positive. It is not often in life when dreams become reality. For this group of youth, with the right support from NGOs and the donor and corporate community, the “Balkan Café” dream may come to life.

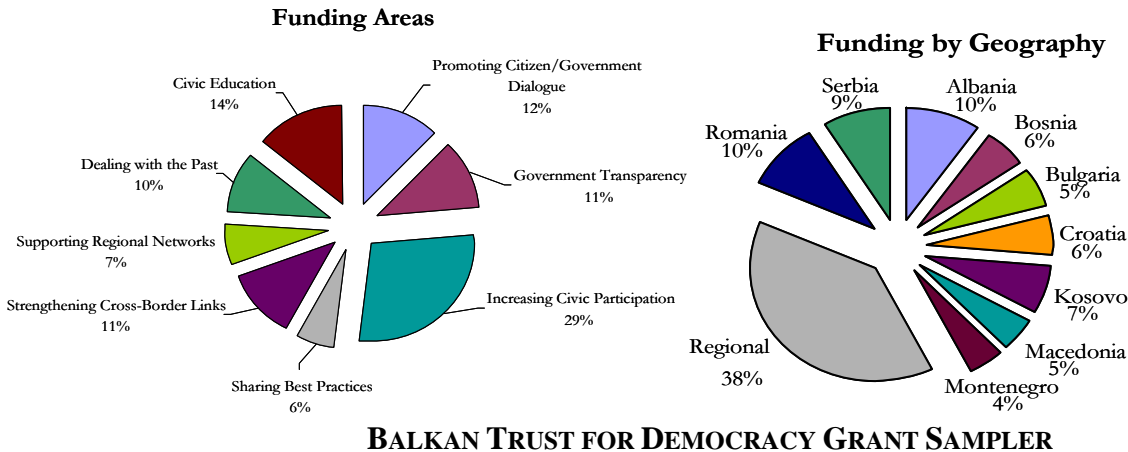


*Youth activists hatching the Balkan Café business idea at a workshop in September 2003 in Northern Greece.*

- **CDRSEE’s Annual Scholars’ Workshops** bring together young scholars from across the Balkans, developing a network of young historians who will act as multipliers in their own countries. In June 2004 the 4<sup>th</sup> annual workshop brought together 15 young scholars and 6 eminent senior scholars to discuss new Ph.D. research on Balkan History and Political Science.

**THE BALKAN TRUST FOR DEMOCRACY**  
**GERMAN MARSHALL FUND OF THE UNITED STATES**  
**2002 – 2012**

The Balkan Trust for Democracy (BTD) is a \$27 million, 10-year project of the German Marshall Fund of the United States (GMF) and was created through founding contributions from the United States Agency for International Development, the Charles Stewart Mott Foundation, and the GMF. BTD's work has been bolstered with additional contributions from government and private foundation sources, including the Royal Netherlands Belgrade Embassy. Both Swedish SIDA and Rockefeller Brothers Foundation are considering contributing to the Fund. In the eighteen months since the Balkan Trust for Democracy has been operational it has given 129 grants totaling \$3,761,245 to NGOs in the following funding and geographic areas:



**BALKAN TRUST FOR DEMOCRACY GRANT SAMPLER**



The Croatian organization GONG's *I vote for the first time* initiative. This project educates and empowers young first-time voters with the information required to make knowledgeable voting decisions. More than 70% of Croatian High Schools participate in the project. In addition to contributing to the formal civic education of youth, this project encourages them to take a more active role and a positive attitude towards political processes and civil society.



The MJAFT! (the Albanian name for Enough!) Movement is led by young Albanians concerned by widespread apathy that has besieged the country. Their clever, peaceful campaigns have led to the resignation of a public official who assaulted a journalist and have increased education funding. BTD's grant helped the MJAFT movement expand its initiative to engage citizens in critical local issues throughout small Albanian villages and towns.

- In addition, the BTD has fostered acceleration of Balkan countries into Euroatlantic structures and has helped raise the profile of the region. The BTD worked closely with the *International Commission on the Balkans*, organizing a series of study tours and briefings for U.S., European, and Balkan experts preparing a report that will be available in March 2005. The testimony of BTD Executive Director, Ivan Vejvoda, *Unfinished Business in the Balkans*, was given in front of the U.S. Senate Foreign Relations Committee in 2004 and the BTD/GMF staff led a successful study tour for U.S. Congressional leadership staff in February 2005.

# THE SOUTHEASTERN EUROPEAN LABOR EDUCATORS' NETWORK (SEELLEN)

AMERICAN CENTER FOR INTERNATIONAL LABOR SOLIDARITY

August 2001 – July 2005

The Southeast Labor Educators' Network (SEELLEN) was founded in 2001. The network, supported by USAID through a cooperative agreement with the American Center for International Labor Solidarity, has become a platform for labor educators to share information and best practices from across the region. The program includes organizing regional roundtables on issues such as privatization and negotiating with international financial institutions, cross-border visits focused on specific challenges in areas such as competitiveness, and the development and updating of a well-used website. The network contributes to greater regional cooperation, stability and cooperation with western European unions. Network members come from unions in Albania, Bulgaria, Bosnia & Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Romania and Serbia.

- The first cross-border visit of the past year took place in Zagreb, Croatia (September 2004) and was designed to examine *effective labor-management partnerships* on a local, regional, and national level. The network emphasized the importance of advanced instructor training of labor/management committees in multinational companies where unions have negotiated constructive partnerships with their management counterparts. As a result of this cross-border visit, two curricula are being developed on labor/management partnerships which will be used by all the network members in their own educational activity.

- The second cross-border visit, focused on “*The Informal Economy*”, took place in Belgrade, Serbia and Montenegro (November 2004). During this cross border visit the participants designed two curricula: one on “How to Develop a Campaign Against the Informal Economy” and a second one on “Teaching about Local Partnerships on the Informal Economy.” This visit included trade union representatives from Croatia, Macedonia, Montenegro, and Serbia.



- The most recent cross-border visit was organized in Tirana, Albania (February 2005) around the topic of “**Legislation and Social Dialogue during Decentralization**”. This visit included participants from trade unions in Albania, Bosnia & Herzegovina, and Kosovo. Two additional curricula were developed around this topic as a result of this visit. All of the curricula can be found at the SEELLEN website: [www.seelabored.org](http://www.seelabored.org).



**ROMA INTEGRATION PROGRAM**  
**PARTNERS FOR DEMOCRATIC CHANGE**  
**May 2003 – May 2007**

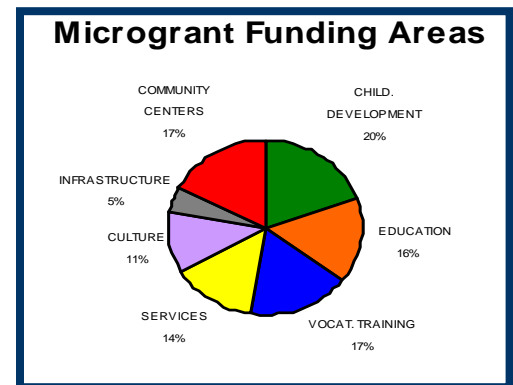
The Roma Integration Program (RIP) is a four-year \$2.8 million program that increases Roma access to public services and leadership opportunities and contributes to a change in perception of Roma through public awareness programs that counter discrimination. Cooperative planning and national roundtables will lead to models of integration that may be replicated in other communities in the region. The nine community sites are Bruntal, Chomutov, and Pardubice (Czech Republic); Hatvan, Ozd and Pecs (Hungary); and Kezmarok, Presov, and Rimavska Sobota (Slovakia).

- **National Roundtables**

During the past year, Partners for Democratic Change (PDC) hosted national dialogues on important issues related to Roma integration including health, education, media and field social work in each country, resulting in increased government commitments and funding for Roma integration. For example, as a result of the June 2004 roundtable, the Slovak government agreed to support the hiring of 200 field social workers, who have proven effective at conflict prevention and fostering integration and access to services for Roma.

- **Community Initiatives**

Program participants have launched 22 community initiatives, supported through micro-grants, to provide new skills and services to Roma community members and to build bridges between Roma and majority populations. A few examples of PDC grants include the building of an integrated playground, a woodworking program for Roma and majority populations, and a drug prevention program.



- **Cooperative Planning**

Beyond the delivery of services and programs, the RIP is engaging the citizens of the communities in a new decision-making process; facilitating unprecedented levels of local cooperation between Roma, majority residents, and city governments; and building trust through cooperative planning. In several communities, the cooperation has catalyzed the establishment of permanent commissions on Roma/minorities and greater cooperation between city officials and Roma residents on access to municipal services.



*Youth enjoying playground in Kezmarok, Slovakia.*

- **Training in Action**

PDC has trained some 200 Roma and majority community leaders in change and conflict management methodologies, which they are now using in their efforts to foster Roma integration and access to local services in 8 communities in the Czech Republic, Hungary and Slovakia. In addition, several participants have been employed after participating in Partners' training programs.

- **Program Leveraging and Replication**

PDC has successfully leveraged additional funding for various activities from the Minority Self-Government in Hungary, the Dutch Cooperative Fund, CIDA, and the Slovakian Ministry of Labor, Social Affairs. In addition, the European Social Fund has looked to the RIP cooperative planning as a model to replicate in their assistance to marginalized communities in Slovakia.

**STABILITY PACT ANTI-CORRUPTION INITIATIVE (SPAI)**  
**THE AMERICAN BAR ASSOCIATION CENTRAL EUROPEAN AND EURASIAN LAW INITIATIVE**  
**January 2004 – December 2006**

ABA/CEELI provides technical and financial assistance to the Stability Pact Anti-Corruption Initiative's Regional Secretariat Liaison Office (RSLO) in Sarajevo – the only center in the region devoted solely to the fight against corruption. RSLO's mandate is to be a center of excellence on anticorruption in the Southeast European region – as well as a clearinghouse of information about the current state of legislation, best practices, ongoing and potential projects, and experts. RSLO is managed by experts from SEE and enjoys the firm commitment of the SPAI member states - Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Romania, and Serbia and Montenegro.

- **RSLO Office and Foundations of Good Governance Established**

In February 2004, SPAI RSLO established its office in Sarajevo and through ABA/CEELI's mentoring laid the foundations of a well-functioning non-governmental organization. ABA/CEELI trained the staff in financial management, accounting and reporting, office procedures, multiple grants accounting and fundraising and strategic planning. Within six months of its establishment, the RSLO had applied the training and had successfully hosted a number of regional meetings and conferences.

- **Diversification of Funding and Partner Base**

Throughout 2004, ABA/CEELI guided the RSLO in attracting third-party funding, cost-share and collaboration. For example, the RSLO received funding from Open Society Institute for a conference on conflict of interest in June. In September, RSLO partnered with the UN Office on Drug Control and Crime to discuss in detail the requirements set out in the UN Convention against Corruption. In October, OSCE-Serbia and Montenegro and the Montenegrin Anti-Corruption Directorate co-sponsored a well-received regional RSLO event on prosecuting high-level corruption. The November 2004 SPAI Steering Group meetings in Bucharest were coordinated with a regional OECD workshop to promote synergy and economies of scale. At the request of the SPAI Steering Group, the RSLO submitted proposals for projects that are not funded under USAID's current agreement. The Norwegian government has agreed to fund the RSLO's internship program, and other proposals are pending.



*8<sup>th</sup> SPAI Steering Group Meeting in Bucharest, Romania*

- **Leveraging of Programmatic Synergies**

ABA/CEELI, which has programs in each of the SPAI countries, has leveraged this network and collaborated with the RSLO on achieving programmatic goals. In Moldova, for example, the RSLO and ABA-CEELI's Eurasia Regional Anti-Corruption Advisor worked together to produce an assessment of Moldova's anti-corruption strategy, which provided useful input in the reform process and was later drawn upon by the Council of Europe.

**CROSS-BORDER COOPERATION AND RECONCILIATION PROGRAM (CBCR)**  
**CATHOLIC RELIEF SERVICES**  
**January 2004 – December 2006**

Catholic Relief Services advances inter-ethnic reconciliation in Southeast European border communities by promoting good governance and increased cooperation on issues of social and economic development. Cross-border committees implement projects that are of joint interest, often communicating and cooperating for the first time since the hostilities of the 90's. Initial project sites are: Srebrenica (BiH) & Bajina Basta (Serbia); Knin (Croatia) & Drvar (BiH); Ilok (Croatia) & Backa Palanka (Serbia); and Gjilan/Gnjilane (Kosovo) & Kumanovo (Macedonia). Highlights from the project sites over the past six months include:

- In November, the refurbishment of the bridge connecting Srebrenica and Bajina Basta was celebrated



*Srebrenica Mayor  
Abduraham Malki  
speaks at the celebration of  
new lighting and fresh asphalt  
on the bridge, an international  
border crossing between  
Serbia and Montenegro and  
Bosnia and Herzegovina .*

by both communities – with participation by USAID mission directors from Belgrade, Sarajevo and Budapest. The symbolic and practical significance – the bridge was dangerous for pedestrians to cross at night due to poor lighting and the many potholes – continues to inspire the communities. With this sense of ownership and cooperation established, the communities are now addressing the streamlining of the procedural issues that face citizens who wish to cross the border.

- The students from Knin and Drvar that attended the joint Youth Media Camp in June continue to draw on the skills and media techniques they learned to jointly produce TV and radio shows promoting cross-border activities and successful return stories. Shows have aired on both sides of the border – and more are in the pipeline.
- Over the summer the communities of Backa Palanka and Ilok improved the conditions for local recreation and river tourism by cleaning up the Danube riverbank on both sides and installing picnic tables and park benches. Over 60 people from both communities participated – including mayors, youth, and NGOs. Arrangements have already been made for tour boats along the Danube to dock in Ilok starting in the spring!
- “Under One Sky” - Youth artists from Kosovo and Macedonia created paintings expressing their vision of cooperation. In matching ceremonies, the paintings were presented to the mayor of Kumanovo and the former mayor Gjilan/Gnjilane, now Minister for Local Governance. USAID mission directors from both Skopje and Pristina attended as a sign of support for increased cooperation. While the ceremonies celebrated the end result, the day of painting achieved the desired outcome of bringing together different ethnicities—Albanian, Serbian, Macedonian and Roma—and even led to an impromptu musical gathering that attracted youth from neighboring schools to participate.



*Kosovo Minister of Local Governance Mr. Lutfi Haziri, former mayor of Gjilan/ Gnjilane, congratulates one of the painters of “Under One Sky” from Kumanovo, Macedonia.*



**FISCAL DECENTRALIZATION INITIATIVE (FDI)**  
**LOCAL GOVERNMENT INFORMATION NETWORK (LOGIN)**  
**THE OPEN SOCIETY INSTITUTE BUDAPEST (OSI)**  
**September 2003 – September 2005**

**FDI** is a regional, multi-donor initiative that supports research, technical assistance and forums on fiscal decentralization, building consensus among central and local governments and facilitating regional transfer of experience and exchange of best practices. The priority topics to be discussed at the regional forums were decided jointly by USAID missions throughout SEE, Central Asia and the Caucuses. A key component of the program is **LOGIN**, an internet-based information clearinghouse for local government information. **LOGIN** relies on its anchor partner organization in each country in its network to collect and disseminate information in 33 topic areas and in nine different languages.

### **Regional Forums**

- OSI, in partnership with Development Alternatives, Inc., organized a **regional forum on property taxation** that allowed participants from Slovenia, Bosnia-Herzegovina, Croatia, Macedonia, Serbia and Montenegro and Kosovo to exchange information with their former colleagues – many for the first time since the break up of Yugoslavia. The working relationships forged at this forum in Skopje have continued in the months since. As a follow up, the Ministries of Finance in Slovenia and Macedonia agreed to jointly fund a visit by Macedonian ministry officials to Slovenia to get a deeper understanding of their experience in introducing a comprehensive property tax system.
- A **regional forum on fiscal equalization** was held in Serbia for participants from Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Serbia and Montenegro and Slovenia. During the forum, which was organized in partnership with Development Alternatives, Inc., the Serbian government shared their vision for development of an equalization formula for the first time. As a result of the forum, the Ministry of Finance of Moldova has requested technical assistance from OSI regarding the modification of the fiscal system of transfers to local governments.

### **LOGIN Network Expansion**

- In the past year the **LOGIN network has added two new countries** – Romania and Serbia - joining existing members: Bulgaria, Hungary, Latvia, Lithuania, Macedonia, Poland, Russia, and Ukraine. The number of documents has also increased to over 6900. Use of **LOGIN** – captured by number of visits to the web site – increased over 60% during the period of October 2003 – November 2004 to more than 300,000 visitors. Discussions are underway with potential anchor partners in the Caucuses and Central Asia as well.
- **LOGIN** has launched a **corporate sponsorship program**, leveraging its position as bridge between the private sector and the local government sector.

### **Long-term Capacity Building**

- In support of future leadership, **fellowships in Fiscal Policy** were awarded to 5 students from the region to participate in the Central European University's new **Masters in Public Policy**.

**RISKNET**  
**POPULATION SERVICES INTERNATIONAL**  
**October 2003 – September 2005**

RiskNet seeks to reduce HIV/AIDS and Sexually Transmitted Infections (STI) amongst high-risk groups in Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Romania, and Serbia and Montenegro. Through RiskNet, Population Services International (PSI) strengthens the capacity of local NGOs in the region to design and implement effective HIV/STI prevention interventions and to promote sexual health through an innovative “gatekeeper” approach that targets people who have influence over and access to high-risk groups.

- RiskNet experienced record growth in 2004.
  - ◆ New clients registered increased 273%
  - ◆ Average number of unique clients served each month increased by 152%
  - ◆ Number of clients tested for HIV and other blood-borne viruses increased by 294%
- RiskNet’s network was expanded twice in 2004 to include seven new NGOs in order to provide greater coverage within each member country.
- Three NGOs expanded their programming to include new target groups in order to fill unmet needs in key cities.
- New NGOs were created either at the insistence of or with substantial support from RiskNet in order to meet unfulfilled needs in other cities.
- PSI has developed a pilot behavior change model for young males that is being tested in Bucharest, Romania. The effect of this intervention will be measured through targeted baseline and follow-up mini-Knowledge, Attitude and Practices (KAP) studies. The studies will be implemented in late 2004 and mid-2005, with additional RiskNet NGOs to be involved if the pilot intervention proves effective.



*Community Service: Institute for Health Foundation, a RiskNet NGO in Sofia, Bulgaria, cleans a park of old used needles and syringes.*

**NETWORKING FOR MOBILITY**  
**MOTIVATION ROMANIA FOUNDATION**  
**October 2004 – October 2007**

Networking for Mobility aims to create a regional solution to the overwhelming need for affordable wheelchairs and to promote the improvement of the quality of life and integration of the disabled in Southeastern Europe. Building on its 10 years of experience in Romania, Motivation Romania Foundation (MRF) will establish a wheelchair production, distribution, and training network through which low-cost and efficient wheelchairs will be distributed in Romania and two additional countries in Southeastern Europe.

The project “Networking for Mobility” started in October 2004. During the first four months of implementation, the main achievements of the project include:

- **Creation of Professional Network**

The initiation of a network of professionals from Romania, Moldova, and Serbia and Montenegro who are working to provide wheelchairs and to develop other support services for wheelchair users.

- **Partnership between Romania and Serbia**

The creation of a regional partnership which will lead to the organization of a training visit by two Serbian organizations and the first international wheelchair basketball game between the Serbian team and the wheelchair basketball team of Motivation Romania Foundation.



*MRF wheelchair basketball team promoting sport for disabled persons.*

- **Wheelchair Distribution** The distribution of over 40 wheelchairs throughout Romania and training on their use.

- **New Staff Coordinator**

The hiring of a young wheelchair user to coordinate the development of Peer Group training activities (wheelchair users providing support and counseling to other wheelchair users) in Eastern Europe, Asia and Africa.



*Wheelchair users assembling wheelchairs in the Motivation Romania workshop.*

- **International Conference.**

The initiation of an International Peer Group Training Consensus Conference in May 2005, with participation of Disabled People’s Organizations from Eastern Europe, Asia and Africa.

**NGO LEGAL REFORM INITIATIVE**  
**INTERNATIONAL CENTER FOR NOT-FOR-PROFIT LAW**  
**May 2001 – April 2005**

The NGO Legal Reform Initiative has helped to create an enabling legal environment for non-governmental organizations and has promoted public participation in Central and Eastern Europe.

- **Building Sustainable Institutions.**

ICNL helped to establish its European affiliate organization, the *European Center for Not-for-Profit Law* (ECNL). At a launch in Brussels, ECNL conducted a seminar on “Transatlantic Cooperation to Support EU Enlargement: Strengthening Civil Society in Southeastern Europe,” in which senior USAID, EU, and civil society leaders participated.

- **Creating an Enabling Legal Environment for the Sustainability of NGOs**

ICNL has contributed to the passage of over 40 laws supporting NGO activity and enhancing NGO sustainability in the region. ICNL’s support has empowered local partners to draft appropriate legislation and ensure its effective implementation in the following areas:

- ◆ Registration and operation of associations and foundations and public benefit legislation;
- ◆ Corporate and individual philanthropy and tax allocation mechanisms;
- ◆ Legal environment for volunteering; and
- ◆ Public funding mechanisms, government funds and foundations.



*The conference on “Financial Sustainability of NGOs – Philanthropy and Taxation” was held in Skopje, Macedonia on January 27, 2005.*

- **Building Local Expertise on Civil Society Law**

ICNL has expanded an *Education Network* that integrates civil society law into the curricula of higher education institutions throughout the region. As a result, 16 Universities in 8 countries in CEE and NIS are educating over 400 students a year on NGO legal issues. Three new NGO courses have been adopted in Albania, Croatia and the Ukraine. In addition, ICNL builds local expertise and capacity by training government officials, educating local lawyers, and printing and distributing educational materials.

- **Creating a Regional Knowledge Base for Civil Society Law.**

ICNL publishes a wide range of comparative research publications, including a *Survey of Tax Laws Affecting NGOs in Central and Eastern Europe* that analyzes the tax treatment of NGOs in 16 jurisdictions, and a *Survey of Tax Laws Affecting NGOs in the Newly Independent States*. Both are available in English and Russian as well as several local languages. In addition, ICNL is currently engaged in research on cutting-edge issues of NGO law, including NGO/government partnerships, public benefit issues, and economic activities. ICNL also maintains an electronic, web-based legal library that is valued throughout the region.

- **Sharing CEE Experiences with Other Regions**

ICNL has developed *linkages between CEE and the NIS* through joint research projects, cross-border consultations, translating and digitizing materials, and sponsoring participation of experts in workshops and conferences.

**REGIONAL NETWORKING PROGRAM**  
**FREEDOM HOUSE BUDAPEST**  
**September 2002– September 2006**

The Regional Networking Program (RNP) identifies gaps in the transition process present throughout SEE and NIS, and consolidates them by strengthening NGO transfers of experience and joint regional programming. RNP actively increases the sustainability of cross-border linkages through direct financial assistance, regional exchanges and other focused training initiatives targeted at civic activist organizations and policy-oriented think tanks.

- **Institutional Development Initiative (IDI).** During the past year, Freedom House launched the IDI to improve the institutional performance and expand cross-border programming of a core group of policy-oriented think tanks and watchdog NGOs in SEE. The group includes the Romanian Academic Society (SAR), the Center for Liberal Strategies (Bulgaria), the Institute for Regional and International Studies (Bulgaria), GONG (Croatia), and the Citizen's Association MOST (Macedonia). Some highlights include cooperation between SAR and Freedom House's core grantee, Lawyers' Committee for Human Rights (YUCOM) in Serbia on the new Freedom of Information law in Serbia which was enacted in November 2004. In addition, Citizens' Association MOST worked with the Hungarian Parliament NGO Liaison Office to launch a similar mechanism at home. The NGO liaison office at the Macedonian Parliament was officially launched on October 6, 2004 and is structured largely after the Hungarian example.
- **Regional Policy Workshop**  
RNP developed a **skills building policy workshop in Croatia.** In cooperation with World Learning and USAID Croatia, with trainers from Bulgaria, Romania, Croatia and the Central European University in Budapest, the workshop focused on research and analytical skills needed to effectively influence the policy-making process and on encouraging traditional and non-traditional policy actors from Croatia and BiH to coordinate and produce work on national and regional levels.
- **International Balkan Strategies Forum**  
In April 2004, Freedom House organized the first Balkan Strategies for Euro-Atlantic Integration international forum on the future of Balkan democracy and integration into Euro-Atlantic institutions in a post-September 11 and post-EU enlargement world. Over 100 civil society actors from Europe and the United States discussed how the Balkan countries can work together to enhance democracy, economic transition, political reform, and prosperity through deeper inclusion in Euro-Atlantic institutions.
- **9<sup>th</sup> DemNet Conference**  
Based on the findings of *Nations in Transit* and USAID assessments, the October 2004 **9<sup>th</sup> DemNet conference** for USAID and its implementers focused on three basic stages of democratic transition present in the region, and the increasingly critical role of domestic watch dog and policy actors in addressing the ongoing challenges of democratic consolidation in Southeast Europe and the NIS.
- **Preparation for Presidential Elections in Ukraine**  
Freedom House Budapest hosted a delegation of Ukrainian political and civil society leaders to Hungary and Slovakia in **preparation for the presidential elections in Ukraine.** The visit promoted greater awareness of Ukrainian current affairs and developed further cooperation between think tanks, NGOs and governmental institutions in these countries. Drawing from its regional network, RNP, in cooperation with its Kiev partners, brought together over **330 election monitors from ten countries in the region** for the 2<sup>nd</sup> and 3<sup>rd</sup> round of elections in Ukraine. These ENEMO volunteers provided vital documentation and monitoring services, ensuring the elections are finally free and fair, and representing the will of the voters.



*Street protest in Ukraine following a contested election monitored by the ENEMO network :*

**NESsT VENTURE FUND: BUILDING THE CAPACITY OF SOCIAL ENTERPRISES IN CEE  
NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM (NESsT)  
September 2001- December 2004**

From a regional base in Budapest, Hungary, NESsT provides financing and capacity-building assistance to NGOs that are exploring the development of entrepreneurial activities as a means to diversify and solidify their financial base. Through a USAID regional grant that ended in December 2004, and matching funds from private foundations, NESsT has mentored hundreds of NGOs, principally in Czech Republic, Hungary and Slovakia. In an inverted pyramid of increasingly intense technical and financial assistance to an increasingly select number of NGOs, NESsT has provided basic training in social enterprise development to 300 NGOs; capacity building to 75; and assistance in readying the NGO for developing a social enterprise to 38. As these NGOs moved closer to establishing a social enterprise, NESsT provided consulting support to 31 to complete pre-feasibility studies, to 30 to complete full feasibility studies; and venture planning grants and mentoring to 11 to complete full business plans. Finally, NESsT has accepted 11 organizations into its Venture Fund Portfolio, to which it provides more substantial financial support and ongoing assistance.

**Sample NESsT Venture Portfolio Members**

**Open Garden Foundation**  
(Hungary)

**Mission:** Promotes sustainable, community agricultural production & healthy lifestyles.

**Social Enterprise:** Real Food Box, an up- market, door-to-door, home-delivery service of organic fruits & vegetables.

**NESsT Investment:**  
\$15,900 capital investment;  
\$50,000 capacity investment



**P-Centrum**  
(Czech Republic)

**Mission:** Provides treatment and after-treatment to recovering drug addicts and their loved ones.

**Social Enterprise:** Woodworking business employing recovering drug addicts, producing handmade products/sculptures.

**NESsT Investment:**  
\$23,300 capital investment;  
\$58,7500 capacity investment;  
\$5,572 leveraged



**Vydra**  
(Slovakia)

**Mission:** Sustainable development of the rural Microregion Cierny Hron in Slovakia.

**Social Enterprise:** Tourist camp & restaurant to encourage tourism, create local employment, and sustain Vydra.

**NESsT Investment:**  
\$20,700 capital investment; \$47,750 capacity investment; \$11,572 leveraged



**Sustainability:** Over the past three years, through a multi-pronged approach to sustainability, NESsT has:

- Expanded its Venture Fund to Croatia and completed a feasibility study for a social enterprise loan fund;
- Promoted social enterprise throughout Europe, featuring prominently in venture philanthropy events and in press from *Wall Street Journal Europe*, *Dow Jones Newswire* to *Philanthropy in Europe*.
- Recruited over 35 top corporate professionals in Central Europe to join its Business Advisory Network and provide pro-bono support and advice to the NESsT portfolio.
- Signed strategic partnerships with local venture capital associations and established an International Venture Philanthropy Award to recognize excellence in this area.
- Continued to “practice what it preaches” through its own social enterprise development consulting arm to clients worldwide.

**THE HUNGARIAN AMERICAN PARTNERSHIP INITIATIVE**  
**THE FOUNDATION FOR DEVELOPMENT OF DEMOCRATIC RIGHTS**  
**May 2000 – March 2005**

The Hungarian-American Partnership Initiative (HAPI) was designed as a legacy mechanism to share the lessons learned throughout Hungary's successful transition to a market-oriented economy and democracy and a member of the European Union with countries further to the south and east. HAPI is just one of a series of USAID-funded programs that have been managed by the Hungarian Foundation for Development of Democratic Rights (FDDR). FDDR's history of implementing USAID programs goes back to 1995, when it was established to implement the comprehensive Democracy Network program, the reason why FDDR is still best known as DemNet in Hungary.

**HAPI Highlights**

- 2000 – 2005 – Conducted 52 training programs for over 600 participants from 14 countries to share Hungary's models in diverse areas, including civil society development, telecottages, NGO advocacy, local economic development, pension system reform, media, etc.
- HAPI's final programs have shared its own lessons in how to successfully access EU funding with other NGOs in Bosnia, Macedonia and Serbia.

**FDDR in Transition**

- Over the past 5 years, FDDR itself has successfully transitioned to a diversified funding base that includes European Union and Hungarian government funding. From 100% reliance on USAID when founded, in 2004 only 37% of FDDR's revenues originated from USAID.
- For the past 3 years, FDDR has implemented the EU program known as Phare Access that provides technical assistance and subgrants to Hungarian NGOs in priority areas related to EU accession.
- FDDR has increasingly started to implement programs outside of Hungary, sharing its experience in civil society development with NGOs on the ground. FDDR has successfully implemented programs in Serbia, Montenegro and Bosnia-Herzegovina on both USAID and Hungarian government funding. FDDR is currently completing a feasibility study for programs in Vietnam. All of these target countries have historical ties to Hungary dating back to the pre-transition period.

**NGO Advocacy**

- FDDR continues to practice the advocacy skills it promotes to other NGOs through its involvement in Hungarian civil society advocacy bodies.
- FDDR chairs Hungary's Civil Advisory Board, which serves as a link between the Hungarian government's international development cooperation and the private sector and voluntary organizations.
- FDDR's Chief Operating Officer serves as Chairman of the HAND Federation, a Hungarian association of international development NGOs.



*Site visit during training in telecottages in rural environments for participants from Bosnia-Herzegovina.*