

EMERGENCY FUNDS IN EUROPE
AND THE UNITED STATES

RESPONDING

TO THE GLOBAL FINANCIAL CRISIS

SUSTAINING
EDUCATION
FOSTERING
DEVELOPMENT
HELPING
RECOVERY
ENGAGING
COMMUNITIES



OPEN SOCIETY
FOUNDATIONS



INTERVENING IN A TIME OF CRISIS

THE OPEN SOCIETY FOUNDATIONS work around the world to build strong and tolerant democracies. For nearly 30 years this work has focused on enabling lasting change. Sometimes a crisis is so acute, its impact on people's lives and on a region's stability so immediate, it requires an emergency intervention. Europe, and before that the United States, have been hard hit by the global financial crisis. The Open Society Foundations responded to the suffering caused by the economic collapse by providing emergency funds to essential services and civil society organizations in Europe and the United States. It is not the first time Europeans and Americans have confronted such a situation and it is not the first time the Open Society Foundations have used emergency funds to ease the pain and turmoil that can accompany economic crisis.



(Top) In Budapest, Hungary, homeless people sleep on a sidewalk.

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(Bottom) The kitchen at Vifania, a reintegration center run by the Social Partnership with funding from the Emergency Fund and the International Renaissance Foundation. Vifania offers, food, shelter, and classes to homeless people, drug users, and the elderly. Kyiv, Ukraine, 2011.

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THE EMERGENCY FUND FOR EUROPE

IN 2009, THE OPEN SOCIETY FOUNDATIONS established the Emergency Fund to tackle some of the most pressing social and economic issues arising from the financial crisis affecting countries in Eastern Europe and beyond. The fund spent over \$72 million on projects in 21 countries until its conclusion in 2012. Over three years, the fund bolstered the capacity of civil society—helping communities help themselves—in the Balkans, the Baltics, the Caucasus, Central Asia, Central Europe, Moldova, and Ukraine. The fund and its partners aimed to ensure that advances by countries in these regions toward more open societies were not undone by the social and economic tension created by the crisis.

Many of the countries involved were new members of the European Union that were forced to slash budgets in the face of turbulent economic times. In addition, many donors had pulled out of Eastern Europe and the former Soviet Union. “I believe it is the duty of those who have the means to step in and help,” said Open Society Foundations chairman George Soros at the time of the Emergency Fund’s launch. In 2009, as now, there was a focus on young people and vulnerable groups. “We want to help those communities most at risk,” Soros said. “My priority is helping young people. We need to help the next generation.”

In total, the Emergency Fund reviewed 1000 projects in its three years of operation across five areas: social services, education, employment and entrepreneurship, infrastructure and humanitarian assistance, and culture and society.



A boy takes a photo from the window of a bus at an anti-austerity demonstration in 2010 in Bucharest, Romania. Many Europeans have responded to the crisis through peaceful public protests.

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THE SPECIAL FUND FOR POVERTY ALLEVIATION IN THE UNITED STATES


GEORGE SOROS RESPONDED to the economic crisis in the United States by establishing the Special Fund for Poverty Alleviation in 2009. The special fund gave immediate relief to low-income communities hardest hit by the economic crisis.

The special fund provided \$174 million in emergency funding and investment from 2009 until 2012. For every dollar invested, the special fund found five dollars from other funders, thus unlocking approximately \$830 million in funding to bring total investment to over one billion dollars. Over 8.5 million individuals were served through the special fund's work.

The special fund was one of the first private investments in the United States during the crisis that unleashed federal stimulus funds and demonstrated to other private funders how government and the private sector could work together to provide immediate relief to those in need.

The Special Fund for Poverty Alleviation helped people bring stability to their daily lives by improving access to necessities like food, housing, childcare, transportation, and medical care. The special fund also supported longer-term efforts to increase opportunities for jobs, education, and training that helped people build better lives for themselves, their children, and their communities.

One project, YouthBuild, combined education, job skills training, and public service. YouthBuild works with low-income 16-to 24-year olds who are out of school and unemployed by offering a full-time program that uses learning construction skills and building affordable housing for the local community as a way for young people to finish high school, prepare for college, and pursue a career.



Two YouthBuild students taking part in a 2012 construction training in Lenox, California.

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SUSTAINING EDUCATION

IN UKRAINE, 79 RURAL SCHOOLS from the 13 regions most affected by budget cuts received grants from the Emergency Fund for after-school tutoring, student meals, supplemental salaries for teachers, and school refurbishment. The Emergency Fund allocation of \$990k was matched by \$135k from local authorities and community donations.

Also in Ukraine, the International Renaissance Foundation strongly collaborated with the Emergency Fund to provide funding to Rokada, a social integration center for refugees and their children. The center, which has also received funding from the UNHCR, is the only institution in Kyiv assisting refugees and asylum seekers with integration by providing services such as: language courses, psychological support, computer training, sewing workshops, a kindergarten and after-school activities for children, tutorials, and cultural activities.

In August 2009, the Special Fund for Poverty Alleviation announced a \$35 million donation to the state of New York for a “Back to School” program that—coupled with \$140 million of federal stimulus funds—would give each child on public assistance and food stamps \$200 to start the school year. More than 850,000 families had an extra \$200 automatically added to their public-assistance debit account. The funds helped impoverished students buy school supplies and other necessities before the September return to classes.



Children in the kindergarten of the Rokada social integration center for refugees and asylum seekers in Kyiv, Ukraine, 2011.

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FOSTERING LOCAL DEVELOPMENT

IN EUROPE, THE EMERGENCY FUND provided \$1.6 million in support to local foundations and organizations in Hungary that implemented development projects with eight marginalized and low income communities. One project implemented by the Hungarian Maltese Charity Service in the city of Veszprem worked with impoverished residents to transform a dilapidated Communist-era block of flats into clean, safe apartments and community spaces.

In 2010 in the United States, three nonprofit organizations used a \$5.5 million pledge from the Special Fund for Poverty Alleviation to strengthen communities and spur economic growth. The investment was matched by the federal Social Innovation Fund as well as by private dollars. One grantee, the New York City Center for Economic Opportunity, used \$2 million to replicate promising anti-poverty programs nationwide that help low-income people enter the workforce. Another grantee, New Profit Inc., used \$1.5 million to build and expand organizations helping young people navigate the increasingly complex path from high school to college to productive employment. The final \$2 million went to the Edna McConnell Clark Foundation to identify leading youth development organizations that work with the nation's most underserved young people so that these programs could be scaled up across the country.



Between 2009 and 2011, a neglected, segregated housing block (top) was transformed into apartments and community spaces (bottom) by local residents in Veszprem, Hungary.

© HUNGARIAN MALTESE CHARITY SERVICE/NORBERT LORINCZ




HELPING

INDIVIDUALS AND BUSINESSES RECOVER

IN 2010, THE EMERGENCY FUND PARTNERED WITH THE UNDP on small-scale infrastructure projects to support the Fergana Valley region of Kyrgyzstan. Local communities covered at least 20 percent of the costs of any project. In response to \$1.5 million from the Emergency Fund, the UNDP provided matching funds of \$500k. Over 3,000 local workers have helped rebuild infrastructure, providing economic stimulus and promoting interethnic reconciliation.

In the United States, non-profit organizations in Baltimore received over \$6 million between 2009 and 2010 from the special fund to provide services for thousands of the city's most vulnerable residents. The Family League of Baltimore used the largest single grant of \$1 million to create year-long jobs for 200 youth, including jobs and training in the construction trades and all aspects of running a farm for 90 young people involved in either the city's criminal justice or foster care systems.

One project in Michigan, the Fair Food Network's Double Up Food Bucks program, is a highly successful model for encouraging low-income consumers to spend their federal food assistance benefits on healthier food at farmers' markets. The program now helps 90,000 people buy produce from over 700 farmers at 100 markets across the state.



A shopper in 2010 uses food assistance benefits to buy locally-grown radishes through a program run by special fund grantee, the Fair Food Network in Detroit, Michigan.

©FAIR FOOD NETWORK




ENGAGING

LOCAL COMMUNITIES TO PURSUE CHANGE

IN EUROPE, THE EMERGENCY FUND has had an important impact on the lives of thousands of people, civil society organizations, and progressive networks in the countries where it has been active. The Emergency Fund also offers important insights into how such interventions can be carried out successfully: local specialists must be actively involved in deciding how funds are allocated; local NGOs and civil society organizations, not foreign actors, must be the agents of change; and national and international funders must be encouraged to match at least a portion of the original emergency investment so that interventions are founded and prosper on solidarity.

In the United States, the Special Fund for Poverty Alleviation provided an immediate lifeline to some of the country's most vulnerable communities. The grantmakers and the grantees involved with the special fund learned much about what it takes to address complex social issues and achieve results quickly. Both groups also gained important insights about combining short-term relief strategies with efforts to improve long-term outcomes, using early money to attract and unlock other funding, and engaging experts from the field.

Emergency funds in Europe and the United States focused on using significant financial intervention to help societies get back on their feet. The Open Society Foundations remain committed to the principles of locally driven, lasting change, but we also understand the importance of working with and providing immediate help to people and communities in crisis.



A gathering in 2011 of members of a women's economic development cooperative organized by local grantee BILD with funding from the Open Society Fund-Bosnia and Herzegovina and the Emergency Fund in Djulici, Bosnia and Herzegovina.

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