

Building Sustainable Communities in the NIS

The Role of USAID Assistance

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ince USAID began providing assistance to the countries of Central and Eastern Europe (CEE) and the New Independent States (NIS), a variety of projects have focused on building skills and capacity at the local level to foster economic development and democracy and to improve the social safety net. A key lesson learned is that community participation and empowerment—defined as the ability of individuals and local groups to identify and solve problems at the grass-roots level—are essential.

Whether encouraging enterprise development, energy reform, democracy, or health, the Europe and Eurasia (E&E) Bureau of USAID has attempted to engage all major stakeholders in each sector involved in reform efforts. In the areas of health and environment, USAID has engaged policy dialogue and legislative assistance with local and national governments; helped strengthen the non-governmental sector as an advocate and provider of services and information; enhanced the leadership and technical skills of healthcare and environmental protection providers; worked with the private sector and business or professional associations; and raised public awareness about health and environmental issues. In the area of enterprise development, USAID has supported training for small- and medium-sized businesses; developed entrepreneurial courses for youth and women; developed MBA-level programs for professionals; and assisted business association development. USAID has emphasized this participatory and inclusive approach throughout. Several illustrative examples highlight such community participation.

Environmental Assistance

USAID's Environmental Health Project (EHP) works with communities, households, governmental institutions, and non-governmental organizations (NGOs) to identify key environmental health risks and implement interventions to reduce them.

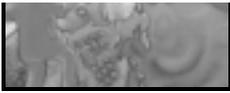
Zlatna Partnership Addresses Lead Safety

In the Alba district of Romania, EHP provided assistance in the copper smelting town of Zlatna to reduce emissions of

lead sulfur dioxide and to improve the health of plant workers and the community. Preliminary data indicated that the children of Zlatna were experiencing significant adverse health effects from exposure to lead and sulfur dioxide emissions from the plant. During 1994–1997, the project achieved its objectives to improve air quality monitoring, and occupational health and safety at the smelter, as well as to reduce young children's exposure to lead. Both Romanian and US partners credit this success to the “enthusiastic participation and leadership of Romanian counterparts from private and public sectors who were willing to embrace a totally new collaborative style of working together to improve the future for their children and community.”¹

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With the guidance of the Lead Working Group, a wide cross-section of community leaders were involved, *e.g.*, directors of preschools, kindergartens, the district-level health education laboratory, the medical research institute, and the NGO EcoZlatna. This group identified community behaviors responsible for lead exposure (lack of clean places to play, poor hand-washing, and not washing produce) and developed family counseling programs for both parents and children. EcoZlatna and the district health education laboratory raised public awareness about the dangers of lead exposure and galvanized individuals, schools, and private industries to implement preventive measures. Local pediatricians and school teachers disseminated information on lead poisoning, the health education laboratory produced educational brochures and radio announcements, and EcoZlatna provided family counseling in homes and neighborhood group meetings. Schools, the smelter, local government, and citizens raised over \$20,000 to build new, clean playgrounds and hand-washing facilities at the schools. All these activities resulted in a 25 percent decrease in the average blood lead level among children.



ROLL Project Incorporates Lessons Learned

ROLL (Replication of Lessons Learned) builds on the best practices of former USAID environmental projects in Russia. ROLL matches partners, provides support services, and competitively awards moderate-sized grants to Russian organizations to increase their environmental management capacity to solve pollution problems, protect natural resources, and support sustainable growth. Community participation is built directly into ROLL's management; a 27-member coordinating council of Russian environmental leaders from business, government, and NGOs oversees the project and approves grant recommendations. To date, the ROLL project has awarded more than \$3 million in grants (averaging \$28,000 each) to support replication activities in over two-thirds of Russia's administrative districts. The bulk of the grant proposals come from Russian organizations and therefore are demand-generated and community-focused. In addition to grants, ROLL supports replication activities by providing training and technical assistance and encouraging networking and coalition-building among environmental organizations, agencies, and businesses.

In the "black soil" region of central Russia, ROLL funding is enabling the Volgogradecotekhzerno Association, a commercial organization, to assess the degree of air pollution produced by bakeries in the cities of Volgograd, Rostov-on-Don, and Voronezh. The association provides bakery managers with practical recommendations on decreasing harmful emissions. "Bakeries produce products of daily necessity in densely populated areas, and their emissions are not as harmless as they may seem," explains the project's coordinator. "Because these enterprises use practically the same baking technologies, we can apply low-cost assessment methods to all of them." The bakeries are looking for ways to become more efficient, competitive, and environmentally safe. "Doing a realistic assessment of our emissions with low-cost methods makes it possible to improve our relations with environmental inspection bodies," adds the chief mechanic of a Volgograd bakery. "And we can use the money we save to upgrade the production process for both efficiency and environmental safety." Partners in this program are working toward setting up improved standards for environmental regulation.

Energy Partnerships

During the communist era, energy was provided to residential and industrial customers at highly subsidized rates, with little consideration to production and transportation costs. As a result, the sector suffered from financial deficiencies, fuel shortages, and blackouts. By 1992, years of budget cutbacks meant deteriorated

facilities that had not seen routine maintenance or the replacement of aging infrastructures. Energy professionals lacked the business practices, management skills, and financial acumen required to operate their companies in a commercially sustainable manner. In addition, ministries and companies were undergoing two simultaneous transitions: from oversight by Moscow-based management to control by new and sometimes fragile national and regional governments, and from centrally-planned to market economies. To assist with these transitions, the Energy Industry Partnerships Program (EIPP), funded by USAID and managed by the United States Energy Association (USEA), created partnerships between US utilities and their NIS counterparts to promote energy sector reform.

Many utility companies needed to raise the awareness of consumers about the actual costs of providing energy and transition them from a highly subsidized rate to a fee-for-service system based on actual use. Thus, utility companies in Russia and Ukraine identified improved customer-service skills as a principle objective of the partnership. Additional customer services—such as improved billing, metering, and response time for repairs and information—were also needed to demonstrate the value of increased energy costs.

For most natural gas distribution companies, customer service is an integral part of their overall mission. With wholesale gas prices and bill non-payments rising, the Samargaz company could no longer handle customer relations through its traditional local communal services departments. The Questar (Salt Lake City, Utah)/Samargaz (Samara, Russia) partnership created a direct relationship with customers, encouraging them to see the added benefits of new utility services. The partnership established satellite payment stations throughout the utility's service territory, making it convenient for customers to pay their bills. The pay stations also personalized the utility; for the first time, customers could inquire about billing, service, and repairs. In return, the utility had an opportunity to explain the importance of making timely payments.²

Local Government Initiatives

Given the new importance of local government as the financier, manager, and provider of basic human services, the development of efficient and effective local government institutions and practices is essential to a successful economic and democratic transition. USAID supports basic training and capacity building directed at professionalizing local public administrators and strengthening basic managerial competencies. A key result of this has been a change in the relationship between citizens and government—including increased citizen participation, and

recognition by elected officials and local governments of consumer and constituent interests and needs.

Traditionally, citizens had no knowledge of or involvement in determining local government budget priorities. To change this, the Mayor of Piatra Neamt, in conjunction with the Romanian Federation of Municipalities, decided to use budget presentations as an opportunity to solicit community feedback and

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communicate with citizens about the city's operations and management. Attendees were given educational budget booklets at the meetings, which gave citizens an opportunity to learn about the costs of municipal services—and the taxes and fees needed to fund them—as well as to express their views on the quality of services delivered. Ultimately, citizens suggested 11 new projects for the capital investment budget. All of the attendees agreed that the distributed booklet and meetings improved their understanding of the budgeting process. These transparent practices were later adopted in Focsani Regia for Public Services and have been widely disseminated throughout Romania.

In another example, Czech government officials in Jihlava sought to counteract traditional public distrust of local government and improve relationships between local government, citizens, and the media by enhancing citizen participation. Government officials formed a diverse Project Advisory Committee, which conducted surveys on governmental views of citizens and citizens' views of their government. An action plan based on the survey results required that government officials establish better channels of communication. Jihlava held town meetings, established a press office, prepared a citizen information brochure, initiated a weekly call-in show, established a task force to review city procedures for funding NGOs, and created an annual Jihlava Day celebration to build civic pride. Jihlava has instituted town awards for outstanding citizens and incentive systems for government workers. The success of such measures requires that government leaders recognize the importance of citizen relations, promote efforts to enhance these relations, and make changes in the way they conduct their affairs.

In Ukraine, the deteriorating economic situation and limited funds required local officials to make difficult decisions

about how to use available resources most effectively. To make the best possible decisions and improve coordination and communication, the Mayor of L'viv created five task forces to address the city's most urgent problems: water supply; information management; solid waste disposal; financial reform; and economic development. Government employees were given incentives for quality work on the task force, which also included representatives from the public and private sectors, universities, and institutes. The mission of each task force was to develop recommendations addressing its problem area and to present them to the city council. This process, combined with public hearings, resulted in a design for a World Bank water project; an outline of roles and responsibilities for individuals, businesses, and governments to combat pollution problems; and a plan to computerize city hall. The task force concept enabled citizens and non-governmental experts to become actively involved in local decision-making processes.

Small- and Medium-Sized Enterprise Development

A key component of USAID's Economic Development Strategy is supporting the creation of micro-, small-, and medium-sized privately owned businesses, which provide an excellent solution for job-creation, income generation, and economic growth. According to E&E's publication, "Partnerships for Sustainable Growth," a key lesson learned from E&E economic development programs is that enterprises need a stronger collective voice to promote legal and regulatory changes that help create a market economy. The report emphasizes building advocacy coalitions to press for needed legal and regulatory reform. Private enterprises themselves are the most important advocates for reform, but business associations, think tanks, and NGOs seeking to promote good governance and a civil society can help "put a face" on business, enabling political and governmental officials to recognize the existence of private enterprise as an important vehicle for economic growth.

Throughout the region, USAID has worked to build viable small- and medium-sized enterprises through its privatization programs, enterprise funds, development of financial management capacity at all levels, and support of non-governmental business associations and organizations. USAID has provided over \$40 million for micro-enterprise development throughout the region. Services include training, technical assistance, and small business loans.

In Kazakhstan and Kyrgyzstan, the FINCA microenterprise project, funded by USAID, has provided nearly 35,000 individuals with loans and training services. FINCA establishes village banking systems in rural areas in an attempt to reach

families without access to stable, salaried wages and/or those who earn money through casual labor or informal business activities. The Land O'Lakes company provides pre-loan, business management, and other training programs for potential entrepreneurs in these areas.

E&E recognizes that in many areas of these regions, women do not have equal access to the means of production or equal treatment under laws and practices governing commerce. Addressing gender bias is an important goal of USAID. There is ample evidence to suggest that female entrepreneurs are contributing significantly to economic development throughout the region, and could contribute more if given equal treatment under the law. Currently, E&E is seeking ways to increase women's access to USAID resources for economic development.

In Albania, the goal of the Land O'Lakes Dairy Improvement Campaign is to increase rural incomes by teaching women how to improve the quality and quantity of their dairy production. Since 1993, the Campaign has trained over 5,000 women in business management, marketing, quality control, and animal health. It has also promoted the development of small businesses such as processing plants, and encouraged democratic institution building through the creation of cooperatives, credit unions, and women's associations.

Humanitarian Assistance and Community Development

In regions emerging from conflict and disaster, such as the Caucasus and Balkans, a key challenge for USAID and its partners is not only to meet needs during a crisis, but also to design programs that will ensure that recipients can transition away from dependence on relief and subsistence efforts toward productive, healthy lives. Save the Children Foundation (SCF), a US private voluntary organization (PVO) operating under a cooperative agreement with USAID, manages PVO rapid response to humanitarian crises in the Caucasus. Activities have provided food, shelter, and primary medical care for refugees, internally displaced persons, and other vulnerable groups. Efforts address sanitation problems in refugee settlements, heating and winterization for schools and hospitals, and pilot projects to develop small industries and micro-businesses. Income generation and micro-credit projects have laid the groundwork to enable a transition from disaster assistance to sustainable development.

A particularly effective component of the SCF program is the Armenian community development project, which has organized 196 community groups to implement a wide range of projects that have elicited a significant levels of community support and contributions. Starting with a goal of achieving a 20 percent community contribution, either monetary or in-



Providing safe drinking water is part of Save the Children Foundation's (SCF) Armenian community development project. Here, citizens cap local springs to provide safe water for their village.

Photo courtesy of Mary Ann Micka, USAID.

kind, the program to date has averaged a local contribution of 39 percent. The program formed informal civic action groups (CAGs) composed of local citizens to identify plans for increased production and better living conditions. The CAGs learned how to prioritize problems, select appropriate solutions, identify community resources and contributions, and implement micro-projects. This process helped citizens develop civic structures at the local level and contributed to solving the larger national priorities of repairing the country's infrastructure, increasing agricultural production, and restructuring the social sector. Micro-projects have included developing hospice care with the help of Mission Armenia, developing job skills and computer training for orphans and widows of the Karabakh conflict, and establishing a business center to provide training and loans to start-up businesses.

USAID has also funded a pilot Social Investment Fund (SIF) in Armenia. This innovative program established a structure for evaluating, awarding, and monitoring community action grants that help restore social infrastructure. Community-based teams identify reconstruction and renovation projects—such as upgrading school heating systems or refurbishing local clinics—and gather a cash contribution. SIF evaluates proposals and provides funds, which,



After addressing their water issue, the Armenian community received a \$10,000 development grant from the SCF to restore their health clinic, seen here prior to restoration.

Photo courtesy of Mary Ann Micka, USAID.



The director of the Sarukhan Health Center and Mary Ann Micka, chief, USAID Division of Health Reform and Humanitarian Assistance, in front of a sign explaining the USAID/SCF partnership.

together with the community contribution, are awarded to local construction contractors who perform the work. Upon successful completion of this pilot program, it was expanded under the World Bank SIF loan. A similar pilot SIF began in Georgia in 1996.

Health

Health is more than just the absence of disease; it encompasses the well-being of the whole community. The Healthy Communities model has been adopted by many cities around the world to promote citizen involvement in health and safety. In 1995, at the request of USAID, AIHA facilitated the development of three “healthy communities” partnerships in Slovakia. These partnerships formed coalitions of private citizens to identify major regional health concerns and strategies to address them.

In Bratislava’s economically depressed, residential district of Petržalka, Kansas City and Slovak partners noted a sharp rise in teenage drug use. The local Aid to Children at Risk Foundation teamed up with US community health experts to raise awareness and mobilize Petržalka citizens. The community now holds monthly “community drug forums” to educate parents, children, and civic leaders about drug abuse and possible prevention strategies. This model is being replicated in Piestany, Slovakia without the help of USAID funds. The Petržalka/Kansas City partners also completed a groundbreaking survey of more than 800 local teens, providing a useful portrait of Petržalka’s

drug and alcohol use patterns. In response to survey results indicating that a majority of 8 to 12 year-olds had experimented with tobacco and alcohol, community leaders initiated drug education and prevention efforts as early as preschool.

The Aid to Children at Risk Foundation also established a domestic violence crisis center to address another pressing community need. In March 1998, a drop-in center and crisis hotline began operating, and in June 1999 the Mayor of Petržalka donated space for a battered women’s shelter.

The Future of Community Participation and Development

In the CEE/NIS region, programs are becoming increasingly focused on expanding community participation and directing resources and attention to remote regions as yet untouched by USAID assistance. One example of this trend is the regional investment zones in the NIS—Atyrau in Kazakstan, Kharkiv in Ukraine, Novgorod and Samara in Russia, and the Russian Far East. While local governments in these areas will be engaged in future efforts, assistance will be targeted to improve the viability of private and non-governmental sectors through enterprise development, civil society, and partnership programs. Through the regional investment initiative, USAID will direct resources to these local centers in order to create a cross-sectoral, regional reform model that could be disseminated to other regions.

As USAID’s efforts extend to regional and rural areas, the concept of community development programs, which are typically cross-sectoral and integrated, may bear examining for its relevance to the unique post-Soviet NIS environment. USAID’s goal is to help communities transition from a dependence on humanitarian aid to empowerment and sustainable development; thus, a typical community development program provides seed funding, technical assistance, and training to build local community cooperatives and associations, for which communities themselves are responsible. USAID’s new emphasis on community health and well-being will address specific regional concerns with multi-faceted approaches that integrate healthcare solutions as vital components of cross-sectoral comprehensive programs. The real challenge will be for USAID and its partners to identify and develop such programs and productively collaborate to implement them.

References

1. EHP final report, 1998
2. USEA publication, 1998

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