

The CEE Trust

A job well done? **Andrew Milner**

The Trust for Civil Society in Central and Eastern Europe (CEE Trust) winds up this month after just over ten years. A consortium of US grantmakers already active in the region (Atlantic Philanthropies, the C S Mott and Ford Foundations, Rockefeller Brothers Fund, the Open Society Institute and the German Marshall Fund), its goal was 'to promote the development of civil societies in Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia by supporting civil society organizations to gain greater effectiveness and stability'. How far did it achieve this and what does it leave behind? *Alliance* talked to a number of people who have been involved with the CEE Trust in various capacities.

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It is clear that the CEE Trust has helped to nurture a significant group of civil society organizations in those countries which will continue to be influential. The extent to which this has produced a stronger and more self-conscious civil society remains less clear.

Before we go any further, two things should be made clear. This article does not pretend to be a full assessment of the initiative. It is based on the views of nine people and can reflect only those views. Others would no doubt have a different story to tell.

The second thing is that any assessment of the CEE Trust's work needs to bear in mind, as noted by Haki Abazi of Rockefeller Brothers Fund, one of its trustees, that it has been working in an extremely uncertain environment: 'Nobody could predict that the reforms necessary for the integration of Central and Eastern Europe into Europe would take so long, and at the point when they were almost completed, the global financial crisis started and the CEE Trust and others were challenged by a new wave of inward-looking and

national-centric governments.' This, he remarks, has made it all the harder to determine whether or not 'it has delivered what was hoped at its inception'.

What has the CEE Trust achieved?

These cautions notwithstanding, it is clear from the respondents that the CEE Trust has much to its credit. Maureen Smyth, Mott's representative on the board, believes that 'the CEE Trust's contribution to the region has been significant'. For her, 'the greatest achievement was being able to strengthen and make more sustainable key civil society organizations in each of the countries in which we worked. The organizations we invested in are stronger and able to make a much greater contribution to civil society than was the case when the CEE Trust first started.' It has also been 'instrumental in strengthening key local grantmaking institutions' such as the VIA Foundation in the Czech Republic; Stefan Batory Foundation in Poland; and Environmental Partnership Foundations in Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia.

Heike Mackerron, the German Marshall Fund representative on the board, notes the background against which the CEE Trust was working: 'When the CEE Trust started operating in 2001, many CEE countries were economically weak, some even experienced mass emigration. It wasn't clear that all countries would continue on the path towards democracy and a market economy.' All are now EU members and most have made what she terms 'impressive democratic and economic progress'. She foresees that some of the institutions that the CEE Trust supported 'may become service providers or government contractors; others have developed a broad funding base. In this sense, the CEE Trust helped Central and Eastern Europe become more European.' It also left behind a more general legacy in terms of the climate of opinion towards civil society in the region, believes Mackerron: 'The CEE

Alliance would like to thank the following for their contributions:



Haki Abazi Program director, Western Balkans, Rockefeller Brothers Fund, USA



Lidia Kolucka-Zuk CEO, CEE Trust



Jan Kroupa Chair, Civil Society Think Tank, Czech Republic



Ewa Kulik CEO, Stefan Batory Foundation, Poland



Heike MacKerron Senior director for Europe, German Marshall Fund, USA



Alina Porumb Community foundations programme director, Association for Community Relations, Romania



Maureen Smyth Former senior vice president of programs and communications, Charles Stewart Mott Foundation, USA

Trust supported civil society initiatives during a critical time of transition in Central and Eastern Europe and helped to strengthen the appreciation of civil society as a positive force for change.'

According to Lidia Kolucka-Zuk, who served the CEE Trust in various capacities and was executive director from November 2011 onward, its biggest achievement is 'the network of organizations that exchange their experience, build their potential and capacity' that it helped create. She is 'absolutely positive that the CEE Trust met the expectations of its funders.'

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Maureen Smyth

The grantees we spoke to share this positive view. According to Alina Porumb of the Association for Community Relations, who manages the national programme for the development of community foundations in Romania, CEE Trust funds enabled them to offer start-up challenge grants for new community foundations in Romania. 'Six new community foundations have been set up in the last three years with major support from the Mott Foundation, the CEE Trust and the Romanian-American Foundation.' The CEE Trust also supported the sustainability of Romanian CSOs in other ways, she says.

'The CEE Trust supported civil society initiatives during a critical time of transition in Central and Eastern Europe.'

Heike MacKerron

'The CEE Trust has certainly contributed to reinforcement of the key organizations in Poland,' says Ewa Kulik of Stefan Batory Foundation, which operated the CEE Trust programme for Poland, 'especially those active in human rights, advocacy, transparency and accountability, civic empowerment and participation, sustainable development and social inclusion.' It has also helped to stimulate 'the growth of indigenous philanthropy' and donor cooperation by supporting the creation of the network of donors' forums in the region. Perhaps most crucially, it was 'among very few grant-

makers who have given grants for capacity building and institutional strengthening'.

Boris Strecansky of the Centre for Philanthropy in Slovakia, and a former grantee of the CEE Trust, feels that it 'played a significant role in the transition period of civil society in the region, when it needed to stand up on its feet but was still weak'.



Tamas Scsaurszki
Independent
consultant, Hungary



Boris Strecansky
Executive
director, Centre
for Philanthropy,
Slovakia

What were its strengths?

Lidia Kolucka-Zuk believes it has been 'one of the most flexible mechanisms' for funding in Central and Eastern Europe. In addition to grants, 'we help organizations to flourish by working with consultants, coaches etc'. This approach she believes to be 'unique'. 'The combined knowledge and networks of staff, advisers and trustees,' believes Heike MacKerron, 'allowed the CEE Trust to identify and support organizations and projects that were strong on content but needed to develop financially and strategically.'

Not only that, the longevity of the CEE Trust meant that, during its ten years, it formed relationships across the region and was able to play a regional convening role. 'It brought organizations together from several countries throughout the entire region,' says Maureen Smyth, 'which is often difficult to do.'

Tamas Scsaurszki, a Mott programme officer for the early years and since then more of an observer, applauds what he sees as the CEE Trust's 'original idea - to give the space and trust for indigenous grantmakers to design long-term (2-3 years) programmes strengthening civil society in their country.'

Jan Kroupa of the Civil Society ThinkTank, who carried out some consulting work within larger programmes funded by the CEE Trust's first round and applied for funding several times in the later period (unsuccessfully), also praises 'some good capacity-building programmes, some support to expert services related to NGOs, some infrastructural support at the beginning of the programme'.

Highlights

A highlight for Ewa Kulik was its 'consistency in funding difficult themes, unpopular with other donors (watchdogs, minority rights, new forms of civic rights abuse, etc)'. Tamas Scsaurszki likewise commends it for 'helping to start and strengthen human rights organizations, indigenous grantmakers, NGO infrastructure organizations, community foundations. These organizations and their work are now part of the sector and they are likely to stay even without further support from their original founders.'

He also mentions the Civil Society Forum in 2009, which was 'a key event to reflect on the 20 years since the political changes and, more importantly, to think about the future and strategic directions to be followed to strengthen civil society in the region'.

Boris Strecansky mentions specifically support for non-profit organizations such as Alliance Fair Play,

‘which plays a crucial role in the political health and governance of the country and so has an effect on the lives of thousands of people’.

Pros and cons of collaboration

Not the least remarkable thing about the CEE Trust is that it was a long-term collaboration among major grantmakers. The funders involved in CEE Trust were already operating independently in the region. How did working together help or hinder their individual efforts? For Mott, says Maureen Smyth, there was a clear advantage in setting up a collaborative: ‘We felt that by contributing to the CEE Trust we were able to leverage a lot of money that otherwise would not have been available to support many of our grantmaking goals. That leveraging aspect was really a big factor for us.’

Were there drawbacks to working collaboratively? Inevitably. ‘In an effort to define the Trust’s mission there was a lot of debate,’ she says, ‘a lot of give-and-take about where we should fund and why... there were times when it was difficult, but we know compromise can be difficult. Understandably, each funder had a different set of priorities. There were some overall agreements and some differences.’

Haki Abazi puts it a little more forcibly: ‘Even though this was a joint mechanism for funding, donors continued to fund on their own, sometimes even competing with what the CEE Trust was doing.’ On the positive side, he believes that it *did* achieve ‘some sort of permanent dialogue among funders’, and provided an incentive and a forum for meeting and exchanging information.

Further to the difficulties of collaboration, he also feels that ‘the style and the level of engagement of donors and board of trustees was rather distanced and sporadic’, and that donor representatives had ‘a very superficial level of engagement’.

Where the CEE Trust went wrong

How far did this affect the CEE Trust’s overall work? It is difficult to tell, but certainly two of the people we spoke to felt that it went off course to a certain extent. For Jan Kroupa, the initial aim of the CEE Trust was ‘to create proactive civic leadership and its capacity to mobilize private resources of all types’. But ‘about half way down the road it lost its own aim and vision... the

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Tamas Scsaurszki’s principal criticism is that it did not effectively continue the grantmaking approach that had made its founders successful in the region. He sees the hallmarks of this approach as a spirit of trust and sense of partnership between funder and grantee, rapid and transparent application and decision-making procedures, a willingness to learn from grantees’ experiences, and a readiness to fund institutions rather than projects. While the CEE Trust tried to practise these things, ‘in general it did not’. It became ‘fairly prescriptive’ and ‘did not trust its grantees’. At the beginning, although it provided long-term grants, it was prescriptive regarding how grantees were to work towards certain objectives, and requested progress reports every three months – ‘such frequent reporting is not a sign of trust’. As time went on, he feels ‘the CEE Trust abandoned its founders’ approach even more’. It seemed uninterested in learning from its grantees, while ‘its application process and decision-making process seemed to disintegrate completely’.

He stresses that while many of the staff were professional and thorough, the CEE Trust sometimes failed in some very basic organizational ways such as not responding to phone calls and emails. He cites the experience of two organizations for which he was a trustee that submitted proposals between 2008 and 2011 – proposals actually solicited by the CEE Trust. The organizations were asked to rewrite the proposals a number of times over a period of two years, because the CEE Trust ‘had changed its focus’ or the ‘requested grant amount needed to be changed’. During this period the applicants did not know ‘when and through what process a decision would be reached’. In the end one organization was supported, the other one was not.

In contrast to this is Ewa Kulik’s view that the CEE Trust ‘established a real *trusting* relationship with most grantees’. Alina Porumb also shares this view. ‘My experience in Romania is that their practice was highly professional. Communications and decisions happened in a timely manner. The CEE Trust was responsive and flexible, and we felt comfortable sharing information from the ground that required a change in the programme, either challenges or things that worked better than expected. The CEE Trust then allowed changes that would improve the programme in the new conditions, which was important as most of our grants were for longer periods, between two and four years. Also, reporting was easy and not too frequent.’

Bringing in other funders

One of the things the CEE Trust set out to do was to bring in USAID as a funding partner. Despite some apparent initial interest on the part of USAID and a long campaign by the CEE Trust ('We actually spent a year working with USAID,' recalls Maureen Smyth), they were unable to do so.

Nor did European funders come into the fold as CEE Trust funders, which for some was a disappointment. Boris Strecansky sees what he calls an ongoing challenge in bringing European funders into the region generally and a particular difficulty in 'exciting European funders about the vision of the CEE

Trust'. He sees this not so much as a weakness of the CEE Trust but as 'a symptom of a bigger and fundamental difference between the US and European cultures

and funders' environments'. In addition, 'EU enlargement has been mistakenly understood as a solution to all subsequent problems including civil society development.'

As Heike Mackerron notes, 'bringing in European funders was not an explicit goal of the Trust', and many European funders interested in the region had already established their own contacts by the time the CEE Trust was set up. In addition, Maureen Smyth points out, a number of European foundations did support individual CEE Trust programmes, for example the Central and Eastern European NGO Fellowship Programme to strengthen leadership in the non-profit sector in the region.

Ten years: long enough or 'a third of the way there'?

One of the most striking features of the CEE Trust is its duration. It is relatively rare for even an individual funder to support one thing in one place for that length of time, let alone a consortium. Boris Strecansky notes approvingly: 'That the CEE Trust stayed in place for ten years is very important, as it is the "long" resources that are needed most, not the "short" resources.'

Was even ten years long enough? Maureen Smyth believes that the CEE Trust has run its natural course

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and that 'the work we set out to do really has been done'. It was never intended as a permanent endowment: 'it was planned as a ten-year sinking fund with the idea that these countries were in transition.' The fixed-term character of the CEE Trust and its implications were always kept clearly in view, believes Lidia Kolucka-Zuk. 'When evaluating grants we were always considering whether our disappearance from the scene was going to cause a crisis for our grantees.'

Haki Abazi, however, is more ambivalent. He believes that 'the focus, strategy and commitment declines' at the end of the life of a trust and that, in the case of the CEE Trust, 'with the distanced board and rather limited time to guide processes and constant evolution of developments on the ground . . . it proved to be hard to keep the focus and be strategic about the way the funding was disbursed.'

What of the grantees? Alina Porumb believes that there is still a need for the CEE Trust or something like it in the region, and that there is still 'not enough money geared towards strategic development of civil society, and few donors take a long-term view on this area'. Ewa Kulik quotes a remark by Ralf Dahrendorf, who said at the beginning of transformation processes in Central and Eastern Europe: 'It takes six months to build a market economy, six years to build a democracy and 60 years to build civil society.' 'We are a third of the way down the road,' in her view. Jan Kroupa for his part concedes that the departure of any long-term funder is a loss, yet 'the current programme of the CEE Trust was so hard to understand that I personally do not view the closure of the programme as a great loss'.

The legacy

Inevitably, the most difficult element to assess is what will remain of the CEE Trust's work. According to Alina Porumb, its aim was 'to consolidate civil societies in the region, with a special focus on "legacy", on leaving a mark, a sustainable contribution. In my opinion it was successful in fostering and strengthening key initiatives in support of activism and civil society sustainability in the region, many of which have a long-term impact, beyond the duration of the CEE Trust.'

She sets out a vision of Romanian civil society ten years from now: active citizens and grassroots groups in their start-up phase will 'have access to resources appropriate to their level of development . . . They will be able to bring their ideas to life with support from community foundations and other infrastructure organizations. There will be an enabling environment,

encouraging individual donors' contributions and transparent CSOs that can engage both large number of donors and strategic contributors . . . They will be able to maintain trust-based relationships with their constituencies, through accountable practices and strategic communications.' She continues: 'Those who will benefit from these resources might never hear the CEE Trust's name, but the CEE Trust will have contributed to this setting . . . Some important seeds are planted in good soil due to CEE Trust support and many will grow.'

Ewa Kulik, on the other hand, regrets that the CEE Trust was 'not audacious enough to give capital grants for the building of endowments'. And, her positive view of the CEE Trust's work notwithstanding, Alina Porumb also observes: 'I would have emphasized even more the legacy element of the CEE Trust, putting in place a series of sustainable financial mechanisms in support of key objectives of the CEE Trust (for example, endowed funds).'

But Lidia Kolucka-Zuk does not feel it will be a big loss. 'I think it will be a loss but the CEE Trust has been acting as a sinking fund since the very beginning of its activity and we were aware that the end was approaching.'

How sustainable is civil society in the region?

A serious question about whether the work is done and what will remain is posed by some respondents. Granting the fact that the CEE Trust has helped to build and strengthen a number of key civil society organizations in the countries in which it worked, the question remains as to how far these organizations have helped to create a stronger civil society generally. Both Ewa Kulik and Lidia Kolucka-Zuk talk about the CEE Trust's support for watchdog organizations, a clear response to the rise of militant nationalism and the onset of a much chillier climate for democracy. It is debatable how successful such support has been.

Haki Abazi remarks on a 'real decline of democracy and human rights, and the rise of nationalism and anti-Semitic vocabulary returning forcefully to this part of Europe' and a 'tremendous setback' in Hungary relative to 'what was achieved in the 1990s in terms of transparency, accountability and the rule of law'.

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He concludes: 'The reaction against this is very weak, almost non-existent.' For him, this demonstrates 'that the infrastructure for credible, sustainable, strong organizations is not built'. In this respect, he believes, the gap that the CEE Trust leaves behind is 'huge.'

Similarly, Boris Strecansky's 'greatest disappointment' with the work of the CEE Trust is that 'I am not sure if it has contributed specifically towards sustainability support infrastructure for civil society'. While he believes there have been 'many great projects implemented, the infrastructure field (support to CSOs) remains rather empty', at least in Slovakia.

He goes on to point out, though, that 'in the last analysis, it is the "genetic" equipment of national/regional actors in the CEE region that is decisive . . . the role of the CEE Trust has been encouragement and support. And I think this role has been met very well.'

To sum up

There can be no question of passing judgement on the work of the CEE Trust on the slender basis of this account. The CEE Trust represents an ambitious attempt on the part of its funders to strengthen civil societies in Central and Eastern Europe. Its value to any number of civil society organizations in the region in a period of uncertainty has been great. The importance of its support during a period of transition echo through most of our respondents' remarks.

To what extent did the political and economic crises it had to confront and its own organizational peculiarities affect the overall execution of its purpose? It is hard to tell. Certainly, the CEE Trust was seen by some as straying from its original mission towards the latter stages of its life, for Jan Kroupa even becoming an organization that 'no longer understood itself'.

Has the CEE Trust done its job? Again, our respondents don't fully agree on this. The question of whether civil society in CEE Trust countries is strong enough to withstand a colder political climate and to act as a focus for opposition to arbitrary government remains difficult to answer, at least for now.

Tamas Scaurszki points the way towards completion of the CEE Trust's work. 'Its founders should consider undertaking a thorough assessment of the CEE Trust's work and making the findings publicly available,' he says. 'The CEE Trust has been one of the biggest undertakings to strengthen civil society in the region. Assessing its work and impact would be simply good practice and a source of many valuable lessons for both the founders and the region.' 