

Interaction with International Partners

When discussing the cooperation of CSOs with international partners and donors in Ukraine, it's crucial to emphasize the importance of registering international technical assistance (ITA) projects from the outset. This is because such projects represent a significant source of funding and support for Ukrainian CSOs, aimed at societal development, improving citizens' welfare, and implementing reforms.

According to current Ukrainian legislation, international technical assistance (ITA) refers to financial and other resources and services provided by donors on a gratuitous basis, in line with Ukraine's international agreements, to bolster support for the country. The regulation of such assistance is outlined in Cabinet Resolution No. 153 dated 15.02.2002, as well as in agreements on technical and economic cooperation between Ukraine and donor countries and international organizations. Donors can include international organizations, foreign states, governmental bodies authorized by foreign states, or foreign municipal bodies

International technical assistance can be provided in the form of:

- any property necessary to ensure the fulfillment of project tasks that is imported or acquired in Ukraine;
- works and services;
- intellectual property rights;
- financial resources (grants) in national or foreign currency;
- other resources not prohibited by law, including scholarships

In accordance with the above-mentioned resolution, the Secretariat of the Cabinet of Ministers of Ukraine coordinates activities related to the attraction, use and monitoring of ITA. ITA projects are subject to mandatory state registration. As a result of registration, the organization that registers the ITA receives a registration card of the ITA project (program)

Currency regulation of the activities of CSOs that raise funds in foreign currency should be carried out in accordance with the Law of Ukraine "On Currency and Currency Transactions" (№ 2473-VIII).

- I. Transfers from abroad: CSOs have the right to receive funds in foreign currency from international donors. All such transfers must be made through banking institutions that are licensed to conduct foreign currency transactions.
- II. Currency conversion: Conversion of foreign currency into hryvnia or other currency should be done according to the current exchange rate set by the National Bank of Ukraine or through authorized banks.
- III. Use of foreign currency: CSOs may open foreign currency accounts in Ukrainian banks to store and use funds in foreign currency. The use of these funds must comply with the purposes set forth in the grant agreement and the legislation of Ukraine.

Financial and tax aspects

Tax benefits for CSOs: According to the Tax Code of Ukraine, CSOs that have been granted the status of non-profit organizations can enjoy certain tax benefits, including exemption from income tax. These benefits allow CSOs to use their resources more efficiently to fulfill their statutory objectives instead of paying taxes. It is important to ensure that international funding is used in accordance with the statutory objectives of the CSOs to maintain its non-profit status.

Income tax	Value added tax (VAT)	Real estate tax
CSOs that have the status of non-profit organizations and use their income exclusively for the implementation of their statutory tasks are exempt from paying income tax.	Transactions related to the statutory activities of CSOs may be exempt from VAT if such transactions meet the requirements of the Tax Code. This exemption may apply to certain types of activities or transactions that are directly related to the statutory activities of the CSO.	CSOs may be exempted from paying real estate tax for objects used exclusively for carrying out their statutory activities.

Reporting and auditing: CSOs are required to keep detailed records of all financial transactions and submit reports on the ITA. Regular audits and financial reporting help to maintain transparency and trust between CSOs, the state, donors and the public.

Cooperation beyond financial aspects

International partners and donors can play a key role in the development and support of CSOs in Ukraine, not only through funding, but also through expert support and access to networks and alliances. These forms of cooperation can significantly expand the capacities of CSOs, increase their effectiveness and positive impact on society.

Expert assistance	Joining networks and alliances
<p>> <u>Analysis and reports:</u> CSOs experts can be hired as external experts to help analyze social, economic and political processes, prepare reports and recommendations, allowing international organizations to set their interventions on up-to-date data and a deep understanding of the situation.</p> <p>> <u>Research development:</u> National CSOs have proven to be effective in conducting scientific and social research, developing</p>	<p>> <u>International and national networks:</u> Participation in international and national networks and alliances allows CSOs and international partners to share experiences, gain new knowledge and contacts, expand their influence, and find new opportunities for cooperation. Participation in such networks will facilitate the integration of Ukrainian CSOs into the global context. An example of such network in the Ukrainian context is the Protection Cluster.</p> <p>> <u>Joint initiatives:</u> Participation in joint projects and initiatives, including advocacy, that have a common focus allows for pooling resources, expertise and efforts to achieve more meaningful results. NGO</p>

methodologies, and collecting and analyzing data. International partners can use such research to inform their initiatives and projects, increasing their overall effectiveness.	<p>"Educational House of Human Rights in Chernihiv" is a great example of such initiative.</p> <p>> <u>Knowledge sharing platforms</u>: International partners can provide access to knowledge-sharing platforms (e.g., the Council of Europe's Human Rights Education for Legal Professionals (HELP) platform), webinars, trainings and conferences, which allow CSOs' representatives to improve their skills and expand their professional contacts.</p>
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