



Eurasia Partnership Foundation

2008 ANNUAL REPORT & PROGRAM OVERVIEW



Engage!



Public



Research



International Dialogue



Philanthropy

FOUNDING PARTNERS

United States Agency
for International Development

Swedish International Development
Cooperation Agency

*Eurasia Foundation, a member of the EF Network,
oversees the disbursement of core USAID funds to EPF.*

DONORS AND PARTNERS SINCE 2005

Over \$ 100,000

Carnegie Corporation of New York

Norwegian Embassy in Azerbaijan

UK Department for International Development (DFID)

UK Foreign and Commonwealth Office (FCO)

United Nations Democracy Fund (UNDEF)

United Nations Development Programme (UNDP)

US Department of State

Under \$ 100,000

BP

British Embassy in Armenia

Danish Refugee Council (DRC)

International Finance Corporation (IFC)

The Lodestar Foundation

Open Society Institute (OSI)

Organization for Security and
Cooperation in Europe (OSCE)

Philip Morris/Altria

Statoil Energy Inc

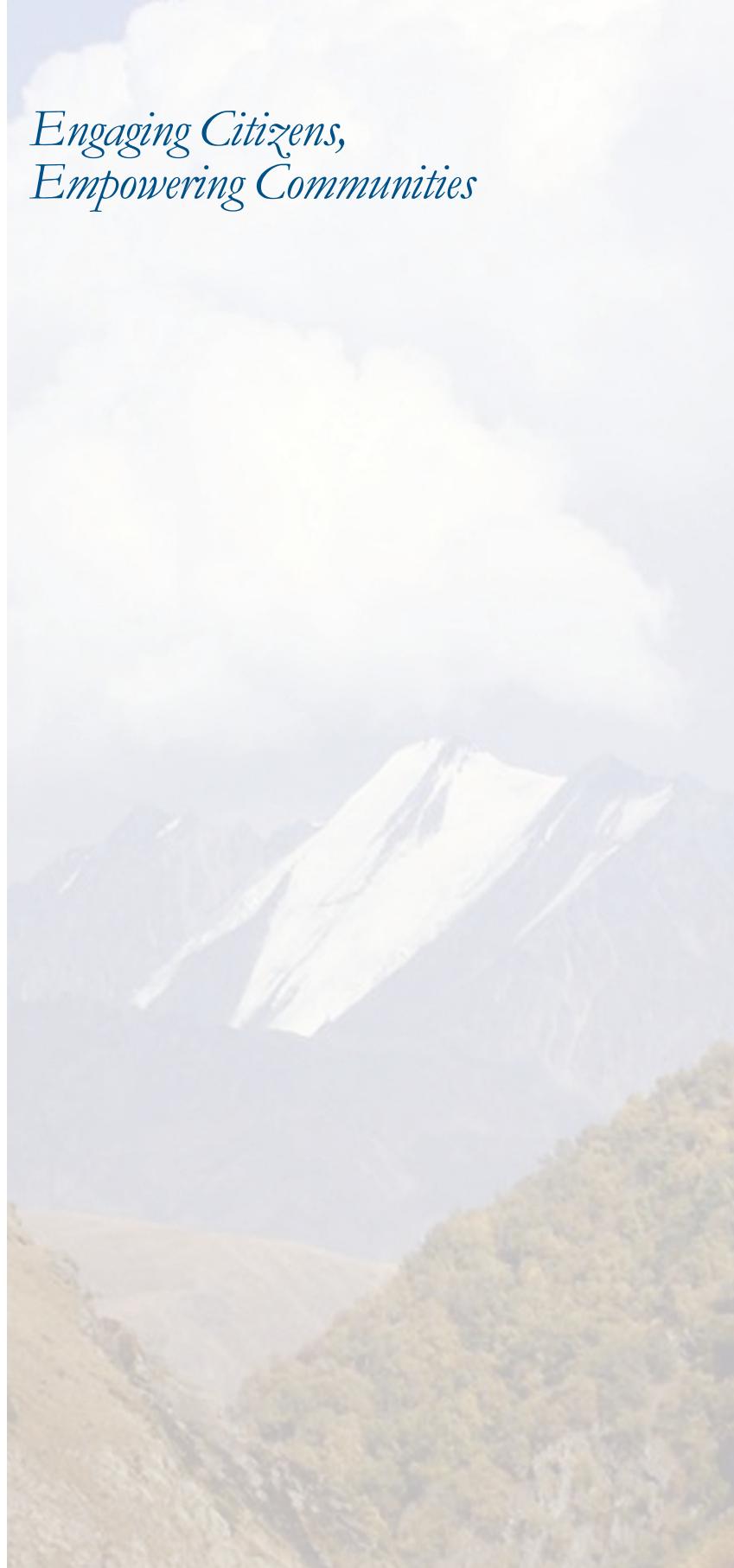
European Commission, Technical Aid
to the Commonwealth of Independent States (Tacis)

UN Association of Georgia (UNAG)

United Nations Children Fund – Georgia (UNICEF)

World Bank

*Engaging Citizens,
Empowering Communities*



USAID
FROM THE AMERICAN PEOPLE



This publication is made possible by the support of the American People through the *United States Agency for International Development* (USAID) and by the *Swedish International Development Cooperation Agency* (Sida). The contents are the responsibility of Eurasia Partnership Foundation and do not necessarily represent the views of USAID, the U.S. Government, Sida or the Swedish Government.

LETTER FROM THE PRESIDENT

2008 marked a year of war, protests and increased instability in several regions of the South Caucasus. Progress in state-building and economic growth was further hampered by multiple external factors. The price of oil shot up and tumbled. The August war in Georgia changed underlying assumptions about the unresolved conflicts. Football diplomacy prompted Armenia's dialogs with Turkey and Azerbaijan. The global financial crisis has forced a reassessment of many of the economic assumptions.

Civil society in this region, though active, is marginalized from many of the processes that are driving change due to a combination of factors, with only sporadic meaningful interaction with policy makers and public institutions. Given this, we ask ourselves "How do we promote sustainable, responsible civil society in the South Caucasus?" Our response is: ***Public Engagement!*** EPF's mission is to engage people in Armenia, Azerbaijan and Georgia in the constructive processes that shape their own future, empowering them to effect change for social justice and economic prosperity.



This report and our Eurasia Partnership Foundation (EPF) websites (www.epfound.org) highlight our approach to thoughtful, responsible engagement – supporting civic dialog at the community, national and international levels; promoting evidence-based research that can inform policy making; and fostering a culture of philanthropy.

2008 was a banner year for EPF's youth programs, which increase opportunities for volunteerism and civic activism for young people in their respective communities. In 2008 more than 100 Youth Bank committee members, acting as independent informal groups, gained practical experience in implementing small grants programs across the South Caucasus. Likewise, EPF's Caucasus Research Resource Centers (CRRC) are supporting policy-related social science research and setting the standard for high quality research products (see www.crrcenter.org). CRRC runs the largest yearly survey of household attitudes and behavior in the Caucasus, effectively addressing the information gap that leads to generalizations and uninformed policy. To develop a culture of philanthropy, EPF's Corporate Social Investment (CSI) program works with local and international businesses to provide models of strategic investments, addressing social needs that simultaneously benefit businesses, communities and society.

These are big goals and they are challenging, yet, EPF is well positioned as a leader in the South Caucasus. With Eurasia's fifteen years of experience in the Caucasus, distinguished Trustees, National Advisory Councils and an experienced staff, we have the depth of knowledge and experience to face these existing challenges. With core funds from generous donors, such as USAID, the Swedish International Development Cooperation Agency (Sida) and the Carnegie Corporation, EPF confronts the challenges with new, locally driven, innovative solutions.

Please join me and my colleagues at Eurasia to encourage those living, working and interested in the tumultuous South Caucasus region to ENGAGE in the mission of supporting real and responsible change that will result in social justice and economic prosperity for this important region! We are proud of our accomplishments during the first year as a local foundation!

A handwritten signature in blue ink, appearing to read "George Zarubin".

George Zarubin
President

EPF MISSION STATEMENT

To empower people to effect change for social justice and economic prosperity, through hands-on programs helping them to improve their communities and their own lives

MANDATES & PROGRAMS



Engage the Public

Participatory Civic Monitoring emphasizes the process by which local stakeholders actively take part in monitoring the government's commitments to reform and public service delivery. The purpose is ultimately to take action through a process based on democratic principles that effects change at the policy level. To strengthen this process, EPF's grant making builds the capacity of individuals to critically analyze information and catalyze commitment for change at the community level. Since the program's inception in 2007, EPF has funded 11 projects in Georgia that are resulting in stronger dialogue and cooperation between civil society and government. Two more targeted grant competitions will be held in 2009.

EPF's **Anti-Corruption Programs** aim to develop cross-sectoral partnerships between government, civil society and the media to jointly promote government transparency and policy reform. Since the launch of this program in 2007, more than 40 participants from 12 media outlets and 22 NGOs in Armenia have received training in investigative reporting, monitoring of government activities, use of the Law on the Freedom of Information, budget analysis,

and international best practices in civic monitoring. In addition, training for government representatives at all levels – local, regional and national – has strengthened their capacity to develop and implement anti-corruption and anti-discrimination policies related to procurement, contracting, and the hiring, firing and promotion of staff; to conduct budget

Through this project, participants learn how to manage a small pool of grant money, and the youth group oversees the distribution of these funds to support small-scale development projects led by other youth in their communities. Since its launch in 2007, more than 500 young people in Armenia, Azerbaijan and Georgia have implemented community projects. More than 100 members of Youth Bank committees have received

"The changes taking place in the Caucasus Region call for new, creative approaches to development, where public engagement is more and more critical. By continuing to support innovative and integrated civic initiatives that establish new partnerships among governments, businesses and civil society, EPF will remain one of the most important civic institutions working in the region".

Hans Gunnar Adén
Swedish Ambassador to Armenia, Azerbaijan and Georgia

analysis as it relates to gender and underprivileged groups; and to detect fraud.

EPF's **Youth Bank Program** is designed to increase opportunities for young people ages 16-25 to volunteer in their communities and to encourage a culture of civic activism.

extensive training and practical experience in how to award funds in a fair, transparent and accountable manner. These youth come from small towns and regions far from the capital cities of each country, where opportunities for skills development, leadership and civic engagement are notoriously low.



Since the program's inception in November 2007, EPF has awarded over \$230,000 to eleven local organizations in Georgia to engage in civic monitoring through two targeted grant competitions.



Engage in Research

In the South Caucasus, **reliable, up-to-date and accessible data** on social and economic issues is often in short supply. As a result, many policy decisions are made based on anecdotal rather than unbiased, independent analysis. Providing and maintaining access to sound data is a priority for EPF's Caucasus Research Resource Centers (CRRC) Program. Since 2004, CRRC teams in

Armenia, Azerbaijan and Georgia have conducted a yearly survey, called ***the Caucasus Barometer*** (previously known as the Data Initiative) of household attitudes and behavior. In 2008 the Caucasus Barometer surveyed 5936 households. The information is unique for its reliability, since it is based on rigorous methodology, and for the ability to make cross-

country comparisons. CRRC also conducts other surveys and focus groups to address specific research questions on behalf of the international and local community. Through this work, CRRC has engaged a large group of scholars and practitioners in modern research methods. To encourage high-quality analysis of the data, CRRC also offers opportunities for scholars and practitioners for **integrated research, training and collaboration** in the region.



Engage in International Dialogue



As a landlocked country with two of three borders effectively closed, Armenia's physical isolation is a serious obstacle to economic development and poverty reduction. Eastern Turkey is likewise isolated and poorer than other parts of the country. Yet recent actions by both countries indicate a thaw and an opportunity to establish cross-border partnerships. Launched in 2006, EPF's ***Armenia-Turkey Cross-Border Dialogue and Cooperation Program*** supports cross-border links between civic and private sectors in Armenia and Turkey. EPF financed

a study on the potential impact of opening the border; and has funded seven Armenian civil society and media organizations to establish partnerships with Turkish counterparts and to jointly implement cross-border activities focused on youth, media and arts and culture.

The Armenia-Azerbaijan Media Bias Program aims to increase the amount of accurate and unbiased information reported in the local press of each country about the bilateral relationship between Armenia and Azerbaijan

and the Nagorno-Karabakh conflict. Working with a set of four core partners – Yeni Nesil (Azerbaijan), the Yerevan Press Club, Internews-Azerbaijan and Internews-Armenia – the program combines research on public perceptions about media bias with training to reduce bias for 15 television and newspaper journalists and editors in each country. An innovation fund will support pilot cross-border projects to further address issues of bias.

The Understanding the European Neighborhood Policy (ENP) Program seeks to increase public awareness of EU institutions and commitments made by the government through the ENP Action Plan – an ideal platform for collaboration among civil society, the government and EU agencies in the long-term development of Armenia, Azerbaijan and Georgia. Activities build consensus on the implementation of the ENP Action Plan and facilitate improved policy and compliance with commitments made therein. The focus areas are: waste management, vocational education, and food standards and safety. In Georgia, a fourth topic, the conclusion of a comprehensive free trade agreement with the EU, is also part of the program.

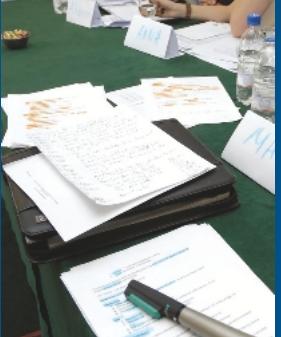


Engage in Philanthropy

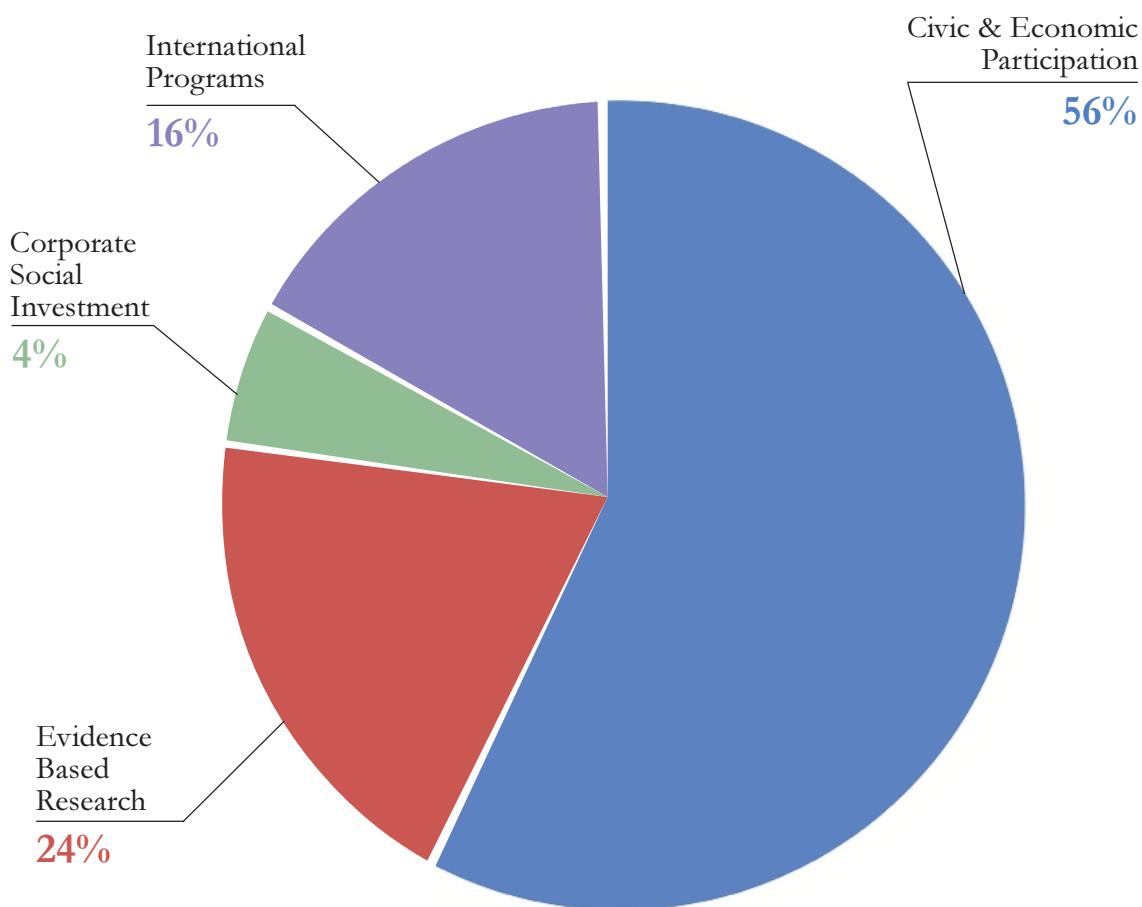
The Corporate Social Investment (CSI) program promotes the private sector's engagement in addressing the development needs

of the South Caucasus by building the capacity of companies to engage in CSI, providing assistance to business schools to develop CSI

curricula, building the capacity of non-profits to raise funds from private donors and advocating for legislative changes that encourage business-led philanthropy.



EURASIA PARTNERSHIP FOUNDATION FINANCIAL SUMMARIES*



* Detailed financial statements are available in the inserts

Armenia

COUNTRY SUMMARY

A landscape photograph showing a large, green, rounded hill in the background, reflected in a calm body of water in the foreground. The sky is clear and blue.

Engage!

EPF MISSION STATEMENT

To empower people to effect change for social justice and economic prosperity, through hands-on programs helping them to improve their communities and their own lives.



IMPACT 2008

Armenia-Turkey Dialog and Cooperation

Relations between Armenia and Turkey are burdened by a long history of conflict. In 2006, EPF established its *Armenia-Turkey Cross-Border Dialog and Cooperation* program to strengthen the capacities of NGOs and businesses to develop and maintain cross-border partnerships and educate the public on the potential benefits of normalized relations.

In 2008, EPF organized six cultural exchanges between Armenia and Turkey including: a concert by the Turkish violinist Cihat Ashkin in Yerevan and by the Armenian violinist Eduard Tadevosyan; bringing a group of 10 Turkish film professionals and journalists to Armenia to participate in the 2nd Turkish-Armenian Filmmakers Workshop; and a presentation of Osman Koker's book "Armenians in Turkey 100 Years Ago." This exchange created a platform

for open discussion and information exchange among the Armenian and Turkish communities.

"A successful battle against corruption requires aggressive investigation and prosecution that results in meaningful consequences for corrupt activity, an engaged civil society, and, an active and responsible independent media that can bring corruption problems to light and magnify the efforts of investigators and prosecutors... I applaud the people in this room, who are so committed to this struggle. The U.S. government, the American people, are proud to support you."

US Ambassador to Armenia Marie L. Yovanovitch, in opening remarks at EPF's Anti-Corruption conference (in December 2008)

by the Government of Norway: "Reducing Media Bias in Armenia and Turkey" and "Protecting the Rights of Armenian Migrants in Turkey."

Corporate Social Investment

EPF defines Corporate Social Investment (CSI) as strategic investment of businesses in their communities. The term Corporate Social Investment (CSI) was unfamiliar to most Armenian businessmen just a few years ago. However, thanks to EPF's CSI program, this concept has already become better understood and some pioneering Armenian businesses have moved from one-time charitable donations to more strategic social investment programs.

EPF promotes CSI by hosting seminars to present CSI best practices, working with businesses to design and implement CSI programs and advocating for improved legislation to better support businesses' corporate social investment activities. In 2008, EPF undertook a number of initiatives including:

- Organizing introductory CSI events for the broader business sector and more specialized business luncheons for representatives of selected industries (IT & telecommunications, finance and banking, manufacturing and tourism) on best practices in implementing CSI programs;
- Hosting bi-weekly meetings with a working group whose members include the American Chamber of Commerce, British Council and UNDP Global Compact;



- Commissioning a legal assessment and comparative analysis of Armenian legislation that governs philanthropic giving with legislation from other countries.

Corporate Social Investment can have significant and enduring impact if done properly and EPF believes that Armenian businesses have an important role to play in the development of the country. In 2009, EPF will continue to engage businesses, the government and other stakeholders in discussions on CSI practices and legislative changes to improve the legal environment for philanthropy in Armenia.

Media and Anti-Corruption

In July 2006, EPF launched a two-year program to strengthen the operational capacities and sustainability of 28 regional print media outlets by improving staff professional skills, enhancing their financial sustainability and linking them with newspaper distribution networks. Six of the media outlets that demonstrated a commitment to reform received additional assistance from EPF.

EPF not only helps build the capacity of local media outlets, but also works with journalists on investigative reporting, monitoring of government activities and making use of Armenia's Law on the Freedom of Information. EPF's grantee the Freedom of Information Center of Armenia made recommendations on improving journalists' use of Freedom of Information law, which were included in the Armenian government's Anti-Corruption Strategy for 2008-2012.

In 2009, EPF will begin its project "Institutionalizing Freedom of Expression in Armenia as a Right Enjoyed by the General Public and Upheld by the State," which aims to strengthen freedom of expression and the media. Funded by the UK Foreign and Commonwealth Office and USAID, the project will include a web portal, www.Stopcorruption.am, devoted to the fight against corruption.

Migration

In order to discourage illegal labor migration from Armenia and to support the return and reintegration of labor migrants, EPF is working with local institutions to build their capacity to serve as Migration and Return Resource Centers (MRRCs) and develop partnerships with their counterparts abroad.

In 2008, EPF established seven MRRCs, which have become a recognized resource on migration issues and have assisted in the decrease of illegal migration. The MRRCs have assisted more than 2,500 migrants and their families in five regions receive information and counseling, help with document-related problems and acquire additional skills.

The Sisian MRRC alone legally placed 280 migrants in jobs as welders, builders and painters in Tyumen (Northern Russia) as a result of cooperation with a Russian employer. Each migrant now sends home approximately US \$1,200 per month and thanks to their legal status, the migrants are better able to protect their rights in Russia.

Youth Bank

Through the Youth Bank Program, EPF is creating opportunities for youth in rural areas to take leadership roles and to address social needs in their own communities. In 2008, the Youth Bank actively involved more than 250 young people in 30 communities in projects to improve their communities. Through managing of 19 small community grants, the Youth Bank committees have gained valuable skills in project management, financing and monitoring.

As a result of the success of the Youth Bank, Armenian program managers have received invitations to Central Asia to conduct workshops on setting up similar Youth Bank projects in Kyrgyzstan and Kazakhstan. They have also received a cooperation request from the Jinishian Memorial Foundation (a partner organization) as well as a partner in Turkey.

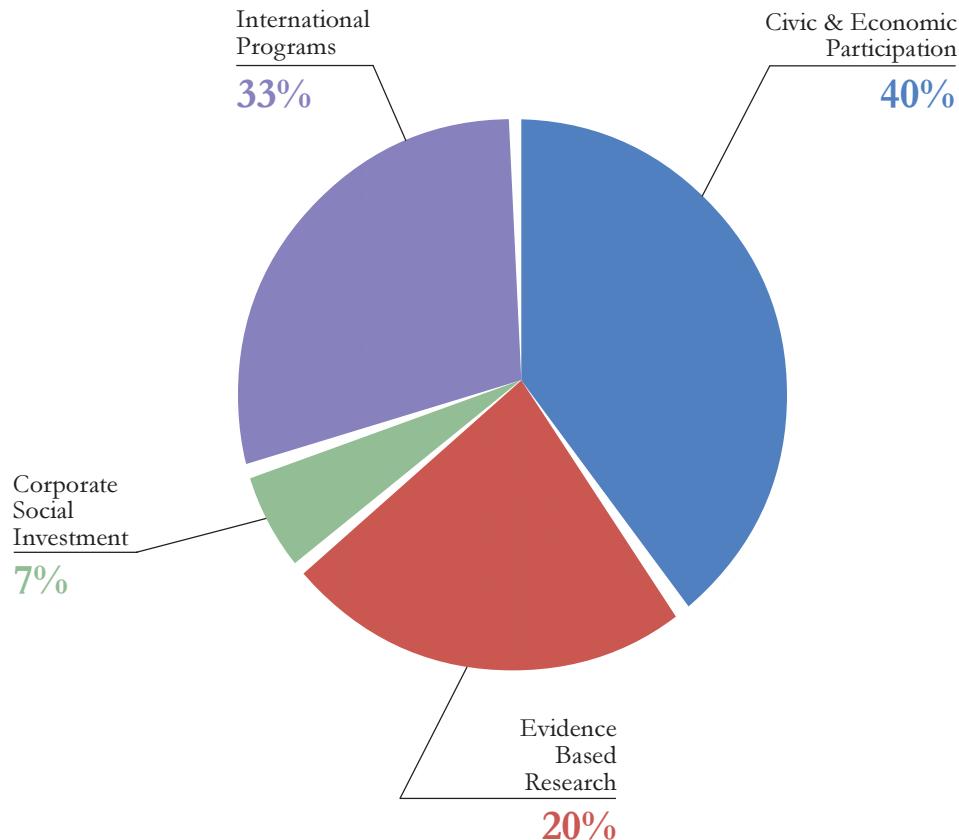
In 2009, EPF will establish five more Youth Banks, which will implement 50 youth-led micro-projects with the participation of at least 200 youth in rural communities.



ARMENIA FINANCIALS

ADVISORY COMMITTEE

- NOUNEH SARKISSYAN
Internews Armenia
- ARTASHES TERZYAN
Investor
- MARGARIT PILIPOSYAN
Fund for Armenian Relief
- ARA HAMAZASPYAN
Izmirlian Foundation
- ELIZA MINASYAN
Jinishian Memorial Foundation



COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

EURASIA PARTNERSHIP FOUNDATION OF ARMENIA STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2008

ASSETS

NON-CURRENT ASSETS

Furniture and equipment, including intangibles	\$ 15,864
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CURRENT ASSETS

Cash in bank	470,856
Accounts receivable	3,328
Grants and contributions receivable	609,814
Total current assets	1,083,998
TOTAL ASSETS	\$1,099,862

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Grants payable	\$ 151,489
Fellowships payable	1,151
Accrued salaries and vacation	15,376
Total liabilities	168,016

NET ASSETS

Unrestricted	2,678
Temporarily restricted	929,168
Total net assets	931,846
TOTAL LIABILITIES AND NET ASSETS	\$1,099,862


GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Eurasia Partnership Foundation
Yerevan, Armenia

We have audited the accompanying financial statements of the Eurasia Partnership Foundation of Armenia (EPF-Armenia), which comprise the statement of financial position as of December 31, 2008, and the related statements of activities and change in net assets, grant activities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to EPF-Armenia's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EPF-Armenia's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of EPF-Armenia as of December 31, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



April 13, 2009

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Program Goal

To improve the protection of Armenian labor migrants' and returned migrants' rights.

According to a recent survey on labor migration conducted by the Gallup Organization, only 25 percent of adult Armenians are permanently employed. The same survey found that approximately one-third of Armenians are interested in seeking employment abroad. Russia is the primary country of destination for Armenian labor migrants. Although reliable figures on the number of Armenians working in Russia do not exist, a survey conducted by OSCE on return migration to Armenia in 2008 shows that in the period of January 2002 – December 2007, approximately 20% of Armenian households were involved in labor migration.

In order to discourage illegal labor migration from Armenia and to support the reintegration of returned labor migrants, EPF is implementing a program that will increase understanding

among policy-makers of current trends in labor migration, develop the capacities of local institutions to serve as Migration and Return Resource Centers, and develop partnerships between these resource centers and similar resources in Armenia and abroad.

Impact in 2008

EPF's **Migration and Return Resource Centers (MRRC)** have become a recognized resource on migration issues, even after EPF's grants ended in September-October, 2008. The MRRCs have assisted hundreds of migrants: Sisian MRRC alone placed 280 migrants in legal jobs as welders, builders, and painters in Tyumen (northern Russia) as a result of cooperation with an employer from the area. Thanks to their legal status, the migrants are better able to protect their rights in Russia, as well as better able to break the cycle of illegal migration followed by continued unemployment upon (sometimes forced) return. The migrants now each send home approximately \$1,200 per month in remittances.



Migration Conference

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Engaging Citizens, Empowering Communities



EURASIA PARTNERSHIP FOUNDATION

To empower people to effect change for social justice and economic prosperity, through hands-on programs helping them to improve their communities and their own lives.

All MRRCs have expanded their cooperation with other organizations involved in the field of service provision to migrants in the Russian Federation and in Armenia, such as Armenian Diaspora representatives, Federal Migration Services in Omsk, Novosibirsk, Tumen, Lipetsk and other cities, local employment centers, public notary, business consulting companies and others. MRRCs have assisted more than 2500 migrants and their family members in 7 regions; they have received information and counseling, help with document-related problems and in acquiring additional skills. For example, the Goris MRRC helped six returnee families to register and set up small businesses in their home town.

The MRRC trained approximately 100 people on how to write a resume and how to start a business in Vanadzor; about 90 participants attended similar trainings in Martuni. A series of trainings and Job Fairs funded by Western Union Foundation were organized in the MRRCs in Vanadzor and Martuni. During the job fair organized in Vanadzor, 61 attendees had the opportunity to pass their resumes to 15 local employers and seven visitors were offered jobs. At a job fair in Martuni in early February, 18 job seekers found jobs on the spot, with more vacancies expected to be filled in the near future. During a third job fair in Gavar, more than 250 job-seekers attended 12 businesses. As a result of these activities, the level of confidence between job seekers and employers has increased. The project has enabled many local businesses to be introduced to local job seekers for the first time, and established constructive dialogue with returned migrants where previously there was little communication.

During 2008, surveys on Labor migration and Elite Migration conducted by EPF/CRRC in Armenia identified the main differences in the motivations of unskilled and skilled migrants as well as the effects of economic trends on skilled and unskilled workers. Being the first of its type, the Elite Migration survey has generated great interest among many organizations in

the field; EPF presented and discussed the draft research in February 2009 in order to better draw conclusions and recommendations for the Government of Armenia's strategy in the light of the global economic crisis. Suggested recommendations include to help the government produce a set of comprehensive tactics for adopting returnees; and for NGOs to work out plan for highly skilled migrants either to return or contribute their time and resources for the benefit of Armenia.

Main Activities in 2009

In 2009 grants will be awarded to 4-5 organizations to conduct labor migrant and returnee integration services as well as projects and activities derived from the Elite Migration Survey recommendations.

Through these activities, EPF will support the development and implementation of government-NGO initiatives that will reduce the risks associated with illegal labor migration and help returnees reintegrate.

“If it was not for the migration resource service provided to the local population, we would have many more illegal migrants unaware of their own rights and many unhappy families with no information about their relatives that left long ago. We have a family of two disabled children in Martuni, whose mother was dying of cancer and the father was in Russia. We found and returned the father to take care of the children, after the mother passed away.”

*Anabit Gevorgyan,
Head of the Martuni Women's
Com Council*



Program Goal

To contribute to the normalization of relations between Armenia and Turkey by strengthening the capacities of the non-government, government, and business sectors to develop and maintain cross-border partnerships.

This program was launched in 2006. EPF believes that supporting partnerships between Armenians and Turks, and promoting cross-border contact, it will contribute to improving mutual understanding between the two peoples. Increased understanding and the formation of professional cross-border networks will in turn contribute to tolerance between the two societies and, in the longer term, help address riskier and more controversial issues which divide the two nations, thus accelerating the normalization of inter-state relations.

In June 2008 Serge Sargsyan, President of Armenia, invited the President of Turkey, Abdullah Gul, to visit Yerevan watch the football match between Armenia and Turkey. Since then both leaders have made high-profile public gestures in an attempt to put Armenian-Turkish relations on fresh footing, including an indication that diplomatic relations or an opening of the border may be forthcoming. The changing reality of official relations inevitably presents new opportunities for civil society and citizen groups, which is reflected in EPF's Armenia-Turkey programs going forward.

Impact in 2008

Fueled in part by a substantial turnaround in public attitude toward Armenian-Turkish relations in both countries, complementing the recent "football diplomacy", EPF enjoyed unprecedented public interest and positive media attention for a series of cross-border Armenia-Turkey cultural events sponsored by EPF in November and December 2008. The extremely well-attended events further cemented EPF's position as a leading non-governmental catalyst for improved relations between Armenia and Turkey.

As a part of the Musical Bridge project carried out by the Komitas State Quartet, more than 250 people attended a concert by the Turkish violinist Cihat Askin in Yerevan in December, while in Istanbul around 200 people attended a concert by the Armenian violinist Eduard Tadevosyan. Performances by the Istanbul-based Kardes Turkuler and Sayat-Nova groups held in Yerevan and Vanadzor attracted audiences in the hundreds.

Widespread press coverage of the event included over 18 newspaper and on-line articles with views ranging from neutral to positive, such as the touching note "Plea to my Turkish friends" by Armineh Hovhannesian published in Hurriyet Daily News: "The music pierced right through my heart and soul. I thought: How dare we have



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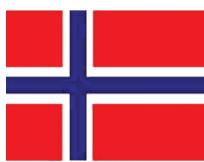


Kardes-Turkuler Concert

Engaging Citizens, Empowering Communities



To empower people to effect change for social justice and economic prosperity, through hands-on programs helping them to improve their communities and their own lives.



Turkish music resonate within the walls of our cultural palace... The sweet melody was quick to quell my pain... The concert ended and cheers accelerated into a standing ovation. The greatness of the idea could no longer be disputed.

The presentation of Osman Koker's book "Armenians in Turkey 100 Years Ago" created a platform for open discussion and information exchange among a large number of representatives of the Armenian and Turkish communities.

EPF supported the Golden Apricot Cinema Development NGO (Armenia) to bring a group of 10 Turkish film professionals and journalists to Armenia to participate in the 2nd Turkish-Armenian Filmmakers' Workshop. The practical workshop was combined with a master class by renowned Iranian filmmaker Abbas Kiarostami.

The abovementioned events have also garnered substantial governmental and non-governmental support in Armenia. For instance, the Armenian Ministry of Culture met a large part of the cost of renting the Philharmonic Hall in Yerevan for the Kardes Turkuler concert, while the Turkish artists' Armenian visas were issued free of charge by the Ministry of Foreign Affairs.

These developments demonstrate not only EPF's effectiveness as a convener of such programs, but also the readiness on both the grass-roots and government levels to deepen cultural relations between the two countries.

Main Activities in 2009

In November 2008, the Government of Norway awarded \$210,000 to EPF to implement two parallel projects starting January 2009: "Reducing Media Bias in Armenia and Turkey" and "Protecting the Rights of Armenian Migrants in Turkey". The former will assess accuracy and bias in the media of Armenia and Turkey about relations between the two countries, and will foster a cooperative network of editors, journalists and media NGOs from Armenia and Turkey. The latter will contribute to reducing illegal labor migration from Armenia to Turkey, increase the legal awareness of Armenian migrants in Turkey, as well as increase under-

standing of the issue by advocating for improvements in the area with major stakeholders on both sides of the border.

In 2009 EPF will also support a number of unsolicited projects initiated by Armenian civil society organizations and their Turkish counterparts to promote partnerships among youth, cultural and other communities, as well as to further dialogue between the analytical communities of both countries.

"Achieving normal relations between Armenia and Turkey is another principle concern. As a key part of that effort, the United States supports the opening of the Turkish-Armenian border. The status quo is not helpful to anyone. Fortunately, some progress has been achieved in recent years: there are regular charter flights between Yerevan and Istanbul and other flights to Antalya; bus connections via Georgia are numerous; and trade with Turkey through Georgia is common. Both countries would greatly benefit from increased, direct trade with the other, connecting their electrical grids, and implementing other measures natural to neighbors. The U.S. also supports more cross-border dialogue and cooperation between the people of Armenia and Turkey through research initiatives, conferences, and exchange programs. An example of this cross-border exchange, supported by U.S. assistance funds, was the performance of the Armenian Komitas Quartet in Istanbul, and the performance of the Turkish Bosphorus Quartet in Yerevan."

*Daniel Fried,
US Assistant Secretary of State for
European and Eurasian Affairs*

Program Goal

To make the independent media more sustainable and more attuned to public needs, thereby contribute to Freedom of Expression and the fight against corruption in Armenia.

Since the Government of Armenia launched a national anticorruption strategy in 2003, new amendments to laws on taxation, customs procedures, financial disclosure, procurement, lobbying, education and healthcare have been adopted by the National Assembly. Despite these changes, according to Transparency International's Corruption Perception Index, corruption in Armenia hasn't improved: Armenia is 109th among 180 countries with an index of 2.9 (vs. 3.0 in 2003 and 2007). The study demonstrates Armenia has made little, if any, progress in the fight against corruption, and identifies the misuse of public funds and nepotism as major obstacles to the country's economic and political development.

According to the US State Department's Bureau of Democracy, Human Rights and Labor 2008 Human Rights Report on Armenia, "The constitution provides for freedom of speech and freedom of the press; however, the government

did not respect these rights in practice. There continued to be incidents of violence, intimidation and self-censorship in the press throughout the year. Following violent clashes between protesters and police on March 1, the government imposed censorship and suspended freedom of speech and press during a state of emergency that lasted until March 21. The media and television in particular, continued to lack political diversity. A new amendment to the Law on Television and Radio imposed a two-year moratorium on the issuance of new television broadcasting licenses, further reducing prospects for greater media pluralism."

Impact in 2008

In 2008 EPF wrapped up a two-year Anti-Corruption program funded by the United Nations Democracy Endowment Fund (UNDEF). As a part of that program in 2007-2008, EPF supported 28 regional print media outlets by improving staff professional skills, enhancing their financial sustainability and linking them with newspaper distribution networks. EPF then supported six independent regional print media outlets that demonstrated a commitment to reform and quality improvement based on their business development plans. The Foundation



Anti-Corruption Network Meeting

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Engaging Citizens, Empowering Communities



EURASIA PARTNERSHIP FOUNDATION

To empower people to effect change for social justice and economic prosperity, through hands-on programs helping them to improve their communities and their own lives.

provided these six newspapers with financial and technical assistance as they developed improved systems for advanced newspaper operations and financial independence.

Recommendations on improving journalists' use of Freedom of Information law, made by EPF's grantee the Freedom of Information Center of Armenia as part of the program, were included in the Armenian government's Anti-corruption Strategy for 2008-2012. The recommendations were drawn from comprehensive research assessing awareness of the Freedom of Information Act among Armenian journalists, as well as the media's level of access to meetings, parliamentary sessions and election authorities. The research and recommendations, which address both government agencies and media, were published as part of EPF's program. The utility of the publication is demonstrated by the fact that it required a second and third print run of 1,000 copies.

Mobilizing Action Against Corruption (MAAC), USAID's three- to five-year, \$9.8 million anti-corruption program has established strategic cooperation with EPF. Armenia's Prime Minister was so impressed with a talk show on local government transparency (Yerkir Media's "Boiling point", aired on July 14) he encouraged EPF to continue its focus on anti-corruption activities.

EPF organized a closing Conference upon the completion of its UNDEF-funded program which brought together more than 100 representatives of government, non-governmental organizations, international missions and donor organizations, media and civil society. Participants developed recommendations on preventing corruption at the community level; reducing obstacles to implementation of the Freedom of Information Law; decreasing the risk for corruption in the judicial system; fighting the established "culture" of corruption in Armenia; human rights and corruption; and increasing civil society's role in the fight against corruption in six working groups. Along with the recommendations, the conference also led to the development of material action plans on their implementation.

Main Activities in 2009

In 2009 EPF will develop a new generation of "Media catalyst NGOs" and design innovative approaches for the development of alternative media. A web portal devoted to corruption problems and the fight against it will be launched at www.Stopcorruption.am

As part of its Media and Anti-Corruption operating program, EPF recently launched a project to ensure Freedom of Expression in Armenia as a right enjoyed by the general public and upheld by the State. The project aims to strengthen Freedom of Expression and the media and is funded by the UK Foreign and Commonwealth office and co-funded by USAID.

Through these activities, EPF will increase the impact of NGOs on the fight against corruption as well as public and government understanding of international standards of Freedom of Expression. EPF will recommend and encourage actions to remove the current limitations on the Armenian media, such as a prevailing culture of self-censorship and government control of broadcast media.

"A successful battle against corruption requires aggressive investigation and prosecution that results in meaningful consequences for corrupt activity, an engaged civil society, and, an active and responsible independent media that can bring corruption problems to light and magnify the efforts of investigators and prosecutors... I applaud the people in this room, who are so committed to this struggle. The U.S. government, the American people, are proud to support you."

US Ambassador to Armenia Marie L. Yovanovitch, in opening remarks at EPF's Anti-Corruption conference

Azerbaijan

COUNTRY SUMMARY



Engage!



EPF MISSION STATEMENT

To empower people to effect change for social justice and economic prosperity, through hands-on programs helping them to improve their communities and their own lives.



IMPACT 2008

Azerbaijan Youth Fund

Youth Fund is an innovative grant making and leadership program with a network of youth-led committees across Azerbaijan. Disbursing small grants aimed at addressing community issues in their respective regions, these grant committees manage the entire process from conducting community assessments to leading outreach campaigns, evaluating project proposals, and managing funds.

With increased assistance from the UK Foreign and Commonwealth Office, the Lodestar Foundation and Garadagh Cement Company, EPF expanded the Program to six additional regions of Azerbaijan. Seventeen Youth Fund com-

mittee members received new or improved employment opportunities as a result of their Youth Fund experience and training and 20 new jobs have been created as a result of youth-led community projects, 50 percent of which were filled by young women. Ganja Youth Fund committee was recently awarded substantial grants by the Council of Europe's European Youth Foundation and the Open Society Institute Assistance Foundation. This is an important first step in the Youth Fund's longer-term sustainability.

By the end of the program (May 2009), Azerbaijan's Youth Fund Network will be significantly developed: approximately 55 com-

munity based youth-led projects will be implemented in 11 communities across the country with 10 YF committee members certified as future YF trainers and followers.

Transparency in Municipal Service Delivery

With the overall goal of improving municipal transparency and strategic planning, EPF conducted several trainings with 20 municipalities in 10 regions of Azerbaijan. A system of measuring performance was developed and introduced to targeted municipalities. They began to collect information on a wide variety of indicators, including economic, social services and environmental. This information will be used for the municipalities' organizational assessment and their strategic planning.

For the first time in Azerbaijan, a web-portal was created that includes municipal data accessible by the general public. An effective transparency mechanism, the portal will also be used by municipalities to make comparative analysis and set future development goals.

In 2009, EPF will award small grants to local municipalities to address issues identified through the performance management system developed by the program.

Corporate Social Investment

The Corporate Social Investment (CSI) Program encourages local and international businesses operating in Azerbaijan to reach beyond one-time charity donations and to consider making strategic philanthropic investments in their communities.

In 2008, the number of local and foreign businesses engaged in Network of EPF's CSI Program increased from 10 to 20, while the CSI e-bulletin gained 400 subscribers.

As part of the Consulting and Capacity development component of the program, EPF provided



consulting services for a large well-known insurance company and helped to design a plan for developing the company's CSI portfolio in 2009. As the result of EPF's program, a major mobile operator has decided to create a new position of CSR manager, while two major companies have expressed their commitment to open CSR manager positions and fill them in 2009. EPF also established a strategic partnership with the UNDP's Global Compact program, which is implemented in partnership with AZPROMO. As a result of this collaboration EPF organized two CSR events in December 2008 on "Why CSR is good business even in recessionary times".

In 2009, EPF's CSI program will work on increasing the number of partner organizations and businesses and expand current partnerships. The Program aims to attract additional funding from businesses for program implementation.

Islam in a Democratic Azerbaijan (IDA)

The Islam in a Democratic Azerbaijan Program (IDA), implemented by EPF with support provided by the U.S Department of State Bureau of Democracy Human Rights and Labor (DRL) seeks to establish a national, multi-faith dialogue on the compatibility of religion with values of democracy in the uniquely Azerbaijani context. It does so through a series of radio and television talk shows about issues related to Islam and democracy, roundtables with religious leaders, and funding for joint ground-breaking activities between religious and civil society groups.

Working through an existing television program called *Religion and Society*, EPF commissioned TV discussions on new subjects related to Islam and Democracy, altering the format of the show to include more dialogue and interaction with the audience. According to Media Research Inc. (a USAID-funded company), *Religion and Society* reached approximately 50,000 households (vs. 30,000 households before EPF involvement).

EPF's 18-month effort resulted in reaching an agreement with the Islamic University of Baku to hold a series of extracurricular student seminars on Islam and Democracy. Moreover, for the first time IDA Program initiated discussions on Islam and Democracy issues among students – a young generation of religious activists.

Norwegian Small Grants Program

Since 2005, EPF has implemented the Norwegian Embassy's Small Grant Program in Azerbaijan – awarding more than \$300,000 in grants and administering over 30 projects. The objective of the Program is to encourage the continued development of civil society and democratic institutions in the country with emphasis on the priority areas of human rights protection, democratization, the media and environment protection, gender issues and public health.

In 2008, two grant competitions were held under this program. The first aimed to raise voter awareness and education in the run up to the presidential elections. Four projects were implemented in the regions to educate and mobilize different target groups such as youth, disabled women, housewives and minority women voters on the eve of the October elections.

The second competition focused on civil society organizations proposing projects which significantly impact reform in one of the five priority areas identified by the embassy. The first independent e-TV (www.kanal13.az) with live programs was established. Another first - a site with articles about Azerbaijan from the foreign press translated into Azeri was also established.

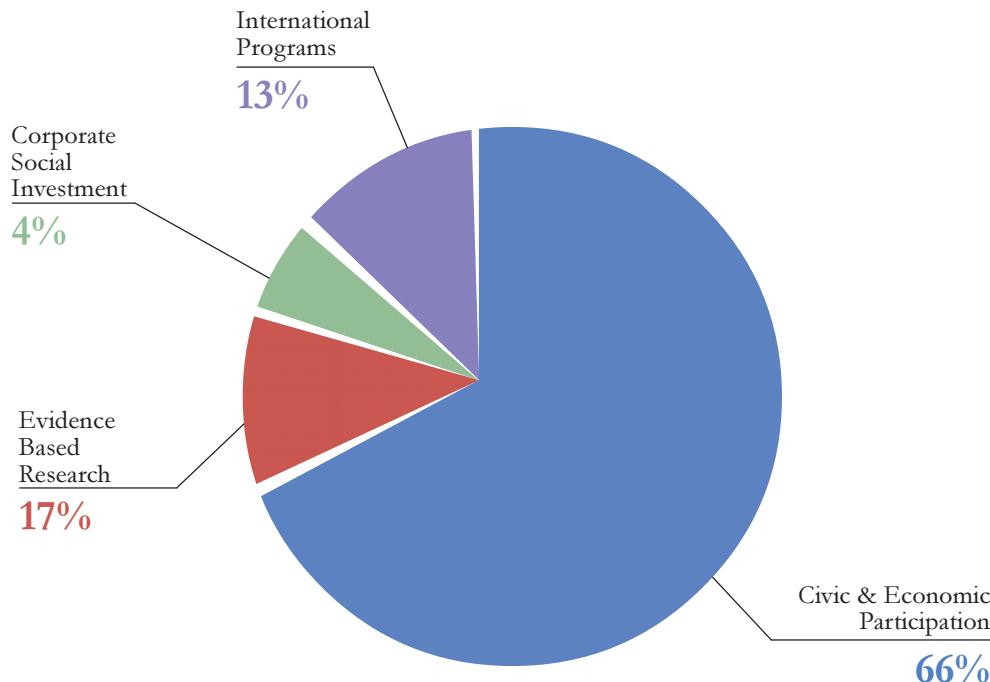
Collaboration with the Department on Combating Human Trafficking at the Ministry of Internal Affairs within the human trafficking related project resulted in an increase in the number of human trafficking cases uncovered.

EPF will continue its work in the 5 priority areas with the Royal Norwegian Embassy in 2009.





AZERBAIJAN FINANCIALS



COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

EURASIA PARTNERSHIP FOUNDATION OF AZERBAIJAN STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2008

ASSETS

NON-CURRENT ASSETS

Furniture and equipment	\$ 14,163
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CURRENT ASSETS

Cash in bank	60,217
Accounts receivable	5,333
Grants and contributions receivable	898,381
Prepaid expenses	23,896
Advances-employee and fellowships	3,585
Total current assets	991,412
TOTAL ASSETS	\$1,005,575

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Grants payable	\$ 58,135
Fellowships payable	5,883
Accrued salaries and benefits	18,548
Total liabilities	82,566

NET ASSETS

Unrestricted	1,898
Temporarily restricted	921,111
Total net assets	923,009
TOTAL LIABILITIES AND NET ASSETS	\$1,005,575


GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Eurasia Partnership Foundation
Baku, Azerbaijan

We have audited the accompanying financial statements of the Eurasia Partnership Foundation of Azerbaijan (EPF-Azerbaijan), which comprise the statement of financial position as of December 31, 2008, and the related statements of activities and changes in net assets, grant activities, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence and the audit consists of performing such procedures as are necessary in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EPF-Azerbaijan's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of EPF-Azerbaijan as of December 31, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Gelman Rosenberg & Freedman

April 13, 2009

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MEMBER OF CPA AMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL,
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Program Goals

To help youth improve their quality of life in rural communities of Azerbaijan, through developing the professional skills of youth in the regions and placing tangible resources directly into their hands, enabling them to benefit their own communities and ensure that young people's priorities are being met.

In today's world, there is a recognized need to promote youth civic engagement. The lack of social and economic power due to major social-economic and political change, economic hardships and underdeveloped social services negatively impact youth's ability to be valid contributors and supporters of Azerbaijan's development. Adapting a unique approach to local community development first used in Northern Ireland, the Azerbaijan Youth Fund program launched in December 2005 is an innovative micro-grant program which provides much needed funding to support the initiatives of young people.

Since the establishment of the first five youth-led grant committees in the Ganja, Goychay, Sheki, Guba and Lenkaran Regions of Azerbaijan, each grant committee has undergone

a series of capacity-building activities and workshops which have developed their ability to capably operate a small grants program. Each respective committee is accountable for all steps of the grant-making process including conducting community assessments, outreach, soliciting, evaluating and selecting candidate project proposals, assessing project impacts, and conducting follow-up monitoring and financial reporting.

With increased assistance from the Foreign & Commonwealth Office of the United Kingdom, the Lodestar Foundation and Garadagh Cement Company, EPF expanded the Azerbaijan Youth Fund Program to six additional regions of the country. As a result of an extensive research and outreach campaign, the regions of Barda, Bilesuvar, Devechi, Mingechevir, Sahil Settlement, and Zaqtala were selected as sites for new youth fund committees.

The Azerbaijan Youth Fund expansion includes a certification program to prepare veteran committee members to act as future trainers and mentors to new grant committees, the organization of a formal steering council and the implementation of numerous community based youth-led projects in 11 rural communities of Azerbaijan.



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Engaging Citizens, Empowering Communities



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Azerbaijan Youth Fund
Step to success...



THE LODESTAR FOUNDATION
Seeking happiness in philanthropy

"GARADAGH"



The Youth Fund Program is generously supported by the Foreign and Commonwealth Office of the United Kingdom, Lodestar Foundation, Garadagh Cement, and USAID.

Impacts

- 77 Youth Fund committee members (40 males and 37 females) acting as an independent informal group, gained practical experience in implementing a small grants program for young people in their communities.
- Young people implemented 59 youth-led community projects addressing gender, environmental issues and other social needs or promoting cultural traditions. Projects included the founding of a youth newspaper, drug abuse campaigns, computer courses, painting exhibitions, and ecological camps. The projects reached approximately 400 young people in Ganja, Goychay, Sheki, Guba and Lenkoran.
- 17 Youth Fund committee members received new or improved employment opportunities as a result of their Youth Fund experience and training.
- 20 new jobs have been created as a result of youth-led community projects, 50% of which have been filled by young women.
- 34 media products have highlighted the Youth Fund program, including 12 regional television appearances by local committee members.
- Ganja Youth Fund committee was awarded a grant from Council of Europe's European Youth Foundation and conducted a co-financed event with Ganja's "Bridge to the Future" public union. It also won a grant as part of the "Youth Initiative" competition announced by the Open Society Institute-AF to implement a "Street Law" project.
- The Azerbaijan Youth Fund hosted the first international conference of Youth Bank Leaders in the Caucasus. As a result of this initiative, an International Youth Bank Network called "Global Youth Initiatives" was established. Georgian Youth Banks visited Azerbaijan in order to learn from

the successful practices of the Azerbaijan YF and discuss sustainability of the YF model; the visit also helped promote regional networking.

- The Azerbaijan Youth Fund was one of the initiators and organizers of the "4th Global Youth Employment Summit" in Baku; 30 of the 100 young participants who represented Azerbaijan at the summit were Azerbaijan Youth Fund members.
- A Shaki YF committee member was invited for an interview for a position with USAID; several committee members received opportunities to study abroad; Lenkeran, Ganja and Sahil members found employment.
- The Azerbaijan Government is supportive of the YF; the Azerbaijan Youth Fund enjoys strategic support from the Azerbaijan Ministry of Youth & Sports.

"Just like with other youth funds, the skills acquired by the Ganja's Youth Fund members helped us win this competition. We were very pleased to receive positive appreciation of the project. This not only our success, but an achievement of all youth funds by EPF in several regions of Azerbaijan."

*Orkhan Abbasov,
Ganja Youth Fund, "Street Law"
Project Coordinator, the winner of
the Open Society Institute-Assistance
Foundation's Youth Initiatives
competition*

Main Activities in 2009

Approximately 55 community based youth-led projects will be implemented by Youth Funds in eleven communities across the country, ten Youth Fund committee members will be certified as the future trainers and followers of Youth Fund and the National Network of Youth Fund will be enhanced in Azerbaijan.

Program Goal

To encourage local and international businesses operating in Azerbaijan to reach beyond one-time charity donations and consider strategic philanthropic investments in their communities.

Traditional “local philanthropy” programs in Azerbaijan have been geared more towards ensuring NGO sustainability rather than corporate-community connections, which has reduced the willingness of many companies to become involved in such activities. EPF has decided to structure its program within its private enterprise portfolio and cultivate an open environment for businesses to comfortably meet and discuss their common concerns. At the end of 2007, the Eurasia Partnership Foundation (EPF) in Azerbaijan launched a new vision for social investment through its Corporate Social Investment (CSI) program, which leverages the capabilities, expertise, partnerships and financial resources of businesses with development initiatives that sharpen their own competitive advantages.

EPF's CSI Program focuses on three major areas:

- **Network Development** – Providing regular opportunities to share approaches, projects and related experiences among corporate social investment specialists
- **Consulting and Capacity Development** – Providing customized opportunities to develop capacity in designing and implementing social programs and encouraging partnerships among different stakeholders
- **Information Dissemination & Publications** – Promoting CSI/CSR (Corporate Social Responsibility) through the spread of information about EPF's current activities, CSI best practices and success stories in Azerbaijan and worldwide.

Impact in 2008

As a result of the CSI Program, 2008 saw increased interest in strategic corporate philanthropy among local businesses. Over 40 local companies were introduced to the concept of corporate social investment and about 20 have been



CSI Seminar

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Engaging Citizens, Empowering Communities



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engaged in Azeri CSI network of companies, regularly participating in the program's activities. A series of study tours to business companies were attended by representatives of 30 businesses and non-profit organizations; they shared CSI practical tools and techniques. Throughout the year receptions and workshops with prominent western CSR experts were conducted for middle-level business managers and leaders of nonprofit organizations on the CSR concept and its importance in the contemporary business world as well as on the design and implementation of strategic social investment programs.

As part of the Consulting and Capacity development component of the program, EPF provided consulting services for a large well-known insurance company and helped to design a plan for developing the company's CSI portfolio in 2009. As the result of EPF's program, a major mobile operator has decided to create a new position of CSR manager, while two major companies have expressed their commitment to open CSR manager positions and fill them in 2009.

EPF developed and, since February 2008 has been distributing a CSI e-bulletin highlighting recent news on corporate philanthropy from national and multinational companies, program highlights and other CSI activities. There are more than 400 recipients.

EPF's CSI program is a good example of collaboration among businesses, NGOs, and

governmental bodies in Azerbaijan, where EPF is partnering with other organizations involved in promoting a more effective business environment. Partners include National Confederation of Entrepreneurs (ASK), Azerbaijan Turkey Business Association, American Chamber of Commerce (AMCHAM) and AZPROMO/UNDP Global Compact project. In November 2008, in cooperation with the American Chamber of

"CSI network is an excellent place to meet specialists and professionals who engage in CSR and corporate philanthropy programs in national and multinational companies to get better understanding what is happening in this field in Azerbaijan."

*Ilfana Pananova,
HR Specialist*

Commerce, EPF organized a luncheon in recognition of the visit of Ms. Henrietta H. Fore, the Administrator and Director of U.S. Foreign Assistance at USAID, emphasizing the its successful partnership with USAID in the field of public-private partnership.

EPF's CSI program will work on increasing the number of partner organizations and businesses in 2009 and expand the current partnerships.

Program Goals

To encourage the continued development of civil society and democratic institutions in the country, the Royal Norwegian Embassy in Azerbaijan has contracted Eurasia Partnership Foundation to administer its annual grants program.

Since 2005, Eurasia Partnership Foundation (EPF) has acted in cooperation with the Royal Norwegian Embassy in Azerbaijan to encourage the continued development of civil society and democratic institutions with emphasis in the fields of human rights, democratization, environment, gender issues, and public health. The Norwegian Small Grants Program, administered by EPF, has awarded approximately \$500,000 to support more than 40 small projects throughout Azerbaijan until 2009.

Impacts of 2008

Two grant competitions conducted in partnership with Royal Norwegian Embassy were held

in 2008: Elections Awareness and Civic Participation

Elections Education

To raise voter awareness and education in conjunction with the presidential elections in October 2008, four projects were implemented in the regions of Azerbaijan. Within the project more than 200 people from different target groups such as youth, disabled women, housewives and minority women received elections awareness training before the day of the election. The awareness projects were carried out using various innovative approaches including a bicycle ride organized by EPF's grantee "Bridge to the Future".

Civic Participation

In the second competition, to encourage civic participation initiatives, eleven projects focusing on human rights protection, democratization, women's issues, environmental protection, public health and media received awards.

The project "Development of New Media Journalism Initiative in Azerbaijan – Internet



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Television" implemented by the Caucasus Media Investigations Center, established the first independent e-TV (www.kanal13.tv). Also for the first time in Azerbaijan a website with articles about Azerbaijan from the foreign press translated into the local language (www.azerdigest.com) was established.

Collaboration between another winner of the competition, NGO Independent Legal Center, and the Department on Combating Human Trafficking at the Ministry of Internal Affairs resulted in increase in the number of uncovered human trafficking cases in the country. The Royal Norwegian Embassy continues its cooperation with Eurasia Partnership Foundation in 2009.

"At the Norwegian embassy we see our Small grants program as a useful tool in reaching out to and assisting civil society in contributing towards building democracy in Azerbaijan. Ours is a small embassy, though, and we need assistance in administering a varied project portfolio. We appreciate very much the assistance we get in this regard from the Eurasia Partnership Foundation."

*H.E. Jon Ramberg,
Ambassador Extraordinary and
Plenipotentiary of the Kingdom
of Norway in the Republic of Azerbaijan*



Georgia

COUNTRY SUMMARY



Engage!



EPF MISSION STATEMENT

To empower people to effect change for social justice and economic prosperity, through hands-on programs helping them to improve their communities and their own lives.



IMPACT 2008

Participatory Civic Monitoring

Civic Monitoring

EPF's civic monitoring program contributed to enhanced participation of better-informed communities in the monitoring process, facilitating dialogue between CSOs and the local and central government to jointly tackle problems identified by local constituents. In 2008, EPF awarded ten grants in civic monitoring to contribute to reform of the judiciary, increase access to information during elections, promote transparent decision-making and monitor budget allocations, health care, waste management, agricultural land privatization, municipal spending, community forest management and the performance of local self-governance bodies. As with previous projects,

EPF emphasized collaboration between civil society groups and the media (especially regional) to facilitate information dissemination and promote the role of the media as a civic watchdog.

One example of successful civic monitoring is within the project *My City-My Money*, where EPF's grantee – the Human Rights Protection Center – successfully lobbied the Batumi City Council to create a permanent joint working group (including CSOs, the media and the public) to supervise the expenditure of the funds allocated for municipal improvements. Members of the working group attend city council sessions, sit in on commission meetings, receive information from City Hall and prepare issue-based recommendations for the local government.

“Participation in the Youth Bank project is an outstanding opportunity for me to use my energy, experience, skills and knowledge to solve problems of young people and enable them to become active citizens. While implementing the project activities, we make changes in our environment and we change something in ourselves, too. I have become more self confident, active, independent and freely express my ideas. Through the project I have acquired and improved many important life skills, such as active listening, interviewing, research skills, PR, monitoring, etc.”

Mariam Mkhvatvari, Batumi Youth Bank Member

(FTA). EPF commissioned a regional policy paper on the European Neighbourhood Policy (ENP) and food standards and safety, which was considered an obstacle to establishing the FTA. EPF then started a new project to strengthen the capacity of the National Service for Food Safety, Veterinary and Plant Protection.

In November 2008, EPF Country Director and EU Integration Program Manager participated in an open session of the European Integration Committee of the Parliament of Georgia as part of the coalition of civil society organizations that monitor Georgia's implementation of the ENP Action Plan (AP). EPF presented recommendations on the pending EU-Georgia FTA for each group of stakeholders – the Georgian government, the EU, CSOs and business circles. The recommendations had been elaborated during two policy forums organized by EPF in fall 2008 that brought together 120 participants from state institutions, CSOs, mass media and business. At the parliamentary session, representatives of the Ministry of Economic Development and the Ministry of Foreign Affairs requested that EPF review the recommendations to develop a progress report for civil society on ENP implementation over the last year.

2009 has already seen a victory for EPF's efforts: the government has publicly committed to reinstating food safety legislation.

Youth Integration

In 2008, EPF established the first five Youth Bank committees in Marneuli, Akhaltsikhe, Batumi,



Zugdidi and Telavi. Thirty-five Youth Bank members went through two intensive trainings in leadership and grants management.

Each Youth Bank announced their small grants program in their communities and received applications for small projects (up to \$500) from other youth in their communities. In November, the Batumi, Akhaltsikhe and Marneuli Youth Banks awarded 12 youth led micro grant initiatives.

The leaders of the Youth Bank in Marneuli applied the skills obtained through EPF's Youth Bank program in organizing to help IDPs in Gori. In October 2008, they launched a donation drive at five local schools and gathered over 2,000 school supplies, more than 400 articles of warm clothing and boxes of hygiene supplies, helping 116 children displaced by the conflict with Russia.

In Batumi, the municipal government has made a financial contribution to some of the youth led micro grant initiatives. In Marneuli, the local council (Sakrebulo) has independently agreed to contribute to some of the youth led initiatives as well.

Community and Youth Philanthropy

In 2008, EPF launched the Corporate Social Investment (CSI) program with the conference *Corporate Social Investments: A New Model of Partnerships*, which convened 70 participants from the business community, government, non-profits and donor organizations. The workshop for company representatives was conducted by British CSI experts and covered such issues as why companies should get involved in CSI and what international models of CSI can be applied in the Georgian context.

Tourism Development

In 2008, EPF focused on promoting the tourism industry in Georgia by supporting human resource development in the tourism and hospitality sectors. EPF assisted the Tbilisi Tourism School in curriculum development and supported the school in establishing partnerships with the private sector. These partnerships led to several private companies agreeing to provide summer internships to students from the school. Eighteen students were recruited by the Marriott, 25 students – by GMT Group, and 50 students by various restaurants and hotels in the resort town of Batumi.

National Integration and Tolerance in Georgia Program

The National Integration and Tolerance in Georgia (NITG) program promotes an increased sense of national unity among the citizens of Georgia by supporting the Government of Georgia in formulating a national integration strategy and action plan. The program also strives to empower people and organizations to effectively discuss, debate and resolve a range of issues related to building a cohesive multi-ethnic nation. The NITG program is implemented by the United Nations Association of Georgia with funding from USAID. EPF, as the implementer of the grant component, funded four organizations in the areas of tolerance in media, intercultural awareness and participation of ethnic minorities in local decision making.

Open Door

EPF recognizes that smart people with good ideas can have significant social impact, especially working at the grassroots level. The Open Door mechanism is an effective way to ensure that initiatives are driven by community needs rather than solely on donor-defined priorities.

In 2008, EPF funded 14 grants through this mechanism in the areas of good governance, legal education, social integration of the disabled, female entrepreneurship and sustainable energy systems.



GEORGIA FINANCIALS

ADVISORY COMMITTEE

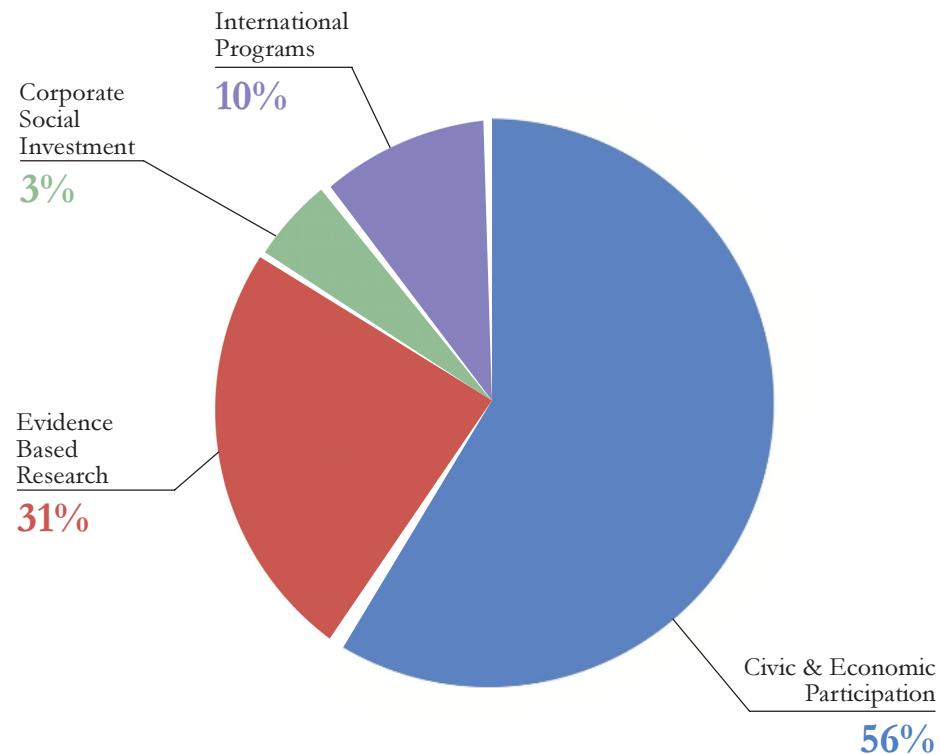
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TBC Group

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*Caucasus School of Media,
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TAMARA SABEDASHVILI
UNIFEM

IA TIKANADZE
Friedrich Ebert Foundation



COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

EURASIA PARTNERSHIP FOUNDATION OF GEORGIA STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2008

ASSETS

NON-CURRENT ASSETS

Furniture and equipment	\$ 41,969
Total non-current assets	41,969

CURRENT ASSETS

Cash in bank	790,568
Accounts receivable	5,196
Grants and contributions receivable	797,554
Prepaid expenses	14,344
Total current assets	1,607,662
TOTAL ASSETS	\$ 1,649,631

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Grants payable	\$ 405,041
Accounts payable to related parties	4,978
Deferred revenue	25,140
Accrued salaries and vacation	12,303
Interest due to SIDA	21,667
Total liabilities	469,129

NET ASSETS

Unrestricted	(17,775)
Temporarily restricted	1,198,277
Total net assets	1,180,502
TOTAL LIABILITIES AND NET ASSETS	\$ 1,649,631


GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Eurasia Partnership Foundation
Tbilisi, Georgia

We have audited the accompanying financial statements of the Eurasia Partnership Foundation of Georgia (EPF-Georgia), which comprise the statement of financial position as of December 31, 2008, and the related statements of activities and change in net assets, grant activities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to EPF-Georgia's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EPF-Georgia's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of EPF-Georgia as of December 31, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Gelman Rosenberg & Freedman

April 13, 2009

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Program Goal

To increase the capacity and provide the opportunity to local youth to engage as active citizens in the development of their communities in Georgia by teaching participants how to manage small pools of grant money, which are distributed to support small-scale youth-led development projects in their communities.

For stability and a genuine culture of democracy to take root in Georgia, there is a recognized need to promote youth civic engagement. The lack of social and economic power due to major socio-economic and political changes, economic hardships and underdeveloped social services negatively impact youth's ability to be valid contributors and supporters of Georgia's development as a functioning democracy. Young people from the rural areas of Georgia are particularly affected: in various studies, rural youth identified unemployment, poor access to information technology and low standards of education as

the reason for a lack of marketable job skills. Yet young leaders, if they are provided with appropriate skills and mechanisms, have a unique potential to bring fresh perspectives, energy and solutions to long-entrenched problems.

EPF in Georgia launched the Youth Bank program in October 2007 with a workshop for 35 youth from five Georgia regions, featuring trainers from the Community Foundation for Northern Ireland.

The recent conflict between Russia and Georgia has deepened inter-community tensions in areas with high ethnic diversity. Youth living along the border with other South Caucasus countries, in ethnic minority areas and in IDP communities are disillusioned and feel disempowered to contribute to the sweeping changes in their societies. In response to this disengagement, EPF will form at minimum another five Youth Bank committees in 2009 (in addition to the existing four, which will continue operating),



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Youth Bank Training

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Engaging Citizens, Empowering Communities



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focusing on isolated or ethnically diverse communities.

Impact in 2008

Each Youth Bank of seven members (35 participants total) went through two intensive trainings in how to manage a small grants program. Each Youth Bank announced their small grants program and received applications for small projects (up to \$500) from other youth in their communities. The Akhaltsikhe Youth Bank alone received a total of 35 applications. In November 2008, three Youth Banks operating in Georgia (Batumi, Akhaltsikhe and Marneuli) awarded 12 youth led micro grant initiatives covering the fields of environment, education and sports. Youth Bank members will monitor the funded micro projects and initiate a second grant competition for other initiative groups in April 2009.

The leaders of the Youth Bank in Marneuli applied the skills obtained through EPF's Youth Bank program in organizing to help IDPs in Gori. In October 2008, they launched a donation drive at five local schools and gathered over 2,000 school supplies, more than 400 articles of warm clothing and boxes of hygiene supplies, helping 116 children displaced by the conflict with Russia. The group intends to continue supporting IDPs as they are relocated to permanent housing in areas throughout the country, including Kvemo Kartli.

In Batumi, the municipal government has made a financial contribution to some of the youth led micro grant initiatives. In Marneuli, the local council (Sakrebulo) has independently agreed to contribute to some of the youth led initiatives as well.

Main Activities in 2009

EPF will establish seven new Youth Banks in the regions of Georgia and carry out capacity building workshops for the 70 Youth Bank committee members on project writing, implementing and monitoring skills. Youth Bank

committees will award at least 70 youth led initiatives (maximum \$ 500 per micro project). EPF will conduct workshops on lessons learned following each funding cycle. EPF will also develop youth-adult partnerships and support at least 20 micro grant initiatives implemented in collaboration between youth and adults.

In 2009, EPF will establish a strategic partnership in the area of youth integration throughout the South Caucasus with Theodor-Heuss-Kolleg, a program of the German Robert Bosch Stiftung and the Germany-based international association

"Participation in the Youth Bank project is an outstanding opportunity for me to use my energy, experience, skills and knowledge to solve problems of young people and enable them to become active citizens. While implementing the project activities, we make changes in our environment and we change something in ourselves, too. I have become more self confident, active, independent and freely express my ideas. Through the project I have acquired and improved many important life skills, such as active listening, interviewing, research skills, PR, monitoring, etc".

*Mariam Mkhvatvari
Batumi Youth Bank Member*

MitOst. Twenty young people from Georgia, Armenia and Azerbaijan will undergo training in project development, management and evaluation and implement micro grant projects.

Through these activities, EPF will increase opportunities for community involvement and volunteerism both for adolescents and adults and promote knowledge sharing for more effective micro-projects.



Program Goal

To test short-term, innovative projects in new fields. Projects funded through the Open Door grant mechanism must be considered “pilot projects” that represent a new, innovative approach to a persistent problem.

EPF recognizes that smart people with good ideas can have significant social impact, especially working at the grassroots level. Social entrepreneurs bring fresh solutions and ideas to existing challenges and are the driving forces behind many of the most successful interventions. When projects supported through the Open Door Grant mechanism demonstrate success, EPF can help to replicate them on a larger scale or in different geographies. This mechanism is also a way to ensure that initiatives are driven by community needs rather than solely on donor-defined priorities.

EPF's program staff engages in extensive research and outreach to cultivate interest in the Foundation's programs among potential grant applicants. Since 1995, EPF has been receiving and reviewing a wide variety of unsolicited proposals on a continual basis, funding over 450 grants through the Open Door mechanism. These

activities allow for greater innovation in grant making, opening up new fields of interest, different approaches to project activities, new collaborative efforts and imaginative co-funding ideas.

Impact in 2008

In 2008, EPF funded 14 grants (approximately one-fifth of the total grants awarded) through the Open Door mechanism. These projects contributed to promoting good governance, improving legal education, increasing social integration of the disabled, promoting female entrepreneurship and developing sustainable energy systems.

Two examples of EPF's impacts through the Open Door Mechanism are:

EPF awarded a grant to the Georgian Society for the Study of Hypertension to monitor primary healthcare reform in Georgia, focusing on the treatment and prevention of hypertension. The grantee researched the current treatment of hypertension in Georgia, including conducting a survey of primary healthcare providers and patients in Tbilisi, Kakheti and Imereti and developed recommendations for improving treatment and prevention of the disease. The grantee then conducted a training seminar for



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Summer School on Law Students, Meeting at Supreme Court

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family doctors and nurses about preventing, detecting and monitoring hypertension at early stages. These activities were accompanied by a proactive public information campaign through newspapers, radio and television to raise public awareness levels about the disease and its prevention. At the end of the project, the grantee presented its recommendations for improving the treatment and prevention of hypertension at the primary healthcare level to the Minister of Health, Labor and Social Protection and other stakeholders. The Ministry considered the grantee's constructive criticism and evidence-based recommendations an important addition to the country's primary healthcare reform and announced its desire to cooperate with the grantee and civil society sector in this area. Minister Sandro Kvitašvili said that the Association's professional insight into the problem is a useful complement to the Ministry's work. Currently, the plan and recommendations for improvement of the primary healthcare system to prevent endemic hypertension are subjects of discussion at the various healthcare forums and in the Ministry.

Another project focused on supporting the enhancement of legal education and the introduction of western standards of human rights law in Georgian universities, as a part of a general civic education process. The Association for Legal and Public Education (ALPE) established a permanent summer school on constitutional and human rights law under the aegis and with the logistical/financial support of the Constitutional Court. At the school, law students from Georgian universities receive high quality education on human rights according to international standards. In the first summer, twenty-five students were trained and

certified in international human rights law by prominent international experts. Students also participate in follow-up internships at relevant local public and non-governmental agencies, allowing them to apply their knowledge in practical environments. A new training curriculum on international human rights law is being prepared by well-known international experts for dissemination among Georgian universities. The Summer School, now supported by the Constitutional Court and Ilia Chavchavadze University, enhances the quality of legal education in the country. The Chair of the Constitutional Court of Georgia, Giorgi Papuashvili, said that the Court is interested in maintaining the Summer School and continuing to cooperate with ALPE in the future.

Main Activities in 2009

EPF will continue to receive, review and fund unsolicited proposals from recently established organizations or that incorporate ideas that are innovative in methodology or theme. In 2009, the Swedish International Development Cooperation Agency (Sida) is the sole funder of EPF's Open Door grants.

"Participating in the Summer School allowed me to enhance my theoretical knowledge of internationally accepted constitutional and human rights principles and improve my practical skills through moot court competitions. I am certain that this will accelerate the pace of my professional development."

*Nino Khutishvili,
Summer School graduate*



A complete list of all projects funded through the Open Door mechanism is available on EPF's website.

The concept of participatory civic monitoring emphasizes primary stakeholder engagement in monitoring the government's policy formulation and decision making and participation in identifying or taking corrective actions when necessary.

CIVIC MONITORING

Program Goal

To foster vigorous and better-informed participation of Georgian community groups, CSOs and media outlets in their communities' political and economic decision-making.

EPF's program priorities support a re-connection to core constituencies and an essential re-alignment of CSO activities to address root problems and social challenges. Our goal is to improve the quality of civil society input and the tenor of citizen participation in the public dialogue. Constructive government-civil society dialogue on designing and implementing policy reforms is essential to Georgia's sustainable development.

Impact in 2008

In 2008, EPF funded ten CSOs to engage in participatory civic monitoring through both targeted grant competitions and the open door mechanism. These grants contributed to reform of the judiciary, increased access to information during elections, promoted transparent decision-making and engaged local communities in monitoring budget allocations, health care, waste management, agricultural land privatization,

municipal spending, community forest management and the performance of local self-governance bodies. As with previous projects, EPF emphasized collaboration between civil society groups and the media (especially regional) to facilitate information dissemination and promote the role of the media as a civic watchdog.

Within the project *My City-My Money*, EPF's grantee – the Human Rights Protection Center – successfully lobbied the Batumi City Council to create a permanent joint working group (including CSOs, the media and the public) to oversee expenditures for municipal improvements. Members of the working group attend city council sessions, sit in on commission meetings, receive information from City Hall and prepare issue-based recommendations for the local government.

In the highland regions of Oni and Ambrolauri, EPF grantee Green Alternative trained community and government representatives in assessing the capacities of the regions' forests, including professional monitoring of the transfer of local forests to management by local authorities. At a stakeholder roundtable with the newly appointed Minister of Environmental Protection and Natural Resources, feedback provided by the grantee resulted in the controversial transfer process being stopped.

Main Activities in 2009

In 2009, EPF will increase the number of fields covered by civic monitoring activities (e.g., the judiciary). EPF will conduct two grant competi-



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EU FTA Conference

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tions on civic monitoring and hold roundtables and workshops with stakeholders on civic monitoring issues. EPF will also conduct training of trainers in civic monitoring and training of grassroots CSOs in participatory civic monitoring, advocacy and policy dialogue.

TOWARDS EUROPEAN INTEGRATION

Program Goal

To ensure greater understanding and commitment to European values (of human rights, rule of law, good governance, market economy and sustainable development) and wider participation of civil society in the process of alignment with European institutions.

Although the majority of the population of Georgia supports the country's integration into Europe, there is low public awareness of the European Union, European values, EU institutions and the costs and benefits of European integration for the country. EPF's activities work to strengthen the capacity of state agencies and relevant units working on the implementation of the European Neighbourhood Policy (ENP) Action Plan (AP) by organizing roundtables on specific ENP AP objectives and elaborating policy recommendations. The program also strengthens public awareness of the ENP AP on the local level.

Impact in 2008

On November 17, 2008, EPF participated in an open committee session of the European Integration Committee of the Parliament of Georgia. EPF presented recommendations on the pending EU-Georgia free trade agreement that had been elaborated during two policy forums organized by EPF in fall 2008 that brought together 120 participants from the Georgian government, the EU, civil society organizations and business circles. Representatives of the Ministry of Economic Development, the Office of the State Minister for European and Euro-Atlantic Integration and the Ministry of Foreign Affairs also attended the event and expressed an interest in engaging more closely with CSOs in reviewing the recommendations.

EPF also focuses on increasing access to information through media trainings. Prior to the forums on the free trade agreement, EPF organized a training seminar on economic issues for nine journalists from different media outlets.

After the forums, ten newspaper articles were printed on the events and the leading Georgian TV business program covered the issue.

Among the EPF organized roundtables on the possible EU-Georgia deep and comprehensive free trade agreement (FTA), one was dedicated to assessing the implications of amendments to the Georgian Law on Food Safety and Control in 2005, 2006 and 2007 (that suspended the law's core articles until 2010) on establishing a free trade area with the EU. Informal discussions had indicated that the law's core articles would be further postponed. CSO efforts, spearheaded by EPF, urged the government to reinstate the legislation as part of the government's commitment to EU integration: In February 2009, the government announced that

"I did not know what door to knock on to ask for support for my business. Fortunately EPF organized a roundtable on a free trade agreement where I met with high-ranking officials from the Ministry of Economic Development of Georgia. I got an opportunity to give them a concrete recommendation: establish cargo flights between Kutaishi and Poland and the Baltic States in order to support small businesspeople and stimulate job growth."

Ani Khrikadze, herb producer

the legislation will come into force on January 1, 2010 and created a task force within the Ministry of Agriculture to address implementation of the law.

Main Activities in 2009

In 2009, EPF will conduct up to eight roundtable meetings on the FTA, conflict resolution and media freedom to support constructive dialogue among stakeholders. EPF will produce policy briefs to evaluate the fulfillment of commitments under the ENP Action Plan and monthly E-bulletins will provide updates on EU-Georgia relations and implementation of ENP AP for stakeholders.





Unbiased Media Coverage of Armenia-Azerbaijan Relations

To nurture accurate and unbiased reporting of the relationship between Armenia and Azerbaijan and the Nagorno-Karabakh conflict and to foster a cooperative network of editors, journalists and media NGOs from Armenia and Azerbaijan, EPF started the Media-Bias Program in June 2008 funded by the UK Foreign and Commonwealth office and USAID, the program combines focus group-based research on public perceptions about media bias with training for 15 television and newspaper journalists and editors in each country; two separate media monitoring assessments to measure changes in bias and to further document the types of inaccuracies that frequently occur; and an innovation fund to launch small, cross-border pilot projects addressing issues of bias. EPF's four core partners are: Yeni Nesil (Azerbaijan), the Yerevan Press Club, Internews-Azerbaijan and Internews-Armenia.

In summer 2008, EPF teams in Armenia and Azerbaijan held focus groups in both countries and produced a report on public attitudes towards and trust in the media, especially regarding Armenia-Azerbaijan relations.

The Armenian and Azerbaijani versions of the report, as well as a report on two months of media monitoring in Armenia and Azerbaijan were used in trainings for journalists and editors in February 2009.

Creative Commons

To explore possibilities for consistent, robust and internationally accepted intellectual property rights for web-based materials in the South Caucasus, Creative Commons International (CCi) is cooperating with EPF to establish a licensing framework in Armenia, Azerbaijan, and Georgia.

A web-based application developed by CCi helps people put their creative works in the public domain or retain their copyright while licensing them as free for certain uses, with certain conditions. This increases the volume of raw source material online and provides cheaper, easier access to intellectual materials.

The Center for Information Law and Policy (Armenia), the Young Lawyers Union (Azerbaijan), and Business Intelligence and Valuation group – BVG, Ltd (Georgia) were awarded EPF grants. to implement 12-month projects in their respective countries. Baseline

Despite deep cultural and historic ties, cross-border relations and collaborative efforts in the South Caucasus have diminished significantly since the dissolution of the Soviet Union. While the lingering political impasse between Armenia and Azerbaijan over the Nagorno-Karabakh conflict is a primary culprit, socioeconomic hardship and deep-rooted introspective attitudes keep citizens in all three countries isolated. EPF's Cross-Border Program (launched in 1998 as the South Caucasus Cooperation Program) is a unique initiative designed to address shared regional challenges by developing common approaches and exchanging experiences and innovative ideas among engaged citizen groups in the region. Since 1998, the program has invested over USD six million in grants and technical assistance to Armenia, Azerbaijan and Georgia through more than 150 trilateral projects in such areas as independent media strengthening, economic development, environmental protection and public policy development.



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assessment drafts of the current national copyright frameworks for each country were produced by September 2008, which included how the Creative Commons (CC) licensing framework might fit into the current legislation along with any changes that would be needed to current legislation and policy to accommodate the CC license.. Draft National CC licenses were then produced (BY-NC-SA 3.0) for the three countries. In-country stakeholders' discussions and a regional workshop enabled commentary and criticism from local experts, significantly improving the partners' understanding of the current national copyright framework and of the possible modifications that need to be introduced to better align the CC licenses to national frameworks. CCi and EPF collaborated to develop a *CC South Caucasus mailing list* making it possible to publicly discuss the draft licenses on the CC South Caucasus web-site: <http://creativecommons.org/international/am/> (/*az/ge/*).

Cross-Border Open-Door Grant Projects

EPF continues to receive and fund open-door proposals for cross-border projects, whereby organizations apply in partnership for EPF funds on a rolling basis.

To promote ideals of common humanity and tolerance among the youth and wider viewing public of the South Caucasus countries, EPF implemented the project "Workshop at the Crossroads - Phase Two". A highly competitive selection process yielded 10 young, motivated journalists and film directors from each of Armenia, Azerbaijan, and Georgia who established two-member bi-lateral production teams. They successfully collaborated to produce 17 short documentaries, which competed in the Tbilisi Film Festival 2009.

Town Hall Meetings to Engage Citizens of the South Caucasus

The International Center for Human Development (ICHD) in Yerevan adopted the Town Hall Meeting (THM) methodology (developed by the

organization America Speaks) to solicit wider public opinion on issues of major concern. THM is a unique process to address the needs of ordinary citizens and decision makers in the South Caucasus.

At the start of the Initiative ICHD adjusted the existing THM software to introduce multi-language support, developed Azerbaijani and Georgian language materials and trained their Azerbaijani and Georgian counterparts, enabling them to conduct THM activities independently. In May 2008 the Georgian and Azerbaijani partners conducted a successful pilot THM in Tbilisi on the issue of high school violence in Georgia, demonstrating their competence and comprehension of THM techniques and mechanisms. The Georgian partner produced an analytical paper of the meeting data which included policy recommendations addressing the issues. The paper received high praise from the Georgian Ministry of Education and Science. In compliance with the program's strategy, the three partners worked on follow-up activities further building on the achievements of regional

"We believe that Town Hall meetings provide for wider representation of the society in a decision making process. In future Liberty Institute will test this format with a wider audience, in Tbilisi and in the regions."

*Giorgi Meladze,
Executive Director,
Liberty Institute*

collaboration. In particular, they developed a trilateral concept paper to address water management issues in the Kura-Araks river basin through regional THMs. Also, as a direct result of the program, the Armenian and Azerbaijani partners were awarded £ 200,000 from the UK's Global Conflict Prevention Pool to conduct a series of Town Hall Meetings in both countries about the Nagorno-Karabakh conflict.



UK Foreign and Commonwealth Office





About CRRC

A partnership between the Carnegie Corporation of New York and Eurasia Partnership Foundation (EPF), CRRC's objectives are to increase the accessibility of high-quality research resources, to strengthen local capacity and to increase dialogue and collaboration between social science researchers and policy practitioners. Since the opening of the Centers in 2003, CRRC has become a nexus of activity for the South Caucasus social science community by providing open access to fundamental literature, data and professional training for social science researchers. The centers allow researchers to pursue original work, to base their research on actual data and to participate in the growing domestic policy research community.

Resources

Computer Lab

CRRC Computer Lab provides free access to the Internet, leading online social science

journals and international databases, including EBSCO, JSTOR, Oxford Reference, Cambridge University Press, and Blackwell Synergy. The lab is open to researchers, scientists, lecturers and students for academic and scientific purposes.

Library

CRRC library provides free access to over 1500 titles of English, Russian and local language printed materials, including textbooks, reference materials, and journals in economics, sociology, demography, and public policy.

CRRC has created a compete catalog of its current holding (OPAC) which allows users to access its collections through the CRRC website. Library is open on working days and serves every user working in the field of social sciences.

CRRC data initiative

The Data Initiative is the largest comparable survey of its kind in the South Caucasus,



CRRC Library

The Caucasus Research Resource Centers program (CRRC) is a network of resource and training centers established in the capital cities of Armenia, Azerbaijan and Georgia with the goal of strengthening social science research and public policy analysis in the South Caucasus.

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providing a wide range of social, economic and political variables. To increase the ability for cross-comparison of regional social and economic dynamics, the CRRC teams in Armenia, Azerbaijan and Georgia have been collecting data on the region on an annual basis since 2004 to obtain reliable data on household knowledge, attitudes and practices. Since 2006, the survey has been carried out nationwide in all three countries.

Databases

Based on the Data Initiative Survey, Centers produce data series about demographic situation, economic behavior, migration

‘I have been using the resources of your center quite intensively, be it access to JSTOR, online databases, computers, library, media, etc... I am just happy that a resource center of such high quality and potential is operating in Armenia, and definitely, it is considered to be one of the leading and most serious respective institutions in this country.’

*Aleksey Hovakimyan,
The Armenian State University
of Economics*

inclinations and social positions of households in the South Caucasus. The data is gathered with the same methodology in all the three South Caucasus countries. Databases are offered to the public and local researchers to use and are available at the CRRC website.

Fellowship Program

The CRRC Fellowship Program was launched in 2004 to support outstanding researchers interested in original policy-oriented research. CRRC provides grants to research fellows to analyze policy relevant issues in economics, sociology, demography and other social science related fields. Fellows are selected through a competitive process. In 2007 CRRC launched a successful online fellowship application process. Now fellows use an online learning platform called Moodle to increase their application skills and to communicate with each other and CRRC staff during the application process, which has significantly improved the quality of applications.

CRRC Events

Aiming to modernize the skill sets of local researchers, CRRC provides trainings on social research methodology, public policy and data analysis and a wide range of other relevant topics. Roundtables, seminars and lectures are organized to stimulate the debate on key public policy issues.



Engaging Citizens, Empowering Communities

The Eurasia Foundation Network comprises New Eurasia Foundation (Russia), Eurasia Foundation of Central Asia, Eurasia Partnership Foundation (Caucasus), East Europe Foundation (Ukraine, Belarus, Moldova) and Eurasia Foundation (United States). Since 1993, Eurasia Foundation and the network have invested more than \$360 million in local and cross-border projects to promote civic and economic inclusion throughout the Eurasia region.

For more information about the Eurasia Foundation Network, please visit <http://www.eurasia.org/>



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