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DEMOCRACY NETWORK HUNGARY

SECOND QUARTERLY REPORT
FOR
OCTOBER 1, 1995 - DECEMBER 31, 1995

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I. Introduction

The Democracy Network Program Grant in Hungary was awarded to United Way International (UWI) on July 10, 1995, with an effective date of July 10, 1995. UWI signed cooperative agreement DHR-0032-A-00-5-65-00 on July 12, 1995 with the Agency for International Development.

This second Quarterly Report to AID covers the period October 1, 1995 to December 31, 1995.

Concentrated work on program development and planning for implementation absorbed DNH and UWI staff throughout October, November, and December. In early October, UWI's Program Director Gregory Berzonsky flew to Budapest to spend a week advising the DNH staff on preparation of the workplan. [UWI's Project Officer was unable to travel due to jury duty.] Ongoing disagreements over the content and wording of a working agreement with the proposed training sub-grantee, the Civil Society Development Program (CSDP), culminated in UWI being unable to fully develop the training program before submitting the first six month workplan to AID on October 16, 1995. At the end of October, CSDP notified UWI that it would no longer participate in the DNH Program.

On November 3, AID sent DNH/UWI a letter explaining that it could not approve the workplan in its current form. A week later, UWI's Project Officer Franca Brilliant traveled to Hungary to meet with AID representatives to clarify AID questions relating to the workplan and to work with DNH staff on revising the workplan in light of AID concerns. UWI submitted a revised version of the first workplan to AID on November 30, 1995. On December 19, 1995, AID approved the revised workplan

The revised workplan establishes the following short term objectives and indicators for the period October 15, 1995 - March 15, 1996:

1. **Objective:** Establish a lasting NGO network to promote communication among Hungarian NGOs.

Output: Networking groups based in five cities across Hungary; coordination with other NGO networks and individual agencies.

Indicator: Increased cooperation at the regional level between NGOs as measured by the number and diversity of the region's NGOs regularly participating in the program's activities, through training seminars, advocacy campaigns, and regional NGO directories.

2. **Objective:** Improve cooperation and communication between NGOs, local governments, and the private sector.

Output: Establishment of DNH satellite in each of the six target areas; participation by representatives of local authorities and businesses in DNH regional groups. Involvement by representatives of business and government sectors in new NGOs established by DNH.
Indicator: Increased exposure of local authorities and commercial interests to NGO needs and potential as measured by the strength and regularity of representation of the three sectors at common events, e.g. local government meetings, seminars, training sessions.

3. **Objective:** Strengthen the non-profit sector's ability to define its resource needs and to meet those needs over both the short-term and the long-term.

Output: Training of NGOs in management and fundraising strategies and techniques.

Indicator: Ability of NGOs to use fundraising tools as measured by NGO proposals and programs incorporating new fundraising approaches and the increase of funding resources (both in-kind and financial contributions) beyond the DNH grants program.

Despite delayed program implementation pending AID approval of the workplan, DNH took significant steps toward achieving each of these objectives. Regarding the first objective, the DNH network has met with representatives of several of the important NGO networks in Hungary. DNH has already made preliminary agreements with the Hungarian Center of Associations, NIOK, and the Hungarian Foundation Center to cooperate with DNH in providing training for NGO managers, and DNH has plans for joint programs with others. DNH held the first of its regional meetings in Pecs in late November. Additional meetings are scheduled for Szeged, Nyiregyhaza, Miskolc, and Győr in January and February 1996. These meetings bring together NGOs at the regional level to identify common concerns and problems, and to advise the DNH program on the best way to use its resources to strengthen local NGOs. The meetings foster a sense of common interests and problems and build cohesion among the varied NGOs.

The regional meetings described in the last paragraph play a part in DNH's strategy for achieving the second objective. Representatives of the private sector and local government are invited to the regional meetings to learn more about the NGO sector. In particular, these meetings provide a forum in which local government officials can explain the obstacles they face in cooperating with NGOs while at the same time learning about the benefits of such cooperation and about concrete steps they can take to promote such cooperation. DNH has also met with several organizations working on reform of local government management and with local government officials. In 1996, in cooperation with other organizations working in this field, DNH will coordinate several regional seminars examining potential areas of cooperation between local governments and NGOs. In addition, DNH has invited spokespersons from the major corporations and businesses located in each region to the DNH NGO training sessions scheduled for January and February 1996 to speak to the NGOs on how to appeal for funds. This is a first step in developing an on-going relationship between local commercial interests and the non-profit sector as a whole.

In terms of achieving the third objective, as noted above, DNH is already working to expand NGO access to additional resources by educating them about funds that are available in their own

communities. In addition to the presentations by local businesses, DNH is inviting representatives from Hungarian grant-giving foundations to the NGO training sessions. In these training sessions, DNH will present principles of fundraising--e.g. what information a proposal should include, how to target appropriate donors, how to develop a fundraising strategy, etc.--as well as information about different ways to raise money.

II. Summary of Achievements

In the second quarter of operations, DNH/UWI took the following steps:

- Hired a Program Manager, a Training Manager, and an Office Manager. Also engaged a National Forum Foundation volunteer for approximately three months.
- Established a permanent office
- Submitted initial and revised workplans to AID; received AID approval of the revised workplan.
- Developed a new training plan with new partners following CSDP withdrawal
- Revised the program for United Way of Hungary affiliates to include a non-United Way affiliated NGO, at AID request. Established criteria for selection of the non-United Way affiliated NGO.
- Convened the first regional meeting coordinated by a DNH satellite in Pecs and scheduled additional regional meetings for January and February 1996.
- Met with DNH satellite organizations to plan training schedule; arranged first training programs for mid-January 1996.
- DNH Project Manager (Budapest Office Director) arranged interviews with the national Hungarian newspaper "Nepszabadsag" and a Hungarian radio station

The DNH Project Manager continued to hold exploratory meetings with individuals and organizations working in similar fields, including: Autonomia Foundation, Hungarian Foundation Centre, PHARE Office of the Ministry of Welfare, Partners for International Training and Education, the President of the Szechenyi College in Győr, Institute for Local Government and Public Service, Local Government Reform East European Project, AID Public Administration Program, Social Workers Society, Center for Environmental Projects, OKOTARS Foundation, Hungarian American Coalition, Johns Hopkins University for Public Policy Budapest Office, Partners Hungary, Co-operative Research Institution, and Junior Achievement Hungary.

III. Administration and Program Development

1. Staff:

Budapest Office Office Manager starts work 1 November, 1995.

Budapest Office Program Manager starts work 20 November, 1995.

Budapest Office Training Manager hired; start work date is 2 January 1996.

National Forum Foundation volunteer starts working at DNH office two days a week as of early November 1995.

2. Office space:

Permanent DNH office is opened on October 1, 1995

Computers, fax and telephone lines are installed. Attempts to establish e-mail are unsuccessful; DNH continues to try to find a way to install e-mail.

3. Registration:

DNH Program files documents with Hungarian courts for registration as a foundation under Hungarian law. [This is the process that will give the DNH Program legal status as a non-profit organization.] The court rejects the name chosen by DNH; the documents are refiled under a new name at the beginning of January.

4. Program Development:

DNH/UWI revise budget to adjust to new training program. Rising costs for utilities and services due to inflation and removal of government subsidies also make revisions necessary.

5. Proposed activities for next quarter:

Hire Grants Manager

Resolve e-mail problems

Finalize revised budget

IV. Grants

The majority of the preparation for the grant program took place during the previous quarter. Pending approval of the workplan by AID, implementation of the grant program was postponed. DNH continued to survey its network to determine the kinds of grants that would be most useful. DNH also continued to collect ideas and information about the grant process from other grant giving institutions. Initiation of the grant program has been rescheduled to the first quarter of 1996.

V. Training and Technical Assistance

1. Training Plan:

Disagreement about the nature of the relationship between CSDP, the sub-grantee for training, and UWI, the grantee, led CSDP to inform UWI on October 30, 1995, that it would no longer participate in the DNH Program. DNH/UWI immediately started developing a new training program, keeping to the same objectives of training NGO managers and NGO management trainers and relying on Hungarian training resources as much as possible. The DNH Program Office selected a number of potential NGO management training topics and asked members of the DNH network from around the

country to identify the topics that would be most interesting to their local NGOs. On the basis of the responses, the DNH Program Office identified individuals and organizations to provide NGO management training. DNH satellite organizations around the country will make all the practical arrangements for the training sessions.

The first training sessions, on the topic of fund raising, were scheduled for January. Additional sessions on Project Management, Advocacy, and Non-Profit Taxation and NGO Law have been scheduled in February and March. The sessions have been advertised in local newspapers and on local television channels. DNH satellites announced the training sessions at NGO meetings and informed their own local networks. Evaluation of the NGO management training sessions will be conducted in three ways: through immediate oral and written feedback from the trainers and the participants; through a written survey distributed to participants four to six weeks after the training; and, through evaluations conducted by a representative from the local satellite responsible for monitoring the training programs and reporting to the DNH Training Manager.

In addition to the NGO management training, the core of the training program, the DNH office has planned a series of training activities that will be more theoretical in nature. The first will be a pilot course on the non-profit sector and non-profit management that will be offered at the University of Pecs and Szechenyi College of Győr in fall 1996. The second is an ongoing program of policy seminars addressed to government, non-profit, and business sectors. These seminars will present policy issues but also promote practical cooperation between the three sectors. The third activity is a conference on voluntarism, to be organized for November 1996 in coordination with the Hungarian Foundation Center.

2. Proposed Activities for Next Quarter:

- Finalize and implement training schedule for January - March
- Develop training evaluation survey and finalize training evaluation criteria
- Plan quarterly evaluation of training program for beginning of April

VI. Networking

1. Meetings with DNH network:

As discussed in the introduction, the first DNH regional meeting was organized by the PHARE Regional Resource Center in Pecs (the DNH satellite), on November 25. The satellite organizations selected the participants who included representatives from a variety of NGOs, local authorities from villages, towns and cities in the region, and businesspeople. At the meeting, the participants discussed what kinds of grants and training they would find most useful, and made recommendations to the DNH representatives about how to monitor the grants program. They also discussed local issues relating to NGOs, such as how the non-profit sector could assist small villages

which are having difficulties providing social services to their residents. Additional regional meetings have been scheduled in Szeged, Nyiregyhaza, Miskolc, and Gyor in January and February 1996. At each meeting, participants will discuss the role of non-profits, and ways in which the DNH grants and training programs can strengthen local non-profits and help local communities.

The DNH program office also met with the representatives of its satellite network on 20 December to develop the structure for delivering the training and administering the grants, and to define the roles and responsibilities of the satellite organizations in this structure. Another meeting is planned for the beginning of January.

As mentioned in the introduction, DNH also continues to meet with individuals and organizations working in related fields in order to gather as much information as possible about the non-profit sector in Hungary as well as to determine where opportunities for cooperation exist. In particular, DNH has been exploring the possibility of joint activities with several organizations working on strengthening local governments. Such activities would focus on building relationships between NGOs and local authorities.

2. New NGOs:

DNH worked closely with the proposed United Way affiliates in Tatabanya, Budapest, and Szekszard to refine their workplans. In response to AID's request, UWI/DNH replaced one of the United Way affiliates with a non-affiliated NGO. The non-affiliated NGO will be a public policy organization that represents and advocates for disadvantaged groups such as unemployed people, children, and minorities, and will be selected by limited tender in early 1996.

DNH/UWI developed a set of guidelines governing the management of the new NGOs and their participation in the DNH network and program. UWI signed an agreement with United Way of Hungary concerning the United Way affiliates.

Establishment of the United Way of Tatabanya was postponed to the first quarter of 1996 due to the delays in gaining approval for the first six-month workplan.

3. Proposed Activities for Next Quarter:

- Establish United Way of Tatabanya
- Select non-United Way affiliated NGO
- Hold regional meetings in Szeged, Nyiregyhaza, Miskolc, Gyor
- Pursue possibilities for joint activities focused on NGO-local government relations