

BAPF PROGRAM SUMMARY – JANUARY 2007

Since 1999, the Baltic American Partnership Fund (BAPF) and its local partners, the Baltic American Partnership Programs (BAPPs), have invested over \$10 million to strengthen civil society in Estonia, Latvia and Lithuania. Particular focus has been placed on the development of the non-profit sector, through which individuals can come together in an organized fashion to participate in and influence political, economic and social decision-making processes in their countries. BAPF's support has been provided through grants, training, and technical assistance to a diverse range of organizations and individuals who, in different ways, have contributed to BAPF's three primary objectives for its ten year life span:

- 1) A clear, supportive legal and regulatory environment for civil society;
- 2) The institutional development of nongovernmental organizations (NGOs);
- 3) Financial sustainability of the NGO sector.

At the end of 2006, BAPF awarded its final grants totaling \$1.3 million to the three BAPPs, for the period 2007-2008. In the absence of any additional funding, BAPF's public charity status remains in effect through the end of 2008, after which time a final close-out of BAPF's operations is planned.

Specific activities and achievements of the BAPF and its grantees over the past 8 years have included the following:

- **Introducing the concept and practice of public benefit advocacy to a greater number of NGOs in all three Baltic countries.** BAPF grants to support advocacy capacity and campaigns have encouraged an increasing number of community based groups to form coalitions seeking to monitor and/or develop improvements and alternatives to government policies in a wide range of issue areas. In Latvia, for example, a BAPP-supported women's resource center has created a network of over 50 groups involved in advocacy and policy related activities, including public debate on increasing the representation and involvement of women in politics and government, and revision of policies related to child care benefits and domestic violence.
- **Enabling the passage of key legislation and policy reforms to support the work of the non-profit sector and encourage volunteerism and charitable giving.** This includes the first comprehensive NGO law in Latvia that defines public benefit status for non-profits, thereby facilitating tax exemptions for qualified organizations, and the landmark Civil Society Compact in Estonia, which was developed over a three year period by a BAPF-supported coalition of over 500 NGOs, and key government and parliamentary bodies. The Compact, the first of its kind in Central and Eastern Europe, lays out the principles of cooperation between the public and non-profit sectors, and requires the government to involve NGOs and individuals in public policy making, as well as to develop transparent and equitable means of providing state funding to NGOs.
- **Creating a pan-Baltic community philanthropy movement, which includes a network of 15 community foundations in the three countries.** These foundations are engaged in local fundraising (over \$200,000 in 2005) and grant making for community needs, and are serving as catalysts for community involvement and action, through activities such as participatory town planning forums, cultural events and volunteer opportunities for local youth.

- **Supporting the development of new models and mechanisms for individual and corporate giving**, including a web-based portal for donations in Latvia (“Donate.LV”), which has raised over \$200,000 for various charitable projects carried out by NGOs since 2004, as well as the passage of the 2% income tax facility in Lithuania, through which approximately \$20 million has been allocated by individuals from their income tax since 2004 to a variety of institutions, including NGOs, churches and schools.
- **Providing targeted internships and other professional development opportunities to young leaders in the non-profit community.** Among the many examples is Iluta Lace, director of the Latvian women’s resource center mentioned above, who received BAPP support for an internship in Brussels to network and learn from other women’s groups in the EU. As a direct result of this engagement, she was elected vice-president of the European Women’s Lobby, a Europe-wide women’s NGO policy platform. Another recent example from Estonia is Artur Taevere, founder of the Estonian Charities Foundation, an indigenous venture philanthropy fund with strong ties to the Estonian business community, who received BAPP support to attend and make a presentation on his group’s work at the 2006 Global Philanthropy Conference on Social Entrepreneurship in Washington, DC.

BAPP’s Exit Strategy

Notwithstanding the positive developments listed above, an external assessment recently commissioned by BAPP identified financial sustainability of the non-profit sector as an area in which, perhaps not surprisingly, much is left to be done. Most vulnerable are the groups that are engaged in advocacy and policy work in areas that remain little understood locally --- rights of women, the mentally and physically disabled, HIV-AIDs, drug abuse, anti-corruption, etc. This is particularly critical in light of the growth of populist sentiment across the region which has led to scapegoating of groups serving marginalized communities and addressing controversial issues, as well as more generalized challenges to the legitimacy of the NGO sector as a whole.

It is in this context that BAPP intends to focus its remaining resources and time on the consolidation of key institutions and infrastructure that can play a leading role in further civil society development in all three countries after BAPP exits. Financial sustainability of the non-profit sector is a long-term challenge that will remain well beyond BAPP’s 10 year lifespan. Thus, the BAPPs in Latvia and Lithuania, in close cooperation with representatives of their local business communities, have already completed initial plans for the establishment of indigenous philanthropic institutions (along the lines of what has already been created in Estonia). These institutions would play a bridging role between the non-profit and private sectors, and would seek to mobilize local resources in support of groups working innovatively on critical social and economic issues in the region.

In addition, preliminary discussions are underway among the three countries regarding the possible establishment of a pan-Baltic foundation that would increase collaboration, disseminate best practices, and raise awareness in areas where the BAPPs have accumulated a significant amount of experience through their eight years of grant making. These areas include policy engagement with government structures, grassroots community activism, philanthropy development and corporate social responsibility.