Abstract / short summary:

This research looks comparatively at a series of partnerships and trusts to pool funding among US and European private foundations and bilateral agencies to support civil society in Eastern Europe after the end of the Cold War. The Environmental Partnership for Central Europe, the Baltic-American Partnership Fund, the Trust for Civil Society in Central and Eastern Europe, the Balkan Trust for Democracy, and the Black Sea Trust for Regional Cooperation were established between 1991 and 2008 with varying donors, geographic mandates, structures, strategic priorities, and legacies, yet all with the same broad aim. With the benefit of hindsight, what can be learned about how to build a vibrant civil society that can endure over the long run, is embedded in the culture, and is supported from within?

This research draws on the authors’ past experiences, desk research and more than 250 interviews with the pooled funds’ donors, board and staff members, grantees, and independent experts and observers from 15 countries. The report examines the impact of these five partnerships and trusts from the point of view of the institutions, policies, cultural change and grantee organizations that they left behind. The heart of the report is a series of lessons for funders grouped under four headings: the Power of the Pooled Fund Model; Building Trust in Civil Society; Enhancing Sustainability and Capacity; and, Four Special Cases. In the end, the authors, three longtime former US foundation practitioners, offer a call to philanthropy to rethink practices to support and nurture civil society organizations and fund over longer time horizons.

Executive Summary:

The 1990s ushered in an era of widespread support for liberal democracy and an opportunity to build civil society in countries where there had long been a dearth of public spaces separate from government control. US and European private foundations, sometimes working with multilateral and bilateral development agencies, established a series of five partnerships and trusts to pool funding to support civil society in the Baltics, Central and Eastern Europe, the Balkans, and the Black Sea. The five pooled funds are: the Environmental Partnership for Central Europe, the Baltic-American Partnership Fund, the Trust for Civil Society in Central and Eastern Europe, the Balkan Trust for Democracy, and the Black Sea Trust for Regional Cooperation.

Each of these five Partnerships and Trusts has been assessed individually, but there has never been an attempt at comparative analysis across all five, taking in account the perspectives of their donors, board and staff members, grantees, and independent experts and observers. From these conversations, desk research, and our own grantmaking experience, we examined the legacy and impacts of these pooled funds and culled lessons to help guide others in answering our main research question: How do you build a vibrant civil society that can endure over the long run, is embedded in the culture, and is supported from within?
Underlying this question is an assumption, that we believe a vibrant and healthy civil society is vital to sustaining democracy. This research is conducted by three longtime former US foundation practitioners, working under the auspices of the Center on Philanthropy and Civil Society, the Graduate Center, City University of New York. The report aims to provoke a conversation among individual and institutional philanthropic practitioners on how grantmakers can more effectively help build, support, and nurture civil society and its institutions, particularly those that can withstand political pressure from authoritarian-trending regimes.

After reviewing the histories of the five pooled funds, the report examines their differences in structure, governance, mission, priorities and context in which it was established. It compares them alongside a few other pooled funds and funding mechanisms in the region. This review and background contributes to the understanding of the legacy and impact of the pooled funds and a series of lessons for practitioners in considering this model for supporting civil society in the future.

This research looks at the legacy and impact of the pooled funds through the institutions seeded or built with their funding, the policies put in place, the cultural change, and the sustainability of its grantees. It quickly became clear that the impressive core of institutions built in the early post-Cold War period now serve as critical funding intermediaries for other donors. Among the many legislative achievements, administrative changes, and government programs developed as a result of funding from these pooled funds, promoting an enabling environment for civil society organizations and philanthropy was a primary or secondary aim of all of the pooled funds. The writing or amending of legislation on associations, foundations, and giving by corporations, the state, or individuals have served as models around the world. Important cultural changes funded by these pooled funds were related to introducing the idea of civil society itself, as well as contributing to a culture of political accountability and pushing for dialogue between polarized groups. Finally, sustainability of the grantee organizations remains an ongoing challenge, as many of those who received institutional support during the years of operation of the pooled funds are still operating today and serving to push back against the erosion of democratic procedures and norms. However, the majority of organizations interviewed cited assuring financial resources as the biggest challenge and offered an array of practices and strategies to deal with the reduced amounts of funding and political pressures.

Finally, this report outlines 20 lessons for philanthropy, under four categories: the Power of the Pooled Fund Model; Building Trust in Civil Society; Enhancing Sustainability and Capacity; and Four Special Cases. Our research found that the varying structures of the pooled funds had consequences, but they were all models that enhanced certain positive outcomes, such as ameliorating burdensome requirements on grantees, an increased tolerance for risk by funders, and balancing domestic legitimacy with international involvement. Lack of trust in institutions is a serious obstacle to accomplishing a vibrant civil society that can endure over the long run, is embedded in the culture of its country, and is sustained from within. To this end, more effort
Sustaining Civil Society: Lessons from Five Pooled Funds in Eastern Europe
Barry Gaberman, Merrill Sovner, and William Moody

could have been made to overcome a lingering statist mindset, to build a culture of giving, to communicate the stories of civil society, to develop individual giving and to support civic education. The research also found a set of lessons that run counter to the conventional wisdom of grantmaking to ensure sustainability and capacity, and that in fact providing institutional support, funding to support real estate purchases and endowments, and supporting individuals through study tours and fellowships, have proven smart investments over the long term.

Four special types of organizations merit special attention and increased resources from donors. These are: infrastructure organizations as the keepers of the enabling environment, community philanthropy for the bottom-up approaches to inculcating local philanthropy, advocacy and watchdog organizations as the canaries in the coal mine and harbingers of political pressures on the sector, and independent media for both its role in political accountability and as a means to confer legitimacy and communicate the achievements of civil society organizations.

The authors conclude with an overriding lesson about the need for philanthropy to think over the longer term, beyond their own exit strategies, to assure that the endgame they seek is put in place. In the case of the pooled funds, the endgame of a vibrant civil society that can endure over the long run, is embedded in the culture of its country, and is sustained from within, is something that will take generations to develop.