

Letter from CCI President

Sharon Tennison

Dear Readers,

It's with great pleasure that we announce to you that the US Department of State has invited CCI to submit a proposal for funding PEP Phase IV!

PEP Phase IV (2001–2003) will be CCI's most exciting work ever! We are leveraging PEP's rich experience and strength (more than 3,000 Russian participants and 12,000 US volunteers, extensive inter-regional networks of Russian PEP Fellows, seven Russian partner offices and 35 satellite operations —and the trust built within this huge network) to create much-needed projects to bolster private sector development in Russian cities and towns.

None of this would be possible without the support and dedication of our legions of US volunteers, the US Department of State, and the PEP Fellows who are ready to cost-share or fully pay for these new projects.

The PEP program (which everyone predicted was impossible five years ago) is in full swing and nearing its Fifth Anniversary. It's also out performing every expectation CCI had for it in 1996 when Congressmen Dick Gephardt and Newt Gingrich risked hosting the first delegations in their hometowns.

Thank you for your support!



DID YOU KNOW?

The Center for Citizen Initiatives began coordinating programs to advance democratic principles on a grassroots level nearly two decades ago—years before USSR's breakup. CCI's latest program (PEP), running since 1996, has been active in 43 states (plus the District of Columbia) and 43 Russian regions.



Former President Jimmy Carter congratulates PEP Facilitator Zina Generalova on the success of a Russian delegation hosted by several Georgia Kiwanis Clubs in 1999.

PEP's inaugural delegations in 1996 were spearheaded by former Speaker Newt Gingrich in Georgia and Democratic Leader Richard Gephardt in Missouri. Since then, PEP has been endorsed by Republicans and Democrats alike, including former Speaker Bob Livingston and Congressman Tom Lantos.

CCI'S PRESIDENT BRIEFS KREMLIN ADVISER

After two months of travel to 18 Russian cities to evaluate PEP Fellows, CCI President Sharon Tennison briefed Dr. Andrei Illarionov, Putin's Chief Economic Adviser, at the Kremlin in July. At the meeting's conclusion, Dr. Illarionov requested that Tennison periodically update him and forward all of the PEP evaluation findings.



Dr. Andrei Illarionov (left), Putin's Chief Economic Adviser, with CCI President Sharon Tennison at a meeting in the Kremlin.

CONGRESSIONAL REPORT URGES EXPANSION OF CCI PROGRAM

Speaker of the House Dennis Hastert appointed a Task Force in March to study US policy towards Russia. The resulting 200+ page report made ten policy recommendations for the future of US-Russia relations. Near the top of the list was a call to expand the work of CCI and a handful of other programs.

From the Advisory Group's Report:

"Recommendation #3. Engage the Russian people, not just the Russian government.

US relations with Russia should be more broadly based than institutional relations among governmental bodies. The Advisory Group endorses expansion of existing people-to-people exchange programs such as the Library of Congress' Russian Leadership Program and the Center for Citizen Initiatives program, as well as programs run by the State Department such as the Fulbright Program, the Internet Access and Training Program, the Russian-U.S. Young Leadership Program, and the International Visitors Program."

CCI FELLOW MEETS WITH PRESIDENT PUTIN

Alexander Lubyanoi (CCI Fellow, 1993) founded the VOLGOGRAD ASSOCIATION OF ENTREPRENEURS in 1997 to lobby local officials for change and to build a stronger small business sector. In June 2000, Alexander was invited to the Kremlin, along with 100 other entrepreneurs from across Russia, to meet President Putin and advise him on Russia's policy for small business. Alexander listed several impediments to business in his region. Upon his return home, local officials called to inform him that they were already correcting the problems!

See inside for more CCI news!

HOPPING ON THE PEP EXPRESS

Rotarian Jim McAlexander, Local Coordinator (Radio and Television, June 1999) in Eugene, Oregon, spent the month of September crisscrossing the Russian countryside.

Rotarian **Jim McAlexander** boarded train after train to explore Russian lands yet unknown to him. Jim's goal was to visit the Russian participants whom he and fellow *Eugene, OR Rotarians* hosted in 1999. As he traveled, Jim became a magnet for Russian media and attention — and a “show and tell” project at a local school!

“I want to emphasize the warmth of friendship that I felt from

my Russian friends. Any American who has the opportunity to visit their delegates in Russia should not hesitate—you will be rewarded in so many ways. It was unlike any other experience I've ever had. I shared in their homes, families and entire lives, and truly felt like I belonged. I witnessed their Rotary clubs in action, and saw firsthand the changes and innovations they have implemented in their businesses. They all benefited from their US experiences. Thank you, CCI, for your help!”



Jim McAlexander (right) shows off a tee shirt he received from the Rostov-on-Don Rotary Club. Jim synchronized his month-long trip to Russia so that he could attend Rotary Club meetings every week.

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—Jim McAlexander

SOARING...

LIKE AN EAGLE

Kiwanian Doug Lyke, Local Coordinator (Graphic Design, May-June 2000) in Ripon, Wisconsin, gives an inside view of PEP.

Kiwanian **Doug Lyke's** first introduction to CCI was in CCI's Ekaterinburg, Russia office. As a volunteer consultant with the Citizens Democracy Corps, Doug was spending a month advising a PEP Fellow's company. Ironically, Doug had never even heard of PEP before his trip. Less than a year later, he became the Local Coordinator for a PEP graphic design delegation in the US!

“We exposed them to 20 printing and design firms in the Fox Valley. They buried their business trainers with questions. Marketing, personnel relations, and financing a business were of particular interest to the visitors, in addition to seeing and hearing about new printing machinery, processes and techniques. They were inquisitive beyond belief. By the end of the training period, their heads were swimming with information. I asked Mikhail Ukolov, a map maker from Rostov-on-Don,

how he felt. ‘I am soaring like an eagle’ was his happy response.

“It was amazing to witness the changes taking place before my eyes.’ One participant, Igor Yukhnovich, had served in the army for 10 years. Generals told him that the United States was an evil country. Igor solemnly declared, ‘Now I know that they lied to me!’

“PEP is truly people-to-people diplomacy at its best. I hope we can do this kind of thing again. These Russians brought us heart, mind, good humor, and determination to succeed. They are young, vibrant, optimistic, smart and sensitive. We will miss these fine people, who represent the hope for Russia.”



Doug Lyke (far right) at a training site with Russian delegates.

RECIPE FOR SUCCESS

Rotarian Nancy Richardson, Local Coordinator (Restaurants, March 2000) in Metairie, Louisiana explains how she persuaded her club to host for the fourth straight year!

For three consecutive years, the *Metairie, Louisiana Rotary Club* has shown Russian restaurant owners and operators management tips and the recipes for success—New Orleans style! But when CCI approached them about hosting a fourth time, some club members questioned—were the Russian restaurants really improving as a result of PEP?

Rotarian **Nancy Richardson** went to Russia determined to find out. Traveling for 16 days through five cities, Nancy and her husband met with 13 of their Russian guests. Two of them flew from Kazan to St. Petersburg (roughly 1,000 miles) to meet with Nancy and express their gratitude in person. But it was Alexander from Sochi who inspired Nancy to convince her club to host a fourth delegation. She recalled him saying, “*What was most powerful for me was that you showed me I was on the right track. I didn't come to the US looking for new recipes or to learn how to price a menu. I needed the confidence that I was going in the right direction. I got that in America.*”

Not only will Metairie host its fourth PEP delegation in March, 2001, but Nancy has already made plans to return to Russia next fall to meet more of her previous guests. Only the next time, Nancy will have her 11-year-old granddaughter in tow so that her eyes can be opened to a new culture and—as Nancy says— “*The next generation of PEP volunteers can be created.*”

What was most powerful for me was that you showed me I was on the right track.

—Alexander Garkusha,
Sochi, Russia

THE ABC'S OF PEP

Letter from Rotarian Jack Thomas, Business Training Coordinator in North Colorado Springs, Colorado, explains how CCI and civic clubs work together to produce a winning training schedule.

"The overwhelming consensus of the *North Colorado Springs Rotary Club* is that the entire endeavor [PEP] was a huge success. The project was the biggest and the most complex our club has ever pursued, and we elected to go it alone—without the help of any other Rotary clubs.

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—Jack Thomas

"The membership readily agreed that the project was the best one undertaken this year

and that it did much for the club itself in pulling together and unifying the membership.

"From our perspective, PEP was relatively straightforward to execute for several reasons: 1) Careful selection of Russian participants, 2) Advance preparation, information, and guidance from CCI, 3) Club President and leadership garnered support and ensured that

the Club understood the scope and commitment early on, 4) CCI's selection of a good translator and facilitator, and 5) identification of at least one person from within the

club who was a professional in the same field as our Russian visitors."

AROUND THE WORLD IN 80 DAYS

Perry Murray, Local Coordinator (Wood Processors, October 1999), and past International Service Chair for North Roseburg, Oregon, Rotary Club found a new way to circle the globe.

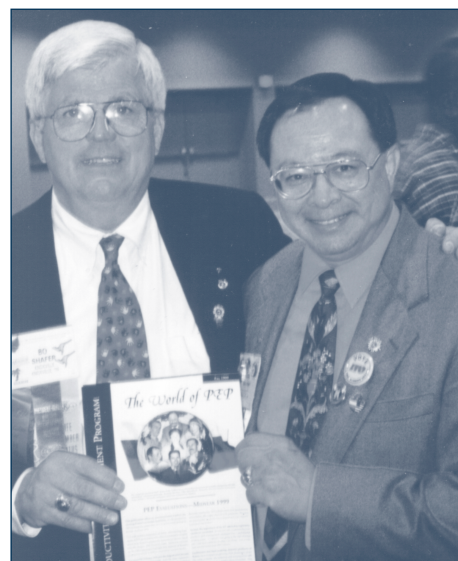
Abandon your hot air balloons, this is the new millennium. To circle the globe these days, go by Harley-Davidson! Or so believes **Perry Murray**, PEP supporter from Roseburg, Oregon. This July, Perry and a team of motorcyclists (including a 73-year-old woman) traveled in Japan, through China, across Russia and Western Europe, and finally back through Canada to Oregon. During the five weeks it took to cross Russia, Perry was able to visit delegates from the PEP Wood Processors' delegation hosted by his Rotary Club. His Russian friends were thrilled with the opportunity to return the "hospitality and love" they had experienced in the US!

A PIECE OF THE ACTION

Berdj Kenadjian, past president of the Rosslyn-Ft. Myer, Virginia Rotary Club, has chosen a rewarding second career—being a full-time volunteer. His recent "assignment" was as a Local Coordinator for a PEP delegation.

"CCI's PEP project has been the highlight of my second career as full-time community volunteer. It was thrilling to have a piece of the action in CCI's efforts to build bridges between Russian and US leaders in the telecommunications industry. I saw firsthand how it strengthened the hope for world peace and sowed the seeds of world prosperity. With projects such as these, we Rotarians are tasting the sweet honey of intercultural teamwork and human communication as we set out to build a globalism—without government oppression, loss of national sovereignty or sacrificing individual dignity."

PEP MAKES A SPLASH IN MIAMI BEACH



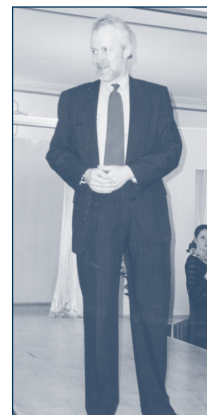
President of Kiwanis International, Bo Shafer (left), and Chairman for International Understanding, Ken Delfino, visit the PEP booth at the Kiwanis International Conference in Miami Beach, FL.

The Miami Beach Convention Center was host to the 85th Annual Kiwanis International Convention in June. Kiwanians from around the world traveled from near and far to take part in the multi-day event. Both Kiwanis and CCI share a common vision of improving local and global relations, bettering the lives of the world's children, and building international friendships. It comes as no surprise, then, that the President of Kiwanis International, Bo Shafer, dropped by PEP's booth!

US CONSUL GENERAL PRAISES PEP

In June, US Consul General in Ekaterinburg, James Bigus, attended a gathering of 100 PEP Fellows from all over the Urals region. There, Consul Bigus remarked that, "Out of all of the US government foreign assistance programs, PEP gives the most bang for the buck."

When asked later if he could be quoted on this, Consul Bigus gave a resounding, "Absolutely!"



James Bigus, US Consul General in Ekaterinburg, Russia

Fast Facts

- Nearly 300 Rotary Clubs across America have hosted PEP delegations
- CCI Fellows have started new Russia Rotary Clubs in Ekaterinburg, Rostov-on-Don, Voronezh, St. Petersburg and Volgograd
- Nearly 45 Kiwanis Clubs across the US have hosted PEP delegations
- In Phase III of PEP, 39% of the participants have been women entrepreneurs

From Russia with Success

Sergey Svitenko from Rostov (Livestock & Meat Processing, Nebraska, 1997) is now the best known farmer in the Rostov region. After returning from his US internship, Sergey successfully implemented American techniques in livestock breeding and crop cultivation. Sergey remains in contact with the American Pioneer seed company, and the local Rostov Farmers Association recently named him "Best Farmer in the Region".

Alla Troudova from Vologda (Water and Soft Drink Manufacturers and Bottlers, California, 2000) used her internship to expand her sales department. As a direct result, her sales tripled during the second quarter of 2000. The company is currently planning to expand its product line by introducing natural juices without preservatives.

Irina Prosvetova from St. Petersburg (Financial Management, Oregon, 2000) said the internship helped her enterprise, KMT, totally recover from the 1998 financial crisis. The company (which started from scratch) stabilized at a level of 100 employees, and now has skyrocketed to more than 300 employees. KMT employees receive regular salaries that are slightly higher than average, and there is practically no personnel turnover.

Galina Vakhtina from Voronezh (Financial Managers, North Carolina, 1998) was inspired to "give back" after her US internship. In March 2000, she established the Center for Chernozemlye Women, a Voronezh Regional foundation. The center lobbies the Russian federal government for women's interests and supports family initiatives. Recently, Galina was nominated as a candidate for the Women of Russia political party in the Central Black Soil Region for the 2000 federal Duma elections.

Now Open!

The PEP Support Center at <http://www.ccisf.org/psc> is an on-line resource which assists US volunteers in planning and implementing a PEP delegation. Volunteers can download documents, review answers to Frequently Asked Questions (FAQs) and print out forms.

TRENDS IN TRAINING

Trends in Training is a response to the growing sophistication of Russian businesses and the feedback from past Russian participants. In fall 1999, CCI introduced a new trend in PEP training, called **Keystone Companies**. Keystone Companies are US businesses that volunteer to host a PEP delegation for two to three days of in-depth training. By spending more time at one business, Russians take home a detailed schematic to readily shape and rebuild their management structures.

Keystone Companies in 2000 include:

7-Up Bottling, Nor-Cal Beverage, Coca-Cola, and Pepsi-Cola (Water/Soft Drink Bottlers and manufacturers, Rotary District 5180, Sacramento, CA, Feb. 2000)

IBM Management Training Center (Computer Services, Rotary Club of Armonk, NY, Sept. 2000)

Ripon Community Printers (Graphic Design, Ripon Kiwanis Club, Ripon, WI, May 2000)

FCI Construction, Inc., and Bou-Matar Engineering (Mixed Construction, Rotary Club of Grand Junction, CO, Sept. 2000)

Sentry Insurance, Aid Association for Lutherans (AAL) and American Family Insurance (Insurance, Rotary Clubs of Stevens Point, Appleton, Madison South and East Madison, WI, Sept. 2000)

Special "thanks" to these Keystone companies for supporting PEP's new trend in training!

THE AWARD FOR THE MOST PEP DELEGATIONS HOSTED BY ONE CLUB GOES TO...

The record for hosting the most PEP delegations goes to the Lafayette and Lamorinda Sunrise, CA Rotary Clubs, which have hosted PEP bakery delegations for five years in a row! The Lamorinda Sunrise Club, under the leadership of Susan Wait, currently the Rotary District 5160 Governor Elect, initiated the first delegation in 1996. Each year they have teamed up with different northern California Clubs, including the Rotary Clubs of Orinda, Moraga, Clayton Valley/Concord Sunrise, Walnut Creek and Pleasant Hill.

Susan Wait, enthusiastically remarked that, "It is very gratifying to be able to introduce these Russian entrepreneurs to business concepts

that are essential for success in a market economy."

Bob Shusta, Past President of the Lafayette Rotary Club and local coordinator for all five delegations, recently traveled to Russia. He barely got through their front doors before he was whisked away to PEP Fellows' transformed bakeries. In all, Bob visited 12 bakeries and 25 of his Russian guests. Two of these PEP Fellows are expanding their businesses into restaurants and retail stores.

With Bob's help, PEP Fellows and other CCI graduates led the movement to charter a new Rotary Club in Ekaterinburg, Russia.

JOIN THE PEP TEAM!

CCI is gearing up for PEP Phase IV which starts in April 2001. To date, nearly 300 Rotary clubs and 45 Kiwanis Clubs, plus several Sister City organizations, have been host to 2000 Russians from 215 cities and 51 towns across Russia. More than 12,000 US volunteers and 7,600 American businesses in 270 US cities and towns in 43 American states (plus the District of Columbia) have provided the training, transportation and lodging which has made PEP a success.

There's no time to relax. It's still imperative for the US to invest in Russia's democratic and economic development.

We need your help! If you've hosted before, CCI invites you to host again. If you are new to the program, there's a place for you on the team. Please contact CCI at our new toll free number (888) 729-7071 to learn how you can make a difference in Russia and the world.