

# Civil Society in Ukraine after USAID cuts: back to the roots?

Stories, narratives and attitudes captured during the Open Space Meeting (Kyiv, March 21, 2025) with Ukrainian civil society representatives after US foreign aid cuts

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### EXECUTIVE SUMMARY

The legacy of USAID in Ukraine is complex. Over three decades, the agency significantly contributed to democratic development, decentralization reform, and civil society professionalization. However, it also created unintended dependency structures and imposed bureaucratic and strategic models that often prioritized form over local relevance. The exit revealed and highlighted these tensions starkly.

Civil society actors now face a dual challenge: preserving hard-won institutional and democratic gains, while developing new, locally-rooted models of sustainability. Participants of the March 2025 Open Space discussions — representing a broad cross-section of Ukraine’s civic sector — highlighted a need not only for continued international support, but for a fundamental rethinking of how such support is structured and delivered.

The shift should emphasize transparency, mutual accountability, flexibility, and long-term partnerships that genuinely empower local actors — not simply channel funds through intermediary systems. This transition is not just technical — it is psychological and cultural. Civil society must rebuild trust with international donors, expand civic education and leadership development, and ensure that democracy remains a lived practice at the local level.





# INTRODUCTION

### Background

Starting from 24th of January 2025 NGOs and governmental bodies operating USAID-funded projects worldwide started receiving stop-work orders. Ukraine has been among the top recipients of US foreign assistance since 2022, with overall support for the country's humanitarian, development, and government sectors (excluding military assistance) reaching more than USD 38 billion [1]. The destabilizing effects are being felt across all segments of the sector, from national/international NGOs to municipal partners, independent media, and vulnerable community groups that relied on the U.S.-funded services.

On March 21, 2025, an Open Space titled **"USAID has gone, but we stayed here: challenges and opportunities for civil society in Ukraine"** was convened in Kyiv. The event brought together 29 representatives from local grassroots initiatives, civil society organizations, international NGOs, and independent experts to reflect on the implications of USAID's exit and explore adaptive strategies. Participants discussed the immediate impacts on their organizations, shared experiences of resilience, and collaboratively identified new approaches for sustaining civil society work in Ukraine.

This report captures key insights and narratives from that gathering, supplemented by data from a rapid assessment conducted in February 2025. It offers a snapshot of attitudes and reflections from Ukrainian civil society representatives during this transition period, highlighting both challenges they face and opportunities they identify. The report also examines structural and cultural shifts occurring within the sector and presents recommendations for civil society organizations, remaining donors, and international partners.

### Purpose

This report aims to provide international donors and partners with a nuanced understanding of how Ukrainian civil society is experiencing and responding to USAID's departure, insights into the evolving landscape of civil society support, and guidance on how external actors can effectively support Ukraine's civil society during this transition period.

### Limitations

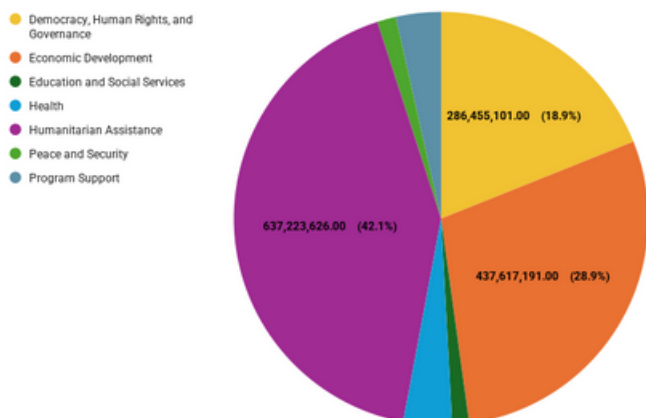
This report reflects the perspectives captured at a specific moment (late March 2025) in an evolving situation and may not represent the entire civil society sector in Ukraine. The qualitative insights gathered from a limited number of participants are inherently subjective and contextual, offering a window into diverse organizational experiences rather than a comprehensive assessment. As the full implications of USAID's exit are still unfolding, long-term impact assessments remain preliminary, and participants' views may be influenced by immediate concerns that could overshadow longer-term structural considerations.

As the conducted Open Space was limited to one day, some discussions remained at the level of surface observations and became primarily a space for sharing immediate concerns with peers facing similar challenges, rather than developing deep analysis or concrete plans for new approaches. Nevertheless, several valuable insights emerged from these conversations that could inform future strategies for Ukrainian civil society.

[1] ACAPS Analysis Hub (2025) [Implications of the US foreign aid cuts on humanitarian, development, and government-led programmes](#)

## Civil Society in Ukraine after USAID cuts: back to the roots?

2024 Budget allocation of USAID activities in Ukraine, USD  
Excluding direct macroeconomic assistance (Data source: U.S. Department of State)



The termination of U.S. funding resulted in widespread disruption across humanitarian, development, and governance sectors, creating significant programming gaps and capacity losses due to reduced staff and partially closed operations. The termination of U.S. support in such a short timeframe has disrupted not only the implementation of existing programs but also the operational planning cycles of hundreds of Ukrainian institutions. The abrupt withdrawal contrasts with typical donor transitions, which involve multi-year drawdowns and stakeholder consultations.

The sudden suspension of USAID funding created significant challenges for Ukrainian civil society organizations that had relied on this support for their operations and programming. A rapid assessment conducted in February 2025 revealed the immediate impact: 25% of surveyed organizations were forced to reduce staff, 19% placed employees on unpaid leave, and 12% completely closed certain programs.

While 75% of organizations reported actively seeking alternative funding sources, only 1% had successfully secured new support at the time of the survey.

The assessment also captured diverse perspectives on the situation — 34% of respondents viewed it as catastrophic for the civil society sector, while 51% saw opportunities for adaptation despite significant difficulties.

The suspension of USAID funding in early 2025 has had a profound and disruptive impact on Ukraine's civic infrastructure and democratic reform agenda. Broader programmatic consequences include the termination or suspension of major democracy and governance initiatives such as the DOBRE program —supporting over 100 territorial communities with strategic planning, service delivery, and citizen engagement—and the HOVERLA project, which provided critical assistance to decentralization reform and capacity building of local governments.

The resulting gap not only undermines civil society's ability to deliver essential services and support democratic accountability, but also threatens years of progress in local governance reform and community-level participation built through sustained U.S. support.

While some organizations are exploring alternative funding strategies, the sector remains deeply vulnerable. In addition to financial strain, the loss of program continuity and long-term partnerships poses a significant setback for institutional growth, democratic consolidation, and civic resilience in Ukraine.

[4] OSWU (2025) [The impact of the suspension of USAID funding on Ukrainian CSOs](#)

[5] Портал «Децентралізація» (2022) Donors. Available at: <https://decentralization.ua/donors> (Accessed: 12 April 2025).

# USAID'S ROLE IN CONTRIBUTING TO THE DEVELOPMENT OF UKRAINIAN CIVIL SOCIETY

Since 2022, Ukraine has been one of the largest recipients of U.S. foreign assistance globally. Between 2022 and early 2025, total U.S. support for Ukraine's humanitarian, development, and governance sectors (excluding military assistance) reached [3]:

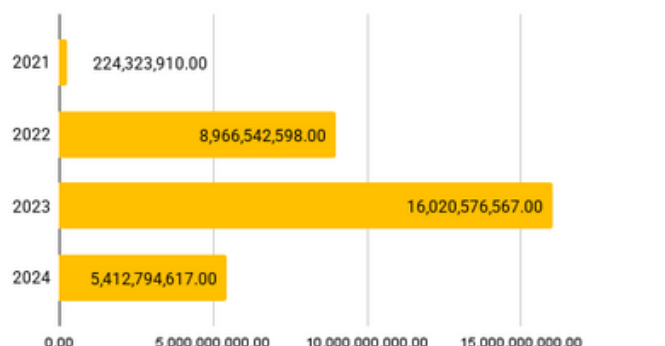
- over USD 30 billion in direct budget support to the Ukrainian government to sustain essential public services in the wake of Russia's full-scale invasion;
- more than USD 5 billion in development funding, invested in democracy, governance, economic recovery, infrastructure, and health;
- approximately USD 3 billion in humanitarian aid, covering an estimated 30% of the total humanitarian response costs between 2022 and 2024.

The majority of this support was implemented through USAID, which has operated in Ukraine since 1992. Following Russia's invasion into Ukraine in 2014, funding increased to \$131 million in 2015, with modest growth continuing in subsequent years.

After the full-scale invasion in 2022, assistance rose dramatically to \$9 billion, peaked at \$16 billion in 2023, and stood at \$5.4 billion in 2024.

USAID-managed international assistance to Ukraine (2014-2024), USD

(Data source: U.S. Department of State)



During 2024, USAID was implementing programs in Ukraine, covering five thematic areas with USD 5.412 billion of disbursed funds: democracy, human rights and governance; economic development; critical infrastructure; healthcare; and transition and humanitarian assistance.

Out of this amount, USD 3.899 billion were direct budgetary macroeconomic assistance - a grant that was transferred to the state budget on non-refundable terms to finance non-military expenditures.

The remaining funds were dedicated to humanitarian assistance (42.1%), economic development (28.9%) and democracy, human rights and governance (18.9%). Within the latter category, civil society sector programs received USD 31.019 million in 2024.

[3] U.S. Department of State (2025) U.S. Foreign Assistance By Country: Ukraine 2024 Disbursements. Available at: <https://foreignassistance.gov/cd/ukraine/2024/disbursements/1> (Accessed: 12 April 2025).

# THE MIXED LEGACY OF USAID IN UKRAINE: CIVIL SOCIETY PERSPECTIVE

The departure of USAID presents both challenges and opportunities for Ukrainian civil society. The Open Space discussions reveal a complex legacy – one that includes valuable institutional development and reform support alongside problematic dependency relationships and transparency issues. While the funding gap creates immediate difficulties, it also creates space for more locally-driven, sustainable approaches that may better serve Ukrainian communities in the long term.

On one hand, the agency's programs helped foster critical democratic reforms (particularly decentralization and anti-corruption efforts), develop civil society capacity, create networks of trained specialists, and implement modern methodologies. USAID funding supported areas like humanitarian assistance, governance and human rights, education, and economic development while introducing important standards of reporting and accountability. Additionally, USAID programs contributed to energy sustainability, civil society training and seed support at the community level, leaving some lasting impact on societal attitudes even as funding ends.

On the other hand, many projects were implemented with opaque management practices, weak accountability to local communities, and artificial pressure on government bodies. The disconnect between transparency demands and actual practice was frequently highlighted during discussions. The lavish conferences held at expensive hotels became symbols of an unsustainable approach that tended to prioritize appearance over substance. Participants contrasted this with European approaches, which while less flashy, often fostered more organic, locally-owned development processes. As admitted by the international organization representative:

**"THIS FORCE CAN BE A BIT OF A TROJAN HORSE - TO GET YOU HOOKED ON THIS DEPENDENCY NEEDLE, AND THEN IT DISAPPEARS."**

Overall, the sector appears to be finding resilience in this transition, with many representatives expressing a cautious optimism about the opportunity to build more indigenous models of civil society development. As one participant summarized it:

**"LOSSES ON THE ONE HAND, OPPORTUNITIES ON THE OTHER."**

### KNOWLEDGE SHARING AND DEMOCRATIC REFORMATION SUPPORT

Ukraine's decentralization reform was acknowledged as USAID's most significant institutional impact, widely considered one of the country's most successful post-Maidan transformations. As one participant explained:

**"FOR ME, THE GOOD LEGACY SEEMS TO BE DEVELOPING INSTITUTIONS IN UKRAINE, CONDUCTING REFORMS, PARTICULARLY DECENTRALIZATION, WHICH APPEARS TO BE AMONG THE MOST SUCCESSFUL IN THE WORLD AND EUROPE. ESSENTIALLY, ALL THOSE LEADING ACTIVISTS WHO PROMOTED IT WERE, ONE WAY OR ANOTHER, ON THE PAYROLL OF SOME ORGANIZATION FINANCED BY USAID."**

The timing of this support was particularly crucial, as the participant noted:

**"TO LAUNCH THIS REFORM STORY, USAID SEEMS TO ME TO HAVE BEEN VERY IMPORTANT. AND PROBABLY IT ALSO LEFT IN ITS LEGACY THE ANTI-CORRUPTION REFORM, LIKE IN SUPPORTING ADVOCACY, ALSO IN LEADING CENTERS OF ANTI-CORRUPTION AND SO ON."**

USAID's capacity building extended beyond specific reforms to the professionalization of Ukraine's civil society sector. The agency introduced important organizational standards and practices that transformed operations. As one participant observed:

**"USAID POSSIBLY POSITIVELY CONTRIBUTED TO THE FORMATION OF A CULTURE OF REPORTING IN THE UKRAINIAN CIVIL SOCIETY SECTOR, IN THE PUBLIC SECTOR. THAT IS, IT BECAME ABNORMAL TO HIRE SOMEONE WITHOUT A CONTRACT."**

Individual professional development opportunities also left lasting positive impacts. One participant shared a formative experience of the UCAN programme:

**"WHAT WAS COOL? THEY INVITED ADEQUATE TRAINERS ON THIS TOPIC, FOR EXAMPLE, A MARKETING MAN WHO EARNED HIS MILLION WITH HIS HEAD.. AND FOR ME THIS WAS A GOOD STORY – SUCH PEOPLE COULD COME HERE, SHARE THEIR EXPERIENCE, AND IN PRINCIPLE THAT'S COOL."**

### INSTITUTION BUILDING WITH DEPENDENCY PITFALLS

While USAID effectively supported institution building for more transparent governance, it failed to address some fundamental sustainability concerns. As one small community secretary from northern Ukraine candidly acknowledged:

**"WE ARE DEEPLY CONVINCED THAT NO COMMUNITY IN UKRAINE OF A SIMILAR SCALE AS [OURS] IS INDEPENDENTLY ABLE TO FULLY PERFORM THE FUNCTIONS OF LOCAL SELF-GOVERNMENT WITHOUT INVOLVING EXTERNAL EXPERTS."**

This dependency dynamic manifested most vividly in USAID's participatory governance initiatives. One participant described how the DOBRE program operated:

**"FOR MANY YEARS THIS PROGRAMME INVESTED ENORMOUS AMOUNTS OF MONEY FOR A LOCAL ORGANIZATION TO PROMOTE PARTICIPATION IN CERTAIN SELECTED COMMUNITIES: LOCAL PARTICIPATORY BUDGETING, ONLINE PETITIONS, HEARINGS, AND SO ON. THIS ORGANIZATION DID THIS WORK, THERE WERE MEETINGS, EVERYONE NODDED THEIR HEADS, DRANK COFFEE, DID SOMETHING, SOME LOCAL FORUMS - WHAT WILL HAPPEN WITH THIS NOW?"**

Similar concerns were raised about inclusivity, gender equality and minority rights—while creating important protections for vulnerable populations — were often perceived as externally imposed requirements rather than internally embraced values.

The fundamental dilemma raised in these discussions was whether externally-promoted democratic values and practices can truly take root without internal demand. While participants valued these initiatives, particularly for how they benefited marginalized populations, they expressed realistic concern that many communities will revert to pre-intervention governance models without external accountability and resources. As one participant noted, without continued pressure,

**"THESE PRACTICES COULD DIE BECAUSE PEOPLE BY THEMSELVES WON'T BE SO PROACTIVE."**



### HIGH REQUIREMENTS, WHILE ACCOUNTABILITY DEFICIT

A significant critique emphasized during the Open Space discussions was the accountability asymmetry between USAID implementing partners and Ukrainian organizations.

The contradictions were evident also in project implementation – while Ukrainian organizations were required to maintain strict reporting standards (with a particular tendency of sometimes reporting prevailing performance), USAID implementing partners themselves operated with limited public oversight.

One of the participants shared how they could not access information about program budgets or evaluation criteria despite being stakeholders in these interventions:

**"THESE PROJECTS THEMSELVES WERE NON-TRANSPARENT, UNCLEAR, OFTEN NO WEBSITES, NOTHING. THEY DEMANDED TRANSPARENCY AND ACCOUNTABILITY AND DID NOT DEMONSTRATE THIS IN THEIR OWN EXAMPLE."**

The bureaucratic burden had particularly severe impacts on smaller local organizations. As one participant explained from their research:

**"WE CONDUCTED A STUDY ABOUT WOMEN'S INITIATIVES AND ORGANIZATIONS IN COMMUNITIES THAT HELP PEOPLE AFFECTED BY THE WAR, AND WE SAW THAT SUCH LOCAL ORGANIZATIONS AND INITIATIVES CONSCIOUSLY DON'T WANT TO WORK WITH DONORS AND DONOR ORGANIZATIONS AND PROJECTS. BECAUSE OF THE BUREAUCRATIC PRESSURE, REQUIREMENTS, THIS ADMINISTRATIVE COMPONENT IS TOO HIGH FOR THEM [...]:"**

**"WE GET VERY WORN OUT IN THIS CYCLE, RUNNING AROUND, ENDLESS APPLICATION SUBMISSION, REPORTING, AND THE MONEY IS NOT SO SUBSTANTIAL TO COMPLETELY EXHAUST THE TEAM FOR IT."**

### REBUILDING LOCAL CAPACITY AFTER USAID

Another structural feature of the USAID era was the creation of a market for experts — a system in which professionals often worked across multiple organizations as consultants, trainers, and facilitators. For many, this was more financially attractive than remaining within a single NGO or building up their own initiative. With USAID's withdrawal, this expert market is now collapsing.

In this context, former consultants and facilitators may now try to return to their "base" organizations. Though this transition is painful, participants noted it could ultimately strengthen local NGOs by reintroducing valuable skills and experience.

Despite this, the wider landscape remains difficult. The Open Space Works Ukraine survey conducted in February 2025 revealed that:

- 34% of Ukrainian CSOs viewed USAID's departure as "extremely negative" with the potential for "mass closure of organizations";
- 75% of organizations are actively seeking alternative funding;
- Only 1% have successfully secured it.

These figures reflect the structural dependency that USAID inadvertently created in parts of the civil society sector. Many organizations are now confronted with the need to redevelop approaches to strategic fundraising and project management.

Organizations that had expanded significantly during the USAID era are now scaling down to their original size and focus. This downsizing, while challenging, was viewed by some participants as potentially beneficial:

**"MANY THINGS THAT DIDN'T WORK WILL DIE OFF. THESE EXCESSES WILL REMAIN. THE CORE OF WHAT IS ABSOLUTELY NECESSARY."**

[6] OSWU (2025) [The impact of the suspension of USAID funding on Ukrainian CSOs](#)

The topic of fundraising emerged repeatedly throughout the event, approached from various perspectives. Participants emphasized the growing motivation among organizations to diversify their funding sources and reduce dependency on single donors. This transition was seen not only as a financial necessity but also as a strategic opportunity to reconnect with their core missions and shifting away from donor-driven agendas toward programming that reflects local priorities and values.

While the sector remains financially fragile, participants emphasized that it continues to be driven by values, not money. Many professionals are choosing to stay active despite the loss of stable income — pointing to a deeper commitment to democratic development and community needs.

### ERODED TRUST

Beyond financial and operational disruptions, one of the most profound effects of USAID's sudden withdrawal has been the erosion of trust between international donors and local communities. Participants reflected not only on the technical consequences of interrupted programs, but on the emotional and strategic cost of broken expectations.

One of the participants pointed out the lasting damage caused when programs are abandoned midstream — particularly in moments of acute vulnerability:

**“TWO VILLAGES IN THE MYKOLAIV REGION WERE LEFT WITHOUT ELECTRICITY IN THE MIDDLE OF WINTER BECAUSE EVERYTHING STOPPED. THERE WERE FUNDS FOR INFRASTRUCTURE RESTORATION, BUT IT ALL COLLAPSED. IT WAS WINTER — EVERYTHING FROZE.”**

In such cases, the absence of continuity in programs supporting economic recovery or agricultural development undermined local confidence. The frustration was not only about halted services, but about the sense of abandonment in moments when communities needed reliability most.

This fragmentation of accountability, combined with the USAID abrupt exit, weakens the credibility of all international actors, not just those directly involved in discontinued projects. Participants acknowledged that rebuilding trust will require more than messaging. An international organization representative put it plainly:

**“FOR US WHO WORK WITH OTHER PROJECTS, IT WILL BE MUCH MORE DIFFICULT TO RESTORE THIS TRUST.”**

Adding to the confusion is the lack of clarity in the donor ecosystem itself. Many community members are unsure who is responsible for which initiative, or whose funds are being used:

**“FEW PEOPLE UNDERSTAND WHAT IT IS, WHOSE MONEY IT IS, WHOSE PROJECT IT IS—WHETHER IT'S BRITISH OR AMERICAN.”**

It could take long-term, consistent presence, as well as a shift in how partnerships are formed and communicated. Local actors will need clear commitments, transparent planning, and evidence that lessons have been learned from past exits.

**In light of these challenges, the path forward for Ukrainian civil society lies in preserving the institutional gains of the past while embracing more sustainable, locally-driven approaches that avoid the dependency and opacity that characterized many USAID-funded initiatives.**

**The sector must find ways to institutionalize valuable democratic practices and accountability mechanisms without relying on external pressure or funding that can disappear unexpectedly.**

# CIVIL SOCIETY SECTOR PLANS FOR THE FUTURE: BETWEEN GRASSROOTS RESILIENCE AND STRATEGIC VULNERABILITY

A recurring theme across open space discussions was the uneven impact of USAID's withdrawal on different segments of Ukrainian civil society. Participants drew a clear line between smaller, community-based initiatives that have shown relative resilience, and larger, more professionalized organizations that are experiencing significant operational uncertainty.

This divide is not merely financial—it reflects deeper differences in how influence is exercised, how sustainability is defined, and how civic engagement is rooted in local versus national contexts.

### LOCAL CIVIC SOCIETY ORGANIZATIONS ARE ENDURING YET UNDERSUPPORTED

One Open Space discussion group specifically addressed the challenge of maintaining democratic practices in Ukraine despite diminishing resources for civil society organizations. Local civil society organizations, though often more resilient than national-level CSOs, are not self-sustaining by default.

Their ability to continue working in challenging conditions is grounded in community trust, volunteerism, and deep local ties — not in surplus resources or institutional backing. But resilience should not be mistaken for invulnerability. Without ongoing support, these actors risk stagnation, burnout, and eventual disengagement.

Many grassroots initiatives, especially in smaller towns and rural areas, operate without formal status, strategic plans, or long-term funding. They rely on volunteer leadership and focus on concrete, tangible outcomes: organizing neighborhood cleanups, maintaining local infrastructure, or running inclusive community events. Despite the absence of structured funding, their work continues to be impactful and visible.

**“IT’S OKAY THAT [USAID SUPPORT] CAME TO US, BUT WE WON’T SUFFER FROM ITS DEPARTURE. BECAUSE WE MANAGED BEFORE, WE MANAGE ON OUR OWN. IT WAS JUST AN ADDITIONAL BOOST.” – A PARTICIPANT FROM A SMALL CITY IN THE EAST OF UKRAINE.**

This embeddedness has allowed them to weather external shocks more effectively than many larger CSOs. Yet participants emphasized that growth, innovation, and even continuity remain dependent on some degree of external investment. Many local CSOs had previously relied on USAID-initiated modest regranteeing mechanisms (typically \$500–\$1,000 per project) which allowed them to initiate local campaigns, provide basic services, and engage residents in civic life. These funds also acted as training grounds, enabling volunteers to gain experience in project management and leadership or expand their activities beyond their own community and participate in national conversations.

With the disappearance of these small-scale funding channels, local activism risks declining. The remaining options—such as large EU grants—require administrative capacity, reporting systems, and staff time that most volunteer-run organizations simply do not have. Meanwhile, municipal budgets are overstretched with the need of military support expenditures, and what little is available is often distributed without transparency or fairness as local governments may see CSO leaders as political competitors, not partners.

At the same time, larger national scale or regional organizations, which are important to maintain systemic reforms in governance, human rights, and electoral integrity, is another actor hardly bitten by USAID's departure, facing staff layoffs, suspended programs, and in some cases, the threat of closure. While their strategic role is crucial, their dependency on complex funding flows has made them less adaptive in the current context.



**“IT’S OKAY THAT [USAID SUPPORT] CAME TO US, BUT WE WON’T SUFFER FROM ITS DEPARTURE. BECAUSE WE MANAGED BEFORE, WE MANAGE ON OUR OWN. IT WAS JUST AN ADDITIONAL BOOST.” – A PARTICIPANT FROM A SMALL CITY IN THE EAST OF UKRAINE.**

Representatives of these larger organizations demonstrate greater anxiety about the consequences of USAID's departure, with some expressing catastrophic concerns about their ability to continue critical work in areas like election monitoring and democratic governance.

**“ACTIVE PEOPLE WHO WANT A BIKE LANE IN THEIR CITY AREN’T GOING ANYWHERE, BUT THAT DOESN’T MEAN THEY HAVE THE TOOLS OR TIME TO ADVOCATE BEYOND THEIR STREET?”**

**EUROPEAN INTEGRATION, VALUES, THE COPENHAGEN CRITERIA, THE RULE OF LAW—THESE INVOLVE TENS OF THOUSANDS OF REGULATIONS, MORE THAN THIRTY CHAPTERS OF NEGOTIATIONS. THIS MOMENT OF INTERREGIONAL NETWORKING—WHEN ONE NEEDS TO STEP BEYOND THEIR OWN COMMUNITY—OFTEN FEELS LIKE SOMETHING WITHOUT IMMEDIATE, OBVIOUS VALUE.”**

### THE SHRINKING OF CIVIC EDUCATION AND TRAINING OPPORTUNITIES

One of the less visible, yet deeply felt, consequences of donor exit has been the decline in civic education infrastructure. Over the past two decades, USAID programs have supported a wide range of training activities: leadership schools, advocacy workshops, strategic planning seminars, and online learning platforms. These initiatives helped build a pipeline of civic actors, many of whom began as volunteers and gradually assumed leadership roles in their communities or organizations.

**“THE PROBLEM IS NOT ONLY THE REDUCTION OF SMALL GRANTS AT THE LOCAL LEVEL, BUT ALSO THE DECLINE IN TRAINING PROGRAMS FOR LOCAL ACTIVISTS.” – SHARES ONE OF THE PARTICIPANTS.**

Without this training ecosystem, there is a risk that future civic leaders will lack the skills, confidence, and peer networks needed to sustain local activism. The loss is especially acute for regions where formal education is disconnected from civic engagement, and where civil society experience was previously acquired through donor-sponsored programs. Without them, many activists now lack both the knowledge and the confidence to scale up or sustain more complex projects.





Despite this decline, participants identified several emerging or underutilized educational alternatives that could offer sustainable models for civic learning:

- **Peer-led study circles**, inspired by Scandinavian traditions, have been piloted in rural areas such as Zinkiv. These involve citizens gathering regularly to learn practical or civic skills—from traditional baking and yoga to entrepreneurship or AI—without relying on external trainers.
- **Community events with embedded learning components**, such as the “Faina Zdybanka” in Vinnytsia, combine cultural celebration, volunteerism, and training in first aid, democratic participation, and community development.
- **Microlearning formats** — such as local clubs, skill-sharing meetups, and neighborhood dialogue circles — offer flexible and inclusive ways to sustain civic learning outside formal institutions.

These approaches emphasize horizontal learning, accessibility, and community relevance, helping to build both skills and trust. They also represent an opportunity to reframe civic education as a shared community asset, not solely a donor-driven initiative.

### **PATHWAYS TO SUPPORT SMALL ORGANIZATIONS**

Despite the current funding challenges, participants in the Open Space discussions expressed confidence that the democratic values cultivated over two decades of USAID support in Ukraine will not vanish overnight. Transparency, accountability, participation have become embedded in many civic practices and may continue to sustain civil society work for the next two to three years through institutional memory and civic momentum, even in the absence of prior funding levels.

To preserve democratic space in this new environment, participants emphasized the importance of networking and continuous communication. The European Economic and Social Committee (EESC) was highlighted as a promising model of a consultative body that gives civil society a voice between elections. Creating similar mechanisms in Ukraine could help formalize and protect the civic sector’s role in policy dialogue — even in times of crisis.

Alongside this, pockets of innovation and localized adaptation were noted. Some municipalities have begun opening modest funding opportunities for CSOs, while participatory budgeting is gaining traction in select communities, empowering citizens to help shape public spending.

However, these remain exceptions rather than the norm, and without systemic reinforcement, they risk becoming isolated experiments rather than models for broader replication.

To move beyond this fragmentation, participants repeatedly called for stronger inter-organizational collaboration — regional alliances, horizontal networks, and resource-sharing mechanisms that can buffer small organizations from isolation and competition. Simplified funding instruments and peer-learning platforms tailored to small-scale actors were also identified as essential.

Ultimately, while local civic organizations are the backbone of Ukraine’s democratic resilience, they cannot bear this role alone.

Their determination must be matched with strategic investment, institutional recognition, and appropriate support mechanisms — tools that allow them not only to survive but to evolve, lead, and shape the country’s democratic future.

To that end, the following strategies to reinforce small and informal civic actors have been proposed:

- **Institutionalize partnerships** between municipalities and local initiatives to co-apply for EU grants, access state procurement mechanisms, and participate in local budgeting processes.
- **Encourage the formation of regional CSO associations**, both formal and informal, to pool administrative capacity, foster mutual support, and advocate collectively.
- **Support hybrid civic spaces**, such as community centers or makerspaces, where civic education, volunteer engagement, and participatory governance intersect.
- **Establish regional civic education funds** to support peer-led training, non-formal learning formats, and leadership development initiatives.
- **Document and disseminate successful local civic models** to serve as templates for replication and scale across other communities.

### PATHWAYS TO SUPPORT SMALL ORGANIZATIONS

A particularly significant insight that emerged during the discussions was the acknowledgment that civil society in Ukraine extends far beyond formal CSOs and charitable foundations.

Participants highlighted the role of active citizens in business, education, informal community groups, and even neighborhood initiatives. In many cases, civic engagement is practiced not through registered NGOs but through personal networks, ad hoc collaborations, or issue-based activism.

This broader conception of civil society reframes who needs support in a post-USAID environment. Civic resilience may depend less on the survival of formal organizations and more on the ability of diverse social actors to coordinate, communicate, and act collectively.

**“THESE ARE WORKING PEOPLE. THESE ARE BUSINESS PEOPLE. IF THE FUNDING STOPS, THEY WILL FIND OTHER WAYS. THEY ARE ALREADY THINKING BEYOND GRANTS.” – SHARES A PARTICIPANT FROM ONE OF THE OPEN SPACE THEMATIC GROUPS.**

This recognition calls for support strategies that do not focus exclusively on registered CSOs but also include informal groups, civic-minded entrepreneurs, educational institutions, and community leaders.

### PROCESSING CHANGE: COLLECTIVE EMOTION, IRONY, AND THE NEED FOR DIALOGUE

While much attention has been given to financial and structural disruptions caused by the suspension of USAID funding, the Open Space discussions revealed another, equally consequential dimension of the crisis: its emotional and psychological impact on civil society actors. For many, the withdrawal not only destabilized organizational plans—it provoked a deeper reckoning with identity, purpose, and sustainability. The intensity of the emotional response was palpable. One of the participants described the immediate aftermath of the aid freeze as a moment of collective shock:

**“WHEN USAID LEFT, I WAS IN DISBELIEF. SO MANY POSTS: ‘WE’RE CLOSED, WE LAID PEOPLE OFF.’ IT WASN’T JUST SAD—IT WAS FRUSTRATING. HOW COULD LONG-STANDING ORGANIZATIONS HAVE NO BUFFER, NO PLAN TO ADAPT, NO SPACE TO REFLECT?”**

The sudden collapse of funding exposed how fragile the legitimacy of some CSOs had become, particularly when their primary accountability relationship was upward, toward donors, rather than outward, toward communities. In contrast, many small and regional actors found a strange resilience in this moment—rooted in local trust, mission clarity, and more modest but stable engagement models. As one of the donor organisation representatives noted:

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**“CRISIS CAN ALSO MEAN OPPORTUNITY. TODAY, WE TALKED ABOUT WHAT EACH OF US CAN STILL DO IN OUR COMMUNITIES. MOST PEOPLE HERE CAME FROM SMALLER ORGANIZATIONS—AND MAYBE THAT MAKES IT EASIER TO ENDURE. BUT IT ALSO PROVES SOMETHING: CIVIL SOCIETY AT THIS LEVEL WON’T JUST DISAPPEAR.”**

The need for structured formats of reflection, sector-wide dialogue, and narrative repair emerged as a clear takeaway. Participants emphasized the value of the space of being able to speak freely, not as grantees or implementers, but as citizens and colleagues navigating shared uncertainty.

**“IT WAS VERY THERAPEUTIC. THERE SHOULD BE PLACES LIKE THIS—WHERE PEOPLE WHO’VE WORKED ON SO MANY DIFFICULT ISSUES CAN JUST TALK.”**

The widespread agreement that the discussions during the sessions “never seemed to finish on time” further illustrates the hunger for this type of exchange as an unmet need in the current civil society ecosystem.





# CONCLUSIONS AND RECOMMENDATIONS

## CONCLUSIONS

The departure of USAID presents both challenges and opportunities for Ukrainian civil society. The Open Space discussions reveal a complex legacy – one that includes valuable institutional development and reform support alongside problematic dependency relationships and transparency issues.

While the funding gap creates immediate difficulties, it also creates space for more locally-driven, sustainable approaches that may better serve Ukrainian communities in the long term.

- **Ukraine's civil society has developed a foundational ecosystem that merits long-term support.** Ukrainian CSOs have provenly remained active, visible, and relevant even without immediate external funding. This signals that a resilient civic infrastructure has taken root — one that is integrated into local governance, service delivery, and public life. Many continue functioning independently, but with sustained support, their contribution to local development and democratic consolidation could be significantly amplified. To grow from functional to institutionally sustainable, local CSOs require strategic support in developing funding diversification, long-term planning, and service-based models that reflect community needs and generate stable value.
- **The USAID model fostered both institutional capacity and dependency.** While it helped scale up civic infrastructure and governance reform efforts, it also entrenched centralization, distanced civil society actors from their local constituencies, and disincentivized long-term planning for financial independence. Moreover suspension occurred without adequate communication, phasing, or contingency support—generating uncertainty, operational collapse, and damaging trust among civil society actors.
- **The psychological and narrative consequences of donor withdrawal are significant.** Civil society professionals described the freeze not just as a funding crisis, but as a collective emotional shock. Spaces for mutual reflection and narrative renewal are rare but deeply needed.
- **While some of the strongest and best-connected national CSOs have managed to secure new funding or transition to alternative donors, many grassroots organizations remain vulnerable.** Without mechanisms for seed funding, local regranting, and ongoing education and peer learning opportunities, there is a real risk that the capacity, confidence, and civic leadership built over the past decade—particularly at the community level—will be lost or significantly diminished.



### FUTURE STUDIES

To ensure that future support for civil society in Ukraine is more effective, equitable, and sustainable, several strategic questions warrant deeper exploration:

- **How can funding models and donor practices be restructured to avoid dependency?** A critical review of the legacy of USAID and similar donor frameworks is needed to assess how grant design, reporting requirements, and localization efforts have shaped the institutional behavior of Ukrainian CSOs. Future strategies should focus on diversifying revenue streams, supporting social enterprise, enabling municipal co-financing, and simplifying access to funds for small and volunteer-driven organizations.
- **What forms of non-financial support strengthen long-term civic capacity?** Beyond funding, civil society actors consistently emphasized the importance of leadership development, emotional resilience, peer learning, and strategic communication. Investigating which non-financial supports have the greatest impact—and how they can be embedded into local ecosystems—could help sustain civic engagement even under resource-constrained conditions

### RECOMMENDATIONS

#### For the international donor community:

- **Rethink aid architecture.** Shift from large, centralized, implementer-driven models to localized, flexible, and low-threshold funding schemes that empower grassroots actors without overwhelming them with bureaucratic complexity.
- **Build true partnerships.** Avoid using civil society simply as an execution arm for predefined agendas. Instead, co-create strategies with Ukrainian actors that reflect real needs, lived experiences, and community priorities. Investing in the institutional sustainability of CSOs — not just projects — should become one of the objectives to create local initiatives to evolve.
- **Ensure predictability and planned exits.** Design funding cycles with built-in transition plans, capacity-building for sustainability, and clear communication to avoid abrupt disruptions that damage ecosystems.
- **Invest in horizontal infrastructure.** Support peer networks, civic education hubs, and regional alliances that can serve as long-term platforms for innovation, learning, and democratic engagement.
- **Address donor credibility gaps.** Rebuild trust through transparency, presence, and accountability. Acknowledge past shortcomings and take deliberate steps to repair relationships with affected organizations and communities.
- **Promote adaptive funding models.** Introduce tiered, flexible funding mechanisms that include seed grants, co-financing schemes, core support for institutional growth, and space for experimentation—particularly at the grassroots level. Donors should also review whether their own past funding models contributed to short-termism or over-dependence.

### For Ukrainian civil society organizations

- **Diversify resource strategies.** Explore cooperative fundraising, social enterprise models, local philanthropy, and public-private partnerships to reduce dependency on single-source foreign funding.
- **Reengage communities and rebuild legitimacy.** Recenter work around local needs and citizen priorities—particularly outside capital regions—by creating participatory feedback mechanisms and reestablishing grassroots connections.
- **Invest in leadership succession and institutional memory.** Build systems that go beyond charismatic leadership and donor compliance to ensure continuity, values-based leadership, and long-term strategic thinking.
- **Narrate and document impact.** Proactively share evidence of success, adaptation, and relevance—not only for donors but to inform and inspire communities and decision-makers.

### For the Ukrainian state and local authorities

- **Strengthen partnerships with civil society.** Where strong CSOs and open local governments work together, communities show better development outcomes. Create co-financing schemes, procurement frameworks, and participatory platforms that embed CSOs in public decision-making processes beyond grant programs.
- **Safeguard civic space.** Legislate and enforce protections for freedom of association, access to funding, and participation—particularly at the local level where informal civic actors face legal and political barriers.
- **Enable financial mechanisms for local CSOs.** Allocate portions of municipal and regional budgets for civic initiatives using transparent, competitive, and inclusive procedures—such as participatory budgeting and co-designed grant programs.
- **Recognize and integrate informal actors.** Extend technical support and policy access to unregistered initiatives, volunteers, and self-organized groups that play essential roles in community resilience and cohesion.



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