

FEASIBILITY STUDY REPORT

conducted within the Global Challenges Local Solutions programme,
co-financed by the Education for Democracy Foundation – Region in Transition program, financed by Polish-
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EXECUTIVE SUMMARY

According to the findings showcased in the ‘Mapping Study. SCSO Engagement In Policy formulation and monitoring of Policy implementation’ (Roman Kobets, Oksana Ruda, Kyiv 2014), Ukrainian NGOs face many difficulties that affect their activity: from the fundraising problems, through the lack of support offered by the government (e.g. distrust between the government and NGOs, unequal access to the public financial support, lack of transparency in the funds distribution), up to the citizens’ passivity in matters of the engagement in the design of the social policy. On the other hand, the reports prepared by the Instytut Spraw Publicznych („Society – the decisive player in Ukrainian politics?”, Grzegorz Gromadzki, Łukasz Wenerski, Instytut Spraw Publicznych, Warsaw, 2014 and „Ukraińcy patrzą na Zachód – ocean polityki i oczekiwanía”, Jacek Kucharczyk, Agnieszka Łąda, Łukasz Wenerski, Instytut Spraw Publicznych, Warsaw, 2015) shows that the events connected with Euromajdan prove that Ukrainian society is getting more aware of its rights and wants to have a real influence on the future.

The evaluation showcased that the model of a community foundation seems to be too sophisticated and too resource-consuming for Ukrainian local communities. Therefore the Academy for the Development of Philanthropy In Poland, together with ISAR Ednannia designed the Global Challenges Local Solutions programme, aimed at strengthening Ukrainian third sector and Ukrainian civil society through beginning a process of creating in Ukraine a network of NGOs, based on the model of the Act Locally network, functioning in Poland. Within the project:

- There was a feasibility study conducted in Ukraine.
- Act Locally Centers and Ukrainian NGOs took part in the educational program and then applied for grants In order to implement projects aimed at the promotion of local philanthropy in Ukraine and to strengthen Ukrainian organizations in their communities.
- There was a final report prepared.

This report presents findings from the feasibility study that was conducted by ISAR Ednannia in the period of September – October 2016. The main aim of the study was the identification of the potential, the opportunities and the guidelines for an effective design of the draft of local philanthropic organizations network in Ukraine that will be modelled on the Polish Act Locally Network, as well as the identification of the perspectives for the development of the stable network in the future.

In summary, the report presents the following findings:

- ISAR Ednannia has sufficient organizational potential to play a role of an umbrella organization for the network of local philanthropic organizations in Ukraine.
- Ukrainian CSOs have sufficient potential to develop the network of local philanthropic organizations (in small-medium communities).
- There is an interest among different stakeholders and a need to create the network of local philanthropic organizations in the Ukraine.
- The NGOs, the government and the business sector have enough ability to cooperate.

- There are adequate financial, human and institutional resources necessary for the efficient operation of the organizations affiliated to such a network.
- It is highly recommended to continue the implementation of the Global Challenges Local Solutions programme.

INTRODUCTION

Background

Situation of the local philanthropic organizations in Ukraine seems to be complicated. The support offered to them in previous years by some of the international organizations that wanted to set up a network of community foundations cannot be assessed as successful.

In 1998-2010 some donors were offering support for development of community foundations. As a result, four major organizations have been transformed. They include Dobrota CF (Donetsk), Korolia Yuria CF (Ivano-Frankivsk), Kniaziv Blahodiinykiv Ostrozkykh FC (Rivne) and Odesa CF. Some other organizations also attempted to become community foundations; however, it did not spread, and the CF model reduced to four organizations in large regional centers of Ukraine. ISAR Ednannia started its efforts in the CF development in 2010 from analyzing previous successes and failures.

The analysis allowed for making the following conclusions:

History of community foundations activities in Ukraine — Possible stages:

- “Enlightenment” — late 1990s (some information becomes available in Ukraine)
- “Bottom Up” — 2000-2003 (First community foundations appear: Kniaziv Blahodiinykiv Ostrozkykh FC, Dobrota Donetsk City Charitable Fund, Korolia Yuriiia Charitable Foundation, City Charitable Fund of Odesa Foundation community. *Philanthropy center facilitated spreading information of community foundations and organized visits to neighboring countries (Russia, Slovakia), published expert books*)
- “Top Down” — 2004-2007 (UCAN Community Philanthropy Development (Ukraine Community Philanthropy Support Program), Mott Foundation: public events to discuss community philanthropy; round tables, conferences, meetings; production and distribution of CDs (first act: community foundations); trainings, educational trips; inviting foreign experts; arrival of dozens of those interested in developing as a community foundation; initiative groups and CSOs)
- “Actualization” — 2008-2009 (*attempts to get the community foundations issue to the top through round tables, conferences (Donetsk, Mykolaiv, Kharkiv), conducting researches, individual trainings and learning. Ukrainian Philanthropists Forum implemented a project titled “**Community Foundations in Ukraine: development strategy**” with support of WINGS Global Fund for Community Foundations. Dniprovska Association for Regional Development (DARD) — Project titled “**Partnership of Community foundations for sustainable development of the Dnipropetrovsk, Donetsk, and Mykolaiv regions**” as supported by Media, education, and culture department of the U.S. Embassy in Ukraine.*)
- “Assistance” — 2010-2011 (Ukrainian Philanthropists Forum — Project titled “**Corporate and private philanthropy: developing civil society in Ukraine,**” held within UNITER program financed by USAID and implemented in Ukraine by Pact, Inc.; ISAR Ednannia — **School for Community Foundations**: a two-year program (2009-2011) sponsored by Charles Stewart

Mott Foundation (U.S.) to support development of community foundations in Ukraine, enhance their role in solving local problems, and support their activities in future.

This allowed understanding the earlier mistakes:

- There had been no systemic approach to the development of local philanthropy and promoting community foundations in communities
- There had been no coordinated, consistent and systemic roadmap (training, support, monitoring and assessment of organizations and initiative groups that wanted to act as community foundations). Most of the donor programs were aimed at offering grants and holding several public events (conferences, roundtables, etc.)
- The communities were not ready, and donor organizations were not paying attention to education of communities about what community foundations are and what their role is as a mechanism of solving community problems
- The donors were working with registered CSOs only (which were either narrow-focused or grant-oriented).

ISAR Ednannia's experience in developing community foundations has been successful. Statistical data are included in this research below. This allows for making positive forecasts in development of the Act Locally methodology, as long as there is high level of readiness, existing demand in the society for creation of CFs, and a lot of small cities (population of 10,000-15,000) not included in this format.

Today, communities understand and realize their responsibility for solving local problems much better. Ukraine has elaborated practical mechanisms that allow local communities unite and make efforts to solve local problems, but there is also enough demand for approaches that allow moving away from donor support later and developing local philanthropy through participation of community members.

Description of the programme

Global Challenges Local Solutions programme was implemented by the Academy for the Development of Philanthropy in Poland in partnership with Ukrainian organization called The Initiative Center to Support Social Action "Ednannia" (ISAR Ednannia), within two programs of Polish-American Freedom Foundation: Act Locally, implemented by the Academy for the Development of Philanthropy in Poland and RITA – Region in Transition, implemented by the Education for Democracy Foundation.

Overall objectives

The aim of the Global Challenges Local Solutions programme was to begin the process of creating in Ukraine a network of NGOs, based on the model of the Act Locally network, functioning in Poland, in order to strengthen the third sector and Ukrainian civil society, through the development of local philanthropy.

Main activities and outputs

1. Feasibility study. The Academy and ISAR Ednannia conducted a feasibility study, aimed at the identification of the potential, the opportunities and the guidelines for an effective design of the draft of local philanthropic organizations network in Ukraine.
2. Preparation of an umbrella organization. The Academy shared its experience in order to empower ISAR Ednannia to play a role of an umbrella organization for the emerging network, similar to function carried out by the Academy in Poland.
3. Educational program for Polish and Ukrainian local philanthropic organizations. There were 10 Act Locally centers and 10 Ukrainian organizations recruited to participate in the project. Its representatives took part in 2-days long workshops organized in Radom, Poland, and had the opportunity to undertake study visits.
4. Small grants competition. Within the competition, Act Locally centers had the opportunity to apply for grants in the amount up to 16,000 PLN in order to carry out projects aimed at the promotion of local philanthropy in Ukraine and to strengthen Ukrainian organizations in their communities.
5. Preparation of the final report.

Implementation period

1 IX 2016 – 31 VIII 2017

CONCEPT

Definitions

Local philanthropic organization – definition

Local philanthropic organization is a non-profit and non-governmental organization that collects and re-grants money for the initiatives aimed at improvement of the living conditions of local communities. Among its beneficiaries are: local associations, foundations, schools, community centers and institutions that act for the benefit of local communities.

Main tasks of the local philanthropic organization:

- Raising, cumulating, investing and managing funds (development of local resources).
- Implementing of the donors' orders.
- Co-financing of projects, grant policy implementation.
- Facilitating of local cooperation and the promotion of local projects (playing a role of the leader of a local community).

Act Locally Center (ALC) – definition

Act Locally Center is an organization that possesses the following features (altogether):

- It is an independent non-governmental organization having legal personality.
- It is designed to solve important social problems, to satisfy the essential needs of the society and improve the quality of life of community members.
- Conducts its activity on a specific geographical area.
- Supports initiatives designed to the local community, through various forms of activities, among which the financial assistance is the key one.
- Has diversified sources of funding among which the most important is the contribution of the local community.
- Already has or is in the process of building the endowment
- Its income from the endowment is used to finance the grants and operating costs.
- Administers the donor advised funds for the purpose of supporting philanthropy and local initiatives.

Main tasks of the Act Locally Center:

- Stimulates the local community around various purposes.
- Carries out tasks which are performed by the joint efforts of inhabitants and local institutions.
- Designs and implements grant competitions, monitor the implementation of the co-financed projects.
- Provides local communities with the opportunities for the networking with other stakeholders.
- Conducts information activities.

Aims of the study

The main aim of the study was the identification of the potential, the opportunities and the guidelines for an effective design of the draft of local philanthropic organizations network in Ukraine that will be modelled on the Polish Act Locally Network, as well as the identification of the perspectives for the development of the stable network in the future.

The main research question was as follows: Is it possible to build the network of local philanthropic organizations in Ukraine that will be modelled on the Polish Act Locally Network, and that will be able to succeed? The success of the network is defined as:

- The network is supported by other NGOs, citizens, government and business sector.
- The network cumulated enough funds to give grants to civil initiatives that foster developmental aspirations, improve the quality of life and contribute to building social capital.

Specific objectives of the study:

1. The analysis of the Ednannia organization's potential to play a role of an umbrella organization for the network of local philanthropic organizations in Ukraine. Assessment criteria:
 - What kind of experience does Ednannia have in the field of the promotion of local philanthropy? What are/ were the results of such activities? What are/ were the conclusions? What kind of activities are Worth continuing, and which ones need improvement?
 - What kind of experience does Ednannia have in the field of cooperation with local philanthropic organizations?
 - What kind of experience does Ednannia have in the field of playing a role of an umbrella organization?
 - What kind of resources that can be used within this project does Ednannia have?
 - What kind of challenges could Ednannia face when playing a role of an umbrella organization? How can she overcome them?
2. The analysis of the Ukrainian's third sector potential to develop the network of local philanthropic organizations (in small-medium communities). Assessment criteria:
 - Is there an interest among different stakeholders and a need to create the network of local philanthropic organizations in the Ukraine
 - Do the NGOs, the government and the business sector have enough ability to cooperate?
 - Are there adequate financial, human and institutional resources necessary for the efficient operation of the organizations affiliated to such a network?
 - What kind of NGOs network operates in the Ukraine? What is the profile of their activity? How many organizations do they associate? What kind of partners do they cooperate with?
 - What areas of the Global Challenges Local Solutions programme can enjoy the greatest interest among the Ukrainian organizations (education, migration, sustainable cities)?

- What are the areas of activity of the Ukrainian organizations (education, culture, sport, etc.)?
3. The analysis of the chosen local philanthropic organizations potential (at least 25) to develop the network of local philanthropic organizations modelled on the Polish Act Locally Network. Assessment criteria:
- What experience does the local philanthropic organization have in the field of carrying out actions aimed at promoting local philanthropy? Is it able to achieve a significant impact on satisfying local needs?
 - Is there adequate capacity of co-operation between non-governmental organizations, local authorities and business in the area of the local philanthropic organizations activity?
 - Are there adequate financial, human and institutional resources necessary for the efficient operation of the local philanthropic organization?
 - What barriers might hinder the creation of local philanthropic organizations?
 - What solutions could be used to defeat or combat these barriers?

The results will be used in the process of designing the draft of local philanthropic organizations network in Ukraine. Moreover, they will empower the project participants during the implementation of their local projects granted within this program and will provide the Academy and Ednannia with indications for the design of long-term objectives of the network, its development strategy, as well as the fundraising strategy.

Methodology

The research was implemented in September and October 2016.

According to the specific objectives of the study, the study focused on three main areas and for each area there was a different methodology used:

1. Specific objective 1.
Respondent: ISAR Ednannia.
Methodology: Structured interview.
2. Specific objective 2.
Methodology: Desk research. Ednannia will use the results from their previous research, e.g. "MAPPING STUDY. CSO engagement in policy formulation and monitoring of policy implementation UKRAINE", 2014.
3. Specific objective 3.

Respondents: 28 local philanthropic organizations and/or community foundations from various regions of Ukraine. The selection of the NGOs was based on following criteria:

- The population of the community in which an organization operates (20,000-50,000 people)
- At least two years of experience in civil sector or philanthropy
- Successful experience of project implementation – at least three projects in its community
- Diversification of funding sources for the organization (at least three sources, not more than 50 percent of annual budget received from a single donor)
- The organization's partnership (successful participation in networks, coalitions, partnerships for implementation of projects and programs)

Methodology: On-line survey, followed by CATI (Computer Assisted Telephone Interview).

Below you can find the list of organizations taking part in the research:

1. 'Diieva Hromada' (Proactive Community) Center for Joint Development NGO
2. 'V Yednosti Syls' (United We Stand) NGO
3. Foundation for Development of Community Initiative NGO
4. 'Vidrozhennia Hrytseva' (Hrytsiv Renaissance) Association NGO
5. 'Fond Rozvytku Hromady' (Community Development Foundation) KMHO
6. Kherson Region Women Union NGO
7. 'Zakhyst' (Protection) Community Foundation of Kherson, Charitable Organization
8. 'Sviata Olha' (Saint Olha) Holoprystan District Charitable Foundation
9. 'Voznesensk Community Foundation Charitable Fund
10. 'Alians Dobrykh Sprav' (Alliance for Good Deeds) NGO
11. 'Initsiatyva' (Initiative) Chernihiv Education Center
12. 'Zelenyi Khrest' (Green Cross) Union
13. Agency for Economic Development and Trans Border Cooperation NGO

14. 'Dzherelo Nadii' (Spring of Hope) Vinnytsia Regional Human Rights Organization
15. Centre UA NGO, 'CHESNO' (Honestly) Civil Movement
16. 'Soniachni Dity Khersonshchyny' (Sunny Children of Kherson Region) NGO
17. Lypovets Charitable Community Foundation
18. 'Berezan Community Foundation' City Charitable Organization
19. Sokal District Disabled People Organization
20. 'Intelect Sumshchyny' (Intelligence of the Sumy Region) Center for Civil Initiatives
21. 'V Yednanni Syl'a' (United We Stand) NGO
22. Football Federation of Kolomyia City
23. 'Ridnia' (Extended Family) Community Foundation
24. 'Tsent Podillia-Sotsium' (Podillia Society Center)
25. Podilska Regional Development Agency NGO
26. 'Dobrota' Donetsk City Charitable Foundation
27. Dolyna Charitable Community Foundation
28. Sofia Falz-Fein Community Foundation of Tsiuriupynsk, City Charitable Organization

FINDINGS

In this chapter, the findings are structured by the specific objectives of the study and present the quantitative and qualitative data.

Specific objective 1: The analysis of the ISAR Ednannia organization’s potential to play a role of an umbrella organization for the network of local philanthropic organizations in Ukraine.

What kind of experience does Ednannia have in the field of the promotion of local philanthropy? What are/ were the results of such activities? What are/ were the conclusions? What kind of activities are worth continuing, and which ones need improvement?

In 2001—2004, ISAR “Ednannia” conducted the USAID-funded the LEAP in Ukraine Program: Local Environmental Action Program in Ukraine (in partnership with ISC: Institute for Sustainable Communities, USA). The four-year project succeeded to engage all community players, including citizens, CSOs, businesses, industries, academic and research institutions and government, in implementing LEAPs in their towns. As a result, a LEAP Network was created which includes more than 100 Ukrainian communities; in all LEAP pilot communities, Ednannia’s technical assistance efforts (trainings, expert advising and small grants) helped local communities to address several local problems; and LEAPs were developed and approved by their communities.

In 2003-2007, Ednannia was a member of consortium of European organizations implementing EU-funded projects aimed at strengthened civil society and social partnership in Ukraine. These projects were highly appreciated by both donor and Ukrainian local communities.

In 2009 - 2016 ISAR Ednannia conducted Community Foundation Program. The program goal was to foster the development of community foundations (CF) in Ukraine. Through this program, Ednannia was strengthening the capacity and practice of local philanthropic organizations. Ednannia provided technical assistance and networking opportunities to existing and emerging community philanthropy organizations in Ukraine and also facilitated peer exchanges and mentoring opportunities with partners in neighboring countries. The key objectives of the program:

- enhancement and demonstration of important roles of CFs in development of efficient strategic philanthropy at the local level;
- development and enhancement of strategic partnerships in communities and at the local level;
- CFs integration and partnerships with the international CF movement.

The key components of the program:

- Research, information and promotion;
- Capacity building;
- Partnership and Networking;
- Grant making.

The program`s results:

Internationally accepted CF concept is promoted; High standards in allocating available community resources is fostered. Grantmaking knowledge is transferred to CFs; Organizational capacity of CFs is strengthened enabling them to more effectively address community needs; CFs public image is promoted; Local philanthropy culture is fostered; Citizen participation is increased; New community partnerships are developed; Social impact of Ukrainian CFs is increased; New CFs are created; Information exchange and cooperation among Ukrainian CFs are increased; An informal network of Ukrainian CFs is started.

Comprehensive work is being conducted with 26 organizations operating as Community Foundations.

Total volume of earnings by community foundations of Ukraine.

Total budget of Community Foundations of Ukraine, UAH	Including locally raised funds, UAH
2010	
3,917,982	3,050,651
2011	
5,034,052	3,840,466
2012	
7,306,577	5,368,804
2013	
7,446,650	5,946,244
2014	
69,436,945	67,527,706
2015	
25,358,796	12,245,129

Explanatory note:

- Revolution of Dignity started in November 2013. In February 2014, dozens of peaceful protesters were killed, known as Nebesna Sotnia or Heavenly Hundred. The events caused a great stir within the society. Many people wanted to help families of the killed heroes. It required a quick reaction, so one of the community foundations, Pryirpinnia CF, opened an account for people from across Ukraine to make donations for families of the Heavenly Hundred. High level of support to Maidan and the Heavenly Hundred are the reasons behind the surge in donations in 2014.
- In 2015 there were three CFs operating in anti-terrorist operation (ATO area or behind the frontline. They have received contributions from International organizations, mostly humanitarian assistance: Donetsk (Dobrota CF), Kramatorsk CF, and Luhansk (Khors CF). So, the interest of the Humanitarian Missions was high towards these territories and they tried to find the trusted partners there. Another three CFs got support from International donors: Zhytomyr CF, Ivano-Frankivsk (Teple Misto CF) and Kherson (Zahyst CF). Zhytomyr CF started to provide IDPs with support and raised resources for that purpose from the MOM. The Kherson CF (Zahyst) launched a program regarding strengthening Civil Society Infrastructure

and raised some resources from UNDP to play specific role as the CSOs development Hub. Ivano-Frankivsk CF (Teple Misto) is a unique platform aiming to support local development based on Civic Engagement and Social Entrepreneurship. So, there is really great interest from the donor society to this model.

- There are several major reasons behind the increase in external funding:
 - CFs as trusted institutions to use their philanthropic platforms to support area of the war conflict or the IDPs (Donetsk, Luhansk/Sievierodonetsk, Kramatorsk, Zhytomyr)
 - CFs as trusted and sustainable platform are able to support the local initiatives and/or CSOs with their development (Kherson)
 - CFs as institutions that are able to develop a new types/approaches of the local development, like “Teple Misto” in Ivano-Frankivsk

We should also mention the increase in the number of organizations in Ukraine. It’s important to realize that hryvnia value dropped sharply (twofold), which also affected the figures.

Total costs of community foundations of Ukraine.

Total costs of CFs of Ukraine, UAH	Including costs spent on grants, UAH	The number of grants allocated
2010		
3,497,961	498,127	235
2011		
4,786,753	1,204,684	236
2012		
7,002,371	1,569,964	345
2013		
6,185,573	1,307,536	184
2014		
63,506,582	907,372	78
2015		
19,569,169	5,839,605	2,167

In the years 2014-2016 distributed 111 grants in the amount of US \$ 92,997.29 under the "school community foundations"

Conclusion: ISAR Ednannia has enough experience in developing local philanthropy. While working with local philanthropic organizations, it is necessary to continue supporting grant-making efforts, establish efficient governance in CSOs and fundraising methods. The following sectors of activities should be improved: working with the business, the government, fundraising, networking, community revitalization, etc.

What kind of experience does Ednannia have in the field of cooperation with local philanthropic organizations?

ISAR Ednannia is service-providing organization. Type and scope of services provided to charity foundation:

- Main activities are aimed at promotion of ideas of philanthropy in Ukraine, and set up Community Foundations that are able to respond to the needs of their localities.
- carrying out a surveys of CFs;
- facilitating national policy development in the CFS sphere/sector of work (coordinating meetings of the state, donors and CSOs representatives);
- conducting a CF conferences, trainings, workshops, seminars (topics like “Legislation”, “Effective Governance”, Strategic planning”, “Fundraising”, “Human Resources Management”, “Grant making”, “Monitoring and evaluation”, “Partnership building”, “Strategic philanthropy and Donor adviser” ...);
- conducting CF info sessions, presentations, round tables;
- providing consultations and recommendations;
- running an open-format grant making for CFs;
- producing a CF monthly bulletin for CSOs;
- producing manuals for CSOs;
- maintaining a CF page on Ednannia’s web site;
- maintaining a CF newsletter;
- maintaining a Networking of the CFs;
- facilitating knowledge exchange between Ukrainian CFs and foreign countries;
- organizing CF internships to CFs in Ukraine and neighboring countries;
- organizing CF study visits to CFs in Ukraine and neighboring countries;
- increasing capacity of the National and regional experts.

What kind of experience does Ednannia have in the field of playing a role of an umbrella organization?

Ednannia has the advantage of being acquainted with an enormous range of CSOs involved in citizen actions in Ukraine. Through its information and networking activities, Ednannia remains in an active contact with at least 1,000 CSOs throughout Ukraine. Consequently, Ednannia’s CSO Support Network is acknowledged as a valuable resource by local governmental and non-governmental organizations as well we by foreign organizations working in the region.

Ednannia is a founding member of the Ukrainian Philanthropists Forum established in 2005. In addition, Ednannia is a long-term participant of Grantmakers East Forum (formerly Grantmakers East Group) of the European Foundation Center.

Ednannia publishes a monthly bulletin, which serves as a “bulletin board’ where CSOs from the region can both advertise their own and learn about other organizations’ projects and upcoming activities. Ednannia also maintains a database of Ukrainian CSOs and their projects, a database of foundations and organizations that support CSOs in the region, databases of experts in diverse areas of CSO activity, and libraries and video libraries in most of Ednannia’s Regional CSO Support Centers as well as the Ednannia’s office in Kyiv.

Ednannia also regularly publishes Ukrainian and English language books with CSO success stories which are warmly received by both Ukrainian and international communities.

What kind of resources that Ednannia has can be used within this project?

- Network of Nine Regional CSO Support Centers, which are the resource points for the CSOs in the regions of Ukraine. They support the development of CSOs in their respective regions by providing them with a diversity of services and assistance – from information support to practical assistance in the implementation of CSO programs and projects. The regional centers serve also as information nodes for Ednannia programs and activities in their regions.
- Network of several Centers for CSO Expertise, each addressing a specific area of CSO activity, works to provide CSOs with specific information, expertise and skills needed to effectively address concrete issues of community life. Their role is also to encourage cooperation between people and organizations working on similar issues. CSOs selected to serve as expert centers have proven hands-on experience in the field, good reputation with other CSOs, and strong connections with experts in the academic and scientific communities, and the government and business sectors.
- Competent members of Ednannia staff.
- Funds for the School for Community Foundations Program by Charles Stewart Mott Foundation.
- Funds from other donors, e.g. USAID, aimed at support of CFs' organizational development, including CFs that support local philanthropy.
- A facility for meetings, trainings, round tables, communities of practice, etc.
- A platform for webinars.

What kind of challenges could Ednannia face when playing a role of an umbrella organization?

- Change in economic and political situation in Ukraine and war in the east of Ukraine.
- Disloyal tax regulations.
- Change in financing priorities of donors.

How can it overcome them?

- Review Ednannia's operational strategy.
- Initiate and advocate amendments to legislation.
- Inform and convince donors of importance of continuous support of CFs.

Specific objective 2: The analysis of the Ukrainian's third sector potential to develop the network of local philanthropic organizations (in small-medium communities).

Data presented in this chapter are based on the desk research.

General overview of the nongovernmental organizations sector in Ukraine. Analysis of potential capacity of the Ukrainian civic sector for development of a network of local philanthropic organizations.

The increase in the number of registered NGOs that had been observed during the period of Ukraine's independence changed in 2014. The official number of CSOs dropped to the level of 2009. According to data by the Unified State Registry of Institutions and Organizations of Ukraine published by the State Statistics Service of Ukraine (SSSU), 65,080 NGOs were registered as of March 1, 2015 (77,286 as of January 1, 2014); 25,900 trade unions and associations (29,274); 13,800 philanthropic organizations (14,999); 15,786 condominiums (16,213); and 1,363 community associations (1,503).

Change in the number of philanthropic organizations in Ukraine¹

	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/3/2015
Philanthropic organizations	12,860	13,475	14,055	14,999	13,800

According to the State Fiscal Service of Ukraine, 9,196 philanthropic organizations and foundations filed their income statements in 2015. The charitable expenses of these organizations totaled 9,378,325,221 hryvnia.

For the third year in a row, Ukrainian Philanthropists Forum² draws the National Philanthropists Rating³, the purpose of which is to support the development of transparent and accountable philanthropy in Ukraine.

The rating is based on financial data, which is annual expenses of philanthropic foundations and organizations on their own charitable programs declared in annual income statements and provided by the organizations voluntarily, supported by copies of relevant documents.

The National Philanthropist Rating of 2015 included 74 charitable foundations and organizations, representing 0.8 percent of all charitable foundations and organizations that officially filed statements to the Fiscal Service for their activities in 2015. The expenses of these organizations reached 8.4 percent of the total philanthropic expenses.

¹ Data by the Unified State Registry of Institutions and Organizations of Ukraine of the State Statistics Service of Ukraine.

² The Ukrainian Philanthropists Forum is a professional association of philanthropic foundations, organizations, and business companies that conduct philanthropic activities. ISAR 'Ednannia' is the founder of the Ukrainian Philanthropist Forum, and 'Ednannia's executive director Volodymyr Sheihus is the Chairman of the Board of the UPF.

³ <http://ufb.org.ua/rating/>

What were the expenses of philanthropic organizations of Ukraine in 2015? The following sectors were the priority for the organizations in terms of spending of their charitable hryvnias:

- Social welfare – 427.3 million hryvnia (59%)
- Healthcare – 108.2 million hryvnia (15%)
- Economic development – 60.5 million hryvnia (8%)
- Aid to the Army – 50.1 million hryvnia (7%)
- Sports and physical training – 20.3 million hryvnia (3%)
- Arts and culture – 13.1 million hryvnia (2%)
- Development of education and science – 9.8 million hryvnia (1.5%)
- Environmental and animal protection – 3.5 million hryvnia (0.5 %)
- Other – 34.7 million hryvnia (5%)

The rating also looks at the number of priority sectors that philanthropic organizations and foundations choose for themselves:

- 1 priority sector — 40 organizations (54%)
- 2 priority sectors — 11 organizations (15%)
- 3 priority sectors — 9 organizations (12%)
- 4 priority sectors — 7 organizations (10%)
- 5 priority sectors — 3 organizations (4%)
- 7 priority sectors — 3 organizations (4%)
- 8 priority sectors — 1 organization (1%)

The data shows that 69% of organizations focus their activities in maximum two priority sectors.

Charity assistance allocated in 2015 was provided in the following forms in 2015:

- targeted aid to individuals — 40%
- aid to agencies and organizations — 37%
- grants — 13%
- aid to territorial communities — 12%
- other types of assistance — 8%

This means that targeted aid to individuals and agencies is a priority form of philanthropic activities for most of Ukrainian philanthropic foundations and organizations. Only 12 percent of them provide grant aid, which is a distinct feature of Ukrainian charity as compared to the international practice.

Involvement of resources

2015 was fruitful in terms of involvement of additional resources for philanthropic activities. The total charity budget of the rating members increased by almost 4 times compared to the previous year.

Overall level of sustainability of the CSO sector in Ukraine

Research conducted by philanthropic foundation “CCC Creative Center”⁴ shows that the general level of sustainability of Ukraine’s CSO sector slightly improved in 2015. Positive changes were seen in institutional capability of the organizations, involvement of supporters of public offices, as well as in the public’s perception of CSOs. A big share of civil society organizations have strategic plans, they are more active in engaging target groups to their activities. CSOs have improved their governance and internal management. In addition, these organizations lobbied adoption of numerous bills over the course of the year and coordinated their efforts with government agencies on implementation of various national initiatives.

The data indicate there are enough possibilities for cooperation at the state level between nongovernmental organizations, the government, and the business. However, this cooperation still requires enhancement at the regional and local level and often depends on people occupying certain posts.

Speaking of finance, Ukraine is currently in a deep economic crisis, which shows in decreased financing of CSOs both by the business and the state. The international support for civil society organizations has increased, but it’s aimed mostly at support for internally displaced persons and other people affected by the conflict in the Donbas. At the same time, the decentralization reform enjoys significant support by big donor communities:

- Swiss-Ukrainian Decentralization Support Project, [DESPRO](#)
- Development Initiative for Advocating Local Governance in Ukraine [Project by USAID](#)
- [U-LEAD Program](#)
- [EGAP Program](#) (Electronic Governance for Accountability of Authorities and Community Participation)
- [Restoration of Governance](#) and Reconciliation in Crisis-Affected Communities of Ukraine Project (SIDA and SDC)

Implementation of these and other projects of international technical support significantly affects local situation in Ukrainian communities.

An important role in financing of the decentralization reform has been assumed by the State Fund for Regional Development (SFRD). Creation of the SFRD was vital for acceleration of social and economic development of Ukraine’s regions, transformation of state instruments for regional development, abandoning the old practice of financing only construction of brand-new buildings, mostly in sectors covered by budget funds and dominating the funding lists for subventions of social and economic development of regions and certain areas, and state grant programs. Creation of SFRD allows for initiating the practice of financing regional development projects selected through contest, and in accordance with regionals strategies of development and plans of their implementation. Funds from the SFRD are aimed at implementation of regional development investment programs and projects (including projects for cooperation and voluntary unification of territorial communities) aimed at development of regions, creation of industrial and innovative parks infrastructure, and those that fall under priorities stipulated by the State Strategy for Regional Development as well as local strategies. For instance, SFRD’s budget in 2016 was around 3 billion hryvnia (\$120 million) and supported 810

⁴The Center is a Ukrainian nongovernmental organization and the office of the U.S. foundations Counterpart International, Inc. in Ukraine.

projects in all regions of Ukraine. It looks at both large infrastructure projects and those aimed at cooperation and voluntary unification of territorial communities. National and local business companies are looking closer at cooperation with CSOs and CFs.

Thus, other sources of finance for the organizations network might include international donors (Charles Stewart Mott Foundation, in addition to those listed above), state budget funds (SFRD), local community funds, funds allocated by businesses for implementation of social projects, and funds received from local fundraising activities.

This allows for concluding that despite the lack of financing, there exists reasonable volume of human and institutional resources required for efficient operation of philanthropic organizations.

Index of sustainable development of civil society organizations is the key analytical instrument measuring the progress of civil society development in Central and Eastern Europe. The Index has been tracking the progress in civil society development in 29 countries over the past 16 years⁵.

The National Institute For Strategic Studies⁶ conducted a research titled “Development Of Civil Society In Ukraine”⁷. The authors of the research highlighted positive developments in the legal sphere, financial capabilities, conduction of advocacy campaigns, and public attitude to CSOs. New laws have come into force, regulating how civic associations, philanthropic organizations, and foundations operate.

Another international nongovernmental organization Freedom House⁸ named Ukraine “partly free country” in its annual report Freedom in the World 2015, rated upon general level of freedom, political and civil rights. In 2014, Ukraine went one point up in the rating, scoring 3 points out of 7 (‘1’ being the highest grade, ‘7’ the lowest) due to enhanced political pluralism, transparent presidential and parliamentary elections, and openness in the government’s activities.

Number of Ukrainian citizens involved in philanthropic and volunteer activities

2014-2015 saw significant increase in the number of Ukrainian citizens involved in philanthropic and volunteer activities. A survey conducted jointly by Ilko Kucheriv Democratic Initiatives Foundation⁹ and Kyiv International Institute of Sociology¹⁰ showed that 32.5 percent of Ukrainians have experience of transferring money to the Ukrainian Army. Another 23 percent of citizens used help of philanthropic and volunteer organizations by sending money, clothes, and food through them. 9 percent of citizens participated in promotions conducted by groceries by buying food for soldiers and

⁵ <http://www.ukrinform.ua/rubric-presentation/2075170-prezentacia-indeksu-stalosti-rozvitku-ogs-ukraini-za-2015-rik.html>

⁶ The National Institute for Strategic Studies was established by a decree of the president of Ukraine and is subordinate to the president of Ukraine. It is the basis research agency that provides analysis and forecast for the activities of the president of Ukraine.

⁷ http://www.niss.gov.ua/content/articles/files/Korniyevskiy_12_11-58701.pdf

⁸ **Freedom House** is an international human rights nongovernmental organization that supports and researches democracy, political freedoms and basic human rights.

⁹ Ilko Kucheriv Democratic Initiatives Foundation is an analytical and educational organization aimed at development of the Ukrainian state, democracy, the market economy and full integration of Ukraine into European and Euro-Atlantic agencies.

¹⁰ Kyiv International Institute of Sociology (KIIS) is a private Ukrainian company conducting socioeconomic, marketing, political, and health research, as well as consulting and auditing of the research.

passing it to volunteers. 7 percent of Ukrainian citizens helped internally displaced individuals personally. 3 percent of polled Ukrainian citizens were directly involved in raising money, medicines, and clothes and delivering them to the anti-terrorist operation (ATO) area¹¹. As of March 10, 2015, the “Support Ukrainian Army” program raised 155,413,000 hryvnia¹² (\$5.98 million) in aid to the Armed Forces of Ukraine, which was transferred to the accounts of the Ministry of Defense of Ukraine.

The research titled “Volunteer movement in Ukraine” drafted by GfK Ukraine¹³ as ordered by the U.N. Office in Ukraine showed that Ukrainians deem the volunteer movement important for development of social processes: 62 percent say volunteers played part in the changes of the most recent year; 85 percent say the volunteer movement helps strengthening the peace; 81 percent say the volunteer movement is a necessary component of the civil society. Experts stress that almost one quarter of Ukrainians (23 percent) experienced volunteering on their own, with 9 percent of them starting volunteering in the most recent year. The major field of volunteer efforts in 2014 was aid to Ukrainian army and wounded soldiers (70 percent of volunteers). Prior to the events that took place in Ukraine in 2014, aid to socially unprotected groups of citizens and improvement of public space were the priority for volunteers. Ukrainian citizens were donating most willingly for the needs of the Ukrainian Army, wounded fighters, and ill children. In 2014, the share of such citizens increased (63 percent), while earlier it reached the level of an average 49 percent¹⁴. Sociological research shows that Ukrainian volunteer movement by its scale in 2014 became an unprecedented expression of public self-organization¹⁵.

All of the above researches show that various stakeholders are interested in the development of the philanthropy sector in Ukraine, as well as prove the need for creation of a local philanthropic organizations network in Ukraine.

Which NGO networks operate in Ukraine? What is the profile of their activities? How many organizations do they associate? What kind of partners do they cooperate with?

In Ukraine, a new culture of association and consolidation of public and philanthropic organizations is being formed with the purpose of enhanced influence.

This is taking place under several scenarios:

- Associations around offices of international nongovernmental organizations
- Associations for implementation of joint projects funded by international donors
- Associations by the organizations’ profiles

¹¹ 32.5 percent of Ukrainians personally sent money to the accounts of the Ukrainian army. Residents of rural areas were more generous in aiding the army than urban dwellers: http://dif.org.ua/ua/commentaries/sociologist_view/32anizhmiski-zhiteli.htm

¹² “Support Ukrainian Army” program helped raising 155,413,000 hryvnia to the accounts of the Ministry of Defense of Ukraine: <http://www.mil.gov.ua/news/2015/03/09/v-ramkah-akczii-pidtrimajukrainsku-armiyu-na-rahunki-ministerstva-oboroni-ukraini-nadijshlo-155-miljoniv-413-tisyach-griven--/>

¹³ GfK Ukraine is a Ukrainian research company, member of the GfKGroup. The company offers a full range of research and polling services in Ukraine, Moldova, and Belarus.

¹⁴ Report on the research “Volunteer movement in Ukraine” is available here: <http://www.gfk.com/ua/news-and-events/news/pages/report.aspx>

Below are detailed examples of associations around offices of international nongovernmental organizations.

The following scientists conduct analysis of how international nongovernmental organizations operate: V. Butkevych, L. Kryvachuk, O. Klymenko, K. Levchenko, V. Polishchuk¹⁶. They have analyzed the peculiarities and significance of European nongovernmental organizations in how the civil society agencies operate in Ukraine and found that support of the civil society agencies in Ukraine by international organizations is very important for protection of human rights; it allows relieving the state from overwhelmingly difficult social tasks in the times of economic crisis; it provides opportunities to make better political, and public and legal decisions¹⁷.

One example of an international nongovernmental organization (INGO) is International Society for Human Rights (ISHR). Its offices operate in many countries of the world, including Ukraine. ISHR's projects are financed solely by donations. The INGO has the status of a consultant to the Council of Europe and is a member of the Conference of INGOs. The organization is also a monitor to the Department of public information of the U.N. and the African Union Commission for human rights. The organization is currently implementing a project on informing the public about International Criminal Court's (ICC, established in 1997) operations in the countries of Eastern Europe. ICC focuses on investigation, detention, charging, and punishment (if convicted) of persons accused of committing grave crimes against human rights.

Save the Children international organization is the largest of the kind that cares of the younger generation. The alliance's mission is to create protective condition for children and their rights, as well as their happy, healthy, and safe childhood.

La Strada International stands out among organizations that care about children (La Strada-Ukraine has been operating since 1997). The organization aims at prevention of human trafficking, especially women and children; at liquidation of all forms of discrimination and violation in society; at supporting human rights and gender equality, as well as children's rights.

Polish-Ukrainian Cooperation Foundation PAUCI has been an important stakeholder in the process of development of the Ukrainian civil society since April 2005. The Foundation puts efforts into sharing successful Polish experience of transition to market economy and helping Ukraine integrate into European and Euro-Atlantic agencies by implementing European and Polish experience. The Foundation's mission is also to actively exchange knowledge and experience transboundary in key sectors that influence development of human capital and formation of the civil society.

Another international NGO that unites volunteer Ukrainians and citizens of other countries is Ukraine-Poland-Germany (UPD). This INGO actively strengthens friendship and enhances close cooperation between the peoples of Ukraine, Poland, and Germany, supports protection and fulfillment of legal social, economic, creative, age, national, cultural, sport and other interests of its organization members¹⁸.

It should be noted that this organization together with Ukraine-Poland association has organized cooperation between more than 120 territorial communities of the Vinnytsia region in Ukraine and

¹⁶ Viktoria SOLOSHENKO. European nongovernmental organizations operating in Ukraine.

¹⁷ <http://www.viche.info/journal/4543/>

¹⁸ International Society Ukraine-Poland-Germany: <http://ukrpolgerm.com/content/about>

administrative units of 10 voivodships of Poland. Hospodarchyi Dim enterprise acts as a liaison, aimed at establishing direct contacts with firms and organizations from abroad with the purpose of developing industrial production, construction, agriculture, and trade.

International organization ECPAT is an agency that unites organizations and individuals working for prevention of child prostitution, pornography, and trafficking of children. ECPAT's programs are aimed at preventive measures, rehabilitation, and integration of children that were subjects to violence with the purpose of sexual exploitation. In Ukraine, the ECPAT network of NGOs that unites 30 nongovernmental children protection organizations has operated since 2004. The mission of this all-Ukrainian network fighting commercial sexual exploitation of children is implementation of complex activities aimed at prevention of commercial sexual exploitation of children in any form with the purpose of its elimination.

Activities of the international public organization Lagoda and International Public Organization School of Equal Opportunities, which have been operating in Ukraine since 2000, cover a large number of important tasks aimed at increasing the society's standards of living and conscience, stimulating interest to education, science, sports, healthy lifestyle, cooperation of youths from different countries with the purpose of free exchange of ideas¹⁹.

Associations for implementation of joint projects funded by international donors:

It's a common practice for organizations to unite with the purpose of receiving a grant. It often happens that such organizations remain partners after the joint project was implemented. Below are some examples:

'Nalezhne Vriaduvannia' organization is a co-founder and the secretariat for public partnership in support of Open Governance Initiative's implementation in Ukraine²⁰.

Since Ukraine announced its Euro-Atlantic direction of development, a wide network of international, national, and regional NGOs has been formed. They have become influential parties in cooperation with the state for improvement of the public's perception of Ukraine's NATO accession. The most well-known include the Association of international cooperation Atlantic Council of Ukraine, NATO-Ukraine Civil League, the network of Euro-Atlantic clubs, Center for Strategic Studies, Center for European and International Studies, Center for European Studies, International Centre for Policy Studies, Oleksandr Razumkov Ukrainian Center for Economic and Political Studies, Democratic Initiatives Foundation, Ukraine's Voters Committee, Institute for Euro-Atlantic Cooperation, Ukrainian Center for Independent Political Research, 'Zoloto Chornomoria' Crimean Center, South-Ukrainian regional center, Institute of public sector management (Lviv), and other²¹.

Associations of CSOs by organization profile:

Various examples:

¹⁹ L. Kryvachuk. International nongovernmental organizations in the interests of children: analysis of activities and systematization of organizations. Posted in Naukovyi Visnyk scientific magazine, 2010, Vol. 6, 'Democratic governance': <http://www.lvivacademy.com/visnik6/fail/Kryvachuk.pdf>

²⁰ ogpractices.org

²¹ <http://old.niss.gov.ua/monitor/September09/10.htm>

All-Ukrainian informal coalition of public corruption fighters — for enhancement of public's participation in fighting corruption²².

Ukrainian Child Rights Network is an executive expert and coordination agency established by a group of civil organizations in 2014 with the purpose of enhancement of children's rights protection in Ukraine, as well as consolidation of efforts and improvement of coordination among civil society organizations in Ukraine and their influence upon the state policy in enforcement of children's rights²³.

All-Ukrainian informal coalition for support of implementation of the 'Civil inspection of public bodies'²⁴ instrument in Ukraine.

Reanimation Package of Reforms is the largest coalition of leading civil organizations of Ukraine united with the purpose of reforms promotion and implementation. RPR functions as a coordination center for 66 NGOs and 23 expert groups that develop, promote, and control implementation of reforms. The number of member NGOs is increasing constantly. RPR's activities focus on seven key sectors: court reforms, anti-corruption reforms, decentralization, reform of public administration, reform of law enforcement agencies, changes in election legislation, and key economic transformations.

Speaking of **philanthropic organizations**, they rarely unite within the country, except for large networks usually supported by international donors. They include:

- Charitable organization Caritas Ukraine comprises 13 regional organizations in different regions of Ukraine. All of them are independent legal entities and are entitled to create local parish organizations of Caritas. This structure allows developing a network of philanthropic organizations that are unified by a single set of rules but act upon real needs of their regions and local communities. Depending on the latter, different Caritas organizations might focus their philanthropic efforts on different needs.
- Ukrainian Red Cross Society is a special kind of philanthropic and volunteer organizations with offices in all regions of Ukraine.
- All-Ukrainian charitable foundation "The Coalition of HIV-Service Organizations" is a nongovernmental nationwide organization consolidating 84 organizations from 25 regions of Ukraine working on harm reduction, primary and secondary HIV prevention, and care and support for people living with HIV.
- Institutional Crowdfunding is a program of financing operations of nongovernmental organizations on the Big Idea platform. The Big Idea platform at biggggidea.com is the practical way of the implementation of the program.
- School for Community Foundations Program implemented by ISAR 'Ednannia' has created an informal network of local philanthropic organizations, community foundations from all regions across Ukraine²⁵.

The Ukrainian Philanthropists Forum deserves special attention in this list. It is the first professional association of charitable foundations, organizations and philanthropic business companies in

²² www.anticorruption.in.ua

²³ <http://gpu-society.org/uk/projects/c-ucrn>

²⁴ www.civicexpert.in.ua

²⁵ <http://ednannia.ua/en/programs/we-support-local-philanthropy>

Ukraine. The Forum was created in 2004 upon the initiative of seven leading international and Ukrainian foundations. The Forum is the member of Donors and Foundations Networks in Europe (DAFNE) and Worldwide Initiatives for Grantmaker Support (WINGS), as well the signatory to the Ukrainian network of the U.N. Global Compact.

Forum members are registered international and Ukrainian philanthropic foundations and organizations that act mostly as providers of charitable aid. Since recently, the Forum has been open for other types of nonprofit organizations and business companies that have charity programs in Ukraine and for agencies operating in philanthropy-related sectors. The membership in the Forum is full and associate. The Forum unites 34 organizations.

New initiatives have been appearing in the form of projects and platforms in Ukraine during recent years. They are usually focused on some aspect of civil society development in Ukraine or serve as a platform for information sharing. The examples of such initiatives include [Women's Perspectives Center](#), [Civil Initiatives of Ukraine](#), <http://www.dobrobut-hromad.org/> etc.

Such unions are often informal. One example is online platform [Civil Initiatives of Ukraine](#). It worked for several years as an informal union that included 16 regions of Ukraine, one or two organizations from each region. The network's mission is to develop civil society in Ukraine on the level of local territorial communities. The network cooperated with Polish CSOs that were helping their Ukrainian counterparts in eastern Ukraine. Network member organizations were sharing their experience on the best public initiatives. However, Civil Initiatives of Ukraine were not receiving any funds because they had not been officially registered in Ukraine until February 2017.

[Women's Perspectives Center](#) Public Organization has launched a project titled "Ukrainian Regional Platform for Civil Initiatives." It is aimed at supporting local CSOs, especially those from rural and remote areas. They are funded by the EU Office and support women and human rights organizations.

What areas of the Global Challenges Local Solutions programme can enjoy the greatest interest among Ukrainian organizations (education, migration, sustainable cities)?

Research shows that in 2015, the rating members allocated their costs the following way by **segments of providing donations:**

- Social protection — 427.3 million hryvnia (59%)
- Healthcare — 108.2 million hryvnia (15%)
- Economic development — 60.5 million hryvnia (8%)
- Aid to the Army — 50.1 million hryvnia (7%)
- Sports and physical education — 20.3 million hryvnia (3%)
- Arts and culture — 13.1 million hryvnia (2%)
- Education and science development — 9.8 million hryvnia (1,5%)
- Environmental and animal protection — 3.5 million hryvnia (0,5%)
- Other — 34.7 million hryvnia (5%)

In 2016, however, priorities of numerous philanthropic organizations changed. Urban planning and science is becoming a hot topic. (For instance, CANactions is an educational platform with the mission of creating places and communities in Ukraine where people will live and work with pleasure. The best global practices in architecture and urban planning are being used to teach and inspire responsible and active agents of change. Today, Ukraine is facing an acute need to change relations between citizens and other actors: governmental bodies, the business, and professional groups; those relations define and shape our living in various dimensions, from cultural to spatial. This need for changes poses several questions: “What agents of change are able to moderate the creation of new types of relations in Ukrainian cities?” and “What instruments and approaches do they need to successfully solve current complex issues?”)²⁶.

Internal migration of Ukrainian residents, which is becoming more intense due to current social and economic threats, including a large number of forced IDPs, is a challenge that is being faced and tackled by philanthropic organizations.

Solving social problems in communities remains the most important issue for them.

²⁶ <http://www.canactions.com/uk/#about>

Specific objective 3: The analysis of the chosen local philanthropic organizations potential to develop the network of local philanthropic organizations modelled on the Polish Act Locally Network.

Data presented in this chapter are based on the online poll and CATI (Computer Assisted Telephone Interviews).

ISAR Ednannia together with the Academy for the Development of Philanthropy in Poland has developed a questionnaire to send out across ISAR Ednannia's e-mail database of CSOs. The total of 28 respondents participated in the poll²⁷.

What experience of conducting events aimed at promotion of local philanthropy does local philanthropic organization have?

Experience:

- 1 year — 21.4% (6 organizations)
- 2 – 5 years – 42.9% (12 organizations)
- 6-10 years – 21.4% (6 organizations)
- 10-17 years – 14.3% (4 organizations)

Is local philanthropic organization capable enough to meet local demands?

All of the respondents said they had recorded capacity growth of their organization and increase in the number of residents covered by the events held by these organizations. However, this coverage is not widespread enough. A large share of population in their communities is beyond the organizations' activities due to various reasons:

- People do not know of organization's activities (18% have never heard of a CSO in their city and do not know what it is; 28% have heard of a CSO in their city but never dealt with its activities; 15% have dealt with its activities; 9% are members of a CSO).
- Answering a question "How active are NGOs in your city?" only 4% of respondents said CSOs are very active, 29% say they are quite active, the rest of the respondents said CSOs are either inactive or refused to answer.
- Poor financing does not allow the organizations to involve skilled experts.
- Low financial soundness of people doesn't allow them get involved in philanthropic activities.

Compared to previous survey data²⁸, we are seeing the decrease in:

²⁷ <http://ednannia.ua/news/nashi-novini/11862-chogo-potrebuyut-organizatsiji-yaki-pratsuyut-na-blago-svoikh-gromad>

²⁸ ISAR Ednannia, together with Kyiv International Institute of Sociology, conducts annual mentoring of CFs in the research of current state and needs of local communities. <http://ednannia.ua/news/nashi-novini/11892-doslidzhennia-potreb-hromady>

- Population's readiness to participate in solving their community's problems (53% of respondents are ready to participate in solving the problems of their communities, 22% are not ready).

However, we are also seeing examples of interesting activities aimed at promotion of local philanthropy. When grouped, they reveal the following picture:

- Charitable programs (E.g., 'Vinnytsia is my home city,' 'One kopeck,' 'Food for homeless').
- Fundraising activities ('Help saving a child,' 'Hospitable house, not a poor orphanage,' 'A drop of blood is a drop of life!,' 'I love theater but it's inaccessible!,' 'Holiday of joy for orphans,' 'Helping those who will leave earlier than us,' 'Don't be indifferent!,' 'Make Hrytsiv cleaner!,' 'Plant a tree!,' 'Present from Saint Nicholas,' 'Make a child's dream come true,' TV and radio marathons, annual charitable caroling, meetings with city staffs, photo quests).

By subject, the following categories of the events have been the most popular:

- Activities aimed at supporting of the army and IDPs ("Warm a border guard" project, continuous fundraising, raising of food and everyday items for the military), "Assistance to soldiers who were or currently are in the ATO [anti-terrorist operation] area, their families, and civilians who have suffered due to combat activities," short title "Support for Ukrainian Army".
- Sports fundraising activities (regional tennis competitions and Hrytsiv Cup of soccer and volleyball, "Restoration of city gyms," "Playground next to house," "Hot sport").
- Environment-themed fundraising activities (environment education for youth, environment event titled "Save Koshova River").

The organizations are also active in the following types of activities:

- Charitable concert (NEWGEN Party, Concert in memory of Kuzma Skriabin).
- Charitable balls.
- Charitable festivals (I love you, my Hrytsiv!, StryiOrhanicFest, DolynaOrhanicFest, DidukhFest, Street Food Festival).
- Charitable fairs.
- Charitable boxes.
- Developing volunteering within community (Volunteer Club, Volunteer School).
- Camps (Youth camp titled "Building Ukraine together," summer camps for children with special needs).
- Mini grants contests.
- "Donors circle".
- Organization of various clubs (women's Malva club).
- Forums, educational events aimed at development of philanthropy culture ("Community — Government — Business: strategic dialogue," educational forum titled "Family education for 'new children'").
- Programs aimed at involving youth in philanthropic activities in community (Youthbank program).
- Social businesses (Mistok store, Urban 100 social restaurant).

- Corporate Foundations (TiK Corporate Foundation, Diadema Corporate Foundation, PRAT UPSK Corporate Foundation).

Are there enough possibilities for cooperation between NGOs, local government agencies, and the business in the sector of local philanthropic organizations?

- Yes, the cooperation has been set up — 42.8% (12 organizations).
- Yes, but the cooperation is not yet well-developed — 57.2% (16 organizations).
- No cooperation in place – 0.

Some organizations speak of high level of cooperation between all segments of the community, e.g. the community foundation of Hrytsiv. “We work together with local NGOs, the village council, and some of the local entrepreneurs. For this purpose, we organize trilateral annual meetings titled ‘The Voice of Community’”.

Other organizations note that “cooperation among NGOs, local government, and business for the purpose of local philanthropic organizations’ operations is not sufficient, although there is certain potential for that,” and that “potentially fruitful cooperation is possible, and there are some cases of cooperation between the government, the business, and civil organizations, but this is not enough for comprehensive operation of community foundations.”

Speaking of each community sector separately:

- Most of those questioned noted efficient cooperation with other CSOs: “There are a number of organizations in our city that we regularly cooperate with, provide support to, and help each other”.
- Cooperation with local government bodies in most cases means that “local government knows us and supports our activities by providing required permits and non-material resources for our events,” “Cooperation with government bodies is aimed at support of short-term public events,” “Our experience shows that government bodies and local authorities are willing to join our activities; the standing in the community that we as a community foundation enjoy allows us cooperating actively with local government and business. We are currently elaborating the forms for such cooperation”.
- Regarding business entities, cooperation still needs to be developed: “we have formed a relationship with some representatives of the business in the city who regularly join our events and projects. There are opportunities available; we need to work on and develop the cooperation, and share success stories that result from such cooperation,” “the economic crisis caused a decrease in the number of local philanthropists,” “Our village is small, and local business means local farmers; however, the cooperation has been initiated. In small steps, we try to bring people together and solve immediate issues jointly,” “Local businesses are very active in supporting the Foundation’s activities, and we have signed cooperation agreements and memorandums with some of them”.
- In 2016, an assessment of organizational capacity of Ukraine’s community foundations was conducted. Among the important assessed sectors was “Partnership with other community foundations, government, and business.” The potential of philanthropic organizations has been assessed as being at acceptable standard level (57%), but the level of understanding of importance of such partnership is quite low — 38%. Not all community foundations understand the importance of cooperation with the government and the business (only 17% agree with this statement completely, and 40% agree with it). At the same time, 23% agree

completely and 46% of organizations agree that cooperation with other NGOs is mutually beneficial.

So the conditions for setting up cooperation between philanthropic organizations and business and government are sufficient in Ukraine. However, the organizations themselves lack capability to do so, especially those from villages and towns, so international experience might be of great help here.

Are there adequate financial, human and institutional resources necessary for efficient operation of philanthropic organizations in your village/town?

Only 4 organizations (14.3%) said they have enough financial, human, and institutional resources for efficient activities (“The area of our activities is one of the most developed regions of Ukraine in terms of economy, tourism, culture and science. Our ‘Ridnia’ community foundation has a developed structure; our human and technological capabilities allow us working broadly across the area of the foundation’s activities”; “The foundation has a network of experienced and informed partners across the region.”). “Organizations understand the importance of involving local resources (Involvement of our own resources for the development of the community is the most vital today; we ourselves develop mechanisms and methods to get the community more active: a “hearing” project, micro grants, self-help groups, and other. We are implementing the Village community development program, support local initiatives, and create local institutions, form a culture of philanthropy and create traditions of philanthropy).

The majority of the respondents said they face a number of problems with provision of resources:

- Lack of personnel and experience. (“We would like to have more financial, human, and institutional resources in the future”).
- Limited financial resources.
- The most acute problem is passivism of local residents. People have grown desperate and shrink into themselves.
- High level of unemployment, which forces many people leave to temporary work abroad and not participate in community life.
- Lack of resources — currently, human and financial resources have depleted due to the situation that has been unfolding for two years now in the east of Ukraine.
- Unstable economic and financial situation in the country.
- Big (corporate) business operating in our area has its own corporate foundation, so we have very few points for support and financing.

At the same time the organizations say that compared to previous years of the foundations’ operations, civil activity of local residents has been growing. The philanthropic organizations need to develop their organizational capacity at first place, at least learn from successful experience of their Polish counterparts.

The research of organizational capacity of the group of the community foundations held by ISAR Ednannia in 2016 also confirmed the following: the need for better financial stability is high (compared to low level of organizational capacity — 38%). However, the level of understanding/consensus for the ‘Financial stability’ standard is also low — 36%. The changes are

possible only after the teams agree on the matter of the issues they are dealing with. The organizations might admit to their weakness in this sector, they are not ready to deal with it due to poor consensus among the organizations' staffs regarding the subject matter and reasons behind the problems. The following issues are the most difficult to solve:

- Creating and managing an endowment
- Operating name, corporate, and themed foundations
- Creation of social enterprises
- Working with socially responsible businesses
- Monitoring and assessment of a fundraising strategy
- Other.

It might be concluded that available financial, human, and institutional resources are not enough for efficient operating of philanthropic organizations. However, the major task should be for organizations to study different opportunities, instruments of involving financial and, most important, human resources. This field is the most important and requires immediate learning.

What obstacles are possible on the way to creating local philanthropic organizations?

Major obstacles to creating local philanthropic organizations are as follows:

1. Low organizational capacity of philanthropic organizations:
 - Lack of experienced staff, especially in villages.
 - Lack of local resources for support of sustainability (administrative aspect) of the organization.
 - Lack of funds, office facility, and active people.
 - Lack of knowledge of efficient instruments for creation of a philanthropic organization.
 - Lack of efficient fundraising expertise.
 - Lack of mentors and incubators.
2. Problems arising at creation of a network of village and town philanthropic organizations:
 - People might have a desire to create a local philanthropic organization in a village community, but they will not know where to start, where to head, how to form strategies and support initiatives. They will have inspiration but will lack skills and knowledge of methodology for moderating the processes in the community, form their vision together with people, and find means for implementation of this vision.
 - Absence of regional and local centers of systemic training on organizational development.
3. Negative image of philanthropic foundations in Ukraine.
 - Some philanthropic organizations were created by political parties, which caused distrust in philanthropy.
 - Increase in the number of fake volunteers raising money on city streets.
 - It often happens that separate facts of abuse in similar organizations are being transferred to the rest of organizations without much thought.

- One of the major obstacles is lack of trust to philanthropic organizations and foundations in communities.
4. Economic reasons:
 - People's poverty.
 - Outflow of population from towns.
 - On the level of local philanthropists, because their philanthropy also depends of social and economic situation and development of the region.
 - Economic situation in the country has been very difficult. Villages live extremely poorly, with almost no income. We might say that the 'freewheeling 90s' are coming back, when people are pushed to the extremes to make ends meet. So the major obstacle for creation of a philanthropic organization is the distrust of people in those who raise money for whatever matter.
 5. Poor cooperation between segments of a community:
 - Local businesses and donors are not ready to pay philanthropic organizations for high-quality management of charitable aid.
 - Another obstacle for creation of local philanthropic organizations is poor understanding of the goal, the purpose, and the tasks of philanthropic organizations by local government, business companies, and the public in general.
 - Lack of support for local initiatives.
 - Poor cooperation with the government and self-governing local bodies.
 - The major obstacle for direct activities of philanthropic organizations is lack of broad practice of joint projects between the government, the community, and the business. There are only a few examples of projects implemented for the good of the community. No culture with positive examples of such cooperation has been yet formed.
 - There might also be obstacles arising along the path of successful activities. These are search for funds, partners, cooperation with the government and making the community more involved.
 - Mistrust, negative experience of cooperation, failure to fulfill promises made.
 6. Imperfect legislation governing the fundraising sector for charitable purposes might be an obstacle for working with local business companies.
 - It happens that the legislation prevents from high-quality and rapid reaction and assistance.
 7. Difficulties with forming an endowment for sustainable activities.
 8. Passivism of the very residents of villages and towns.

What solutions could be implemented in order to overcome or bypass these obstacles?

First of all, the organizations believe they need to enhance their own institutional development:

- To overcome the distrust towards philanthropic foundations in the society, it is best to transparently demonstrate their activities and financial statements. Publications should be made on organizations' websites and social media pages. Information on a community foundation should be publicly available so that everyone is able to access a report of how his/her donated funds have been spent.
- To put efforts into creating positive PR for the organization.
- Start with small examples. Be transparent and open. Choose the most important issues for the community. Two or three examples per year are an important guarantee for overcoming the obstacles.
- Teach your core group, and receive success stories and support from other philanthropic organizations.
- Teach and provide coaching assistance to those who want to create a philanthropic organization.

It is also important to enhance cooperation with all sectors of the community:

- Cooperation with likeminded people, learning from experience of others and developing partnerships, developing international cooperation — these are the instruments that we use in our work.
- Getting to know the policies of local government bodies, becoming their efficient advisor. For that, a philanthropic organization needs to have high level of its own development and development level of its staff and members.
- Involving additional resources for administration of organization's work.
- Enhancing cooperation with the business, the government, and international donors.
- Developing local philanthropy and elaborating mechanisms of support of public initiatives from local budgets.

Networking of organizations will support strengthening of every organization:

- It would be perfect to create one center per 2-3 communities after the decentralization, where the organizations will be able to receive consultations on organizational and institutional development. Such centers could be created as part of existing successful civic and philanthropic organizations.
- Creating an environment where those willing to do charity will be able to find answers to their questions, assess their capabilities, understand how to act effectively and what to improve in their activities.
- Promotion of philanthropy within a community.

For this purpose, it's important to implement the best practices from Ukrainian and foreign experience:

- Experience of Polish partners from 'Act Locally' network might be spread in Ukraine.
- Sharing success stories of CSOs, including through central media.
- Creation of a single resource with electronic library, training videos, and films describing instruments for philanthropy.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings presented in this study it is likely possible to build the network of local philanthropic organizations in Ukraine that will be modeled on the Polish Act Locally Network, and that will be able to succeed.

1. ISAR Ednannia has sufficient organization's potential to play a role of an umbrella organization for the network of local philanthropic organizations in Ukraine.

For more than 20 years, ISAR Ednannia has been promoting the development public initiatives to strengthen local philanthropy, civil society and improve the quality of life for the people of Ukraine. One of ISAR Ednannia's strategic activities remains the same – development of strategic philanthropy culture, especially at local level. Starting from 2009, the School for Community Foundations Program has been supporting Ukrainian community foundations by encouraging them to solve problems of local communities with efforts and resources of the very communities. In addition, ISAR Ednannia administers Ukrainian Civil Society Development Platform Marketplace to offer possibilities for CSOs to increase their organizational potential with the help of learning, counseling and other services that could be received from experts in various fields of development. Thereby through mini-grants, webinars, Capacity Developments Schools, Forums and other activities ISAR Ednannia like 'Intermediate Support Organization' provides technical and/or organizational support to Ukrainian NGOs and other civil society groups to strengthen their program implementation and organizational capacities.

2. Ukrainian CSOs have sufficient potential to develop the network of local philanthropic organizations (in small-medium communities).

Study showed that there are many possibilities to develop partnership and cooperation between local CSOs in Ukraine. Most of those questioned within this research have already noted efficient cooperation with other CSOs: "There are a number of organizations in our city that we regularly cooperate with, provide support to, and help each other".

3. There an interest among different stakeholders and a need to create the network of local philanthropic organizations in the Ukraine.

During 2013-2014, and to less extent (due to economic reasons) in 2015-2016, Ukraine has seen increase in philanthropic activities: aid to the Ukrainian army and IDPs, strengthening of volunteer activities. In 2016, however, as noted by the members of the civil sector, most of CSOs were turning to 'peaceful' activities: ecology and education projects, development of social entrepreneurship, working with the youth, etc. Anyway, CSOs continue implementing their networking experience they gained during recent years. For instance, Chesno Movement has opened branches in 22 cities of Ukraine.

The well-known network of community foundations that was formed within the School for Community Foundations Program has proven its sustainability, including exchange of best practices, implementation of network projects, etc.

In addition to being interested in networking, Ukraine still has a lot of work to do in this direction, to develop the culture of partnership cooperation and networking, but there is a potential worth to be developed.

4. The NGOs, the government and the business sector have enough ability to cooperate.

As proven by cooperation between CSOs, the government, and the business in many regions of Ukraine, the opportunities for such cooperation are huge. However, not all cities and villages are using this potential.

In the meantime, the decentralization reform in Ukraine is aimed at uniting the efforts of the government, the public, and the business in each community with the purpose of enhancing local development. This includes joint drafting of local budgets, the transparency and accountability of local government bodies, civil representation, and much more. Transfer of authority is still a difficult process for Ukraine: none of the sectors is ready to it, neither the government, nor the CSOs, nor the business. However, we've got some positive examples. We can see more CSOs affecting local decision-making, participating in administering grant contests from local budgets, etc. The experience of Poland is extremely important for Ukraine.

5. There are adequate financial, human and institutional resources necessary for the efficient operation of the organizations affiliated to such a network.

Research conducted by various sociologic institutions shows the recession in Ukraine. This, in turn, affects the financial capabilities of the CSOs. Financial viability of CSOs is lower than in 2008 but higher than back in 2011 and 2012 (according to CSO Sustainability Index in Ukraine). This also affects the professional level of human resources. The CSO Sustainability Index in Ukraine shows that institutional capacity of CSOs has been increasing over the years.

In terms of financial capability, the research by ISAR Ednannia shows that in 10 months of 2016, 18 community foundations of Ukraine managed to raise 13.5 million hryvnia (approx. \$500,000) of local funds, which made 64 percent of their revenues. The organizations received the rest of the funds from their international donors. Still, community foundations have no sufficient organizational capacity to cooperate with the business and are aimed at individual donations.

We can make a conclusion that adequate financial, human and institutional resources necessary for the efficient operation of the organizations affiliated to such a network are available.

6. It is highly recommended to continue the implementation of the Global Challenges Local Solutions programme.

Given all of the above, we can speak of possibility, timeliness, and importance of sharing the best practices of Global Challenges Local Solutions programme for setting up and development of the network of local philanthropic organizations in the Ukraine. This is what Ukrainian CSOs need. In addition, the government, the public, and the business are willing to cooperate.

The experience of the Act Locally program is indispensable for cities with population between 10,000 and 50,000 people. Such cities usually stay out of sight for international donors.

The experts who conducted this research see the possibility of transferring the Act Locally technology through joint trainings, internships, sharing the best practices of Ukrainian and Polish organizations, and

conferences for practice exchange. It is important to consistently monitor such cooperation and make required amendments to the joint efforts. In its turn, ISAR Ednannia is ready to serve as an umbrella organization for setting up and development of such network.