



C O U N T E R P A R T I N T E R N A T I O N A L

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April 28, 2000

Melanne VerVeer
Assistant to the President and Chief of Staff to the First Lady
Office of the First Lady
Washington, DC

Dear Melanne,

Hope you are well. I wanted to bring your attention to a serious matter involving the future of microcredit in Russia, and to personally ask for your help. The matter involves Counterpart's microcredit program in the Russian Far East and The U.S.-Russia Investment Fund (TUSRIF).

By way of background, I am forwarding Counterpart's extension proposal on our Khabarovsk-based microcredit project as well as selected correspondence with the Fund concerning the loan capital portion of the extension.

You will see that TUSRIF committed, in writing, to provide six months of loan capital for our program or approximately \$200,000. These funds were due to be released after the May holidays in Russia. I was informed today by Christine Loomis, Senior Vice President of the Fund, that TUSRIF would no longer be providing us loan capital (or supporting microcredit) due to a reduction in their funding from the US government.

Counterpart has already submitted its extension request to USAID, which was to provide two years of operating funds for the program, predicated on the loan capital commitments from TUSRIF or other donors. We felt that based upon TUSRIF's written and verbal commitments to date, we had satisfied this requirement. Clearly, we have and will continue to look for long-term sources of capital for the future.

Without the loan capital, the microcredit program in Khabarovsk is literally dead in the water. This is a program which is heavily supported by the local administration (please see letter of support), the public and of course, our clients.

I know that microcredit is a huge priority for the White House, the State Department and USAID as a vehicle to promote economic development and stability in Russia, a vibrant market economy and a strong civil society. Please help us to ensure continued support for this important program by strongly encouraging The Fund to honor its funding commitments to support microcredit initiatives in Russia and if necessary, provide them with additional resources specifically for them to do so.

Evidently, there is a high level meeting scheduled for next Wednesday in DC with the head of TUSRIF. The President may or may not be involved. If the White House is represented at the meeting, this would be an excellent opportunity to highlight the importance of microcredit and the Fund's role in promoting and supporting activities in this area.

Please let me know if you have questions or need additional information. Thank you in advance for your support and assistance.

Best regards,

Karen Sherman
Karen Sherman
Executive Vice President
Counterpart International

*Any help you
could provide
would be much
appreciated!
Thanks,
Karen*

Counterpart Enterprise Fund
Extension Proposal
1 August 2000 – 31 July 2002

PROGRAM REQUEST: Counterpart International is requesting a 24 month \$600,000 funded extension of the Russian Far East Microcredit Program.

OVERVIEW:

With grants from USAID and TUSRIF, Counterpart International, through the Khabarovsk-based *Working Capital Russia* (WCR) program, began providing entrepreneurs and small business owners with accessible and affordable micro loans and business training in early 1998. Over the last two years, Counterpart has disbursed 261 loans valued at \$332,704.

As a result of the August 1998 financial crisis and a change in program management, the program experienced setbacks in achieving operational and sustainability targets. Despite the challenges experienced in the early phases of the program, Counterpart continued its efforts to build a sustainable microcredit program in Khabarovsk. The efforts were noted in December 1999 when the U.S. State Department's Regional Initiative Coordinator for the Russian Far East stated that, "The micro-lending program operated by Counterpart International in Khabarovsk is one of most important development programs sponsored by the US Government in this region of the Russian Far East".

In the first quarter of 2000, with continued support from USAID, TUSRIF and the RI, the program gained momentum, market tested ruble-based, individual and enterprise alliance lending products, and disbursed over \$110,800 in new loans. As an illustration of Counterpart International's commitment to the program and the local staff's renewed enthusiasm for micro and small business lending, the Counterpart Enterprise Fund (CEF) was chosen as the name for the program's eventual leave-behind organization. In 2000, CEF will become Counterpart International's fourth affiliate in the former Soviet Union.¹

EXTENSION RATIONALE:

As referenced above, the program's initial loan portfolio was decimated as the 1998 Russian financial crisis and the resulting foreign exchange rate instability led to borrower delinquency rates in 1999 that exceeded 95%. After a year and a half of hard work, Counterpart's team has reduced the delinquency rate to less than 1%, rebuilt the portfolio with a more diverse range of businesses, and created a niche for itself in the small business lending market.

With the tremendous advantage of having lessons learned from the crisis, the program has definitely turned the corner and is now aggressively lending again. Despite the

¹ Counterpart International's current FSU affiliates include: Counterpart Creative Center (Ukraine, 1996) specializes in training and consulting for NGOs and small businesses; Partner Foundation (Russia, 1996) specializes in local capacity building for NGOs and Business Support Organizations; and, Counterpart Meta Center (Ukraine, 2000) manages a full-service business incubator and offers loans up to \$20,000.

recent increases in loan volume, the program will not achieve sustainability by the end of the current grant term. Thus, Counterpart would like to request an extension to enable the program to:

- provide entrepreneurs, in a very large and under served credit market, with timely access to the financial capital they need to strengthen and expand their businesses;
- continue to build and diversify the program's loan portfolio (income base) through client-responsive group, individual, and enterprise alliance products;
- maintain program competitiveness by offering ruble and dollar based loans;
- improve program efficiency and effectiveness by hiring additional qualified credit and financial staff; and,
- achieve our initial goal of creating a sustainable microcredit program by providing local staff with the resources and experience they need to effectively manage the Counterpart Enterprise Fund over the long-term.

EXTENSION ACTIVITIES:

Credit Services

Program activities will take place in Khabarovsk where there are nearly 40,000 registered micro and small businesses. Almost all of them lack access to credit and are potential borrowers for CEF. The following products and services will be offered:

CEF PRODUCTS AT A GLANCE

Category	Current		
	Group	Alliance	Individual
Type of Product	Micro loans to self-formed business loan groups.	Micro loans provided through an already established group such as a small business association.	Micro loans for businesses too small or too new or untested to qualify for bank financing but who have an adequate credit rating and guarantees.
Differentiation	Entry level loans; no collateral required; cross guarantees, and group support.	Larger initial loans. More lenient approval process; strong established group support. Collateral may be required	Larger initial loan. Ideal for those with limited time or who are not interested in working through a group. Larger micro business.
Time In Business	Minimum 6 months	Minimum 6 months	Minimum 1 year
Membership Requirement	Be a member of a CEF Business Loan Group	Be a member of a certified CEF Enterprise Alliance group	None
Loan Range	Up to \$1,000 initial loan, \$10,000 maximum	Up to \$3,000 initial loan, \$20,000 maximum	Up to \$5,000 initial loan, \$20,000 maximum
Loan Terms	Initial Loan 3-4 months, up to 12 months maximum	Initial loan 4-6 months, up to 18 months maximum	Initial loan 4-6 months, up to 18 months maximum
Interest Rate	USD 24%/48% Russian Ruble. Decline Balance	USD 24%/48% Russian Ruble. Decline Balance	USD 24%/48% Russian Ruble. Decline Balance
Loan Fee	\$30	\$30	\$30
Collateral	None for loans up to \$4,000	None for loans up to \$3,000	Full
Guarantees	Members cross-guarantee each others loan	May be required	May be required

Program Outreach

To expand CEF's client base and promote the program's products in the local market, CEF staff will use the following channels: 1) Referrals, 2) On-Site Client Visits, 3) Seminars, 4) Newspaper Advertising, 5) Sales Literature, 6) Newsletter, 7) Phone Calls, and 8) Fairs/Exhibitions. CEF will also continue to cultivate working relationships with other trade and business organizations active in the area, such as:

- Taxi Drivers' Association
- Association of Non-Timber Forest Products
- Khabarovsk Center for Small Business
- The Far Eastern Center for Entrepreneurs Support
- Khabarovsk Union of Managers
- Krai Center for Youth Entrepreneurs Support
- Khabarovsk Association of Entrepreneurs
- Khabarovsk Business Club
- Center for Legal Support for Entrepreneurs
- Association of Business Women "Slavyanka"
- Center of Women's Initiatives
- Khabarovsk Krai/City Union of Women
- Women Society "Vistara"
- Far-Eastern Chamber of Commerce & Industry

In addition to the organizations listed above, CEF has the acceptance and support of all the key decision-makers both in and out of government. The press and assorted media have highlighted the program, and the market place is aware of CEF activities. During the extension period, CEF will use established community networks and governmental agencies to promote the program and create synergistic links with other business development activities.

Loan Portfolio Maintenance

To build a successful loan portfolio, CEF will counterbalance its promotional activities with aggressive collection efforts enhanced by a reputation that CEF is second to none in the pursuance of bad debts through the Khabarovsk court system. In surviving the Russian financial crisis in August 1998, Counterpart gained the knowledge and understanding of what it takes to successfully lend in Russia. Our knowledge of the Russian legal system as it pertains to lending is superior to that of most Russian lawyers. Because of our experience, CEF has the expertise and legal resources needed to successfully operate in the dynamic Russian marketplace.

Affiliate Development

Key to the success of the Counterpart Enterprise Fund will be the localization of operations by late 2000. To lay the foundation for a strong, locally operated organization, Counterpart will continue to emphasize staff empowerment and ownership through professional development opportunities, performance-based incentive systems, and regular involvement in program design and decision-making. This is essential if local staff is to successfully assume management responsibility once the expatriate Directors leave. In 2000 and early 2001, the development of local management will occur concurrently with the maturation of the lending model and institution as it achieves outreach, product diversification and sustainability.

To support the localization process mentioned above, Counterpart's Managing Director will promote continuous training and re-training of staff to insure that they have the skills, information, and resources available to operate in Russia's changing market.

An employee incentive plan has been designed to provide additional earning opportunities and to enable management to track employee performance. The plan, while providing a 'bonus' for new and repeat loan business, will primarily emphasize maintaining the security and integrity of the loan portfolio, and on-time client payments. Initially, the incentive plan will be used to gauge credit analyst and credit manager performance and pay levels, and will then be introduced for all employees, as a basis for additional earning potential. It is intended for the incentive plan to be operational in the third quarter 2000.

Affiliate Registration

By the end of July 2000, Counterpart will have registered the Counterpart Enterprise Fund in Russia as a Fund. This is the same form of registration that Opportunity International is currently changing all of its Russian entities into and will allow CEF to direct lend, utilizing either grant or borrowed loan funds.

The legal name of the entity will be The Fund for Small Business Support, Counterpart Enterprise Fund – Russia.

By registering one entity as a Fund in Russia, Counterpart International will have the ability to add other offices throughout Russia without having to re-register. This method of registration will also enable CI to maintain complete financial and operational control of the program.

PROGRAM MANAGEMENT:

Counterpart International

Karen Sherman, Executive Vice President will continue to oversee the program with day-to-day management support from Kimberli Brown through September 2000 and Don Feil from October 2000 through the life of the extension.

The program's ability to be successful and to achieve sustainability in a realistic time frame will be dependent on the quality of local CEF management staff. Thus, to ensure the highest level of program management continuity, current program Managing Director, Don Feil, will remain in Khabarovsk through September, 2000 to register the leave behind organization and initiate training of new management staff. Beginning October 2000, Kimberli Brown, Counterpart's Director of Enterprise Development Programs will move to Khabarovsk to support the on-going development of the local staff and organization while insuring that loan quality and effective program management remain priorities for the new organization. It is anticipated that this would require not more than a 3-6 month process.

Additionally, Feil will return to Khabarovsk, once a quarter, for one year, beginning January 2001, to conduct regular program management audits.

Counterpart Enterprise Fund

Counterpart is in agreement with USAID and TUSRIF that the local CEF Director should be someone with strong financial and banking experience and is currently interviewing

prospective candidates. Counterpart anticipates that an acceptable person to all parties will be hired within the next 45 days. Initially, this person will be hired as the program's Financial/Credit Manager and then trained to succeed as the Director. At that time, a new Financial/Credit Manager will be hired and trained. This process should be completed within six months of initial hiring.

Local Organizational Structure

The current CEF structure consists of a staff of 9 individuals. Managing Director, Deputy Director, (3) Credit Analysts, Accountant/Legal Specialist, Bookkeeper, Monitoring & Collection Coordinator, and Driver/Security. In order to fulfill the goals for the current location, a Financial/Credit Manager and 4 additional credit analysts will need to be hired within the next 6-12 months. Additional credit analysts will be hired as needed to manage and grow the portfolio. It is expected that CEF will have up to 12 credit analysts by the end of the extension period.

To enhance the sustainability of the Counterpart Enterprise Fund, Counterpart will help local staff establish an informal Advisory Board that will serve as a sounding board for CEF program initiatives thereby improving the local organization's responsiveness to the community, access to financial resources, and outreach potential.

Prospective advisory board members include:

- Regional Vice President for TUSRIF
- ARC Representative
- Regional Bank Manager
- Khabarovsk Business Association Representative
- Representative from the Krai Small Business Division
- Representatives from the Small Business Community

EXPECTED PORTFOLIO PERFORMANCE:

As illustrated below, the program will meet the following cumulative projections by the end of the program extension in July 2002.²

Portfolio projections:	December 1999	December 2000	December 2001	July 2002
Number of loans disbursed	188	924	2131	3062
Value of loans disbursed	\$221,900	\$1,724,704	\$4,619,704	\$7,283,204

The new projections listed above emphasize controlled and managed growth. Despite the halt in lending and reduced operations, CEF expects to achieve operational self-sufficiency by the end of May 2002 and financial self-sufficiency by the end of July 2002. To meet these targets, Counterpart will update the cash flow on a quarterly basis factoring in actual vs. projected results and will make any program and operational adjustments necessary to achieve sustainability.

² Please see the attached cash flow for more detailed information on the portfolio.

By the end of the extension period, the program will not only be able to cover its day-to-day operational costs, but it will also be able to cover its financial costs. Financial costs include interest and principal repayments owed to TUSRIF on existing loans as well as any subsequent loans needed to maintain liquidity in the program.

COMPLEMENTARY EXTENSION FUNDING:

In order to meet the detailed financial projections listed in the cashflow, the loan fund will need approximately \$500,000 in grant funds in 2000 and \$175,000 in 2002. Counterpart will concentrate its efforts on securing the grant funds to provide the program with stable equity to build its portfolio. However, should those efforts prove difficult, Counterpart will also look into low cost sources of capital to support the local MFI's loan program.

To supplement the operations grants received for the program, the United States – Russia Investment Fund (TUSRIF) has provided all of the loan funding to date; the current funds will cover projected loans through April 2000. Further funding requests of a \$200,000 grant to cover the loan fund needs for the next six months from TUSRIF as well as a \$100,000 grant request from Eurasia Foundation are currently under consideration.³ Additional funds will be requested over the life of the program based on the fundraising strategy defined in the December 1999 business plan.

In addition, TUSRIF will consider a grant request for training and technical assistance for CEF financial and credit staff.

³ While waiting for funding approvals and disbursements, Counterpart International will advance the program up to \$50,000 to meet loan capital needs as necessary.

Karen Sherman

From: Christine Loomis [Cloomis@DELTACAP.RU]
Sent: Thursday, April 27, 2000 4:27 AM
To: 'doncii@gin.ru'; 'karen@counterpart.org'
Cc: 'gregorysundstrum@hotmail.com'
Subject: Financing

Dear Don:

The news about future funding allocations is that it should arrive sometime after the May holidays. In the meantime, I recommend slowing down your rate of expansion and funding through reflows.

Best,

Chris

Karen Sherman

From: Gregory Sundstrom [gregorysundstrom@hotmail.com]
Sent: Saturday, April 01, 2000 12:01 AM
To: Alexander Sarkisov; Kevin Armstrong; Karen Sherman; Don Feil
Subject: Notes on telephone conversation -- candidate search

Don,

This message is to confirm our telephone conversation on 31 March. It is understood that WCR currently experiences difficulties as regards the issuance of final offers to job candidates. However, there exists a difference between conducting an initial candidate search and issuing final offers of employment. At minimum, the process of locating interested and qualified candidates must be launched immediately.

As discussed, WCR will begin advertising for a senior credit officer and, also, for junior credit officers. This job search will allow WCR to collect resumes and conduct initial interviews with candidates. Resumes for those considered likely hires for both positions should be sent to the Fund's office in Khabarovsk -- we are likely to conduct additional meetings. USAID may also express interest in viewing resumes for potential hires.

This search process will allow WCR, the Fund, and possibly USAID to assess the quality and experience of potential candidates. Assuming that candidate quality is high and that the other issues raised in our letter dated 18 March '00 are addressed, the Fund will be able to address funding in a more concrete manner, thereby creating a comfort level for WCR to extend final job offers to candidates. As we discussed, the interview process should be open and honest and candidates should understand that WCR is negotiating project finance to make its expansion possible.

This message has not been agreed with USAID, which would directly finance salaries of new employees via the extension of its grant agreement with Counterpart and only addresses what the Fund requires to unfreeze funding for individual loans and to consider further loan capital financing (outside of the six month window already agreed upon) for the program as a whole. I will speak with Kevin Armstrong at USAID on this approach in the nearest future. X

Best regards,

Greg

Karen Sherman

From: Kimberli Brown
Sent: Wednesday, April 05, 2000 5:17 PM
To: 'Christine Loomis'; 'Gregory Sundstrom'
Cc: Don Feil; Karen Sherman
Subject: Group Loan Fund Needs - 6 months

Dear Christine,

I hope you are doing well these days. After conferring with Don and his team in the field, we projected that we will need between \$175,000 - \$200,000 in loan funds for the April - September time period. This is based on current program performance and estimated disbursements and inflows.

Please advise as to what additional steps are needed in order to proceed with a funding request. We are currently working on an extension proposal to USAID, if you are interested, we can send you a copy by the end of next week.

Best regards,

Kimberli

Kimberli M. Brown
Director, Enterprise Development Programs
Counterpart International
1200 18th Street, NW Suite 1100
Washington, DC 20036
Tel: (202) 296-9676 Fax: (202) 296-9679

www.counterpart.org

Karen Sherman

From: Christine Loomis [CLoomis@DELTACAP.RU]
Sent: Tuesday, April 18, 2000 11:27 AM
To: 'Karen@counterpart.org'
Cc: Natalia Schelovanova; Ludmila Chuguets (E-mail); 'gregorysundstrom@hotmail.com'
Subject: Procedures

Dear Karen:

Since we spoke yesterday, I have decided that a new agreement as well as a request for drawdown is appropriate. The size of the requested amount as well as the progress that is being made at WCR should be documented at this time.

Together with the Fund's Khabarovsk office and the microfinance desk, I am preparing the necessary paperwork. I will have more to report on Thursday.

We are glad to see the changes that are in process at Working Capital. With USAID, we are prepared to assist during this period.

Best regards,

Christine

KHABAROVSK KRAI ADMINISTRATION COMMITTEE ON ECONOMICS

TO: Kevin Armstrong,
Director
Office of Business Development and Investment, USAID
Regarding: Micro credit program "Working Capital Russia"

Dear Mr. Armstrong,

The micro credit program for small business "Working Capital Russia" started operations in Khabarovsk Krai in April, 1998. During the time of its existence the program acquired wide publicity among the entrepreneurs and local authorities both in the Krai and beyond. The positive results of the program activity in small business development in Khabarovsk and employment increase of the population contributed to it.

But after August 1998 financial crisis the program had to suspend its activity. During this time the program administration succeeded in settling the problem with the debtors and altered positively the conditions of its credit activity. It allowed the program to continue its activities.

Micro credit conditions change, and the additional implementation of individual and ruble loans schemes, working out special loan products for associations and entrepreneurial unions have made the program more accessible and attractive for small business people, and have largely decreased risks, connected with repayment of the borrowed funds.

At the same time since April of the current year individual loans have been suspended. It may cause the decrease of the program efficiency and the number of potential borrowers, in connection with it we would ask you to consider the possibility of individual loans resumption.

Taking into consideration that the program director D. Feil and his team's constructive and energetic policy on micro crediting development and improvement made it possible to considerably increase the program activities and attract the large quantity of new participants, Krai Administration would ask you to prolong the program activity in Khabarovsk Krai for 2-3 years.

From its part the Krai Administration will further support and promote the small business micro credit program activity on its development and province extension.

Yours respectfully,
Alexander Levintal
Chairman of the Economics Committee,
Krai Administration



Reception/Discrepancy Report

Mobil

#: S-KZ-0698-01-0540-N
#: CTP 1220-001
#: MI 263 AA / UL M 4463
#: DZ OLL S 40

Date of Arrival: 8/22/98
Date of Clearance: 8/26/98
Date of Delivery: 8/26/98
Intact: Yes (DZ OLL S 40-Russia)

Container Full: Yes X No
Photos Taken: X Yes No

Nomenclature	Units	Quantity per BOL	Qty. per Phys Count	Variation	Unit Cost	Value +/-	Comments
for intaking, graduated	ea.	200	200	0	\$22.65		items 1,2,3,4,31,32,38 are in 1 large box
ath tub made of clear glass	ea.	20	20	0	\$22.35		
vash bottle	ea.	4	4	0	\$12.94		
vash bottle	ea.	2	2	0	\$10.00		
bottles for men	ea.	50	50	0	\$13.53		
bottles for women	ea.	50	50	0	\$26.18		
ng brush for urine bottle	ea.	15	15	0	\$8.53		
n	ea.	50	50	0	\$24.71		
ng brush for bedpan	ea.	15	15	0	\$5.29		
chair with compartment	ea.	2	2	0	\$441.18		
es for forearm	ea.	20	20	0	\$76.47		
capsule for forearm crutches	ea.	40	40	0	\$10.59		
wood	ea.	40	40	0	\$24.71		
capsule for forearm crutches	ea.	80	80	0	\$8.24		
w, folding	ea.	20	20	0	\$135.29		
g for throat	ea.	5	5	0	\$16.47		rubber (items 16, 17 18, 19 are in 1 box)
g, round	ea.	5	5	0	\$12.94		rubber
hion, round	ea.	20	20	0	\$17.65		rubber
hion valve replacement	ea.	40	40	0	\$7.06		
ushion	ea.	8	8	0	\$30.59		
ter bottle	ea.	20	20	0	\$48.82		
ter bottle sealing ring	ea.	100	100	0	\$5.29		
al bowl (kidney shape)	ea.	20	20	0	\$27.06		

oat wrap acc. Priesnitz	ea.	12	12	0	\$11.76		
st wrap acc. Priesnitz	ea.	12	12	0	\$48.24		
lk pump with basin ball	ea.	2	2	0	\$32.94		
n-nipple, glass	ea.	10	10	0	\$15.88		
nit bag	ea.	300	300	0	\$8.24		
tum bottle made of Hostalen	ea.	10	10	0	\$20.00		
ert for sputum bottle	ea.	300	300	0	\$4.71		
ical thermometer	ea.	42	42	0	\$40.00		
ck to take pulse	ea.	32	32	0	\$28.24		
in, synthetic	ea.	50	50	0	\$13.53		
h tub	ea.	2	2	0	\$335.29		
ngs for bath tub	ea.	4	4	0	\$23.53		
h tub (sitting)	ea.	2	2	0	\$191.18		
i bath tub	ea.	4	4	0	\$45.88		
ma syringe	ea.	4	4	0	\$10.00		
tection bag for hot-water bottle	ea.	200	200	0	\$6.47		
cial medical bed	ea.	9	9	0	\$858.82		
tress for special medical bed	ea.	10	10	0	\$500.00		
tress protection	ea.	10	0	-10	\$70.59	(\$705.90)	
tress cover in rolls	ea.	3	3	0	\$51.76		
lical bed with head support	ea.	60	60	0	\$1,164.71		
ie board	ea.	100	100	0	\$11.76		
tress for regular and personnel bed	ea.	60	60	0	\$248.24		
ow	ea.	60	60	0	\$41.18		
iket cover	ea.	120	120	0	\$90.59		
sheet	ea.	120	120	0	\$82.35		
et	ea.	200	200	0	\$32.35		
ow case	ea.	120	200	80	\$13.53	\$1,082.40	
len blanket for adults	ea.	120	120	0	\$60.59		
el	ea.	200	200	0	\$20.59		
res	ea.	100	100	0	\$4.71		
s	ea.	100	100	0	\$4.71		
ons	ea.	100	100	0	\$4.71		
ll spoons	ea.	100	100	0	\$4.71		
ng bowls	ea.	200	200	0	\$4.71		
	ea.	100	100	0	\$2.35		
t shirt, standard	ea.	60	60	0	\$20.59		
t shirt with zipper (operating)	ea.	100	100	0	\$29.41		
t shirt for children	ea.	40	40	0	\$14.71		
t shirt with zipper for children	ea.	20	20	0	\$20.59		

en socks for adults	ea.	100	100	0	\$10.29		
cal backless for men	ea.	100	100	0	\$10.88		
cal backless for children	ea.	9	9	0	\$9.12		
socks for children	ea.	40	40	0	\$4.71		
cal jackets for men	ea.	30	30	0	\$32.94		medical coat, blue
cal trousers for men	ea.	30	30	0	\$31.76		
cal smock for women	ea.	30	30	0	\$48.24		
cal smock for children	ea.	20	20	0	\$44.71		
or's trousers, men	ea.	40	40	0	\$44.71		
or's white coat, men+women	ea.	40	40	0	\$35.88		
coat with fastener at back	ea.	80	80	0	\$35.29		
or apron	ea.	28	28	0	\$164.71		
arasol	ea.	5	5	0	\$57.65		
or thermometer	ea.	20	20	0	\$8.24		
cal coat	ea.	60	40	-20	\$61.76	(\$1,235.20)	
cal hood	ea.	50	50	0	\$20.00		
cal apron, synthetic, aseptic	ea.	20	20	0	\$190.59		
cal apron, synthetic, septic	ea.	20	20	0	\$115.29		
cal shoes, rubber	ea.	20	20	0	\$51.18		
cal mouth protection	ea.	50	50	0	\$13.53		
cal cloth	ea.	100	100	0	\$14.71		
cal cloth	ea.	50	50	0	\$20.59		
cal cloth with slit	ea.	50	50	0	\$26.47		
ninal sheet for operating theatre with brass ring	ea.	100	100	0	\$216.76		
cal towel	ea.	100	100	0	\$14.71		
cal towel	ea.	100	100	0	\$11.76		
rush for washing, sterilisable	ea.	20	18	-2	\$10.00	(\$20.00)	
il extension apparatus	ea.	2	4	2	\$458.82		
tion side-piece for medical bed	ea.	5	5	0	\$123.53		
oard for backbone/spinal injured people	ea.	5	5	0	\$400.00		
on stand	ea.	8	8	0	\$329.41		
g frame for medical stretcher	ea.	2	2	0	\$323.53		
al stretcher	ea.	2	2	0	\$470.59		
or multiple use	ea.	2	2	0	\$442.35		
or multiple use	ea.	1	0	-1	\$398.82	(\$398.82)	
g board	ea.	125	125	0	\$24.71		
g cup	ea.	40	0	-40	\$9.41	(\$376.52)	
shirt	ea.	150	150	0	\$30.59		
shirt for infants	ea.	45	45	0	\$14.71		
cardigans	ea.	100	100	0	\$51.76		

otton undershirts	ea.	60	60	0	\$11.76	
otton underpants	ea.	60	60	0	\$30.59	
apers, simple	ea.	100	100	0	\$7.06	
apers, "Sanitas"	ea.	100	100	0	\$18.24	
ablical bandage	ea.	13	13	0	\$8.53	
ickers "Swedish"	ea.	64	64	0	\$10.00	
nnel for children	ea.	40	40	0	\$27.06	
th towels for babies	ea.	40	40	0	\$11.76	
nper suits	ea.	40	40	0	\$18.82	
ickers for playing	ea.	40	40	0	\$14.71	
ntyhose	ea.	50	50	0	\$8.82	
nper	ea.	60	60	0	\$28.24	
	ea.	60	60	0	\$5.29	
es for infants and children	ea.	40	40	0	\$23.53	
ks	ea.	45	45	0	\$8.24	
ton knickers	ea.	60	60	0	\$5.88	
ets for infant's bed	ea.	20	20	0	\$24.71	
olen blanket for children	ea.	20	20	0	\$50.00	
nket cover for children's bed	ea.	20	20	0	\$24.71	
ows for children	ea.	10	10	0	\$10.00	
ow cases for children	ea.	20	20	0	\$8.82	
ldren's bed	ea.	10	10	0	\$305.88	5 box (2 each)
ttress for children's bed	ea.	10	10	0	\$200.00	
ttress cover, waterproof for children	ea.	10	10	0	\$31.76	3 box (1 roll each)
h tub for babies	ea.	2	2	0	\$29.41	
lery for children	ea.	40	40	0	\$11.76	1 box (steel items)
it for field operating theatre	ea.	1	1	0	\$4,411.76	
ery for light for field opearting theatre	ea.	1	1	0	\$1,117.65	
d operating table	ea.	1	1	0	\$3,529.41	
ension apparatus	ea.	1	1	0	\$1,176.47	
uments for operating theatre	box	1	1	0	\$2,941.18	issued in 1965 (miscellaneous)
uments operating theatre and gynecological ones	box	1	1	0	\$4,588.24	issued in 1965 (miscellaneous)
uments for out-patient treatment	box	1	1	0	\$2,058.82	issued in 1965 (miscellaneous)
lical multipurpose closet	ea.	1	1	0	\$1,588.24	
ument table, movable	ea.	5	5	0	\$764.71	
e for handing over instrument	ea.	1	1	0	\$382.35	
/l stand	ea.	5	5	0	\$58.82	
ler for infusion	ea.	3	3	0	\$204.71	
nination light	ea.	4	4	0	\$676.47	
king iron	ea.	30	30	0	\$73.53	

for walking iron	ea.	30	30	0	\$8.82		
table splint acc. Cramer	ea.	200	200	0	\$64.12		
upport splint, synthetic	ea.	30	30	0	\$65.88		
r splint, aluminum	ea.	10	10	0	\$16.47		
table splint acc. Bajog	ea.	20	20	0	\$50.59		
ination couch with leg support	ea.	1	1	0	\$1,264.71		
ination chair	ea.	2	2	0	\$727.06		
ological examination chair	ea.	2	2	0	\$882.35		
ination couch without leg support	ea.	1	1	0	\$856.47		
ent table, movable	ea.	1	1	0	\$1,176.47		
scope binocular	ea.	1	1	0	\$1,470.59		

Total: (\$1,654.04)

Original
~~Actual~~ 337,620.00
 Discrepancy 1,654.04

 Actual 335,965.60

file - Russia

MEETING WITH THE AMERICAN FOREIGN POLICY COUNCIL AND RUSSIAN OFFICIALS

July 24, 2000

First Lady's office

Officials from the U.S. Government Attending

Melanne Verveer

Assistant to the President and Chief of Staff to the First Lady

The White House

202-456-6266

Theresa Loar

Director of the President's Interagency Council on Women

The Department of State

202-647-6227

Anita Botti

Deputy Director of the President's Interagency Council on Women

The Department of State

202-647-6227

Bonnie Campbell

Director of the Violence Against Women's Office

The Department of Justice

202-616-8894

Wendy Patten

Director of Multilateral and Humanitarian Affairs

National Security Council

202-456-9141

Lorraine Predham Keir

Director of Democratic Initiatives in the Office of Coordination for U.S. Assistance to the NIS

Department of State

202-647-4337

Russian Leadership Program 2000

Women's Issues/Domestic Violence

(July 23-30)

Alevtina Viktorovna Aparina, 59, is in her third term and was elected to the Duma on the Communist Party of the Russian Federation party list.* She is a member of the Committee on Labor and Social Policy.

Ms. Aparina is a graduate of Rostov University with a degree in philosophy and the Higher Party School. She has held various positions at local collective farms and party organizations. Ms. Aparina has also taught Russian language. In 1983 she became the First Secretary of the Communist Party of the Soviet Union's (CPSU) District Committee in the city of Volgograd. In 1991 she assumed the duties of First Secretary of the Volgograd Oblast Party Committee. She has also served as the President of the Lenin and Fatherland Society. Ms. Aparina was the Chair of the Committee on Women's, Family and Youth Issues in the previous session of the Duma. Ms. Aparina is a member of the presidium of the Central Committee of the Communist Party of the Russian Federation. She is the Chair of the "Women of Russia" public movement.

Galina Nikolayevna Karelova, 50, is a Deputy Minister in the Ministry of Labor and Social Development. She is the President of the Confederation of Business Women of Russia and a member of the public political Women's Movement.

Sergei Ivanovich Neverov, 39, represents electoral district No. 90 (Novokuznetsk) in Kemerovo Oblast. He is a member of the People's Deputy group in the Duma. Mr. Neverov is a Deputy Chair of the Committee on Labor and Social Policy.

Mr. Neverov is a graduate of the Tashtagolsky Mining Technical School and the Siberian Mining Institute. Until his election as Chair of the mine labor committee in 1989, Mr. Neverov worked as a miner in several positions in the Yesaulsky mines in Novokuznetsk. In 1998 he was elected Chair of the Regional Board of Coal-Mining Organizations and Deputy Chair of the Russian Union of Independent Coal-Miners. Mr. Neverov also served as the Director of the Council of Coal Trade Unions for the Kuzbass area until his election to the Duma.

Olga Viktorovna Sharapova, 41, is a Deputy Minister in the Ministry of Health. She previously worked as the Minister of Health in the Chuvash Republic. Ms. Sharapova has published two books and 68 articles on medicine and psychology.

Yevgeny Nikolayevich Sidorenko, 54, is a Deputy Minister in the Ministry of Justice. His professional interests include law enforcement, rule of law, and social services. He has published 20 articles on legal issues.

Natalie Clarkson and **Ola Schechter** are professional interpreters.



C O U N T E R P A R T I N T E R N A T I O N A L

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Hon. Margaret Taylor

Randal C. Teague

Vorys, Sater, Seymore &

Pease

Sharon B. Webster, PhD

A.A. Global Financial, Inc

April 28, 2000

Melanne VerVeer

Assistant to the President and Chief of Staff to the First Lady

Office of the First Lady

Washington, DC

Dear Melanne,

Hope you are well. I wanted to bring your attention to a serious matter involving the future of microcredit in Russia, and to personally ask for your help. The matter involves Counterpart's microcredit program in the Russian Far East and The U.S.-Russia Investment Fund (TUSRIF).

By way of background, I am forwarding Counterpart's extension proposal on our Khabarovsk-based microcredit project as well as selected correspondence with the Fund concerning the loan capital portion of the extension.

You will see that TUSRIF committed, in writing, to provide six months of loan capital for our program or approximately \$200,000. These funds were due to be released after the May holidays in Russia. I was informed today by Christine Loomis, Senior Vice President of the Fund, that TUSRIF would no longer be providing us loan capital (or supporting microcredit) due to a reduction in their funding from the US government.

Counterpart has already submitted its extension request to USAID, which was to provide two years of operating funds for the program, predicated on the loan capital commitments from TUSRIF or other donors. We felt that based upon TUSRIF's written and verbal commitments to date, we had satisfied this requirement. Clearly, we have and will continue to look for long-term sources of capital for the future.

Without the loan capital, the microcredit program in Khabarovsk is literally dead in the water. This is a program which is heavily supported by the local administration (please see letter of support), the public and of course, our clients.

I know that microcredit is a huge priority for the White House, the State Department and USAID as a vehicle to promote economic development and stability in Russia, a vibrant market economy and a strong civil society. Please help us to ensure continued support for this important program by strongly encouraging The Fund to honor its funding commitments to support microcredit initiatives in Russia and if necessary, provide them with additional resources specifically for them to do so.

Evidently, there is a high level meeting scheduled for next Wednesday in DC with the head of TUSRIF. The President may or may not be involved. If the White House is represented at the meeting, this would be an excellent opportunity to highlight the importance of microcredit and the Fund's role in promoting and supporting activities in this area.

Please let me know if you have questions or need additional information. Thank you in advance for your support and assistance.

Best regards,

Karen Sherman

Executive Vice President

Counterpart International

*Any help you
could provide
would be much
appreciated!
Thanks,
K*

Founded in 1965 as The Foundation for the Peoples of the South Pacific

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Counterpart Enterprise Fund
Extension Proposal
1 August 2000 – 31 July 2002

PROGRAM REQUEST: Counterpart International is requesting a 24 month \$600,000 funded extension of the Russian Far East Microcredit Program.

OVERVIEW:

With grants from USAID and TUSRIF, Counterpart International, through the Khabarovsk-based *Working Capital Russia* (WCR) program, began providing entrepreneurs and small business owners with accessible and affordable micro loans and business training in early 1998. Over the last two years, Counterpart has disbursed 261 loans valued at \$332,704.

As a result of the August 1998 financial crisis and a change in program management, the program experienced setbacks in achieving operational and sustainability targets. Despite the challenges experienced in the early phases of the program, Counterpart continued its efforts to build a sustainable microcredit program in Khabarovsk. The efforts were noted in December 1999 when the U.S. State Department's Regional Initiative Coordinator for the Russian Far East stated that, "The micro-lending program operated by Counterpart International in Khabarovsk is one of most important development programs sponsored by the US Government in this region of the Russian Far East".

In the first quarter of 2000, with continued support from USAID, TUSRIF and the RI, the program gained momentum, market tested ruble-based, individual and enterprise alliance lending products, and disbursed over \$110,800 in new loans. As an illustration of Counterpart International's commitment to the program and the local staff's renewed enthusiasm for micro and small business lending, the Counterpart Enterprise Fund (CEF) was chosen as the name for the program's eventual leave-behind organization. In 2000, CEF will become Counterpart International's fourth affiliate in the former Soviet Union.¹

EXTENSION RATIONALE:

As referenced above, the program's initial loan portfolio was decimated as the 1998 Russian financial crisis and the resulting foreign exchange rate instability led to borrower delinquency rates in 1999 that exceeded 95%. After a year and a half of hard work, Counterpart's team has reduced the delinquency rate to less than 1%, rebuilt the portfolio with a more diverse range of businesses, and created a niche for itself in the small business lending market.

With the tremendous advantage of having lessons learned from the crisis, the program has definitely turned the corner and is now aggressively lending again. Despite the

¹ Counterpart International's current FSU affiliates include: Counterpart Creative Center (Ukraine, 1996) specializes in training and consulting for NGOs and small businesses; Partner Foundation (Russia, 1996) specializes in local capacity building for NGOs and Business Support Organizations; and, Counterpart Meta Center (Ukraine, 2000) manages a full-service business incubator and offers loans up to \$20,000.

recent increases in loan volume, the program will not achieve sustainability by the end of the current grant term. Thus, Counterpart would like to request an extension to enable the program to:

- provide entrepreneurs, in a very large and under served credit market, with timely access to the financial capital they need to strengthen and expand their businesses;
- continue to build and diversify the program's loan portfolio (income base) through client-responsive group, individual, and enterprise alliance products;
- maintain program competitiveness by offering ruble and dollar based loans;
- improve program efficiency and effectiveness by hiring additional qualified credit and financial staff; and,
- achieve our initial goal of creating a sustainable microcredit program by providing local staff with the resources and experience they need to effectively manage the Counterpart Enterprise Fund over the long-term.

EXTENSION ACTIVITIES:

Credit Services

Program activities will take place in Khabarovsk where there are nearly 40,000 registered micro and small businesses. Almost all of them lack access to credit and are potential borrowers for CEF. The following products and services will be offered:

CEF PRODUCTS AT A GLANCE

Category	Current		
	Group	Alliance	Individual
Type of Product	Micro loans to self-formed business loan groups.	Micro loans provided through an already established group such as a small business association.	Micro loans for businesses too small or too new or untested to qualify for bank financing but who have an adequate credit rating and guarantees.
Differentiation	Entry level loans; no collateral required; cross guarantees, and group support.	Larger initial loans. More lenient approval process; strong established group support. Collateral may be required	Larger initial loan. Ideal for those with limited time or who are not interested in working through a group. Larger micro business.
Time In Business	Minimum 6 months	Minimum 6 months	Minimum 1 year
Membership Requirement	Be a member of a CEF Business Loan Group	Be a member of a certified CEF Enterprise Alliance group	None
Loan Range	Up to \$1,000 initial loan, \$10,000 maximum	Up to \$3,000 initial loan, \$20,000 maximum	Up to \$5,000 initial loan, \$20,000 maximum
Loan Terms	Initial Loan 3-4 months, up to 12 months maximum	Initial loan 4-6 months, up to 18 months maximum	Initial loan 4-6 months, up to 18 months maximum
Interest Rate	USD 24%/48% Russian Ruble. Decline Balance	USD 24%/48% Russian Ruble. Decline Balance	USD 24%/48% Russian Ruble. Decline Balance
Loan Fee	\$30	\$30	\$30
Collateral	None for loans up to \$4,000	None for loans up to \$3,000	Full
Guarantees	Members cross-guarantee each others loan	May be required	May be required

Program Outreach

To expand CEF's client base and promote the program's products in the local market, CEF staff will use the following channels: 1) Referrals, 2) On-Site Client Visits, 3) Seminars, 4) Newspaper Advertising, 5) Sales Literature, 6) Newsletter, 7) Phone Calls, and 8) Fairs/Exhibitions. CEF will also continue to cultivate working relationships with other trade and business organizations active in the area, such as:

- Taxi Drivers' Association
- Association of Non-Timber Forest Products
- Khabarovsk Center for Small Business
- The Far Eastern Center for Entrepreneurs Support
- Khabarovsk Union of Managers
- Krai Center for Youth Entrepreneurs Support
- Khabarovsk Association of Entrepreneurs
- Khabarovsk Business Club
- Center for Legal Support for Entrepreneurs
- Association of Business Women "Slavyanka"
- Center of Women's Initiatives
- Khabarovsk Krai/City Union of Women
- Women Society "Vistara"
- Far-Eastern Chamber of Commerce & Industry

In addition to the organizations listed above, CEF has the acceptance and support of all the key decision-makers both in and out of government. The press and assorted media have highlighted the program, and the market place is aware of CEF activities. During the extension period, CEF will use established community networks and governmental agencies to promote the program and create synergistic links with other business development activities.

Loan Portfolio Maintenance

To build a successful loan portfolio, CEF will counterbalance its promotional activities with aggressive collection efforts enhanced by a reputation that CEF is second to none in the pursuance of bad debts through the Khabarovsk court system. In surviving the Russian financial crisis in August 1998, Counterpart gained the knowledge and understanding of what it takes to successfully lend in Russia. Our knowledge of the Russian legal system as it pertains to lending is superior to that of most Russian lawyers. Because of our experience, CEF has the expertise and legal resources needed to successfully operate in the dynamic Russian marketplace.

Affiliate Development

Key to the success of the Counterpart Enterprise Fund will be the localization of operations by late 2000. To lay the foundation for a strong, locally operated organization, Counterpart will continue to emphasize staff empowerment and ownership through professional development opportunities, performance-based incentive systems, and regular involvement in program design and decision-making. This is essential if local staff is to successfully assume management responsibility once the expatriate Directors leave. In 2000 and early 2001, the development of local management will occur concurrently with the maturation of the lending model and institution as it achieves outreach, product diversification and sustainability.

To support the localization process mentioned above, Counterpart's Managing Director will promote continuous training and re-training of staff to insure that they have the skills, information, and resources available to operate in Russia's changing market.

An employee incentive plan has been designed to provide additional earning opportunities and to enable management to track employee performance. The plan, while providing a 'bonus' for new and repeat loan business, will primarily emphasize maintaining the security and integrity of the loan portfolio, and on-time client payments. Initially, the incentive plan will be used to gauge credit analyst and credit manager performance and pay levels, and will then be introduced for all employees, as a basis for additional earning potential. It is intended for the incentive plan to be operational in the third quarter 2000.

Affiliate Registration

By the end of July 2000, Counterpart will have registered the Counterpart Enterprise Fund in Russia as a Fund. This is the same form of registration that Opportunity International is currently changing all of its Russian entities into and will allow CEF to direct lend, utilizing either grant or borrowed loan funds.

The legal name of the entity will be The Fund for Small Business Support, Counterpart Enterprise Fund – Russia.

By registering one entity as a Fund in Russia, Counterpart International will have the ability to add other offices throughout Russia without having to re-register. This method of registration will also enable CI to maintain complete financial and operational control of the program.

PROGRAM MANAGEMENT:

Counterpart International

Karen Sherman, Executive Vice President will continue to oversee the program with day-to-day management support from Kimberli Brown through September 2000 and Don Feil from October 2000 through the life of the extension.

The program's ability to be successful and to achieve sustainability in a realistic time frame will be dependent on the quality of local CEF management staff. Thus, to ensure the highest level of program management continuity, current program Managing Director, Don Feil, will remain in Khabarovsk through September, 2000 to register the leave behind organization and initiate training of new management staff. Beginning October 2000, Kimberli Brown, Counterpart's Director of Enterprise Development Programs will move to Khabarovsk to support the on-going development of the local staff and organization while insuring that loan quality and effective program management remain priorities for the new organization. It is anticipated that this would require not more than a 3-6 month process.

Additionally, Feil will return to Khabarovsk, once a quarter, for one year, beginning January 2001, to conduct regular program management audits.

Counterpart Enterprise Fund

Counterpart is in agreement with USAID and TUSRIF that the local CEF Director should be someone with strong financial and banking experience and is currently interviewing

prospective candidates. Counterpart anticipates that an acceptable person to all parties will be hired within the next 45 days. Initially, this person will be hired as the program's Financial/Credit Manager and then trained to succeed as the Director. At that time, a new Financial/Credit Manager will be hired and trained. This process should be completed within six months of initial hiring.

Local Organizational Structure

The current CEF structure consists of a staff of 9 individuals. Managing Director, Deputy Director, (3) Credit Analysts, Accountant/Legal Specialist, Bookkeeper, Monitoring & Collection Coordinator, and Driver/Security. In order to fulfill the goals for the current location, a Financial/Credit Manager and 4 additional credit analysts will need to be hired within the next 6-12 months. Additional credit analysts will be hired as needed to manage and grow the portfolio. It is expected that CEF will have up to 12 credit analysts by the end of the extension period.

To enhance the sustainability of the Counterpart Enterprise Fund, Counterpart will help local staff establish an informal Advisory Board that will serve as a sounding board for CEF program initiatives thereby improving the local organization's responsiveness to the community, access to financial resources, and outreach potential.

Prospective advisory board members include:

- Regional Vice President for TUSRIF
- ARC Representative
- Regional Bank Manager
- Khabarovsk Business Association Representative
- Representative from the Krai Small Business Division
- Representatives from the Small Business Community

EXPECTED PORTFOLIO PERFORMANCE:

As illustrated below, the program will meet the following cumulative projections by the end of the program extension in July 2002.²

Portfolio projections:	December 1999	December 2000	December 2001	July 2002
Number of loans disbursed	188	924	2131	3062
Value of loans disbursed	\$221,900	\$1,724,704	\$4,619,704	\$7,283,204

The new projections listed above emphasize controlled and managed growth. Despite the halt in lending and reduced operations, CEF expects to achieve operational self-sufficiency by the end of May 2002 and financial self-sufficiency by the end of July 2002. To meet these targets, Counterpart will update the cash flow on a quarterly basis factoring in actual vs. projected results and will make any program and operational adjustments necessary to achieve sustainability.

² Please see the attached cash flow for more detailed information on the portfolio.

By the end of the extension period, the program will not only be able to cover its day-to-day operational costs, but it will also be able to cover its financial costs. Financial costs include interest and principal repayments owed to TUSRIF on existing loans as well as any subsequent loans needed to maintain liquidity in the program.

COMPLEMENTARY EXTENSION FUNDING:

In order to meet the detailed financial projections listed in the cashflow, the loan fund will need approximately \$500,000 in grant funds in 2000 and \$175,000 in 2002. Counterpart will concentrate its efforts on securing the grant funds to provide the program with stable equity to build its portfolio. However, should those efforts prove difficult, Counterpart will also look into low cost sources of capital to support the local MFI's loan program.

To supplement the operations grants received for the program, the United States – Russia Investment Fund (TUSRIF) has provided all of the loan funding to date; the current funds will cover projected loans through April 2000. Further funding requests of a \$200,000 grant to cover the loan fund needs for the next six months from TUSRIF as well as a \$100,000 grant request from Eurasia Foundation are currently under consideration.³ Additional funds will be requested over the life of the program based on the fundraising strategy defined in the December 1999 business plan.

In addition, TUSRIF will consider a grant request for training and technical assistance for CEF financial and credit staff.

³ While waiting for funding approvals and disbursements, Counterpart International will advance the program up to \$50,000 to meet loan capital needs as necessary.

Karen Sherman

From: Christine Loomis [CLoomis@DELTACAP.RU]
Sent: Thursday, April 27, 2000 4:27 AM
To: 'doncii@gin.ru'; 'karen@counterpart.org'
Cc: 'gregorysundstrum@hotmail.com'
Subject: Financing

Dear Don:

The news about future funding allocations is that it should arrive sometime after the May holidays. In the meantime, I recommend slowing down your rate of expansion and funding through reflows.

Best,

Chris

Karen Sherman

From: Gregory Sundstrom [gregorysundstrom@hotmail.com]
Sent: Saturday, April 01, 2000 12:01 AM
To: Alexander Sarkisov; Kevin Armstrong; Karen Sherman; Don Feil
Subject: Notes on telephone conversation -- candidate search

Don,

This message is to confirm our telephone conversation on 31 March. It is understood that WCR currently experiences difficulties as regards the issuance of final offers to job candidates. However, there exists a difference between conducting an initial candidate search and issuing final offers of employment. At minimum, the process of locating interested and qualified candidates must be launched immediately.

As discussed, WCR will begin advertising for a senior credit officer and, also, for junior credit officers. This job search will allow WCR to collect resumes and conduct initial interviews with candidates. Resumes for those considered likely hires for both positions should be sent to the Fund's office in Khabarovsk -- we are likely to conduct additional meetings. USAID may also express interest in viewing resumes for potential hires.

This search process will allow WCR, the Fund, and possibly USAID to assess the quality and experience of potential candidates. Assuming that candidate quality is high and that the other issues raised in our letter dated 18 March '00 are addressed, the Fund will be able to address funding in a more concrete manner, thereby creating a comfort level for WCR to extend final job offers to candidates. As we discussed, the interview process should be open and honest and candidates should understand that WCR is negotiating project finance to make its expansion possible.

This message has not been agreed with USAID, which would directly finance salaries of new employees via the extension of its grant agreement with Counterpart and only addresses what the Fund requires to unfreeze funding for individual loans and to consider further loan capital financing (outside of the six month window already agreed upon) for the program as a whole. I will speak with Kevin Armstrong at USAID on this approach in the nearest future. ✕

Best regards,

Greg

Karen Sherman

From: Kimberli Brown
Sent: Wednesday, April 05, 2000 5:17 PM
To: 'Christine Loomis'; 'Gregory Sundstrom'
Cc: Don Feil; Karen Sherman
Subject: Group Loan Fund Needs - 6 months

Dear Christine,

I hope you are doing well these days. After conferring with Don and his team in the field, we projected that we will need between \$175,000 -\$200,000 in loan funds for the April - September time period. This is based on current program performance and estimated disbursements and inflows.

Please advise as to what additional steps are needed in order to proceed with a funding request. We are currently working on an extension proposal to USAID, if you are interested, we can send you a copy by the end of next week.

Best regards,

Kimberli

Kimberli M. Brown
Director, Enterprise Development Programs
Counterpart International
1200 18th Street, NW Suite 1100
Washington, DC 20036
Tel: (202) 296-9676 Fax: (202) 296-9679

www.counterpart.org

Karen Sherman

From: Christine Loomis [Cloomis@DELTACAP.RU]
Sent: Tuesday, April 18, 2000 11:27 AM
To: 'Karen@counterpart.org'
Cc: Natalia Schelovanova; Ludmila Chuguets (E-mail); 'gregorysundstrom@hotmail.com'
Subject: Procedures

Dear Karen:

Since we spoke yesterday, I have decided that a new agreement as well as a request for drawdown is appropriate. The size of the requested amount as well as the progress that is being made at WCR should be documented at this time.

Together with the Fund's Khabarovsk office and the microfinance desk, I am preparing the necessary paperwork. I will have more to report on Thursday.

We are glad to see the changes that are in process at Working Capital. With USAID, we are prepared to assist during this period.

Best regards,

Christine

**KHABAROVSK KRAI ADMINISTRATION
COMMITTEE ON ECONOMICS**

TO: Kevin Armstrong,
Director
Office of Business Development and Investment, USAID
Regarding: Micro credit program "Working Capital Russia"

Dear Mr. Armstrong,

The micro credit program for small business "Working Capital Russia" started operations in Khabarovsk Krai in April, 1998. During the time of its existence the program acquired wide publicity among the entrepreneurs and local authorities both in the Krai and beyond. The positive results of the program activity in small business development in Khabarovsk and employment increase of the population contributed to it.

But after August 1998 financial crisis the program had to suspend its activity. During this time the program administration succeeded in settling the problem with the debtors and altered positively the conditions of its credit activity. It allowed the program to continue its activities.

Micro credit conditions change, and the additional implementation of individual and ruble loans schemes, working out special loan products for associations and entrepreneurial unions have made the program more accessible and attractive for small business people, and have largely decreased risks, connected with repayment of the borrowed funds.

At the same time since April of the current year individual loans have been suspended. It may cause the decrease of the program efficiency and the number of potential borrowers, in connection with it we would ask you to consider the possibility of individual loans resumption.

Taking into consideration that the program director D. Feil and his team's constructive and energetic policy on micro crediting development and improvement made it possible to considerably increase the program activities and attract the large quantity of new participants, Krai Administration would ask you to prolong the program activity in Khabarovsk Krai for 2-3 years.

From its part the Krai Administration will further support and promote the small business micro credit program activity on its development and province extension.

Yours respectfully,
Alexander Levintal
Chairman of the Economics Committee,
Krai Administration



Reception/Discrepancy Report

Mobil

S-KZ-0698-01-0540-N
CTP 1220-001
MI 263 AA / UL M 4463
DZ OLL S 40

Date of Arrival: 8/22/98
Date of Clearance: 8/26/98
Date of Delivery: 8/26/98
Intact: Yes (DZ OLL S 40-Russia)

Container Full: Yes X No
Photos Taken: X Yes No

Nomenclature	Units	Quantity per BOL	Qty. per Phys Count	Variation	Unit Cost	Value +/-	Comments
for intaking, graduated	ea.	200	200	0	\$22.65		items 1,2,3,4,31,32,38 are in 1 large box
ath tub made of clear glass	ea.	20	20	0	\$22.35		
vash bottle	ea.	4	4	0	\$12.94		
vash bottle	ea.	2	2	0	\$10.00		
bottles for men	ea.	50	50	0	\$13.53		
bottles for women	ea.	50	50	0	\$26.18		
ng brush for urine bottle	ea.	15	15	0	\$8.53		
n	ea.	50	50	0	\$24.71		
ng brush for bedpan	ea.	15	15	0	\$5.29		
chair with compartment	ea.	2	2	0	\$441.18		
es for forearm	ea.	20	20	0	\$76.47		
capsule for forearm crutches	ea.	40	40	0	\$10.59		
vood	ea.	40	40	0	\$24.71		
capsule for forearm crutches	ea.	80	80	0	\$8.24		
ow, folding	ea.	20	20	0	\$135.29		
g for throat	ea.	5	5	0	\$16.47		rubber (items 16, 17 18, 19 are in 1 box)
g, round	ea.	5	5	0	\$12.94		rubber
hion, round	ea.	20	20	0	\$17.65		rubber
hion valve replacement	ea.	40	40	0	\$7.06		
ushion	ea.	8	8	0	\$30.59		
ter bottle	ea.	20	20	0	\$48.82		
ter bottle sealing ring	ea.	100	100	0	\$5.29		
al bowl (kidney shape)	ea.	20	20	0	\$27.06		

oat wrap acc. Priesnitz	ea.	12	12	0	\$11.76		
st wrap acc. Priesnitz	ea.	12	12	0	\$48.24		
lk pump with basin ball	ea.	2	2	0	\$32.94		
n-nipple, glass	ea.	10	10	0	\$15.88		
nit bag	ea.	300	300	0	\$8.24		
tum bottle made of Hostalen	ea.	10	10	0	\$20.00		
ert for sputum bottle	ea.	300	300	0	\$4.71		
ical thermometer	ea.	42	42	0	\$40.00		
ck to take pulse	ea.	32	32	0	\$28.24		
in, synthetic	ea.	50	50	0	\$13.53		
h tub	ea.	2	2	0	\$335.29		
ngs for bath tub	ea.	4	4	0	\$23.53		
h tub (sitting)	ea.	2	2	0	\$191.18		
i bath tub	ea.	4	4	0	\$45.88		
ma syringe	ea.	4	4	0	\$10.00		
tection bag for hot-water bottle	ea.	200	200	0	\$6.47		
cial medical bed	ea.	9	9	0	\$858.82		
tress for special medical bed	ea.	10	10	0	\$500.00		
tress protection	ea.	10	0	-10	\$70.59	(\$705.90)	
tress cover in rolls	ea.	3	3	0	\$51.76		
lical bed with head support	ea.	60	60	0	\$1,164.71		
ie board	ea.	100	100	0	\$11.76		
tress for regular and personnel bed	ea.	60	60	0	\$248.24		
ow	ea.	60	60	0	\$41.18		
cket cover	ea.	120	120	0	\$90.59		
sheet	ea.	120	120	0	\$82.35		
st	ea.	200	200	0	\$32.35		
ow case	ea.	120	200	80	\$13.53	\$1,082.40	
len blanket for adults	ea.	120	120	0	\$60.59		
el	ea.	200	200	0	\$20.59		
es	ea.	100	100	0	\$4.71		
s	ea.	100	100	0	\$4.71		
ons	ea.	100	100	0	\$4.71		
ll spoons	ea.	100	100	0	\$4.71		
ig bowls	ea.	200	200	0	\$4.71		
	ea.	100	100	0	\$2.35		
t shirt, standard	ea.	60	60	0	\$20.59		
t shirt with zipper (operating)	ea.	100	100	0	\$29.41		
t shirt for children	ea.	40	40	0	\$14.71		
t shirt with zipper for children	ea.	20	20	0	\$20.59		

en socks for adults	ea.	100	100	0	\$10.29		
cal backless for men	ea.	100	100	0	\$10.88		
cal backless for children	ea.	9	9	0	\$9.12		
socks for children	ea.	40	40	0	\$4.71		
cal jackets for men	ea.	30	30	0	\$32.94		medical coat, blue
cal trousers for men	ea.	30	30	0	\$31.76		
cal smock for women	ea.	30	30	0	\$48.24		
cal smock for children	ea.	20	20	0	\$44.71		
or's trousers, men	ea.	40	40	0	\$44.71		
or's white coat, men+women	ea.	40	40	0	\$35.88		
coat with fastener at back	ea.	80	80	0	\$35.29		
er apron	ea.	28	28	0	\$164.71		
parasol	ea.	5	5	0	\$57.65		
or thermometer	ea.	20	20	0	\$8.24		
cal coat	ea.	60	40	-20	\$61.76	(\$1,235.20)	
cal hood	ea.	50	50	0	\$20.00		
cal apron, synthetic, aseptic	ea.	20	20	0	\$190.59		
cal apron, synthetic, septic	ea.	20	20	0	\$115.29		
cal shoes, rubber	ea.	20	20	0	\$51.18		
cal mouth protection	ea.	50	50	0	\$13.53		
cal cloth	ea.	100	100	0	\$14.71		
cal cloth	ea.	50	50	0	\$20.59		
cal cloth with slit	ea.	50	50	0	\$26.47		
ninal sheet for operating theatre with brass ring	ea.	100	100	0	\$216.76		
cal towel	ea.	100	100	0	\$14.71		
cal towel	ea.	100	100	0	\$11.76		
brush for washing, sterilisable	ea.	20	18	-2	\$10.00	(\$20.00)	
il extension apparatus	ea.	2	4	2	\$458.82		
tion side-piece for medical bed	ea.	5	5	0	\$123.53		
oard for backbone/spinal injured people	ea.	5	5	0	\$400.00		
on stand	ea.	8	8	0	\$329.41		
g frame for medical stretcher	ea.	2	2	0	\$323.53		
al stretcher	ea.	2	2	0	\$470.59		
or multiple use	ea.	2	2	0	\$442.35		
or multiple use	ea.	1	0	-1	\$398.82	(\$398.82)	
g board	ea.	125	125	0	\$24.71		
g cup	ea.	40	0	-40	\$9.41	(\$376.52)	
shirt	ea.	150	150	0	\$30.59		
shirt for infants	ea.	45	45	0	\$14.71		
cardigans	ea.	100	100	0	\$51.76		

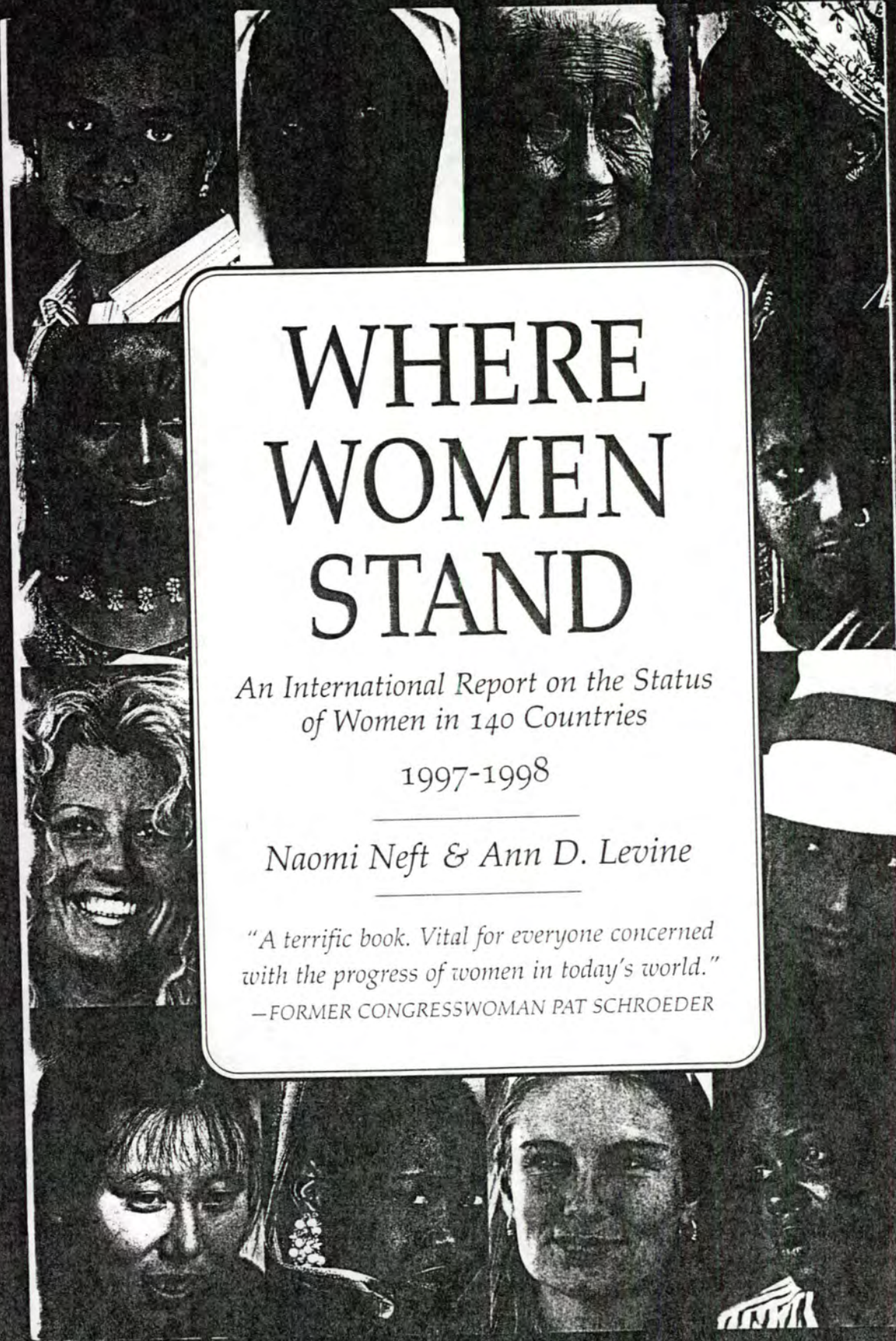
otton undershirts	ea.	60	60	0	\$11.76		
otton underpants	ea.	60	60	0	\$30.59		
apers, simple	ea.	100	100	0	\$7.06		
apers, "Sanitas"	ea.	100	100	0	\$18.24		
rbilical bandage	ea.	13	13	0	\$8.53		
ickers "Swedish"	ea.	64	64	0	\$10.00		
nnel for children	ea.	40	40	0	\$27.06		
th towels for babies	ea.	40	40	0	\$11.76		
nper suits	ea.	40	40	0	\$18.82		
ickers for playing	ea.	40	40	0	\$14.71		
ntyhose	ea.	50	50	0	\$8.82		
nper	ea.	60	60	0	\$28.24		
)	ea.	60	60	0	\$5.29		
oes for infants and children	ea.	40	40	0	\$23.53		
cks	ea.	45	45	0	\$8.24		
ton knickers	ea.	60	60	0	\$5.88		
ets for infant's bed	ea.	20	20	0	\$24.71		
olen blanket for children	ea.	20	20	0	\$50.00		
nket cover for children's bed	ea.	20	20	0	\$24.71		
lows for children	ea.	10	10	0	\$10.00		
ow cases for children	ea.	20	20	0	\$8.82		
ldren's bed	ea.	10	10	0	\$305.88		5 box (2 each)
ttress for children's bed	ea.	10	10	0	\$200.00		
ttress cover, waterproof for children	ea.	10	10	0	\$31.76		3 box (1 roll each)
h tub for babies	ea.	2	2	0	\$29.41		
lery for children	ea.	40	40	0	\$11.76		1 box (steel items)
it for field operating theatre	ea.	1	1	0	\$4,411.76		
tery for light for field opearting theatre	ea.	1	1	0	\$1,117.65		
d operating table	ea.	1	1	0	\$3,529.41		
ension apparatus	ea.	1	1	0	\$1,176.47		
uments for operating theatre	box	1	1	0	\$2,941.18		issued in 1965 (miscellaneous)
uments operating theatre and gynecological ones	box	1	1	0	\$4,588.24		issued in 1965 (miscellaneous)
uments for out-patient treatment	box	1	1	0	\$2,058.82		issued in 1965 (miscellaneous)
lical multipurpose closet	ea.	1	1	0	\$1,588.24		
ument table, movable	ea.	5	5	0	\$764.71		
e for handing over instrument	ea.	1	1	0	\$382.35		
/l stand	ea.	5	5	0	\$58.82		
ler for infusion	ea.	3	3	0	\$204.71		
nination light	ea.	4	4	0	\$676.47		
king iron	ea.	30	30	0	\$73.53		

for walking iron	ea.	30	30	0	\$8.82		
table splint acc. Cramer	ea.	200	200	0	\$64.12		
upport splint, synthetic	ea.	30	30	0	\$65.88		
r splint, aluminum	ea.	10	10	0	\$16.47		
table splint acc. Bajog	ea.	20	20	0	\$50.59		
ination couch with leg support	ea.	1	1	0	\$1,264.71		
ination chair	ea.	2	2	0	\$727.06		
ological examination chair	ea.	2	2	0	\$882.35		
ination couch without leg support	ea.	1	1	0	\$856.47		
rent table, movable	ea.	1	1	0	\$1,176.47		
scope binocular	ea.	1	1	0	\$1,470.59		

Total: (\$1,654.04)

Original
~~Actual~~ 337,620.00
 Discrepancy 1,654.04

 Actual 335,965.60



WHERE WOMEN STAND

*An International Report on the Status
of Women in 140 Countries*

1997-1998

Naomi Neft & Ann D. Levine

*"A terrific book. Vital for everyone concerned
with the progress of women in today's world."*

—FORMER CONGRESSWOMAN PAT SCHROEDER

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no had been victimized during
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e funds. Many of the women,
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rostitution continued to flour-
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Ministry of Tourism actively
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rs were banned, and travel
lost their licenses. Today the
merican military bases, but

ATION ON WOMEN

r of r Philippines
saci Avenue, NW
on, L 036, United States
: 202-467-9300
67-9417

Commission of Women of
Philippines
Avenue
Philippines
2-588-201
8985

RUSSIA



Population: 148.4 million

▲ Women per 100 men: 113

Women's voting rights: 1918

Women in legislature: 7%

▲ Women's share of work force: 48%

▲ Literacy rates: women—99%; men—99%

Life expectancy: women—71.0 years; men—57.3 years

▲ Average number of children: 1.5

Maternal mortality rate: 75

Russia, also known as the Russian Federation, is the largest and most populous of the 15 republics that the Soviet Union comprised until its dissolution in 1991. In area it is the largest country in the world, stretching from eastern Europe across northern Asia to the Pacific. Its population, though, is unevenly distributed; the highest concentrations are found in European Russia, but large numbers of people also live in southern Siberia and the far eastern region. Nearly three-quarters of all Russians are urban dwellers.

Russia has one of the world's widest ranges of nationalities and ethnic groups—over 120—but the single largest group, Russians, constitute about

82% of the total population. While the great majority of the Russian people are nonreligious, about one-quarter belong to the Russian Orthodox Church. There are also small minorities of other Christian denominations, Muslims, Buddhists, and Jews.

The sweeping changes that followed the dissolution of the Soviet Union in 1991 wreaked havoc throughout the Russian Federation. The rapid transition from 70 years of communist rule to democracy and a market economy brought an end to censorship and an expansion of individual rights and freedoms. Under the new government, the principle of equality between women and men was established in the Russian constitution and reinforced in various laws dealing with employment, civil rights, and family matters. The transition, however, also resulted in dramatic economic, political, and social upheavals that took a heavy toll on Russian society: rising prices, falling wages, growing unemployment, deteriorating health care and public services, increasing crime and corruption, and—perhaps most devastating—a soaring death rate combined with a declining birthrate. Although measures were instituted to revive the ailing economy and reverse the decline in population, by the mid-1990s, the outlook for the immediate future was still bleak.

HISTORY OF THE WOMEN'S MOVEMENT

The evolution of the women's movement in Russia was unlike that in most other countries. The right to vote, which women fought so bitterly for in the United States, Britain, and elsewhere, was handed to Russian women at the close of the Russian Revolution in 1918. By the time the Soviet Union was founded in 1922, two other major rights for women—divorce and abortion—had also been granted.

Probably the earliest women's organizations were the *zhenotdels*, or women's sections, established by the ruling Communist Party in 1918. These groups were not concerned with women's rights but focused on spreading the party ideology and encouraging women to join the work force and participate in the labor movement. However, women lost many of their rights and their lives changed radically under the totalitarian rule of Joseph Stalin, which began in 1922. Political, civil, and personal rights were abolished, including divorce (1930) and abortion (1936). As the country embarked on a period of massive industrialization, large numbers of jobs were created; and although Soviet women were extolled as the country's "great army of labor," most women were employed in the lowest-paying, most strenuous jobs, usually in factories.

Following Stalin's death in 1953, his successor, Nikita Khrushchev, initiated a policy of de-Stalinization that included lifting the bans on divorce and abortion. Khrushchev also created the Soviet Women's Committee, a

nongovernmental organization whose announced purpose was to promote women's participation in the labor force but actually seemed more concerned with spreading worldwide propaganda about women's equality in the Soviet Union.

Over the years Soviet women continued to swell the ranks of the work force, and by the mid-1960s they accounted for slightly more than half of the total labor force. Yet they were still expected to fulfill their traditional roles as wives and mothers. In the late 1970s an independent feminist group, called Maria, appeared in Leningrad (now St. Petersburg), openly protesting the exploitation and degradation of women and directing public attention to specific issues such as the substandard conditions in the hospitals where abortions were performed. But Maria was short-lived; its members were soon arrested and either deported or sent to prison.

The Soviet leadership passed to Mikhail Gorbachev in 1985, and under his direction the women's councils of the 1920s were reborn. Within two years, more than 240,000 of them were established throughout the country. But like the earlier *zhenotdels*, they were largely controlled by the Communist Party, and because they lacked political influence, their members soon lost interest and the councils disappeared.

The current women's movement in Russia dates back to the process of democratization in the late 1980s and early 1990s. Many Russian women started becoming politically active during that period; new groups began emerging, and by the mid-1990s they numbered over 300. Some of these groups focused on environmental and social matters, but others addressed feminist issues such as equal rights for women, especially in employment, and increased representation of women in government.



WOMEN IN POLITICS

Under Soviet rule, although women were encouraged to join the Communist Party, they rarely rose to high office and were generally excluded from decision-making positions. In 1920 women made up only 7% of the total party membership, and none served on the Central Committee.

Four decades later, women constituted 20% of the party membership but only 3% of the Central Committee.

Since the founding of the Russian Federation, women have continued to be underrepresented in politics. After the elections in 1995, they constituted only 7% of the two-chamber Federal Assembly. Only 1 woman was elected to the 178-member (<1%) Council of the Federation (upper house); 44 of the 451 members (10%) of the State Duma (lower house) were women. By early 1997, only one woman had been named to the new 29-member cabinet: Tatiana Dmitriyeva (health). No women served as ambassadors.



WOMEN'S EDUCATION

The Russian educational system is compulsory for both girls and boys through secondary school, and the literacy rate for both women and men is among the highest in the world: 99%.

As a rule, female students take the same courses

and study the same subjects as their male counterparts. Women make up a large percentage of students studying law and medicine. In 1993 female students accounted for about 15% of those receiving doctoral degrees.

FEMALE ENROLLMENT Percentage of student body, 1992

LEVEL	PERCENT
Primary school	50%
Secondary school	61%
Primary technical school	37%
Secondary technical school	64%
University	52%



WOMEN'S EMPLOYMENT

For the seven decades of Soviet rule, women were actively encouraged to work outside the home, and after the transition to democracy, they remained a major presence in the work force. In 1995 women accounted for a 48% share of the total work force, one of the world's highest representations of women in any labor force. Approximately 72% of all working-age women were working outside the home, compared with 82% of Russian men.

Discrimination in the Workplace

The Labor Code of the Russian Federation prohibits discrimination on the basis of sex in the area of employment. In practice, however, violations do occur, and an estimated 3 million women are thought to work under adverse conditions. The Labor Code prohibits women from performing heavy labor or working in an unhealthy environment. It also mandates that pregnant women be assigned shorter working hours and transferred to less strenuous work, while women with children under the age of three should not work overtime or at night. These rules, however, are largely ignored.

Despite various employment laws protecting women, widespread discrimination exists in hiring and firing. Employers prefer to save on mater-

nity and child-care costs by hiring men rather than women, and female employees tend to be the first ones fired when a company suffers cutbacks. It is estimated that 90% of all workers who are laid off are women.

Areas of Employment

The industries employing the highest percentages of women are health and social services (84%), education (84%), trade and food retailing (82%), and state lending and insurance bodies (81%).

In the legal profession women constitute 40% of all lawyers and more than half of all city and district court judges but in other occupational areas they are rarely seen in high-level positions. In medicine nearly 70% of all physicians are women, but most are either general practitioners or pediatricians, only 6% are surgeons. Women hold 11% of senior executive positions in industry, 10% in communications, 8% in agriculture, and 1% in construction.

Russia is one of the few countries where women have traditionally undertaken military service, even serving on combat duty during wartime. In the mid-1990s, women made up 9% of the armed forces.

Pay Differences

Despite the fact that Russian women are guaranteed equal pay for equal work, they are often paid less than their male colleagues. In addition, they tend to be employed in lower-paying jobs in lower-paying industries. As a result, in 1995 women's average earnings in all industries except agriculture were only about 40% of men's, a dramatic drop from 75% in 1991 and one of the largest gender wage gaps in the world.

Maternity Leave and Benefits

Russian law mandates that working women are entitled to maternity leave from 70 days prior to childbirth to 70 days after delivery. If medical complications arise, the leave is extended an additional 16 days. Working mothers are also guaranteed a monthly allowance for child care until their children reach the age of 18 months.

Child Care

Child-care facilities in Russia, like other services, have recently suffered drastic cutbacks. In 1990 there were 88,000 centers throughout the country; two years later 6,000 of them had closed.

Unemployment

In 1993 the official unemployment rate for women was 1.1%, compared with 0.4% for men. Women constituted approximately 75% of the unemployed, and nearly 60% of these women were college or technical school graduates. More than half of all jobless women had children under the age of 16.

Unemployed women find it more difficult than men to find new jobs. In 1993 it took an average of more than five months for an unemployed woman to find work, while it took a man less than two months.



MARRIAGE AND DIVORCE

Russian couples are marrying less and divorcing more. Out-of-wedlock births are increasing, especially among teenagers, and the number of single mothers, either divorced or never married, continues to grow. In 1994 it was estimated that between 15% and 20% of all families were headed by a single parent, with women accounting for 94% of those households. Nearly half of all female-headed households with children under 16 had incomes below the official poverty level.

Marriage

Although the minimum legal age for marriage is 18 for both women and men, the average age at first marriage is 21.7 years for women and 24.4 years for men. The total number of marriages registered in 1993 was 1,107,000. Three years earlier, 1,320,000 marriages were recorded.

The recent decline in the marriage rate has been attributed in part to the current economic uncertainty. Yet many women still want to have children, and there is a growing trend of births to unmarried women. In 1990 births to single mothers accounted for 15% of all births; by 1993, this proportion had climbed to 18%. About a third of these unmarried mothers do not live with a partner but with their parents or other relatives.

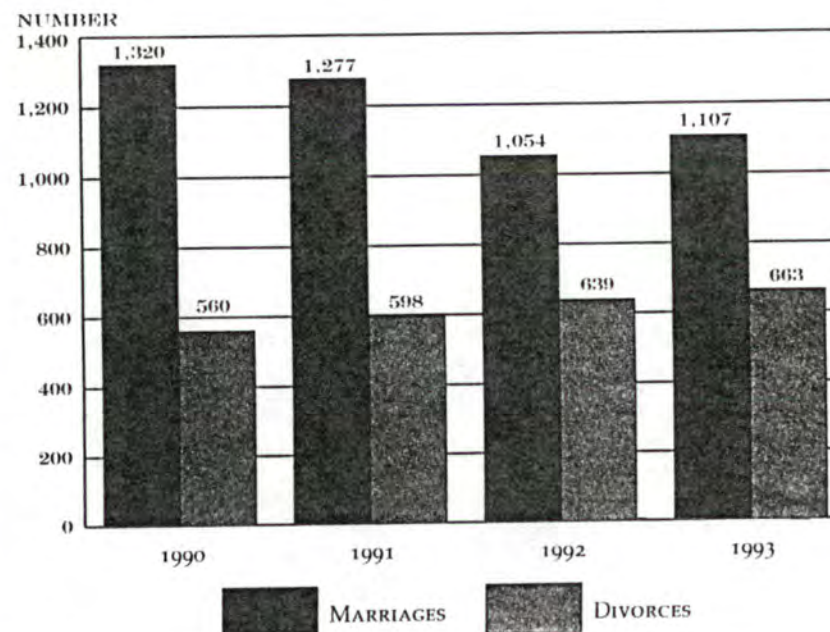
Divorce

The number of divorces granted in 1993 was 663,000, compared with 560,000 in 1990. In the same year the divorce rate was 60, that is, for every 100 couples getting married, 60 were getting divorced. In 1990 the comparable divorce rate was 42.

According to the Marriage and Family Code, each partner is allowed an equal share in joint property. The court decides the terms of child custody if

MARRIAGES AND DIVORCES

In thousands



the couple cannot agree; joint custody is not an option in Russia. The court can also order the husband to pay child support, but these payments are difficult to collect, and the new economic system makes it easier for men to hide their incomes from tax collectors and ex-wives. To reduce this problem, the government is preparing legislation offering more flexible payment terms.



FAMILY PLANNING

The Russian government has no official policy concerning family planning. In 1992 a nongovernmental organization established 25 family planning centers, and a federal program was slated for the mid-1990s.

Fertility Rate

The fertility rate in Russia is 1.5 children per woman, which is signifi-

cantly from 2.2 in 1990 and represents one of the lowest fertility rates in the world. About 15% of all births are to teenagers, one of the highest rates of teen births among the world's developed nations.

In a 1992 study of young families, 67% had only one child, 13% had two children, and only 0.8% had three or more. The recent decline in the fertility rate has led at least one major city, Nizhni-Novgorod, to reward every birth with a cash bonus equivalent to more than double the average family's monthly income.

Contraception

About 32% of Russian couples of childbearing age use some form of contraception. Of those couples using contraception, almost 70% use modern methods: birth control pills, intrauterine devices (IUDs), and condoms. However, these products are often in short supply; in recent years many condom and IUD factories have had to close for lack of latex and other raw materials. Sterilization is not widely practiced. It requires a written application and is permitted only for women over the age of 35 or those who already have at least two children.

Abortion

The Soviet Union was the first country to grant abortion on demand, and by the mid-1990s the procedure had become the most widely used method of birth control. In 1993 there were nearly 3.5 million abortions in Russia, more than twice the number of births. In some regions it is not unusual for a woman to undergo as many as nine abortions during her lifetime. Ironically, the scarring that sometimes results from repeated abortions can become a major cause of infertility later on.

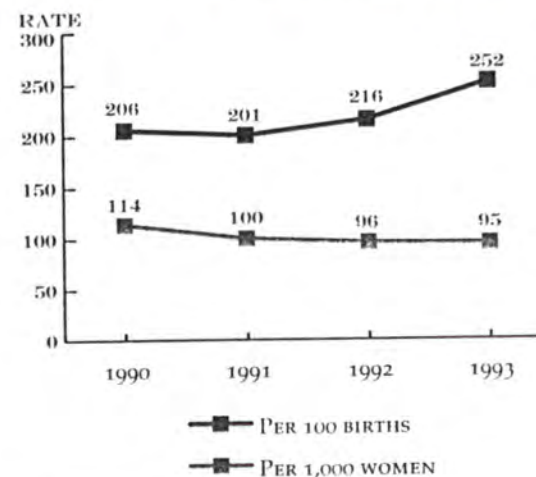
Fertility Services

Rising infertility among Russian women has prompted the recent growth of a new industry: fertility clinics. Most women who use the clinics are married, but more and more mature single women are coming to the clinics for artificial insemination and in vitro fertilization. There are about a dozen such centers throughout the country, and the demand for fertility services is rising rapidly.

The country's largest private clinic, located in Moscow, sees more than 2,500 patients a year, and although its fees are substantial, it provides free services to widows, mothers of sons killed in combat, and women who have lost a child under the age of 16. When treating a married woman whose

ABORTION RATES

Per 100 births; per 1,000 women aged 15 to 49



husband has insufficient or nonviable sperm, it is not uncommon for the husband to have a brother or cousin provide the needed sperm cells.

Sex Education

Since the Russian government has no official policy relating to sex education, it is not mandatory in the schools. However, information on the transmission and prevention of AIDS was added to the school curriculum in 1989.



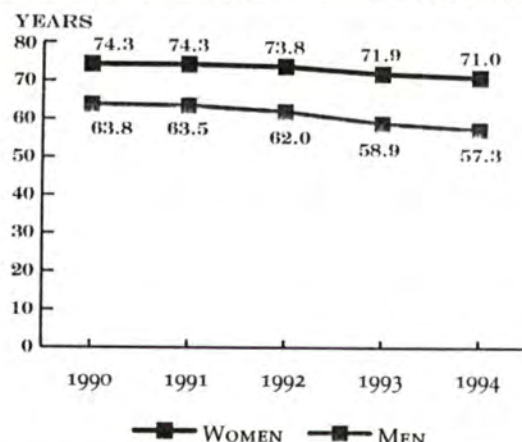
WOMEN'S HEALTH

The most devastating problem facing the Russian Federation is the rapidly declining health of its people. Unlike most of the world, Russia's average life expectancy has been decreasing, slowly but steadily, over the past decade. In 1994 the average life expectancy for Russian women was 71.0 years; for men, it was only 57.3 years, by far the lowest male life expectancy in the developed world.

Heart disease, cancer, and infectious diseases are all on the rise in Russia. Even suicide and homicide rates are climbing. This alarming medical and social crisis has been attributed to a number of factors: shortages of antibiotics, vaccines, and other medical supplies; an antiquated

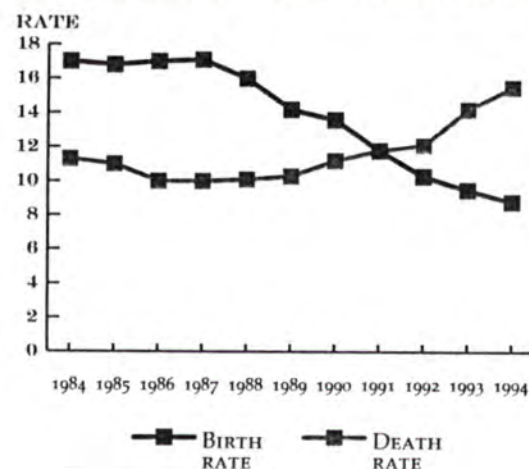
LIFE EXPECTANCY

At birth, in years



BIRTH AND DEATH RATES

Per 1,000 population



dened health care system; and long-term environmental pollution, including radiation from nuclear power plants, test sites, and waste dumps. It is estimated that the nuclear accident at the Chernobyl power plant in 1986 alone exposed more than 5 million people to dangerous levels of radiation.

Rampant alcoholism, especially among men, is another major contributor to the death rate, not only from the diseases caused by habitual

drinking, but also from the high rate of industrial accidents caused by workers drinking on the job. Alcohol consumption in Russia is among the world's highest and is climbing rapidly; it is estimated that one-fifth of the average family's income is spent on alcohol. In addition, many drinkers have resorted to homemade spirits, kerosene, and other deadly chemicals; alcohol poisoning from these substances has more than doubled since 1992.

Deaths in Russia now occur at nearly twice the rate of births and the average life expectancy, especially for men, has been dropping steadily. In 1994 there were 15.6 deaths per 1,000 people, but only 9 births. Another sign of deteriorating health is the rising maternal mortality rate: 75 pregnancy-related deaths for every 100,000 live births, one of the highest rates of any developed nation.

Leading Causes of Death

The major causes of death for both women and men in Russia are cardiovascular diseases, such as heart attack and stroke, and various forms of cancer.

Smoking

Smoking is one of the few health hazards affecting many more Russian men than women. About 9% of all women smoke, compared with 60% of men. Government antismoking campaigns have not proved successful, and Russian doctors, instead of admonishing their patients to stop smoking, have been known simply to advise them to switch to American cigarettes, which are lower in tar and nicotine than Russian brands.

LEADING CAUSES OF DEATH
Percentage of total deaths, 1993

CAUSE	WOMEN	MEN
Cardiovascular diseases	64%	43%
Cancer	15%	—
Breast	3%	—
Lung	5%	—
Cervix	<1%	—
Atherosclerosis, embolism thrombosis	6%	3%
Accidents	4%	13%
Bronchitis, emphysema, asthma	2%	3%
Homicide, other violence	2%	6%
Suicide	<1%	4%

AIDS

According to the World Health Organization, in 1994 about 3,000 Russians were infected with HIV, the virus that causes AIDS. Official government records showed that by the start of 1994 there were only 264 reported cases of HIV infection among Russian girls and women.



VIOLENCE AGAINST WOMEN

As in many other countries, violence against women in Russia is seldom reported; consequently, its extent is largely unknown. Every year thousands of women are killed or permanently injured as a result of acts of violence.

Domestic Violence

Spousal abuse is a serious problem for many Russian women. It is estimated that as many as 15,000 women are killed each year by their husband or partner, and many more are beaten and raped. In 1994 the Ministry of Internal Affairs reported 54,000 cases of domestic violence, a figure considered conservative by various nongovernmental organizations. As living conditions continue to deteriorate throughout the country, this kind of abuse is expected to get even worse.

Most spousal abuse goes unreported because the victims are embarrassed and feel it is pointless to go to the authorities. In fact, there is little the authorities can do, since there are no laws against domestic violence in Russia. A husband can be charged only with hooliganism, and his wife must provide a written statement and a witness to corroborate her testimony.

The government's response to domestic violence has been the creation of special crisis centers that provide victims with medical care and psychological counseling. These centers have been established in Moscow, St. Petersburg, and several other major cities.

Rape

Although 14,400 cases of rape were recorded in 1993, the actual number is probably much higher, since in this area, too, the great majority of incidents go unreported. Police are reluctant to investigate such cases, and many victims never press charges. To prove rape, the victim must present

a mass of evidence, including medical records and proof of resistance. Many doctors are unwilling to get involved, fearing lengthy court appearances. In an effort to provide some assistance to rape victims, the government established a rape victims' center and hotline in Moscow in 1993.

Prostitution

While prostitution itself is not illegal in Russia, the keeping of brothels, corruption of minors, and procuring of prostitutes for monetary gain are against the law.

FOR ADDITIONAL INFORMATION ON WOMEN

Center For Gender Studies
Institute for Socioeconomic Studies of
Population
Krasikova Street 27
Moscow 117218, Russia
Telephone: 095-125-7302/129-0400

Embassy of the Russian Federation
2650 Wisconsin Avenue, NW
Washington, DC 20036, United States
Telephone: 202-298-5700

**Permanent Mission of the Russian
Federation to the United Nations**
Public Relations Office
136 East 67th Street
New York, NY 10021, United States
Telephone: 212-861-4900/01/02

file name

Carnegie Endowment for International Peace

Tel: 202-939-2268

Fax: 202-483-4462

FAX COVER SHEET

THIS TRANSMISSION CONSISTS OF ⁶~~7~~ PAGES INCLUDING COVER

DATE SENT: August 3, 1998

FAX: 202-456-6244

TO: **Melanne Verveer**

FROM: SARAH MENDELSON *Very nice talking w/ you!*

TO: Melanne Verveer
FROM: Sarah Mendelson (202) 939-2268; <sarahm@ceip.org>
RE: NGOs/Russia
Date: August 3, 1998

As you know, relations between the US and Russia are now thick with contacts that extend far beyond the ones connecting the ministries inside the Washington Beltway and the Moscow Ring Road. It is not that governments have ceased to matter, but that they have been joined by other entities -- by NGOs that facilitate and nurture political and social reforms. NGOs world-wide do the hands-on work that governments mostly talk about.

In Russia, the work has included helping with the development of political parties, the institutionalization of elections, the development of independent media and trade unions, the strengthening of a women's movement and an environmental movement, and the support of human rights groups.

But the work is dangerously incomplete. For reasons of mutual security, it deserves attention now. A summit or a series of meetings to be held in the regions this fall throughout Russia geared toward highlighting Russian NGOs that have been successful in affecting change, and encouraging Russian NGOs to become more engaged in the work of public advocacy is one way of doing this. In order for it to have the greatest impact, NGOs should be conceived of in the broadest possible terms, including where appropriate political parties and unions.

Why now? Russians are unpaid and unhappy with the social and economic dislocation that has come with marketization. They are free to gather and mobilize, yet they remain disconnected from the government. The results: Russians are taking to the streets with increased purpose and frequency. The miners are blocking the railroad tracks, including shipments of food across the country. They are camping out in front of Moscow's White House.

Many here and in Russia fear that there is no telling how far this unrest could go. A growing number of Russians have little stake in the government that exists, little faith that the government will address their problems, and little doubt that things will worsen. This situation presents a threat to democratization, the continuation of which is in both US and Russian interests.

President Clinton has made "democracy promotion" a central part of not only his Russia policy but his message to the world: countries can only become prosperous by having economic reform *accompanied* by democratic developments. Russia has in the last several years developed a multi-party system, however weak. Elections - both national and regional - have been held on schedule and with increasing transparency. These are enormous accomplishments given the legacy of 75 years of one-party Communist rule,

and most Russian activists say that they are in part the result of working with Western NGOs.

These accomplishments are, however, not enough to ensure that democratization continues. The parties themselves are doing a poor job of representing the interests of their constituents, and elections are too intermittent to bring relief from social ills.

What is to be done? Articulate the message of advocacy and illustrate it with Russian examples of change. We in the international community must now do everything that we can to encourage NGOs to do a better job at representing the concerns of the disempowered to the government, beginning on a local level and building up to the national one.

At their best, NGOs affect policy through networks with other NGOs, including with political parties and unions, and with links to the legislature, and to the Presidential administration. This has yet to happen in Russia. The push for more representative government and advocacy is one of the few mechanisms that can help avoid a political meltdown and which gets at the underlying dynamics fueling the political situation.

One main reason that Russian NGOs are not developing into advocacy groups is because they have received little encouragement to engage in the political process from the Western NGOs which have been so crucial to their existence and development. Instead, Western NGOs have in many cases encouraged Russian NGOs to stay away from direct involvement with the government. The time to change the strategies used by both Russian and Western NGOs is now, and if expressed by the First Lady and by Russian activists, it is likely to have impact.

Attached please find some information on Russian NGOs that have had some recent success in advocacy.

The report from the Carnegie-Columbia project assessing Western NGO strategies for building democratic institutions in East/Central Europe and Eurasia will be available this fall, and I will make sure that your office gets a copy. Please let me know if there is anything that I can do to advance our agenda.

NGO NEWSFLASHES

Belarus to Further Regulate Humanitarian Aid

The Belarusian government announced this May its intention to require all humanitarian aid organizations in Belarus to obtain a license from the Presidential Administration Department for Humanitarian Aid. The five-year licenses, which will be mandatory even for organizations that provide overseas medical care to Belarusian children, can be revoked at the discretion of the government and have been seen as yet another way for President Lukashenko to exercise control over citizen initiatives in Belarus.

-Radio Free Europe/Radio Liberty, May 1998

NGO Coalition Wins Case Against The Russian Government

In a historic decision this February, the Russian Supreme Court sided with a coalition of NGOs, Duma deputies, scientists and concerned citizens to protect the nation's forests. After three days of hearings, the Court found that the Russian Forest Service had acted illegally in withdrawing 36,000 hectares of strictly protected forest land—in nature reserves, recreation areas and along riverbanks—from their "Class One" status, thus making them eligible for logging. (The sale of logging permits provides the bulk of the Forest Service's annual income.) Led by EcoJuris, a Russian NGO specializing in environmental law, the coalition attracted the attention of the media, the Russian public and the international community and was able to convince the Supreme Court to act even though the illegal decrees had been signed by Prime Minister Victor Chernomyrdin. The Court decision was an important victory for the rule of law in Russia.

Poll Shows Concern About The FSU Environment

In June, the United States Information Agency released the results of a poll on environmental awareness conducted in Russia, Ukraine and Kazakhstan that suggests that citizens of the former Soviet Union are very concerned about environmental degradation. Fully 65 percent of Russians said they favored stringent environmental protection, even at the cost of jobs or economic development. The majority of those polled also felt that their government was not doing all they should to protect the environment, with over 70 percent of Kazaks and 85 percent of Ukrainians and Russians expressing disapproval of government environmental policy. Since many of the earliest FSU protest movements centered on the environment, RFE/RL's Paul Goble suggests that the poll should be a warning to governments.

-Radio Free Europe/Radio Liberty, June 1998

Carnegie Report Examines the NGO Role In Democracy Building

This summer, the Columbia-Carnegie NGO project began field interviews for its evaluation of NGO strategies for democratization in the formerly communist states. The project, which is scheduled for completion this winter, is aimed at better targeting Western assistance efforts to Central and Eastern Europe and the FSU by evaluating what type of NGO activity has been the most conducive to democracy building. For more information contact research director Sarah Mendelson at the Carnegie Endowment for International Peace at (202) 939-2268 or <sarahm@ceip.org>.

FYI
NY contact
info

working together as equals forced the participants to get to know each other as individuals with shared goals and gave them a chance to escape their usual roles. The connections were reinforced by the joint need to find solutions that would respond to the concerns of both government bureaucrats and school practitioners.

The creation of boards of directors for local nonprofit organizations should be another promising mechanism for promoting intersectoral cooperation. At a recent quarterly meeting, NGO resource center coordinators from 12 Siberian cities took part in a seminar on developing nonprofit boards. While most of the participants felt that it was still too early for most local NGOs to see the benefits of boards, they could all appreciate the fact that board membership could become a good way for bringing the three sectors together in the future.

Russia faces enormous challenges, but it can only succeed if its citizens learn to work together. Failure to include representatives from business and government in programs when appropriate reinforces the existing lack of trust between sectors, thus defeating the higher goal of fostering a fully functioning civil society.

The Russians with whom I work in the nonprofit sector have created the phrase "effective partnerships" to describe the linkages necessary for intersectoral civil society development. By participating in such partnerships, the Third Sector can take steps toward sustainability while government and business can enhance their legitimacy. ●

Sarah Lindemann is the president of ECHO, Inc. and consultant to the Siberian Civic Initiatives Support Center and the Krasnoyarsk Center for Community Partnerships.

Failure to include representatives from business and government in programs reinforces the existing lack of trust between sectors.

Siberian NGO Fairs Promote Intersectoral Cooperation

The **Siberian Civic Initiatives Support Center**, a 12-city network of NGO resource centers, applies an inter-sectoral approach to all its activities. We recognized the need for this early on since one of the primary constraints to the development of the Third Sector was a lack of awareness by government and business.

Our first major effort to address the issue developed out of a seminar on coalition building in 1996. Representatives of Novosibirsk NGOs decided to hold an NGO Fair on Russian Independence Day, June 12, to raise understanding of the Third Sector. The organizing committee consisted only of NGOs, since government officials were aware of the initiative but hesitant to play a large role, and business support was nonexistent. The Mayor decided to attend at the last minute; he was joined at the Fair by over 400 others who came for the cultural program and to see displays from about 40 organizations. The event, which was covered by all major media outlets, ushered in a new era of respect and cooperation between the government and the Third Sector.

The organizers decided to make the NGO Fair an annual event. In 1997, the organizing committee included representatives from the Novosibirsk city and

oblast governments. The committee decided that a primary objective should be to attract business support for the nonprofit sector. Organizations were invited to present projects for sponsorship, while organizers conducted an active fundraising campaign for the Fair itself. In addition to corporate donors, the City of Novosibirsk became a major sponsor. Over 80 organizations took part in the event, and 39 of these presented projects that were published in a booklet.

As part of ongoing attempts to encourage intersectoral cooperation, this year a grant competition was added to encourage organizations to develop projects; business, government and NGOs worked together on the awards committee. Six grants were awarded with funding from New York Pizza, the Novosibirsk oblast administration, the Novosibirsk city administration and the Fund for Trust and Partnership in Novosibirsk. Roundtables dedicated to human rights and intersectoral relations were also added to the program. The success of the Novosibirsk NGO Fair has inspired similar events throughout Siberia and is even being replicated on a national level by youth organizations.

- Anatoly Zabolotny, executive director, Siberian Civic Initiatives Support Center

NGO INNOVATIONS

Bread and Hope from a Tbilisi Bakery

The Association for the Social Protection and Rehabilitation of Invalid Children opened a bakery in Tbilisi, Georgia, in February 1998 in an attempt to finance its charitable programs. Although the bakery, which was launched with support from Save the Children, does not bring in a great deal of money, its proceeds cover many of the Association's expenses. In fact, when foreign funding for the group's psychiatric program for disabled children runs out in six months, the Association believes it will be able to finance the program exclusively through bakery revenues.

The Association also uses the bakery to provide employment for the fathers of disabled children. As the group's president commented, "[Through the course of our work], we learn not only about children's physical health, but also about their social environment. We looked through questionnaires and found unemployed parents who might be useful in the Bakery. All of them, hopeless and

Amy Forster



A bakery-funded program for children with developmental difficulties.

frustrated with life, were so happy to suddenly get jobs." In the future the Association also hopes to be able to provide children's hospitals and educational institutions with bread at subsidized prices. The Association can be reached at 32/34 Kazbegi St., Building of the Institute of Construction Materials, Tbilisi, Georgia, ph: (995-32) 39-65-74.

Eurasian Trainers' Network Established

In April, the Conference of International Trainers met and created Intertraining, an association of trainers that work with NGOs in the FSU and the Baltics. Intertraining, which includes trainers from all the former republics, was formed out of the belief that the goal of improving trainer effectiveness crosses country borders. The association hopes to raise the level of professionalism of trainers, facilitate information exchange between trainers and spread the word about the training profession in the FSU. Over the next year Intertraining's board will work on registration, fundraising and coordinating information sharing. Further information about Intertraining is available through the Russian NGO, Golubka, at Ulitsa Ordzhonikidze, 13/2, 15th Floor, Office 3, Moscow 117071, Russia, ph: (095) 958-2215, fax: (095) 958-5130, e-mail: <golubka@glasnet.ru>.

New Center Encourages Citizen Participation in Policymaking

Returning to Moscow after two years at Columbia University, NGO leader Yuri Dzhibladze plans to establish a new organization, the Center for the Development of Democracy and Human Rights, in an effort to foster cooperation between Russian think tanks and advocacy groups and ensure citizen involvement in the policymaking process. Recognizing that policy formulation is increasingly controlled by a tight circle of government officials and business interests, the Center seeks to increase public involvement by engaging both academic think tanks and advocacy groups and providing policy recommendations and analysis to NGOs and the government. The Center will officially open in the fall and will focus its work on the development of democratic institutions and the protection of human rights. Yuri Dzhibladze can be reached at Filevsky Bulvar 1-48, Moscow, 121601 Russia, ph/fax: (095) 142-92-83, e-mail <dzhib@glasnet.ru>.



Детский Благотворительный Фонд Роналда Макдоналда
Ronald McDonald Children's Charities

Российская Федерация
121002, г. Москва
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15, строение 2
Телефон: (7095) 241-2642
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B. Nikolopeskovski per, 15,
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121002 Moscow, Russian
Federation
Telephone: (7095) 241-2642
Telefax: (7095) 241-4200
Telex: (64) 414880

The First Lady
The White House
Washington, D.C.

June 18, 1997

Dear Mrs. Clinton:

It is with great pleasure that I inform you of some noteworthy developments in our charitable work for children here in Russia.

1. Ronald McDonald Golf Tournament Raises \$152,000

Our third annual Ronald McDonald Children's Charity Golf Classic, held at the Moscow Country Club on June 6, raised \$152,000 for handicapped children of Moscow. This amount almost covers the 1997 operating budget of our Ronald McDonald Center in Moscow (for which you kindly sent letters on its opening in January 1996 and its first anniversary this year). A one-page list of the sponsors of the golf tournament is attached for your information.

2. RMCC-Russia Board Approves Program Extensions

The Board of Directors of Ronald McDonald Children's Charities of Russia approved the addition of seven activities to the program of the Ronald McDonald Center. These additions will increase the range of physical and psychological training for the 600 children who benefit from the work of the Center every week. A one-page listing of the program extensions is attached for your information.

3. Professional Training for Therapists in the Ronald Center

The Ronald McDonald Center's coaches and trainers have just undergone another two-week course at a physical culture institute in St. Petersburg to raise their professional level. Later this year, we are going to underwrite their doctoral dissertations.

4. Gala Fund-Raising Concert in Moscow (early autumn)

We are in the planning stage of a charity concert for late September or early October this year in Moscow. So far we have lined up an excellent orchestra, a leading conductor, a brilliant child prodigy soloist (piano), one of the prestigious and acoustically best concert halls in the city, and worked out a beautiful (but not too heavy) classical program. As the planning becomes reality, we will keep you informed. Several social organizations in Moscow are involved in the planning and ticket sales, and we believe this event will be important culturally and will raise a good amount of money for children.

5. Your Next Trip To Moscow

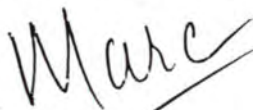
This is very important to us. I don't know whether you plan to be in Moscow this year, but if a trip is planned, I hope your schedule will allow you to see the Ronald McDonald Center in Moscow's Krylatskoye district at work. I know you would be proud of the people and the job they are doing.

6. American Friends of RMCC-Russia

We are still feeling out whether we have the organizational capability to put on any event in Washington this year. We don't know for sure yet. Will keep you posted. Unfortunately, Steve Bachar's law school work has made it necessary for him to concentrate on that, and he is no longer with our charity.

Mrs. Clinton, on behalf of all the children, thank you so much for your interest and support. We strive to operate in a way that makes all our supporters and sponsors proud of the work and the philosophy of RMCC.

Sincerely, and with best personal regards from Chana and me,



Marc A. Winer
President and General Director
Ronald McDonald Children's Charities of Russia

cc: Melanne Verveer

SPONSORS OF THE 1997 RMCC (RUSSIA) GOLF CLASSIC IN MOSCOW

1. Coca-Cola Refreshments Moscow *
2. Nestle *
3. Moscow-McDonald's
4. Moscow Country Club
5. Mezhcombank *
6. Hewlett-Packard *
7. AT&T *
8. Banque Societe Generale Vostok *
9. Burrows *
10. Carrier Transcontinental Co. Ltd. *
11. Citibank Russia *
12. Conoco International Petroleum Company
13. Ernst & Young *
14. Hershey's
15. ING Bank *
16. Lucent Technologies
17. OSI International *
18. United Technologies (OTIS Elevator)
19. Polarcup *
20. Tyson *
21. Volvo Truck Corp. *
22. Baker & McKenzie Law Firm
23. SRV International *
24. Telmos
25. H&K Equipment *
26. ConAgra *
27. Paulig *
28. Reebok
29. British Airways
30. Dialog Bank *
31. Fresh Start Bakeries *
32. Kitchen Range Foods *
33. Latham & Watkins Law Firm
34. Marco Polo (Palace Hotel)
35. NB Gallery
36. Polaroid
37. Tuborg
38. Whitehall
39. Radio 7
40. Cargill *
41. Belaya Dacha *
42. American Medical Center *
43. AO Cell Invest
44. Gourmet
45. Moscow Times
46. Plastik *
47. Seagram
48. Moscow Tribune
49. Kommersant Daily
50. National Television Station
51. SFC

* indicates companies that are suppliers to McDonald's business in Russia

RONALD MCDONALD CENTER MOSCOW
PROGRAM EXTENTION TO BE ADDED DURING 1997
(APPROVED BY RMCC BOARD)

#	ACTIVITY	PROGRAM DESCRIPTION	BEGINNING	WHAT IS REQUIRED	COST	SUM
1	Wheelchair basketball	a group of 10 people, age: 14-16, impaired motor skills	Sept. 1997, twice a week (throughout the year)			
2	Sitting volleyball	a group of 10 people, age: 14-16, impaired motor skills	Sept. 1997, twice a week (throughout the year)			
3	Football	a group of 10 people, age: 14-16 pathologies: mentally challenged, impaired motor skills, diabetes	Sept. 1997, twice a week (throughout the year)			
4	Rowing	a group of 10 people, age: 14-16 pathologies: impaired motor skills, diabetes	June 1997, twice a week (during winter - in the rowing pool, during summer - in the channel)	capital expenditures annual expenses	\$7,100 \$1,600	\$8,700
5	McHappy Van Program extension	involve more children in the program: 112/300	throughout the year)	2 coaches, each \$400 a month	\$9,600	\$9,600
6	Tennis	200 children a week, different age and pathologies	August 1997 every day (May-September)	site landscaping	\$2,200	\$2200
7	Hockey Basketball Football	200 children a week, different age and pathologies	August 1997 every day (May-September)	site landscaping	\$800 \$700	\$1500
8	Jogging Track	200 children a week, different age and pathologies	June 1997 every day (May-September)	track covering	\$7000	\$7000
9	Social Rehabilitation Programs	Housekeeping (add to the program)	Sept. 1997 (throughout the year)	premises rent, small repare repair\$materials purchase	\$2200 \$1000 \$1000	\$4200
	TOTAL					\$33,200

Having these extensions we will have an opportunity to bring the number of kids up to 800 per week.
(now 600)

COUNTERPART

Foundation, Inc.

UNITED STATES UNITED KINGDOM CANADA AUSTRALIA RUSSIA UKRAINE BELARUS MOLDOVA FIJI VANUATU TONGA KIRIBATI SOLOMON ISLANDS PAPUA NEW GUINEA WESTERN SAMOA

March 25, 1994

FARRAGUT SQUARE
910 17TH STREET N.W., #328
WASHINGTON, D.C. 20006
TEL: 202/296-9676
FAX: 202/296-9679

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Ms. Melanne VerVeer
Deputy Chief of Staff
Office of the First Lady
The White House
Washington, DC 20501

Dear Melanne,

I recently met with two wonderful women from the Sverdlosk Regional Charity Association, and I believe you met with them also. They are anxious to identify potential partners and resources in the United States, and my organization, COUNTERPART Foundation, Inc., will try to assist them in their efforts.

Their visit reminded me to touch base with you about one of COUNTERPART's most recent projects -- a Women's Labor and Training Conference to be held in Moscow, Russia in September, 1994. The enclosed concept paper describes the project more fully as well as the participating organizations.

Because of your interest and that of the First Lady's in the former Soviet Union, I thought you might like to be involved in our conference in some way. Perhaps you or Mrs. Clinton would be willing to open the conference, along with Mrs. Kozyrev? Mrs. Gore is also keenly interested in Russian women entrepreneurs, and we would welcome her participation as well. I realize that it may be difficult to travel to Russia for a three day conference, so we would be very pleased with a letter of support from Mrs. Clinton.

By the way, the COUNTERPART/Russian Care pilot projects on Russian military based are going extremely well, and we are in the process of securing much needed medical equipment and pharmaceuticals for our Russian partners. Mrs. Kozyrev sends her regards to you and Mrs. Clinton and hopes to see you in Moscow!

I will give Anne Bartley a call next week sometime to follow up on this letter. In the meantime, if you have any questions or would like additional information about the conference or our programs in Russia, please do not hesitate to contact me.

Best Regards,



Karen Sherman
Manager, CIS Programs

COUNTERPART manages
humanitarian and development
programs worldwide which benefit
local NGOs, charities, social ser-
vice organizations, foreign demo-
bilized military dependants and vet-
erans.

Is tax exempt under Internal Re-
venue Code Section 501 (c) (3).

Women's Labor and Training Conference
September 1994
Moscow, Russia

I. Program Summary:

COUNTERPART Foundation, Inc., in collaboration with the World Bank and the Women's Union of Russia, will host a three-day conference to address "*The Role of Women in Rebuilding the Russian Economy*." The three main components of the conference are: (1) A presentation of findings of recent research related to women's unemployment in Russia; (2) A series of workshops providing practical advice on overcoming constraints and taking advantage of opportunities made available by the changing Russian economy; and (3) A job-fair with representatives from the Moscow Employment Office, local and foreign businesses, enterprises, business schools and institutes.

The conference represents the first concrete step in an on-going training and technical assistance program for women in the Russian labor force. As such, it will not be an end in itself, but a means to a more comprehensive training program. Participants throughout Russia will include representatives from women's NGOs/PVOs, Russian military wives and entrepreneurs, business executives, government leaders and agencies including the Ministry of Labor, the Federal Employment Service, and Ministry of Social Protection.

II. Program Goal:

To offer advice, training, and technical assistance to women in the Russian labor force during the period of economic restructuring.

III. Program Objectives:

- (1) To disseminate recent research findings on women's labor issues in Russia.
- (2) To promote linkages and exchanges between Russian and American women in the public, private, and non-governmental sectors.
- (3) To present real employment and job-creation opportunities for Russian women.
- (4) To stimulate an ongoing debate on women's labor and unemployment issues.
- (5) To encourage action on the national and local levels toward overcoming legal and societal constraints to women in the workforce.

IV. Rationale:

In Russia, the majority of the population as well as the work force are women, and the efficiency and pace of rehabilitation of the Russian economy will depend heavily on them. Women carry most of the responsibility for immediate household welfare through domestic work, and play a key role in the social welfare of the young, the old and the disabled as traditional caretakers of these groups. On grounds of efficiency alone, therefore, women's active involvement and support is crucial to both the progress of reform and the standard of living during the economic transformation.

Special attention to women during this transformation is also warranted on equity grounds. In the past, women were over-represented in poor households; households with the greatest decline in living standards now have more women than men and face greater risk of poverty and more precarious survival than other groups.

Monica S. Fong, Abstract from *Studies of Economies in Transformation*, The World Bank.

V. Participants:

It is envisioned that approximately 150 to 200 participants will be involved in the conference, the majority of whom will come from Russia. We anticipate broad regional representation. A small number of U.S. participants, mostly speakers, trainers, and corporate leaders will be invited to attend the conference at their own expense. However, small subsidies may be made available on an as needed basis.

VI. Projected Outputs:

- (1) Final Conference Report and Follow-Up Action Plan.
- (2) Regionalized on-going business training for Russian women.
- (3) Placement of Russian women into supplemental training, mentoring, and internship programs in the U.S. and Russia.

VII. Program Management:

Overall program management responsibilities will reside in COUNTERPART's Washington headquarters office, which will oversee the allocation and use of funds. A U.S.-based conference organizer, selected by the steering committee, will work directly with her Russian counterparts, including COUNTERPART's Moscow office, Russian Care, and the Women's Union of Russia, to administer all aspects of project implementation. The steering committee is in the process of selecting a conference administrator and will have someone in place by mid-March.

In addition, the steering committee comprised of American and Russian organizations will: select

local and international participants, speakers and trainers; generate financial and in-kind support; mobilize public and private interest; solicit recommendations on conference participants; determine the conference agenda and follow-on activities. The Women's Union of Russia will handle the logistical component of the conference: identifying facilities, locating hotels, arranging meals, organizing transportation, etc.. To avoid excessive costs, participants will stay in homes wherever possible.

VIII. COUNTERPART's Qualifications:

COUNTERPART is an international non-profit development agency with thirty years of experience in the South Pacific, North America, and the former Soviet Union. All three of COUNTERPART's existing programs in the former Soviet Union facilitate the creation and maintenance of a viable NGO sector and target the satisfaction of social, economic, and community needs.

In Ukraine, Belarus, and Moldova, the pioneering COUNTERPART Service Center performs urgently needed clearinghouse and coordinating functions for the USAID offices, for local and international non-governmental organizations, and for private sector leaders. Services include training in all phases of institutional capacity building (management, leadership, strategic planning, fiscal management, fundraising, etc.) and the provision of a wide range of technical assistance. In Russia, COUNTERPART has worked with its partner organization Russian Care to provide self-help oriented social programs, including a small business development project to employ the wives of demobilized Russian military personnel.

COUNTERPART's key staff members have particular interest and experience in women's programs. Ms. Karen Sherman, the manager for programs in the Commonwealth of Independent States and the principal contact for this conference, has worked with and trained a number of women's organizations in both countries. She is currently overseeing a USAID Women in Development (WID) funded project in Ukraine, Belarus, and Moldova. The project incorporates specialized training and technical assistance as well as a seed grant program for women's NGOs.

TENTATIVE AGENDA

Day One

Morning:

Registration

Introduction and Welcoming Remarks

Mrs. Irina Kozyrev, Founder & President, Russian Care

Presentation of Steering Committee

COUNTERPART & The Women's Union of Russia

Outline of Conference Schedule and Workshop Topics

Definition of Problem/Background

World Bank

Afternoon:

Presentation of Research Papers

World Bank

Panel Discussion

Moderator: Monica Fong, World Bank

4 Presenters:

1) Federal Employment Service, Russia.

2) Lessons from Experience: Women in the U.S. Labor Market. U.S. Department of Labor.

3) Comparative Paper: Women's Labor Market Experiences of Russia, Latvia, and Uzbekistan.

4) Explaining Women's Labor Market Experience in Russia: Evidence from the Russia Longitudinal Monitoring Survey. Andrew Newell, University of Sussex.

Wrap-up and Conclusions

Evening:

Opening Reception

Labor Conference Steering Committee

COUNTERPART Foundation, Inc.
The World Bank
Russian Care/COUNTERPART Russia
The Women's Union of Russia
Alliance of American and Russian Women, Inc.
McCaffrey-Braley, Inc.

Abridged List of Potential Supporters

Government:

Women in Development Office of AID
Department of Labor
Department of Commerce
USAID Mission/Moscow
Russian government

Foundations:

Eurasia Foundation
Soros Foundation
Pew Charitable Trusts
Carnegie Foundation
Ford Foundation

Businesses:

Avon
The Body Shop
Ms. Magazine
Victoria's Secret
Benetton
Nina Ricci
Estee Lauder

PVOs:

Academy for Educational Development
INET for Women
AWED
The Citizens' Network for Foreign Affairs
Aid to Artisans
Peace Links
CEDPA
World Learning
Foundation for International Community Assistance

Melanne,

I'm sorry that it's taken so long for the attached memo to get to you. Recommendations 5 & 6 are being worked on. Recommendations 2, 3 and 4 are especially relevant to the First Lady. You might also want to set up some interviews on quality with, say, Prevention Magazine, Parade, and other pubs. A quality op ed for USA Today might also be useful.

I'd be happy to chat with you or the First Lady if it would be useful.

Arnold

TO: GREG, STAN, ET AL
FROM: ARNOLD
RE: QUALITY
DATE: 16 FEB 94

I think that the quality issue arises because we have so far failed to adequately inoculate against it. We have not firmly established the notion that the President and First Lady care deeply (and think frequently) about the quality of care.

This failure to inoculate allows the other side to credibly raise the spectre of decreased quality and decreased service.

I think it is the nature of the quality issue that it has the potential to rise quickly after (and as a result of) an extended period of neglect.

I have long urged that the phrase "high quality care" be used at the beginning of virtually every conversation about reform. I urge that once more.

We should also exploit the overwhelming public belief that insurance companies cut corners on quality to make more money, by attacking them on quality, and putting us clearly on the side of high quality care.

And we should exploit the confidence Americans have in nurses and doctors to look out for the quality of care by organizing free and paid media that makes it clear they say our plan works, and works to assure high quality care.

RECOMMENDATION #1: The opening line of the basic message statement should be amended to read: "Guaranteed private insurance. We want to guarantee private insurance ~~coverage~~ to make sure every American can afford high quality care. Comprehensive coverage that can never be taken away."

RECOMMENDATION #2: Early reference to "high quality care" should be built into virtually all communications.

RECOMMENDATION #3: The President and First Lady should express (in appropriate televised settings) that, as parents, they share a personal concern about the quality of care, and understand how important it is that high quality care be a goal of reform.

RECOMMENDATION #4: We should create an opportunity for the First Lady, surrounded by doctors or nurses, to attack the insurance

industry on quality, using some good victim stories, perhaps at a hearing, perhaps in an address to a provider group.

RECOMMENDATION #5: We should get the health issue into the health reform debate, using support by disease-related and constituency groups at events highlighting how the Clinton reform improves research and prevention and treatment. I am particularly keen on having an event about Alzheimer's and an event about breast cancer, which are deep concerns of two important constituencies: old folks and college-educated women.

RECOMMENDATION #6: We should arrange for the American Nurses Association and other friendly provider groups to issue quantitative projections of the health impact of the Clinton reform: what is likely to happen to infant mortality, what expanded dental coverage is likely to mean to the country's dental health, projected reductions in diseases that will be prevented. Toward this end, a brainstorming meeting should be pulled together with Judy Feder, David Ellwood and a few others, to figure out where there is data to create credible projections of specific health outcome impacts of reform.

RECOMMENDATION #7: Doctors and nurses should be featured in paid media, assuring Americans that the Clinton reform works, and that it works to assure high quality care.

THE RUSSIAN/AMERICAN PERINATAL PROJECT

PROJECT SUMMARY

The Russian/American Perinatal Project will adapt Western models of regional perinatal care networks to the special conditions in Russia, with the goal of decreasing maternal and infant mortality and morbidity. The project will create coordinated partnerships between perinatal centers in the United States and regions in Russia aimed at 1) creating effective regional perinatal care networks and 2) establishing certifiable standards of perinatal care in Russia. To accomplish these goals, the project will establish regional perinatal care training centers, develop an educational program for physicians and support personnel involved in maternal and infant care, assist medical schools in improving curriculum, assist nursing schools in developing a common curriculum to prepare highly skilled nurses for intensive perinatal care, examine regional problems in prenatal and obstetric health care delivery and develop regional physician and patient educational programs to correct them, advise and assist regions in selecting and purchasing appropriate medical equipment at reasonable cost, and develop instruments to evaluate the efficacy of project activities.

These activities will be achieved with the assistance of a team of educators and consultants from the Project Center and through a cooperative effort between regions in Russia and perinatal centers in the United States. Four year agreements will be established between these partners. Educational programs will be located both in Russia and at participating institutions in the United States. Each partnership will design its own educational format, but program goals will be uniform. At termination of the four year affiliation, Russian participants should achieve a certifiable level of competence appropriate for their specialty.

PERINATAL CARE IN RUSSIA

Russia has a level of infant and maternal mortality higher than almost every industrial nation in the Western world. In some regions, the maternal death rate approaches 100 per 100,000 live deliveries (compared with 8.4/100,000 in the USA). The official neonatal death rates range 16-22 per 1000 live born infants, but if Western methods were used for calculation, the neonatal mortality rate would be considerably higher.

Multiple factors contribute to these unacceptable figures, including social-economic conditions as well as the quality and availability of medical care. Many regulations are already in place to alleviate stress during pregnancy, but clearly additional creative steps must be taken to develop

incentives for pregnant women to seek early medical care, to facilitate good nutrition during pregnancy, to educate patients about self-care during pregnancy and preparation for labor, and to develop a system for early identification, consultation, and referral for specialized care when either maternal or fetal well-being is threatened.

Fulfillment of these objectives is currently limited by serious deficiencies in the existing health care system. These include inadequate preparation of doctors and midwives to identify high risk pregnancies and intervene in a timely fashion, excessive morbidity in normal deliveries suggesting the need to reexamine current delivery techniques, and limitations of central care facilities for high risk mothers and babies. Among many Russian physicians there is a strong belief that supplying hospitals with modern technological equipment will rapidly transform the quality of health care in the Russia. Pursuit of this strategy will likely be costly and ineffective. Investment in health care technology must be linked to extensive education and changes in the organization of health care delivery if the full value of the investment is to be realized.

The realization of a competitive health care system is also obstructed by much more basic issues. These include the need to raise national standards for hospital construction and governance, provide extended training programs for medical specialties and develop instruments to certify medical staff qualifications, improve nurses training, expanding their level of responsibility and developing an environment which will reward and respect their skills, consolidate high-technology medical services in central hospitals and provide them appropriate laboratory and other support facilities, and increase industrial production of pharmaceutical and disposable medical supplies. All of these issues will impinge on any effort to improve perinatal care, and need to be addressed or compensated for in any project aimed at decreasing maternal-infant mortality or morbidity.

The relative isolation of the Soviet medical community from their Western counterparts during recent decades has created a schism in medical experience and knowledge. This is especially apparent in the area of maternal-infant care, which has undergone a massive transformation in Western countries over the past 25 years. During this time, the benefits of intensive care for high-risk mothers and babies has been verified. It was found to be most effective when these services are offered in the context of regional perinatal care programs. These programs network small community hospitals with larger centers to facilitate education of physicians and patients and for triage of pregnant women and infants requiring special care. The hub of this network is the regional perinatal center which provides consultative services and high intensity medical support when there is a threat to the health of a

mother, fetus or newborn infant. Such regional programs exist in all countries with a low level of maternal and infant death.

A regional perinatal program has three components: 1) a network of patient care for pregnant women and infants, 2) education, including patients, physicians, and politicians who must prioritize health care expenditures, and 3) research, including evaluation of intervention strategies in reducing complications of pregnancy, delivery, and neonatal care. Hospitals providing various levels of care are bound by communication lines that assure rapid consultation to remote areas, early detection and referral of problem pregnancies and infants, and a transport system that assures safe and immediate transfer of sick pregnant women and infants to hospitals capable of providing the required level of care. The primary goal of the perinatal center is to create a model of exemplary care and become a catalyst for change throughout a region. We anticipate that the most significant improvement in maternal/infant morbidity will arise not from life-saving efforts in the perinatal centers but from changes in behavior of both patients and physicians throughout the region.

To prepare a neonatologist or perinatologist for certification in the United States it is normally necessary to complete eight years of university and medical education and six years of specialty training. In Russia, the same educational goals are attempted by 6 years of medical school and one year residency, with additional training offered in some regions. The crisis in maternal and infant mortality cannot wait for needed changes in basic education to evolve, and creative alternatives to traditional medical training must be developed to meet this need.

PROJECT DESCRIPTION

Organization

The project will be coordinated through Project Centers and Coordinating Councils in the USA and Russia. The US Council, composed of partnership representatives, will define specific course objectives for post-graduate training in perinatology, neonatology and primary care obstetrics. Functions of the US Project Center will be to solicit American participants, select, in consultation with the Russian Center, appropriate centers in Russia to match with American partners, and serve the Council in executing its activities. It will develop educational instruments, develop nursing school curriculum in conjunction with Russian nursing schools, assist Russian medical institutes in modernizing medical school curriculum, coordinate design of regional programs with US and Russian participants, and facilitate purchase of equipment and supplies for Russian hospitals. The Russian Council, composed of participating region representatives, will review

activities of the US Council and make recommendations to the project director and American Council. At least one representative from each participating institution will be a member of the Coordinating Council in each country.

Partnership Activities

Participating American perinatal centers will use teaching materials provided by the Project Center and recommended by the Coordinating Council in an effort to achieve common definable goals of education and medical performance. Additional educational goals, unique to the needs of each region, may also be identified and addressed. While specific methods of implementing the program will be up to individual partnerships, it is expected that a minimum of one contact per year will be achieved in Russia by a perinatologist, neonatologist, and obstetrical and neonatal nurses, and that self-directed educational devices be established. In addition to assistance in developing Perinatal Centers and training workers, American partners will be expected to work with their counterparts in Russia to examine causes of infant and maternal mortality and morbidity in their region and assist the Russian partners to develop a regional perinatal program. American centers will be expected to host at least four physicians or nurses in their institution each year. Extended experiences may be expected for Russians who develop a functional command of the English language. It is expected that educational goals established by the Coordinating Council will be realized during the four year agreement, permitting certification examinations to be given to participating Russian physicians and nurses.

Participating Russian regions will be expected to fulfill the obligations for participation (see Program Eligibility) and to develop an intensive English language program for participants so that they may receive maximal benefit from the project. With the assistance of their American Partners and the Project Center, they will construct and equip a model perinatal center, develop an expanded nursing school curriculum for perinatal nurses, participate in a postgraduate educational program for their medical and nursing staffs, and initiate a regional perinatal program for consultation and triage of high risk mothers and infants, and for education of patients and physicians. Minimal standards of care for hospitals and physicians caring for mothers and infants in the region will be defined, and educational programs will be developed to assist community hospitals and physicians in achieving them. Close cooperation between the perinatal centers, hospital administrators, health department, medical and nursing schools, and the local and regional medical communities will be essential in achieving these goals.

Program Eligibility and Selection of Participants

In order to qualify for a partnership with centers in America under this program, the following conditions must be met to the satisfaction of the Coordinating Councils and potential partner: 1) Consolidate resources, combining obstetric, neonatal, pediatric surgery services in one structure with adequate laboratory support. 2) Commitment to develop a nursing school curriculum of 3-4 years to prepare nurses for intensive care environments and regional programs. 3) Secure the commitments of leading individuals in obstetrics, neonatology, nursing and medical schools, and health departments. 4) Identify critical personnel who speak English (for training in the US). 5) Fund, construct, and equip a 5-6 bed neonatal intensive care unit and modern obstetrical unit for training neonatologists, perinatologists, and nurses. When possible, affiliations will be sought between institutions in "sister cities."

Financing

The cost for equipping training centers in regions with little existing equipment is estimated to be about \$4-500,000 for equipment, with an additional \$50,000 per year for education, travel and living expenses in the U.S. and about \$50,000 per year for supplies. Costs may be lower depending on our success in securing special rates or donations for program participants. Except for small allotments to offset administrative expenses, travel, and nurse salaries at participating centers, most services of American institutions and participants will be voluntary. Support for the Project Coordinating Center is estimated to be \$250,000/year. The promise of matching funds from the U.S. would greatly enhance funding of the project at regional levels.

Funding request: \$250,000/yr. for 5 years to support the Project Coordinating Center. \$150,000 in startup costs for equipment for each Russian training center (may not be necessary) to be matched \$350,000 by the Russian region. \$50,000 for each partnership per year for educational costs and supplies, to be matched by participating regions in Russia. Total cost for the coordinating center for 5 years is \$1,250,000. Total cost for each 4 year partnership, including equipment, travel, supplies, living expenses in the U.S. and educational costs is \$900,000, offset by \$550,000 contribution from each Russian participant. A projected appropriation for 8 programs over 7 years is attached.

PROJECT SCHEDULE

Project Duration: 5 years, extendible upon addition of new partnerships.

Year one: The administrative structure of the project will be established. Site visits from US partners will be made, evaluation of construction and equipment needs and cost for each participating region will be completed, and formal agreements between parties will be signed. English language programs will be initiated for participating Russian personnel. We will assess current skills and knowledge base of Russian participants. Educational goals will be specifically defined. Educational instruments will be developed including writing, translating texts and preparing video tapes. Nursing schools in the partnership regions will develop a 3-4 year curriculum with the assistance of American consultants. We will solicit low cost high grade equipment and supplies from US producers and assist regions in purchasing equipment. Procedures for analyzing regional perinatal problems and for evaluating the project will be completed. This will include a detailed retrospective study of infant/maternal morbidity and mortality in the region and a prospective outcome study of 2,000 sequential pregnancies (mid-trimester to 2 yrs post-partum) in each participating region. Russian partnership leaders will visit US perinatal centers to study the structure and organization of American centers. Most of the program development activities will be conducted by the coordinating center following consensus agreement with the participating partners.

Year two to five: Regional perinatal centers and educational networks will be executed as described above. It is anticipated that a competency examination will be offered to participants in the fourth year, administered through the Russian Coordinating Council. Health benefits and cost effectiveness of the program will be evaluated.

EXPECTED PROJECT RESULTS

A model training program for high risk maternal and infant care as well as models for regional perinatal care improvement will be established in each region. By completion of the program, we anticipate that both maternal and infant mortality rates, using WHO standards, could be decreased by 30% or more in the participating regions.

Secondary benefits of this project include a structural model for developing other health care programs. It can be anticipated that institutional affiliations involved in the perinatal project will facilitate links between other medical specialists and scientists. Joint clinical research projects, while not prescribed in the program design, will be encouraged. Perhaps of greatest importance, the coordination of several programs with similar educational goals will permit Russian health organizations to define certifiable standards of

care and competence for nurses and physicians in obstetrics and neonatology at both tertiary and primary care levels.

Anticipated problems: A major problem in training Russians in American hospitals is that most states forbid patient handling without a medical license. Medical students and interns trained in America are exempt from this regulation. Graduates of foreign medical schools must pass a difficult licensing examination and demonstrate English language competency. A possible solution would be for participants to become enrolled in a degree program of the regional medical school and work in US hospitals as an exchange student. This solution would also depend on the willingness of the US medical schools affiliated with the American Partners to accept participants as students. Policies of medical schools vary considerably regarding foreign students.

This is an ambitious project aimed at solving a major and socially destabilizing medical problem in Russia. Its success requires a strong commitment of all parties, and it may take considerable effort to identify US perinatal centers with sufficient human resources and commitment in both neonatal and obstetrical clinical areas. While our goal is to establish 20-30 regional perinatal programs in Russia, the availability of suitable partners in the United States may limit the ultimate number of partnerships we can develop. In this case, it might be possible to recruit partners from perinatal centers in Europe.

A potential problem is financial and political instability in Russia. While the program is motivated in part by the desire of many Americans to help stabilize Russian society, upheavals in Russia or inability to continue support of the program at either the regional or central level could negatively impact the program's success.

Current List of Interested American Participants

University of Chicago
 University of Arizona
 University of Maryland
 Memorial Regional Center for Mother and Child Care, South Bend, Indiana
 University of Minnesota (sister city Novosibirsk)
 University of Oregon (sister city Khabarovsk)
 Stanford University
 University of California, Irvine
 University of Connecticut
 Norfolk, VA (Moscow) and Oakland Children's (St. Petersburg) will
 probably participate in program development (existing affiliations)

THE RUSSIAN/AMERICAN PERINATAL PROJECT

Denouement: The Perinatal Project has the following elements of an effective technical assistance program:

1. People to people format enhances international ties.
2. It is regional rather than institutional based with substantial social penetration (both rural and urban impact).
3. It addresses a high priority and socially destabilizing health care issue.
4. It coordinates multiple programs establishing common goals and minimizing duplication of effort (a major problem in US/CIS aid).
5. It is not "hit-and-run", and addresses the need for nation-wide reform using an approach acceptable to and in part designed by the recipients.
6. It addresses structural changes in health care, educational institutions, and utilization of work force (e.g., increased stature of nursing).
7. While it establishes small "high-tech" training centers, the major thrust is to utilize the stature gained by such centers to influence major change in primary care health practices (as regional centers did in the U.S. in the 1970's).
8. It will establish a structure of health care training and delivery which will continue and grow beyond the termination of the program.
9. It has a high chance of resulting in changes in national standards of care and national examinations for certification.
10. It has a high likelihood of producing a measurable effect on maternal and infant mortality and morbidity within 2-3 years.
11. It requires on-going evaluation and modification by both provider and recipient, with continual review of effectiveness.
12. It is very visible; public education is a major component.
13. It is not a gift, but requires financial and time investment on the part of the recipient, hence commitment.
14. It involves US industry supplying equipment to training centers which will enhance long term trade relationships.
15. Partnerships with academic institutions in the United States will likely promote scientific and professional collaboration extending beyond the specific goals of the project.

Ca. 100,000 / program for 4 yrs. (25K/yr.)

THE WHITE HOUSE
WASHINGTON

February 10, 1994

Alexander Goldberg, M.D.
President
Savior's Hospital of Peace and Charity
17 Federativnii Prospekt
Moscow, Russia 111396

Dear Dr. Goldberg,

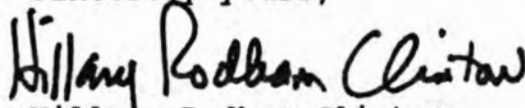
It was truly a pleasure to meet you recently in Moscow. The tour of your hospital was both a moving and informative experience for me. The roundtable discussion proved an excellent opportunity for me to learn more about the Russian healthcare system. I especially loved meeting with the children and was inspired by their courage and strength in handling their illnesses.

I am enclosing the photographs which were taken during our visit. I trust there are enough for all the people in the pictures to have one. I hope you will distribute them for me.

I hope that the partnership that your hospital has undertaken with Magee-Women's Hospital in Pittsburgh yields many benefits.

Thank you again for your hospitality. Best wishes to you and your wonderful staff in the very important work that you do.

Sincerely yours,


Hillary Rodham Clinton

Sent to State Dept 2/7/94

February 4, 1994

Nancy Sambaiew
United States Embassy
Moscow, Russia

Dear Nancy:

On behalf of Mrs. Clinton and the rest of our staff who traveled to Russia last month, I would like to thank you for the enormous effort you made to make our visit go so smoothly. Please convey to your colleagues how much we appreciated all of their hard work and careful preparation for our trip.

I am enclosing some photographs from the trip and ask that you distribute them as appropriate.

Again our thanks for your gracious hospitality. You helped to make the trip a memorable one for all of us. Best wishes in the important work that you do.

Sincerely yours,

Melanne Verveer
Deputy Chief of Staff
to the First Lady

February 10, 1994

Dr. Valentina Nikolaevna Strugach
Children's Hospital #4
Minsk, Belarus

Dear Dr. Valentina Nikolaevna,

It was truly a pleasure to meet you recently in Minsk. The tour of your hospital was both a moving and informative experience for me. I especially loved meeting with the children and was inspired by their courage and strength in handling their illnesses.

I am enclosing the photographs which were taken during our visit. I trust there are enough for all the people in the pictures to have one. I hope you will distribute them for me.

I hope that the partnership that your hospital has undertaken with Children's Hospital in Pittsburgh yields many benefits.

Thank you again for your hospitality. Best wishes to you and your wonderful staff in the very important work that you do.

Sincerely yours,

Hillary Rodham Clinton

THE WHITE HOUSE

WASHINGTON

February 10, 1994

Dear Mrs. Yeltsin,

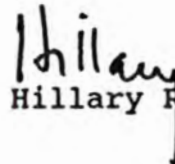
My trip to Russia last month was such a memorable and enriching one. Thank you for all that you did to make it so pleasurable.

I especially appreciated being able to visit Savior's hospital with you and to learn more about the Russian healthcare system. It was a very informative experience for me. I am proud of the partnerships that have been forged with hospitals in our country and the medical equipment we have been able to deliver.

Again my sincerest thanks for your gracious hospitality. Your cordial introduction to your wonderful country was truly unforgettable.

Best wishes in the important work that you do.

Sincerely yours,


Hillary Rodham Clinton

THE WHITE HOUSE
WASHINGTON

February 10, 1994

Alice Pickering
United States Embassy
Moscow, Russia

Dear Alice,

Thank you so much for all that you did to make my trip to Russia such a pleasurable and enriching one. Although my visit was brief, it was truly memorable.

Again my thanks for your gracious hospitality. I look forward to seeing you when you are in Washington.

Best wishes in the important work that you do.

Sincerely yours,

Hillary
Hillary Rodham Clinton

You were great!

THE WHITE HOUSE

WASHINGTON

February 14, 1994

Catherine Shumann
United States Embassy
Minsk, BELARUS

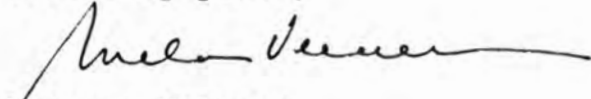
Dear Catherine:

On behalf of Mrs. Clinton and the rest of our staff who traveled to Belarus last month, I would like to thank you for the enormous effort you made to make our visit go so smoothly. Please convey to your colleagues how much we appreciated all of their hard work and preparation for our trip.

I am enclosing some photographs from the trip and ask that you distribute them as appropriate.

Again our thanks for your gracious hospitality. You helped to make the trip a memorable one for all of us. Best wishes in the important work that you do.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Melanne Verveer', with a long horizontal flourish extending to the right.

Melanne Verveer
Deputy Chief of Staff
to the First Lady

THE WHITE HOUSE
WASHINGTON

February 10, 1994

Vitaly Yudchits
State Academic Bolshoi Opera
and Ballet Theater of the
Republic of Belarus
Parizhskaya Kommuna Sq. 1
220029 Minsk, BELARUS

Dear Mr. Yudchits:

On behalf of Mrs. Clinton, I would like to thank you for the enormous effort you made to make her visit to the Minsk Ballet enjoyable. Please convey to your colleagues how much we appreciated the performance.

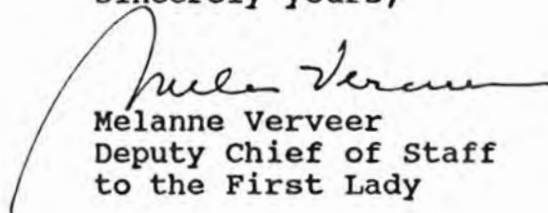
I am enclosing some photographs from our visit and ask that you distribute them as appropriate.

Again our thanks for your gracious hospitality. You helped to make the visit a truly memorable one for all of us.

Best wishes.

Благодарю вас!

Sincerely yours,


Melanne Verveer
Deputy Chief of Staff
to the First Lady

To mother

This letter has gone
out. Therefore, I
am not including a letter
with the photos.

February 1, 1994

Ms. Sharon Moore
CitiHope International
ul. Kirova 17, Room 307
220050 Minsk, Belarus

Sharon Moore
CitiHope International
P.O. Box 38
Andes, NY 13731

Dear Sharon:

I want to thank you personally for all that you did to make my trip to Minsk such an enriching one. Even more, however, I want to thank you and CitiHope for all you have done for the people of Belarus.

When I read Children of Chernobyl, I realized the full scope of your commitment and was moved by your witness. I hope you will keep me informed of your efforts. I was very moved by what I experienced at the hospital and would like to support the work you are doing.

With appreciation and warm regards, I remain

Sincerely yours,

Hillary Rodham Clinton

**THANK YOU LIST FOR
HILLARY RODHAM CLINTON AND CHELSEA CLINTON
VISIT TO MINSK**

JANUARY 15, 1994

**The following assisted in organizing Mrs. Clinton's visit to
Children's Hospital No. 4:**

✓ **Dr. Valentina Strugach
Chief Doctor**

**Dr. Yelena Kolybaeva
Deputy Chief Doctor**

**Antonina D. Mishina
Deputy Chief Doctor**

**Valeria Grigorievna Andronchik
Chief Nurse**

**Dr. Oksana A. Mogilyovchik
Acting Director, Cardio-Rheumatic Section**

**Larisa N. Poznyakoba
Chief Nurse, Cardio-Rheumatic Section**

**Valentina I. Karpushenko
Administrative Nurse**

The above are all at the following address:

**Children's Hospital No. 4
Ul. Shushkina 24
220118 Minsk, Belarus**

✓ **Oleg Nikolaevich Ivanov
First Secretary
International Scientific and Technical Cooperation Dept.
Ministry of Foreign Affairs
ul. Lenina 19
220030 Minsk, Belarus**

✓ **Vasily Stepanovich Kazakov
Minister of Health
Ul. Myasnikoba 39
220010 Minsk, Belarus**

The following participated in the discussion at the hospital with Mrs. Clinton:

Warren E. Grupe, M.D.
International Program Advisor
Department of Pediatrics
Children's Hospital of Pittsburgh
3705 Fifth Ave.
Pittsburgh, PA 15213-2583

Thomas P. Foley, Jr., MD
Professor of Pediatrics
Director, Division of Endocrinology
Children's Hospital of Pittsburgh
3705 Fifth Ave.
Pittsburgh, PA 15213-2583

Richard Towbin, MD
Radiologist in Chief
Department of Radiology
Children's Hospital of Pittsburgh
3705 Fifth Ave.
Pittsburgh, PA 15213-2583

Michael A. Augustine
Director, Environmental Services
Children's Hospital of Pittsburgh
3705 Fifth Ave.
Pittsburgh, PA 15213-2583

Patricia Schafer, RN, PhD
Director of Nursing Research and Education
Children's Hospital of Pittsburgh
3705 Fifth Ave.
Pittsburgh, PA 15213-2583

Miriam Bloom, MD
Children's Hospital of Pittsburgh
3705 Fifth Ave.
Pittsburgh, PA 15213-2583

Sharon M. Weinstein
Director
Office of International Affairs
Premier Health Alliance, Inc.
Three Westbrook Corporate Center
9th Fl.
Westchester, IL 60154

✓ Sharon Moore (Presented Mrs. Clinton with a book, Children of Chernobyl)
CitiHope International
ul. Kirova 17, room 307
220050 Minsk, Belarus

The following assisted in Mrs. Clinton's visit to the State Academic Opera and Ballet Theatre of the Republic of Belarus:

✓ Sergei Albertovich Kortez
Director
State Academic Opera and Ballet Theatre
Parizhskaya Kommuna sq., 1
220029 Minsk, Belarus

Vitaliy Yudchits
Deputy Director
State Academic Opera and Ballet Theatre
Parizhskaya Kommuna sq., 1
220029 Minsk, Belarus

} Send ballet pictures

Elena Radevich
Chief Administrator
State Academic Opera and Ballet Theatre
Parizhskaya Kommuna sq., 1
220029 Minsk, Belarus

✓ Vladimir Petrovich Rylatko
Deputy Minister of Culture
Ministry of Culture
ul. Sovetskaya 9
220010 Minsk, Belarus

The following assisted in Chelsea Clinton's visit to the Minsk Choreographical Institute (ballet school):

✓ Lyudmila Korobkina (also presented Chelsea with a tutu and ballet shoes)

Director
Minsk Choreographical Institute
ul. Pritytskogo 35
220092 Minsk, Belarus

Tatyana Grigorieva
Deputy Director
Minsk Choreographical Institute
ul. Pritytskogo 35
220092 Minsk, Belarus

Alexander Kolyadenko
Artistic Director
Minsk Choreographical Institute
ul. Pritytskogo 35
220092 Minsk, Belarus

✓ Natalya Evgeniya Yasnovskaya
Deputy Chief
Department of Protocol
Ministry of Foreign Affairs
ul. Lenina 19
220030 Minsk, Belarus

The following were of assistance in planning the overall visit:

✓ Nataliya Ivanovna Drozd
Director, Humanitarian Cooperation Dept.
Ministry of Foreign Affairs
ul. Lenina 19
220030 Minsk, Belarus

✓ Ambassador David H. Swartz
AmEmbassy-Helsinki
Box B-Minsk
APO AE 09723

W Catherine Shumann (Embassy control officer)
Vice Consul
AmEmbassy-Helsinki
APO AE 09723

} Send Minsk
photos

✓ Lusia Steshik (acted as translator and assisted advance team)
Consular Section
U.S. Embassy Minsk
ul. Starovilenskaya, 46
Minsk, Belarus

file Rumi

May 20, 1997

Memorandum for: Ms. Melanne Verveer
Chief of Staff to the First Lady

From: Ambassador Richard Morningstar
Special Advisor to the President and the
Secretary of State on U.S. Assistance to the NIS

Subject: Status Report on Foundations Initiative

Dear Melanne,

Continuing our follow up to the September 4 meeting with U.S. foundation leaders hosted by the First Lady, we have been working with foundations to promote greater public-private cooperation to increase democracy's staying power in Central and Eastern Europe and the New Independent States. Here are a few highlights to catch you up on our progress.

On December 9, USIA hosted a focused discussion of "Education in Transition in Eastern Europe and the NIS." Participants were concerned by a gap in assistance efforts in the areas of education policy and administration. In response, **the Eurasia Foundation is increasing support for programs aimed at reforming CEE and NIS educational systems from a management perspective.** Educational administration is a new specific point under Eurasia's now broadened public education program, and grant money is already beginning to flow to support initiatives such as management training for public school and university administrators, and training and consultation on market research to assist educational institutions in planning for their own fundraising. **USIA has also increased its efforts in these areas:** Russian rectors and senior administrators of institutes of higher learning are currently in the U.S. for a special Freedom Support Grant program on university administration. In addition, USIA is exploring ways to cooperate with the Salzburg Seminar in its new Universities Project on higher educational reform, which has received a five-year pledge of support from the Hewlett Foundation. USIA representatives will join a Salzburg-sponsored colloquium in July for teams of senior administrators from over a dozen Russian universities to ascertain possibilities for this project to be included among the cooperative affiliations envisioned for the Partnership for Freedom.

Another spin-off of the December 9 meeting was an **offer by the Eurasia foundation to create hyperlinks from its Web Site home page to other**

Another spin-off of the December 9 meeting was an **offer by the Eurasia foundation to create hyperlinks from its Web Site home page to other foundations as well as U.S. government agencies.** This "one stop shopping" on the information superhighway, now in place, is helping to enhance coordination of public and private sector efforts and help to highlight potential areas for cooperation.

We were disappointed that a **meeting on media issues, which was to be hosted by the Open Society Institute on December 10,** fell through because of scheduling conflicts, which also derailed an effort to get the event back on track for late February and mid-March. As an alternative to a formal meeting, **the Open Society Institute hosted an informal discussion of media concerns and potential public-private initiatives in the media sector.** Those participating in the meeting developed a proposal to create, through strengthening of an existing NGO, a new **media advocacy group** which could provide immediate assistance in legislative drafting as well as implementation of media laws to improve the free flow of information through the dispatch of "circuit riders" who are specialists in these areas.

The media advocacy group was one of several ideas put forward during general **consideration of potential new private-public cooperative mechanisms held on April 3 at the Ford Foundation's New York offices.** Major foundations, including Soros, Rockefeller Brothers, Mott, the German Marshall Fund, and MacArthur, along with representatives of the World Bank, USIA, USAID, and State participated with the aim of identifying the comparative advantages of the government and private sectors in promoting democratic transition and considering the viability of developing potential private-public sector cooperative projects for 1998.

We are still following up the initiatives put forward at the meeting, including the media advocacy group, a proposed **university consortium to provide training for NIS law students, public-private funding for the private European Humanities University in Belarus,** and possible creation of a **public-private endowment** that would provide modest support for indigenous democratic organizations in post-transition countries. We are also exploring several other ideas put forward, such as the creation of community foundations in regions selected for attention under our new Regional Investment Initiative in Russia.

In light of the recent suspension of Soros Foundation activities in Belarus, we are currently following up the April 3 discussion on Belarus with a more focused exploration of ways that the U.S. government and the Soros Foundation can actively **cooperate to ensure that democratic voices in Belarus will continue to be heard.** The crisis in Belarus presents a very real challenge to us to harness the resources and capabilities of both the public and the private sectors to support democratic activity amid a government-led campaign against it. We

have already **increased U.S. government support for free market and democracy programs in Belarus by \$1.85 million.** We will inform you of any cooperative initiatives in Belarus resulting from our current discussions with the Soros Foundation.

Finally, we have made some headway in pursuing the suggestion made on September 4 by the Sabre Foundation representative that we seek to **broaden language in the proposed "Voluntary and Material Assistance Act" to include Central and Eastern Europe and the NIS.** In a meeting early in February with Sen. Lugar's staff, we obtained agreement in principle on language that would make at least some CEE and NIS countries eligible for this assistance, assuming the availability of funding.

We are pleased with the continuing cooperation that has resulted from the First Lady's personal interest and attention to the need for more focused and collaborative private-public support for democratic transition. We will keep you posted on our efforts and their outcomes. Best regards.

Best Regards,
Did
P.S. Congratulations on your
new position. That's great!

file name

**Governor
the Sverdlovsk Oblast**

620031, City of Ekaterinburg
Oktyabrskaya Square #1
telephone: 51-13-65

To Madame Hillary Clinton

16-01-98 no. 0409-285

Esteemed Madame Clinton!

Allow me to express my sincere appreciation and gratitude for the opportunity to receive you in the city of Ekaterinburg.

It gave us great pleasure to introduce the extraordinary beauty and prosperity of the Ural Region during the visit of First Ladies of Russia and the United States to our Oblast.

Your visit became a historical occasion for the Sverdlovsk Oblast. It not only strengthened mutual understanding between the people of Russia and the US., but it also provided renewed stimulation to develop international cultural contacts of Sverdlovsk Oblast and increase its prestige.

I hope you had a very merry Christmas and a happy New Year!
I wish you and your family, health, happiness, tenderness and success!
Let us look forward to our future meetings on Ural Land!

Governor
Sverdlovsk Oblast

(signature)

Edward Rossell'



**ГУБЕРНАТОР
СВЕРДЛОВСКОЙ ОБЛАСТИ**

620031, г.Екатеринбург,
пл. Октябрьская, 1
Телефон: 51-13-65

16.01.98 г. № 0409-285

На № _____ от _____

Г-же Хиллари Клинтон

Уважаемая г-жа Клинтон!

Позвольте выразить Вам искреннюю признательность и благодарность за оказанную честь принимать Вас в городе Екатеринбурге.

Мы рады, что в ходе визита в нашу область первых леди России и США смогли познакомить Вас с удивительной по красоте и богатству Уральской землей.

Ваш визит стал большим событием в истории Свердловской области, он послужил не только укреплению взаимопонимания между народами России и США, но и придал новый импульс развитию международных культурных контактов Свердловской области, повышению ее авторитета.

Поздравляю Вас со светлыми праздниками
Рождества и Нового Года!

Желаю Вам и Вашей семье здоровья, счастья,
добра и благополучия!

Будем счастливы новым встречам на Уральской земле!

Губернатор
Свердловской области

Э.Э.Россель

Russia + NIS



U. S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JANUARY 14, 1998

MEMORANDUM FOR: Ms. Melanne Verveer
Chief of Staff
The First Lady
The White House

FROM:

Jill Buckley

I wanted to follow up on our December 17, 1997 meeting concerning the First Lady's NIS and Russia trip and subsequent public outreach activities. We are very excited about the potential of these efforts and greatly appreciate, as always, the tremendous work the First Lady has done on behalf of all foreign assistance programs.

As you know, I attended the December 17th meeting in place of Don Pressley, USAID's AA/ENI, but am delighted that I will now be actively involved in this effort. I want to make sure that my plans coincide with what you have in mind.

It is my understanding that there are currently two S/NISC groups working to follow up on the First Lady's trip. As a result of the meeting, you have asked me to chair a third, separate, interagency group to focus specifically on television and public education efforts relating to both the NIS follow up and the broader foreign assistance themes that you, the First Lady and Brian Atwood have previously discussed.

To launch our effort I plan to convene an interagency working group meeting in the next ten days to include representatives from: The Office of the First Lady; USAID, both LPA and ENI; State, both Public Affairs and S/NISC; NSC; VOA; and USIA.

Subsequently, I would hope to convene a broader group to include a few interested, friendly experts from the media (eg. Julia Moffett), the public affairs and television production community, and perhaps the survey research world (eg. Pew and/or University of Maryland). Not only would this be useful in order to tap expertise, but if we decide to be very ambitious and try to do a full-scale television public education campaign, the outside support and resources would be invaluable. The recent polls by the Pew Charitable Trust and the University of Maryland, both focused on American attitudes toward foreign assistance, can serve as a basis on which to form a constructive strategy for effective short- and long-term campaigns.

Clearly the use of television to help educate the American public about the importance of foreign assistance programs will require a concerted and sustained effort involving both the US

government and amenable partners in the public and private sectors. I think we can accomplish a great deal, but we also need to be realistic about the challenge of changing public perceptions about foreign aid.

The public's view of foreign affairs, much less foreign aid, are quite different from those directed toward the Post Office, for example. The Post Office spends millions of dollars each year on paid advertising, and they deal in a service that affects the lives of Americans every day. Nonetheless, I am convinced that there are talent and resources out there to help us -- if we come up with compelling ideas and a plan to engage friendly supporters.

Our national public education and outreach campaign might include a combination of the following elements:

- PSAs
- Commercials
- Radio
- Public Television
- Documentary films
- Print ads
- Op Eds
- Internet activities

All have pros and cons unique to their media, and what approach we take in this regard would also be highly dependent on our ability to leverage public resources and financing. We should determine whether we want to reach the broad general public or a tightly targeted audience. We might, for example, also do a PSA directed toward children, and take advantage of the new FCC Children's Programming Regulations to do TV spots for children on PBS and the major networks.

The First Lady's trip follow-up can put a "human face" on our story and get our messages out -- and from there we can launch our broader public education campaign. Our overall messages, for all audiences, should focus on the following themes:

- Foreign aid is effective, costs less than most imagine, and gets impressive results;
- Foreign aid is in Americas' best interest -- an investment in a safer, healthier, more prosperous world -- not international welfare;
- Foreign aid helps people help themselves -- we save children's lives, we fight disease, starvation and poverty.

On all of these issues we are eager to work closely with you to ensure that the direction and scope of our efforts is commensurate with what the First Lady hopes to achieve. We are, of course, flexible on the composition and organization of the interagency working group.

I realize these are very ambitious goals, but we think they are achievable. Brian and I are very pleased that you have asked USAID to think about this effort.

On a separate topic -- I just want to take a moment to let you know that I was concerned about the discussion on the Women's Lessons Without Borders scheduled for Augusta, Maine, this

spring. The rationale for this location was that an existing regional conference was scheduled on which we could piggy-back. Obviously, we were aware that Augusta is not an ideal media market, but, since we operate with virtually no budget except that which we can find from outside sources and my bureau, and with no dedicated staff, we often try to find ways to take advantage of others' efforts. Hopefully, in the not-to-distant-future, we can remedy this situation and have more flexibility.

Again, thank you for interest and help. We are very excited about the opportunity to work on the television and public education campaign, and involve the First Lady in as much of USAID as possible. I will call you in a day or so to make sure that we're headed in the right direction.

for Russia

February 10, 1994

Dear Mrs. Yeltsin,

My trip to Russia last month was such a memorable and enriching one. Thank you for all that you did to make it so pleasurable.

I especially appreciated being able to visit Savior's hospital with you and to learn more about the Russian healthcare system. It was a very informative experience for me. I am proud of the partnerships that have been forged with hospitals in our country and the medical equipment we have been able to deliver.

Again my sincerest thanks for your gracious hospitality. Your cordial introduction to your wonderful country was truly unforgettable.

Best wishes in the important work that you do.

Sincerely yours,

Hillary Rodham Clinton

February 10, 1994

Alice Pickering
United States Embassy
Moscow, Russia

Dear Alice,

Thank you so much for all that you did to make my trip to Russia such a pleasurable and enriching one. Although my visit was brief, it was truly memorable.

Again my thanks for your gracious hospitality. I look forward to seeing you when you are in Washington.

Best wishes in the important work that you do.

Sincerely yours,

Hillary Rodham Clinton

February 10, 1994

Vitaly Yudchits
State Academic Bolshoi Opera
and Ballet Theater of the
Republic of Belarus
Parizhskaya Kommuna Sq. 1
220029 Minsk, BELARUS

Dear Mr. Yudchits:

On behalf of Mrs. Clinton, I would like to thank you for the enormous effort you made to make her visit to the Minsk Ballet enjoyable. Please convey to your colleagues how much we appreciated the performance.

I am enclosing some photographs from our visit and ask that you distribute them as appropriate.

Again our thanks for your gracious hospitality. You helped to make the visit a truly memorable one for all of us.

Best wishes.

Sincerely yours,

Melanne Verveer
Deputy Chief of Staff
to the First Lady

February 14, 1994

Catherine Schumann
United States Embassy
Minsk, BELARUS

Dear Catherine:

On behalf of Mrs. Clinton and the rest of our staff who traveled to Belarus last month, I would like to thank you for the enormous effort you made to make our visit go so smoothly. Please convey to your colleagues how much we appreciated all of their hard work and preparation for our trip.

I am enclosing some photographs from the trip and ask that you distribute them as appropriate.

Again our thanks for your gracious hospitality. You helped to make the trip a memorable one for all of us. Best wishes in the important work that you do.

Sincerely yours,

Melanne Verveer
Deputy Chief of Staff
to the First Lady

February 10, 1994

Dr. Valentina Nikolaevna Strugach
Children's Hospital #4
Minsk, Belarus

Dear Dr. Valentina Nikolaevna,

It was truly a pleasure to meet you recently in Minsk. The tour of your hospital was both a moving and informative experience for me. I especially loved meeting with the children and was inspired by their courage and strength in handling their illnesses.

I am enclosing the photographs which were taken during our visit. I trust there are enough for all the people in the pictures to have one. I hope you will distribute them for me.

I hope that the partnership that your hospital has undertaken with Children's Hospital in Pittsburgh yields many benefits.

Thank you again for your hospitality. Best wishes to you and your wonderful staff in the very important work that you do.

Sincerely yours,

Hillary Rodham Clinton

Norwegian
Prime Minister

March 2, 1994

Dear Madam Prime Minister,

Thank you for your warm hospitality during my trip to Norway for the Opening Ceremony to the Winter Olympics. Breakfast with you at the picturesque Maihaugen Folk Museum was the perfect beginning to a very special visit to your beautiful country. I so enjoyed our discussion.

I wanted you to have these photographs as a reminder to our meeting. We look forward to welcoming you to Washington in May.

With best personal wishes,

Hillary Rodham Clinton

*Ambassador
Loftus*

March 2, 1994

Dear Tom,

I wanted to express my thanks to you and the Embassy staff for making our visit to Norway so very special.

We are grateful for the long hours and tireless efforts that went into arranging our visit. The result was a very memorable trip for all of the Delegation. Thank you too for the insights on Norwegian life and culture that you and Barbara provided us.

Please convey our thanks for a job well done to all the members of your staff. I am enclosing some photographs from our trip and ask that you distribute them to all who helped.

With best personal wishes,

Hillary Rodham Clinton

King & Queen
of Norway

March 3, 1994

Your Majesties:

It was a great pleasure to meet you on my recent trip to Norway. The opportunity to attend the Opening Ceremony of the Winter Olympic Games was truly unforgettable. I certainly enjoyed experiencing the rich culture, beauty and warm hospitality of your wonderful country.

With best personal wishes,

Hillary Rodham Clinton

Samaranch -
Pres of
Oly. Comm.

March 8, 1994

Your Excellency:

It was a great pleasure to meet with you in Lillehammer. I enjoyed our conversation.

The opportunity to attend the Olympic Winter Games was a very special one for me. The Opening Ceremony was truly unforgettable. The International Olympic Committee's leadership and organization of the Games was outstanding. You certainly deserve all the praise you have received for the Committee's fine work.

With best personal wishes,

Hillary Rodham Clinton

file name

THE WHITE HOUSE

WASHINGTON

June 1, 1999

Warm greetings to everyone gathered at George Washington University for the groundbreaking ceremony for the statue of Alexander Pushkin. I am delighted to join you in celebrating the 200th anniversary of this renowned writer's birth.

This statue will serve as a fitting reminder of Alexander Pushkin's impact on our culture as one of the world's great poets and writers. Read, studied, and appreciated around the globe, his work captures the strength of the human spirit and conveys with unique passion and insight the character of the Russian people. Undiminished by the passage of time, the power of his writing still "fires the hearts" of readers, and his questions, perceptions, and dreams resonate today as vividly as they did in Pushkin's own lifetime.

I commend the American-Russian Cultural Cooperation Foundation and the Moscow Academy of Art for your dedicated efforts to honor Alexander Pushkin for his remarkable contributions to world literature. In memorializing him, you are not only preserving his legacy for future generations to appreciate, but you are also helping to maintain the strong ties of friendship that link the people of the United States and Russia.

Hillary joins me in sending our best wishes for a wonderful ceremony.

Bill Clinton



THE LIBRARIAN OF CONGRESS

file Russia

March 24, 1998

Dear Melanne:

Thank you very much for sending me the First Lady's Report on Travel to Central Asia, Russia, and Ukraine. I will read this with keen interest, all the more so, since I was not able to attend the First Lady's briefing at the Department of State last February. My assistant for Russian affairs did attend, and reported that the First Lady's presentation was exceptionally thoughtful and perceptive. I was sorry to miss it, and I am thus specially grateful to have the written report.

With my appreciation and warmest regards,

Sincerely,

A handwritten signature in dark ink, appearing to be "J. Billington".

James H. Billington
The Librarian of Congress

Ms. Melanne Verveer
Assistant to the President and
Chief of Staff to the First Lady
The White House
Washington

*I am just back from Russia
& this made very interesting
reading. I hope we can
talk soon about a number
of pressing matters.*



Москва-Макдоналдс
Moscow-McDonald's

Российская Федерация
121002, г. Москва
ул. Вахтангова, 15
строение 2
Телефон: (7095) 241-4111
Телефакс: (7095) 241-4200
Телекс: (64) 414880

file lunch
ul. Vakh tangova, 15
stroenie 2
121002 Moscow
Russian Federation
Telephone: (7095) 241-4111
Telefax: (7095) 241-4200
Telex: (64) 414880

MARC A. WINER
GENERAL DIRECTOR

Ms Melanne Verveer
Office of the First Lady
The White House
Washington, D.C.
USA

29 February 1996

Dear Melanne:

Together with this letter you will find a letter to Mrs. Clinton, and I would be grateful for your passing it on to her at the first opportunity.

Melanne, I thank you very much for the coordination efforts and the very quick responses that you provided last month to our request to Mrs. Clinton. The opening of the Ronald McDonald Center in Moscow and the start-up of the charity fund Ronald McDonald Children's Charities of Russia were very important events, and as you can see from the attached, the reading of Mrs. Clinton's letter provided a great moment.

In the course of communicating with you, I had the occasion to speak also with Karen Fahle, Madge Henning and Muriel Alper. Would you please be so kind to share this letter with them so that they will know how much their assistance and courtesy were appreciated.

Melanne, if you are ever planning a visit to Moscow or St. Petersburg, please let me know. I would be glad to help make your trip as enjoyable as possible.

With kind regards,

Sincerely,

Marc Winer

file Russia

CHERNIKOFF & COMPANY

1320 18TH STREET, N.W.

SUITE 100

WASHINGTON, D.C. 20036

(202) 223-9280

FAX (202) 223-6608

March 25, 1996

Ms. Melanne Verveer
Deputy Chief of Staff to the First Lady
Room 100
Old Executive Office Building
17th & Pennsylvania Avenue N.W.
Washington, D.C. 20500

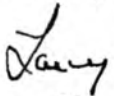
Dear Melanne:

Thank you so much for meeting with us and members of the Russian cultural delegation last week. They were most impressed that you took so much time with them and showed so much interest in their project to celebrate the history of America-Russian friendship. (Not to mention how pleased they were to discover that you speak Russian!)

We will continue to keep you informed as our plans develop in greater detail and we hope that members of the Administration can participate in many of the events connected with this most exciting project.

Many thanks again for all your help.....it was so good to see you again.

Sincerely,



Larry Chernikoff

file memo

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

February 28, 2000

Dear Melanne:

Just a note of appreciation for all your kind support over the years. I am so pleased that my path from Treasury, which you helped set in motion, has led me to the NSC, even closer to your neighborhood.

Thanks again for inviting me to the "Vital Voices" event, which was most inspiring and impressive.

With best regards from a fellow Hoya.

Sincerely,

he

Mark C. Medish
Special Assistant to the
President and Senior
Director for Russian,
Ukrainian, and Eurasian
Affairs

Ms. Melanne Verveer
Chief of Staff to the First Lady
Office of the First Lady