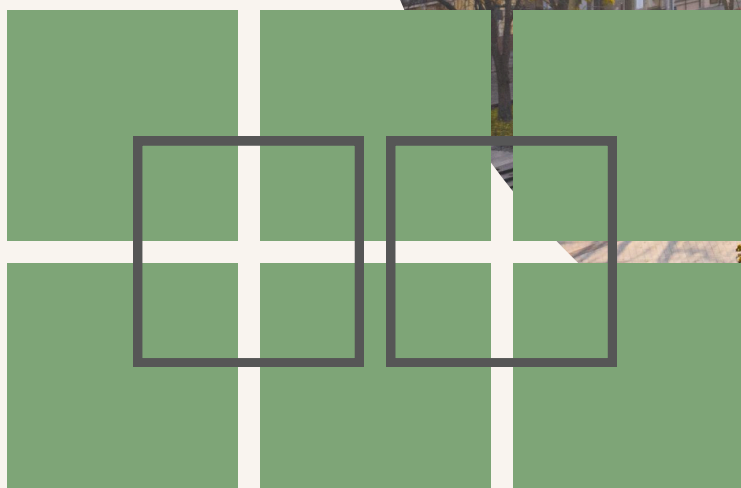


Analysis of the Operating Models of Donor-funded Grant-making Funds in Ukraine

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This paper aims to do a detailed analysis of the existing operating models of donor-funded grant-making funds in Ukraine. The analysis will examine governance mechanisms, approaches to grant allocation, and key factors that distinguish the forms of such funds. The study of these aspects will enable us to make conclusions about the most effective processes and to improve of the operations of grant-making organizations in Ukraine.

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Introduction

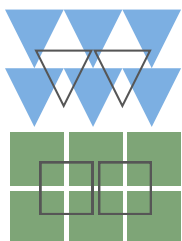
This document was prepared within the framework of the project “Ukrainian Cultural Heritage Fund Model Development and Advocacy” Centre for Regional Development of the Economic Development Agency PPV (CRD/PPV) with the financial support of the International Renaissance Foundation.

The project aims to propose an optimal model of a fund for financing projects related to the preservation and restoration of cultural heritage, which will be developed involving Ukrainian and international experts and donors which is expected to be presented by the representatives of the Ukrainian authorities at the Ukraine Recovery Conference in early July 2025.

Project methodology:

1. Conducting preparatory works (justification of the need, analysis of the existing model of funds financing the preservation and restoration of cultural heritage, operational models of donor-funded grant-making funds in Ukraine, institutional context of the functioning of the Ukrainian Cultural Heritage Fund (UCHF) in Ukraine, the list of potential donors) and development of the UCHF model with the stakeholder participation;
2. Convening an international discussion meeting in Florence to validate the UCHF model (developed within stage 1) with international stakeholders: preparation of the concept of the meeting, involvement of participants, preparation of materials, and communication support of the event.
3. UCHF advocacy as well as information and promotional campaign.

Project duration: February–September 2025.



Structure and Description of the Models

The analysis framework proposed in this document covers several key components that allow for a comprehensive assessment of the activities of funds. In particular, attention will be focused on the following parameters:

- Year established;
- Organizational and legal form, founders of the organization;
- Goal of activity;
- Financing model;
- Financing model of projects supported by the organization.

1. NON-GOVERNMENTAL UNION “FOUNDATION FOR SUPPORT OF REFORMS IN UKRAINE”

- 2015.
- Non-governmental union, founders – “Sayenko-Kharenko” Ltd. and “Ekvo” Ltd. (Ukrainian law firms). Founded on the [initiative of the National Reform Council and the European Bank for Reconstruction and Development](#).
- The organization is an implementer of projects in Ukraine with the financial support of donor countries.
- The main goal is to contribute to the development of Ukraine and improve the material well being of its citizens by supporting the development and implementation of reforms in Ukraine. The Foundation supports initiatives aimed at increasing the competitiveness and sustainability of Ukrainian small and medium-sized enterprises (TRIPSTER - with the financial support of the German Government), the restoration of the cultural sector in Ukraine (for example, the Restoration Support Office affiliated with the MCSC in partnership with UNESCO, funded by the Government of Japan), etc.
- Areas of activity:
 - Coordination of the process of development, implementation, and monitoring of the implementation of reforms in Ukraine;
 - Supporting the activities of the Ukrainian state authorities, including the National Reform Council established under the Decree of the President of Ukraine No. 644/2014 of August 13, 2014, the Administration of the President of Ukraine, the Cabinet of Ministers of Ukraine, the Verkhovna Rada of Ukraine, for the sake of ensuring the implementation of a unified and coherent reform policy in Ukraine;
 - Selection, involvement, and coordination of experts' work to develop and monitor the implementation of reforms in Ukraine;
 - Involving the public in the development, monitoring, and control of the reform process in Ukraine.
- Structure: General Assembly, Supervisory Board, executive director ([slide 4](#)).

- The organization receives financial support from international donors, as well as Ukrainian and foreign organizations or individuals. Major donors are: EBRD, AGRITEAM CANADA, Western NIS Enterprise Fund (WNISEF), UK Embassy, Norway Embassy, GIZ etc.
- The organization [spends money](#) on direct project financing (about 90 percent), marketing and PR services, operational and administrative expenses. Decisions on the main areas of activity and approval of action plans and long-term programs, decisions to conclude contracts worth more than 50 thousand dollars are passed by the Supervisory Board of the Organization.

2. Project PARTNERSHIP FUND FOR A RESILIENT UKRAINE (CHEMONICS INTERNATIONAL/PARTNERSHIP FUND FOR A RESILIENT UKRAINE)

- 2024 (phase 2).
- Chemonics International Inc. in Ukraine has the status of an organization implementing the international technical aid project “Partnership fund for a resilient Ukraine” (FPSU) (without a legal entity).
- The organization is implementing projects in Ukraine with the financial support of donor countries.
- Chemonics International Inc. is implementing the program under the guidance of the UK Foreign, Commonwealth and Development Office and FPSU management bodies. The Partnership Fund for a Resilient Ukraine (FPSU) programme is a multi-year, donor-led programme managed by the UK Foreign, Commonwealth and Development Office (FCDO). Grants will be awarded and implemented under the [UK Foreign, Commonwealth and Development Office \(FCDO\) Regulations that regulate grant provision under agreements as well as the \[internal grant management policies of FPSU\]\(#\)](#).
- Recipient: Ministry for Communities and Territories Development of Ukraine (code in the Unified State Register of Enterprises and Organizations of Ukraine (YeDRPOU) 37472062); State Enterprise “Ukrainian National Center for Peacebuilding” (YeDRPOU code 44580262)
- The beneficiary is the Ministry for Communities and Territories Development of Ukraine
- The goal is to strengthen the resilience of the Ukrainian Government in the face of Russian aggression and enhance its capacity to provide critically needed assistance to communities in collaboration with civil society, media, and the private sector.
- Areas of activity:
 - support in the early restoration of the deoccupied territories;
 - support of cooperation between the Government of Ukraine and the citizens living in frontline areas;
 - uniting communities and development of the foundations of social, economic, and political transformation of Ukraine after the war to achieve long-term peace.

- International financial partners (development partners): United Kingdom, Estonia, Canada, Netherlands, Norway, United States of America, Finland, Switzerland, Sweden.
- The funds are directed by the project implementer in accordance with the agreement with the state-development partner (in particular, the Agreement on Political Cooperation, Free Trade and Strategic Partnership between Ukraine and the state-financial partner ([donor](#)) and the [Memorandum with the recipient](#).

3. NON-GOVERNMENTAL UNION "FOUNDATION OF ARCHITECTURE REFORMS IN UKRAINE" (FOUNDATION OF ARU) (YeDRPOU code 43565416)

- 2020.
- Non-governmental union founded by "Support of Architecture of Reforms in Ukraine 1" Ltd. and "Support of Architecture of Reforms in Ukraine 2", the end beneficial owner of which is an individual.
- Is an implementer of ITA projects, in particular, the Project Office of the National Bank for supporting the implementation of the Financial Sector Strategy in Ukraine, the Ministry of Finance, the Ministry of Energy, etc.
- The Union was established solely for the purpose of providing operational support to projects financed from the Stabilization and Sustainable Growth Multi-Donor Account of Ukraine (Ukraine MDA) and the EU Support Fund for Stabilization and Sustainable Growth in Ukraine of the EBRD, including but not limited to the ARU project.
- The goal is institutional support within the framework of the Architecture Reform Project in Ukraine, securing the activities of the Reform Office of the Cabinet of Ministers of Ukraine, Reform Support Teams in ministries, and the Strategic Group of Reform Support Advisors, which contribute to the implementation of reforms in Ukraine.
- The governing bodies of the Union are the General Assembly of the Union members and the Chairman of the Union (appointed by the Assembly)
- Structure:
 - The Reforms Delivery Office of the Cabinet of Ministers of Ukraine (RDO) - provides assistance to the Government of Ukraine in the development and implementation of priority reforms in the country. Advisory and consultative body of the Cabinet of Ministers of Ukraine. Provides organizational, logistical, and information support for the activities;
 - Recovery and Reform Support Teams (RSTs) are currently operating in ministries and departments to support the implementation of sectoral reforms. They provide targeted temporary expert support to ministries and departments in the development and implementation of priority sectoral reforms and restructuring of the ministries/departments themselves, and they are not civil servants.
- The activities of the Union are financed by ITA funds and through passive income.
- The funds of the Union may be used exclusively to attain the goal of the Union and for its maintenance.

4. REPRESENTATIVE OFFICE OF THE INTERNATIONAL SOLIDARITY FUND IN UKRAINE (YeDRPOU code 26633352)

- 2019.
- The organization implements projects in partnership with other organizations to financially support initiatives through grant-making (for example, the grant competition of the Multi-Donor Initiative Skills4Recovery [“Support to the Modernisation of Vocational Education and Training in Ukraine – Initial Vocational Training 2025”](#)).
- The goal of the Representative Office is to support the development of democracy and self-government in Ukraine, implement cooperation-for-development projects, support sectoral reforms and bring Ukraine closer to the EU standards in the field of governance.
- Areas of activity:
 - Social services;
 - System of education;
 - Vocational education training;
 - Local civil protection;
 - Psychosocial support.

5. EASTERN EUROPE FOUNDATION

- 2007 (since 1992 – a part of the international Eurasia Foundation).
- Charitable non-profit organization founded by the Eurasia Foundation.
- The goal is to transform Ukraine into a state that serves and protects the people, in particular by providing administrative and financial support to initiatives.
- Areas of activity:
 - Strong and active civil society;
 - Effective and democratic governance at all levels;
 - Institutional development of non-governmental organizations and authorities.
- The organization receives financial support from international donors, as well as Ukrainian and foreign organizations or individuals. Main donors: US Government, EU, governments of other countries, private foundations, private companies.
- Approximately a third of the organization's expenses are grant costs. [About 60% are program costs, and another 10% are administrative costs.](#) The decision to allocate funds for the implementation of the program is made by the independent [Board of the Foundation](#), which is elected by the General Assembly of the organization (Viktor Lyakh (President of the Foundation, ex officio), Sevgil Musayeva (Editor-in-Chief of Ukrainska Pravda), Olesya Olenytska (Director on Corporate Relations of Kyivstar), Timur Bondarev (Managing Partner, Founding Partner of Arzinger), etc.

6. THE GERMAN SOCIETY FOR INTERNATIONAL COOPERATION (GIZ)

(German: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH)

- Has been providing support to Ukraine since 1993.
- Since 2018, under the Agreement between the Government of the Federal Republic of Germany and the Government of Ukraine on the establishment of local offices of the German Society for International Cooperation GmbH (GIZ GmbH) and the Credit Institution for Reconstruction (KfW) (implementing organizations).
- The organization is a donor of projects in Ukraine.
- The main areas of activity of the company in Ukraine are as follows:
 - good governance, sustainable society;
 - economic development;
 - energy and climate protection.

7. LIMITED LIABILITY COMPANY "BRITISH COUNCIL (UKRAINE)"

- 2013.
- Limited Liability Company founded by two legal entities under foreign law.
- The Company was established to generate profit from educational, training, cultural, scientific, sports, commercial, and other types of economic activities, as well as to comprehensively promote the development of educational, scientific, and/or cultural cooperation between Ukraine and the United Kingdom and other countries in order to achieve a positive social effect and meet the social needs and/or personal needs of the Company's participants.
- One of the types of activities of the Company is to provide loans and/or provide other types of financing (grants for cultural activities), and the Company may establish funds for this purpose.

8. UKRAINIAN SOCIAL INVESTMENT FUND

- 2000.
- [Non-profit organization](#), established under the Resolution of the Cabinet of Ministers of Ukraine dated April 28, 2000, No. 740 "On the Establishment of the Ukrainian Social Investment Fund" (a special legal regulation).
- The highest governing body of the Fund is the Supervisory Board, co-chaired by the Vice Prime Minister for the Reconstruction of Ukraine – the Minister for Communities and Territories Development of Ukraine and the Minister of Social Policy. Representatives of international donor organizations are members of the Supervisory Board by consent. The Fund falls under the jurisdiction of the Ministry of Social Policy of Ukraine.
- The goal is to improve the quality of life of the least socially protected segments of the population and develop civic solidarity by supporting the initiatives of territorial communities and non-governmental organizations.

- Financing is provided from the financial resources provided within the framework of international technical assistance projects and projects aiming at economic and social development of Ukraine, which are supported by the World Bank and other international financial institutions, and from charitable contributions. Donors to the USIF over the years have been the Government of Germany (KfW), the World Bank, the European Union, the Government of Japan (JSDF), the Government of Sweden (Sida), the Government of the United Kingdom (DFID), the Charles Stuart Mott Foundation, the Canadian International Development Agency, the International Renaissance Foundation, [the United Nations Development Program](#) (for example, the Project "Promoting the Development of Social Infrastructure. USIF.IX" is funded by the donor the Government of Germany (through KfW).
- The mechanism for financing the Fund's projects: implementation of projects for the development of social infrastructure facilities, procurement of goods, works and services following the [Regulations \(Guidelines\) of the Fund's activities](#) (example - Project "Modernization of Vocational Education and Training Infrastructure in Ukraine" (component 3 of the "EU4Skills" Program) - implemented by KfW through the Ukrainian Social Investment Fund).

9. REPRESENTATIVE OFFICE OF THE KONRAD ADENAUER FOUNDATION

- 1994.
- Non-governmental organization.
- Through its representative offices in Kyiv (since 1994) and Kharkiv (since 2017), it [supports the political and economic process of transformation in Ukraine](#) by implementing projects aimed at supporting democratic development, building civil society, strengthening free media, and consolidating democratic institutions.
- The Foundation organizes round-table discussions, conferences, panel discussions, and lectures to have in-depth discussions and political analysis of socially important topics. [It provides scholarship support.](#)

10. REPRESENTATIVE OFFICE OF THE HEINRICH BÖLL FOUNDATION IN UKRAINE (identification number YeDRPOU code 26607219)

- 2008.
- Another organizational legal form.
- The goal is to strengthen the green movement, which supports values such as equality, environmental protection, and participatory decision-making at the national and local levels.
- Directions:
 - Democracy promotion and civil society development;
 - Gender democracy, women's rights, LGBT rights;
 - Climate change and energy policy.
- [Funded by public grants](#) (EU, German Government, international organizations).
- The Representative Office provided [financial support to Ukrainian projects](#), while now this activity has been discontinued.

11. THE FINNISH-UKRAINIAN TRUST FUND

- 2018.
- The Fund is managed by the Nordic Environmental Finance Corporation NEFCO (a subsidiary – “NEFCO-Ukraine”). [Under the Agreement](#) between the State Agency on Energy Efficiency and the Nordic Environmental Finance Corporation NEFCO, the Agency is the coordinator of the Fund’s work in Ukraine.
- The Fund is financed by the Ministry of Foreign Affairs of the Republic of Finland.
- It provides grant funding to promote cooperation in the field of energy efficiency, renewable energy, and alternative energy in electricity and heat production, as well as in the field of district heating networks between the two countries in order to [support the green energy transition](#).
- Grant funding was provided to both public and private demonstration projects implemented by Ukrainian small and medium-sized enterprises, or was used to provide technical assistance. In total, the Fund financed about 30 demonstration projects.

12. UKRAINE DONOR PLATFORM

- Coordinates support for both Ukraine’s budgetary financial needs and the needs of economic recovery and reconstruction from various sources and established financing instruments.
- The platform is structured around three pillars:
 - Steering Committee;
 - Operational Coordination Group;
 - Secretariat.
- The Steering Committee, chaired by senior officials from the European Commission, Ukraine, and the United States, includes representatives from the G7 countries, international financial institutions (IFIs), and the Organisation for Economic Cooperation and Development (OECD). The Operational Coordination Group exchanges information within sectoral working groups on planned and ongoing projects. The Secretariat, co-located by the European Commission in Brussels (in the Directorate-General for Neighbourhood and Enlargement Negotiations) and the Government of Ukraine in Kyiv (in the Reforms Delivery Office), prepares concept papers and facilitates communication between the Steering Committee and the Operational Coordination Group, as well as with national, regional and local administrations in Ukraine.

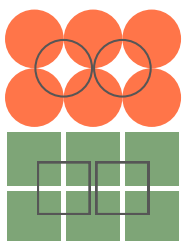
Conclusion

The analysis of existing models of organizations and activities of donor-funded grant-making funds in Ukraine shows that such institutions play an important role financing the development of civil society, the implementation of social initiatives, support of reforms, the restoration of post-conflict territories, and the promotion of European values. The effectiveness of the models should be determined based on whether the donor achieves the results set for itself and on the timeliness of these goals in Ukraine.

The main models in the operations of the grant-giving funds are the following:

- Operational funds that independently implement projects (non-governmental organizations, charitable organizations);
- Grant-giving funds that provide financial support to other organizations based on the terms of an international technical assistance project;
- Individual models that have a different organizational and legal status (non-profit organizations, branches, limited liability companies).

It can be concluded that operating funds normally have more autonomy in decision-making, and their activities are rooted in the development infrastructure of the relevant sectors. At the same time, organizations that aim for a temporary status and do not require registration in Ukraine as a separate legal entity to accomplish their tasks (mostly these are large donors that do not have an official representative office in Ukraine, but act indirectly), work as international technical assistance projects.



Annex 1.

Comparative table of operational models of the analyzed grant-giving foundations

	Non-governmental union	Charitable organization	ITA project	Profit enterprise (Ltd.)	Non-profit enterprise	Representative office of a foreign entity (branch)
What regulates the operational activity	Law of Ukraine "On Public Associations"	Law of Ukraine "On Charitable Activity and Charitable Organizations"	Resolution of the CMU dated February 15, 2002 No. 153 On the creation of a unified system for attracting, using, and monitoring international technical assistance*, rules governing the provision of grants under contracts (international agreements), grant agreement, internal policies of the implementer	Civil Code of Ukraine	Civil Code of Ukraine	Civil Code of Ukraine, state registration
The grounds for operational activity	Charter	Charter	A development partner's authorization to represent the implementer (non-resident legal entity) in Ukraine. The implementer's accreditation certificate constitutes the basis for applying, following the established procedure, for the production of special seals and stamps of the implementer, opening of relevant special accounts in banks, etc.	Charter	Resolution of the CMU dated April 28, 2000 No. 740 "On the Establishment of the Ukrainian Social Investment Fund", the Regulation	The Regulation approved by the legal entity that established the branch or representative office or on other grounds provided for by the legislation of a foreign state, in accordance with which a legal entity was established, of which such branches and representative offices are the separate divisions

	Non-governmental union	Charitable organization	ITA project	Profit enterprise (Ltd.)	Non-profit enterprise	Representative office of a foreign entity (branch)
Management bodies	Chairman of the Management Board/director of the organization, identified privately		Secretariat of the CMU (Ministry of Digital Transformation as far as the methodology is concerned), donor representatives	Chairman of the board/director of the organization, identified privately	Supervisory Board, co-chaired by the Vice Prime Minister for the Reconstruction of Ukraine - Minister for Communities and Territories Development and the Minister of Social Policy	Chairman of the Management Board/director of the organization, identified privately
Membership	Participants join in accordance with the requirements of the Charter	Participants join in accordance with the requirements of the Charter	No members	Participants of the company in accordance with the requirements of the Charter	No members	
Authority to approve areas of activity, program	Defined by the Charter		See the section "What regulates the operational activity"	Defined by the Charter		Regulations (usually require approval by the founding legal entity)
Making a decision to approve financing for other persons			The Secretariat of the Cabinet of Ministers of Ukraine shall cancel the decision on state registration of a project (program) in the event of: refusal on the part of development partners, implementers or recipients from its implementation; impossibility for the recipient to eliminate the identified violations regarding the misuse of international technical assistance			State registration
Procedure for liquidation/cancellation of activities						

* This Procedure shall not apply to international technical assistance provided by international financial institutions under international agreements between Ukraine and those institutions in the form of grants for budget support.