

Towards a Strategic Partnership



**The World Bank
and Civil Society in Ukraine**

Ukraine is one of the few countries in Europe and Central Asia in which the World Bank has already systematically supported a wide spectrum of civil society activities. Ranging from advocacy to public education and oversight of local and regional governments, the Bank has also supported civil society organizations' (CSO) involvement in social service delivery projects, NGO coalition-building initiatives and public consultations. Where did this work all begin? It began with the drafting of the 2000 Country Assistance Strategy (CAS) for Ukraine, which was continued under the new CAS for 2004-2007. Now an important focus of the Ukraine Country Team is its effort to enhance the participation and capacity of non-governmental actors in the reform process.

On-going Programs

Our direct involvement with civil society includes projects that have:

- **published and distributed an NGO bulletin;**
- **maintained a Small Grants Program; created an NGO contact group.**
- **created the Dialogue for Reforms project;**
- **led to the organization of the Innovation Days and/Knowledge Forums; and**
- **allowed for the continuation of the People's Voice project.**

Side-by-Side Bulletin. The idea to periodically publish and distribute the NGO Bulletin began in December 2001 as an effort to facilitate dialogue between the World Bank and civil society. It provides information on the Bank's activities, projects and events, and also other current and coming civil society events. The Bulletin has been well received: the NGO community considers it an important information

source, and so the Bank now produces and distributes 1,200 copies of the Bulletin (1,000 in Ukrainian and 200 in English) on a quarterly basis.

The Small Grants Program funds civil society organizations in order to promote dialogue and disseminate information on development, social partnership, and citizen's engagements. One such project funded under this program, for example, seeks to improve social and legal protection at the community level and create new ways of interacting with municipal authorities. The civil society activists and applicants to the Small Grants Program view the program as successful and necessary for Ukraine. The increase in the number of grant applicants over the years indicates a strong and growing interest in the program. In 2004 the International Finance Corporation (IFC) office in Ukraine has joined the Program by providing additional grant funds.

The NGO contact group, when it was created in the fall of 2000, found itself occupying a unique niche in Ukraine. Participants have found in it an open forum in which to consider a broad range of issues, including strategies useful for strengthening civil society,



tax treatment of NGOs, the role of the Bank in civil society issues in Ukraine, and more. The Ministry of Economy is also considering the establishment of a Civil Society Advisory Group patterned on the NGO contact group, and at the same time a Public Collegium has been established with the State Tax Administration in order to ensure transparency and accountability in how this body functions.

The Dialogue for Reform Project

(February 2002-February 2004) was financed by a two-year, \$288,000 grant provided by the Bank to the Ministry of Economy and European Integration - the agency responsible for implementation. The overarching goal envisioned for this project has been to improve accountability of public officials and provide opportunities for consultations between these authorities and civil society, as well as to create favorable conditions for the growth of the third sector through improved legislation.

Close to 150 government-sponsored public events were carried out under the aegis of the project, including a number of trainings for civil servants. These trainings helped public employees acquire skills that are essential for effectively communicating with the public. National public hearings were held on problems surrounding Ukraine's European integration and some 20,000 persons took part.

In addition, the project led to the production of 23 informational/educational films on the State Budget and a concept for information policy on pension reform, as well as a series of large-scale studies were conducted in order to provide consultations with the public and improve the legal environment for the development of civil society in Ukraine. The consultants involved in the project elaborated a number of analytical documents, methodological materials, and recommendations on how precisely to develop the capacity of government institutions to engage the public in the policy-making process.



Dialogue for Reforms




The Dialogue for Reforms project has made significant progress in expanding the dialogue between the government and civil society. This project has provided an initial basis for developing public participation at all levels of the decision-making process.

Innovation Days and Knowledge Forums

were organized in 2001, 2002, and 2003 to follow the Global Development Marketplace. Their purpose: to award grants to projects designed by citizens and local groups that build local development capacity, expertise, networking, and citizens' empowerment.

The projects chosen to receive grants were determined on a competitive basis, and the event itself was combined with the Knowledge Forum whereby knowledge, experiences, and best practices were exchanged between participants from Ukraine, Belarus, and Moldova. The first Innovation Day (ID) event in June 2001 attracted more than 460 brief proposals out of which 15 were awarded grants. The 2002 Knowledge Forum centered on the Distant Learning Course "Social Partnership - A Paradigm for Success". It was a three-country event (Ukraine, Moldova, and Belarus), which





attracted 45 NGO activists and 15 government officials as participants, and a total of 65 people took part in the Knowledge Forum, in which the participants presented their case studies.

These events have provided NGOs in the region with important opportunities to develop their networks and learn from others. Furthermore, the Decentralized Development Marketplace (DDM)-2003 forum allowed participants from Ukraine, Belarus, and Moldova to compete for start-up funding for new and creative development ideas. A key objective of the DDM-2003 was the use of a decentralized approach to promoting innovation within the World Bank Group. Emphasis was placed on encouraging innovation that was consistent with the respective development priorities of the three countries and the DDM-03 received more than 620 submissions for the single nomination and 35 proposals for the special "Three Countries - One Team" nomination.

The People's Voice project (PVP) uses an innovative and comprehensive approach to provide short-term technical support and

longer-term institutional building assistance to develop Ukraine's civil society and make municipalities accountable to their citizens. The goal of the project is to implement mechanisms and procedures that promote public participation throughout Ukraine - participation that builds an effective, responsible, and open government at the municipal level. This is accomplished by providing support for NGOs at the municipal level to monitor government service delivery; governments are monitored using citizen satisfaction surveys, municipal government efforts are tracked in their response to concerns raised by local citizens, and various citizen engagement activities are facilitated. Further assistance comes by providing support for a comprehensive training program for municipal government officials. This training teaches such officials to take citizen's interests into account, namely by drawing upon service report cards, public hearings, and citizen's advisory councils.

From November 1999 to June 2003, the World Bank, in cooperation with the International Center for Policy Studies (ICPS), was able to develop the first phase of the People's Voice project in Ukraine with the support of the Canadian International Development Agency (CIDA). This phase helped to establish NGO coalitions in four pilot cities: Ternopil; Ivano-Frankivsk; Kupyansk; and Chuguiv.

These NGO coalitions assumed the responsibility of engaging local citizens, monitoring municipal service delivery, and working with public officials to address deficiencies raised via public engagement mechanisms. During the first phase of the project, many significant results were accomplished. These included:

- giving citizens greater accessibility to municipal decision-makers through a variety of citizen participation mechanisms, such as public hearings, permanent community advisory councils, and public awareness campaigns;
- increasing the capacity for NGOs to monitor public service delivery, conduct research



and surveys, disseminate information on municipal issues to the broader public, and increase public debate on relevant policy issues; and

- developing municipal policy initiatives that address deficiencies raised by the local community and incorporate the research and public dialogue generated by the NGO coalitions.

In sum, the first phase of the PVP created mechanisms and forums in all four pilot cities that not only allowed the voices of citizens to be heard, but also provided stimuli for more effective policies and programs to be developed to increase citizens' quality of life.

The next phase of the PVP will further increase the level of integrity and good governance. Partnerships will be facilitated between local stakeholders thereby improving government service delivery, and the welfare of these communities will be improved through citizen engagement mechanisms and municipal policy development. In cooperation with a lead coordinating partner - a consortium of PADCO and ICPS - the PVP will provide support to initiatives and efforts in a further six (6) cities, giving training for both public officials and NGO partners at the municipal level. The hope is that during the second phase, which will be facilitated until June 2007, more comparative research will be carried out and greater focus placed on implementing policy recommendations and programs.

Civil Society participation in operations of the Bank. Several elements of civic engagement have been internalized in the Bank's project cycle, and a number of initiatives currently underway have brought good results.

Project preparation across the range of the Bank's commitments has included a determined effort to understand the needs of project beneficiaries in the context of specific project objectives. In most cases such efforts - usually led by Bank staff - have identified stakeholders and their interests through specific exercises that determine the precise scope and nature of civic engagement. In addition



many of the projects, in particular the Lviv Water Supply Improvement Project, have by needs disseminated information to beneficiaries as a major strategic component of this civic engagement.

The TB/HIV-AIDS Project, particularly its HIV-AIDS component, has a planned media campaign about HIV-AIDS, while the Social Investment Fund project includes public information and education sub-components to build public support for locally based social services and implementation of them. Practically all the projects rely on regular consultations with their constituent clients. Some barriers to greater civic engagement do exist in these and other projects, including proper evaluation of NGOs and understanding whom they represent; continual assessment of considerations of the local political economy; and identification strategies and coalitions to support the underlying reforms supported by Bank projects.

The civic engagement strategy in the current Country Assistance Strategy (CAS) for 2004-2007 has opted for a selective approach. The result of several discussions by the World Bank staff in Ukraine, this strategy has a two-fold



Civic Engagement under the new Country Assistance Strategy

objective: to seek government assistance in attaining stated objectives of transparency and accountability; and to build consensus with vocal external actors regarding the Bank's agenda and activities to maintain dialogue with external stakeholders in order to better understand local situations. These objectives of the civic engagement strategy are inherently linked to the proposed CAS objectives of facilitating an inclusive and responsive government, strengthening civil society, and improving the accountability of public officials. With respect to ensuring government responsiveness to the community, the importance of a strong

civil society cannot be understated, and the Bank's activities for empowering civil society will continue to be an important mainstay of the new CAS.

Non-lending activities. Non-lending activities have played a key role in Ukraine in fostering institutional reform agendas. Such programs have subsequently evolved along three lines: (i) those that provide a voice to civil society; (ii) those that work directly with civil society on selected initiatives with a high demonstrative value; and (iii) those that use Bank projects to pilot alternative forms of service delivery at the local level. During the current CAS period, these three types of programs will remain the main strategic directions for Bank activities, namely continuation of the Peoples Voice project; possible scaling up of achievements gained from the Dialogue for Reforms project; involvement of civil society organizations in policy dialogue; preparation of the new Country Economic Memorandum; and various economic studies.

Lending activities. During implementation of CAS, top priority will be given to full implementation of ongoing programs, particularly a number of which that have only just proven their effectiveness. Whether the monitored indicator will focus on community satisfaction with community and social care services (SIF), consumer satisfaction with water services and tariff levels (Lviv Water Supply Improvement Project), or the quality of health care (TB/HIV-AIDS project), participatory monitoring clearly emerges as a means of intensifying civic engagement to strengthen all of the projects in the portfolio.

For example, one way of balancing the controversy over limited funding for anti-retroviral (ARV) drugs may come through involving a greater number of people living with HIV and AIDS in the participatory monitoring of the project, especially regarding out-of-pocket expenses, public and professional attitudes


toward patients, and treatment. While the basic principle of participatory monitoring is that primary stakeholders should become active participants in any such project and not just sources of information, it also builds the capacity of local people to help analyze such projects.

As a further example, the Social Investment Fund as well as the Ukraine Municipal Development Fund (UMDF) will provide greater opportunities for communities to participate in defining the objectives for local development and participate in implementation of any new local initiatives.

Additionally, by strengthening local institutional capacity to collect and process data in a timely and accurate manner, the Statistical Improvements for Results Monitoring project will provide access to trustworthy social and economic statistics vital for policy making and monitoring. Its poverty mapping exercise, for one, will help identify poverty-targeted project opportunities, the impact of which will be that decisions on lending and investment made in the country will be based on data that reflect everyday reality as well as the increased accountability of policy makers.

The Equal Access to Quality Education (EAQE) project will improve accountability through outreach programs - programs that inform parents about school quality; by employing parent-teacher associations to help plan school quality improvements; and through the participation of civil society organizations in the monitoring and evaluation of project-supported activities. Civil society will be constructively engaged to improve education policies by obtaining their feedback on the local impact of education strategies. The EAQE will also seek to improve service delivery by involving CSOs in the development of teaching materials and student assessments, and in the training of teachers.

A two-pronged approach will be used for engaging civil society in lending and non-lending activities in Ukraine. Lending activities that involve NGOs in service delivery mean the



Bank will directly or indirectly assist them in advocating for policies that directly target the poor. Lending and non-lending activities mean the Bank will also help CSOs build coalitions among themselves - and with the government - to promote better governance and accountability. The strategy therefore holds promise for increasing the experience and know-how of CSOs that is needed to become credible players in the policy arena. Moreover, it contributes to better governance by increasing autonomy, self-organization, and the citizens' voice; by improving the effectiveness of service delivery institutions and outcomes; and by producing more relevant and reliable information.

CAS Consultations with Stakeholders.

Within the framework of the new CAS consultations for Ukraine for 2004-2007 - and with the full support from the Ukrainian government, which has encouraged an open and participatory process - Bank staff have met with more than 500 representatives of government agencies, NGOs, academia, professional associations, think-tanks, business circles, parliamentarians, local government officials, and the media. The main reason for their

inclusion was to obtain information from a diverse range of sources and to take into account a wide range of views coming from various parts of civil society.

To facilitate the consultation process a special Web site has been set up in English, Ukrainian, and Russian that provides regular updates of key information about the CAS, posts minutes from relevant meetings and summaries of the feedback received, and invites comments to be submitted.

An integral part of the new approach involved thematic brainstorming sessions, which covered major sectors of the CAS. These were aimed at discussing the most important problems in each sector, in addition to identifying the policy and institutional changes needed to address the problems and clarifying the cross-cutting effects of these changes and the measurable indicators used to assess their progress. Participants representing government, businesses, and NGOs were all part of these sessions.

Not surprisingly, the round-tables and brainstorming sessions generated great interest and attracted a variety of participants from various organizations: those representing academia, youth, business professionals, the media, disabled and retired persons, charities,

scientific circles, environmentalists, and others. The thematic discussions focused on the most pertinent issues of the reform agenda, namely alleviation of poverty, human development, social welfare, environmental protection, good governance, the legal system and private sector development. Participants seemed to fully appreciate the fact that they could freely express their concerns, provide information, and offer direct suggestions to representatives of the Bank.

The meetings were open, the selection of invitees was random and unbiased, and the conference rooms during all meetings were packed to capacity - all testifying to the interest generated by the discussions. International donors and government officials were also invited to attend, written comments were also solicited, and to assure full transparency and accessibility comments received were posted on the Web site.

Why do we do this?

The selective approach adopted in its CAS not only requires a sufficiently strong and independent civil society, but also a government committed to the process and its outcomes. It is expected that the strategy will both increase the understanding and support of citizens for policies and programs influencing their life and contribute to the effectiveness and quality of development/strengthening programs supported by the Bank. Greater citizen/stakeholder control over government programs - and their outcomes - and improved sustainability of development programs via increased participation of citizens will need to be periodically monitored and evaluated to ensure maximum developmental impact.