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FINAL REPORT

AUDIT EVALUATION AND PROJECT SUPPORT FUND-INDEPENDENT MID-TERM EVALUATION OF THE DEMOCRACY NETWORK PROGRAM

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LIST OF ACRONYMS

BAFECR	The Bulgarian Association for Fair Elections and Civil Rights
BASH	Bulgarian Association for "School and Health"
DEMNET	Democracy Network
FLAG	Firm Level Assistance Group
ICNL	International Center for Not-for-Profit Law
ISC	Institute for Sustainable Communities
MSI	Management Systems International
NGO	Non-governmental Organization
NFF	National Forum Foundation
PVO	Private Voluntary Organization
USAID	United States Agency for International Development

INTRODUCTION

Purpose of Evaluation

The purpose of the evaluation was to:

- evaluate the delivery capacity of the Institute for Sustainable Communities (ISC);
- evaluate the progress and impact in the NGO Sector that can be attributed to the Democracy Network Program;
- make recommendations for the Institute of Sustainable Communities for its operations in the near-term; and
- make recommendations for the program direction for the Second Phase of the Democracy Network Program.

Methodology

The process for evaluating the various aspects of the Democracy Network (DemNet) Program was essentially concerned with analyzing project documentation which is cited in Annex A, "Bibliography," and interviewing persons identified in Annex B, "People Contacted," involved in the monitoring and implementation of the Democracy Network Program. Members of NGOs that had received grants and training from ISC/Bulgaria from Sofia, Plovdiv, Sliven, and Stara Zagora were interviewed, as well as a number of Bulgarians that have been working in the Third Sector.

Report Organization

Chapter I contains the Findings and Conclusions regarding the delivery capacity of ISC. Chapter II is an exposition of the Findings and Conclusions as to the progress and impact in the NGO Sector that can be attributed to the Democracy Network Program. Chapter III contains the recommendations for ISC/Bulgaria's operations in the near-term. Chapter IV contains recommendations for the program direction for the Second Phase of the Democracy Network Program. Annex D represents observations of Ms. Milosheva that she prepared outside of the formal evaluation team effort. MSI has presented this text in the form that it was received from USAID/Bulgaria.

Team Composition

Lawrence C. Heilman has been a Director of MSI since 1989. Previous to this, he served with USAID as a Foreign Service Officer for 20 years planning, implementing, and evaluating development programs in Africa, Asia, and Latin America. His particular interests are in planning and managing rural development projects, nutrition improvement and disaster recovery activities, and measurement issues relating to democracy and government interventions. In 1996 he led an evaluation of the National Democratic Institute's and the International Republican Institute's activities in Bulgaria. He has a Ph.D. with an emphasis on Latin American

institutional and development history. Dr. Heilman was the evaluation team leader.

Frank Pavich has extensive field experience in the planning, management, and evaluation of development programs and projects in Asia, Africa, and the Middle East. His work has focused on activities concerned with local development, NGO capacity building, governance and democracy, public administration, and humanitarian assistance. He served with the Peace Corps in Iran from 1962 to 1964. He joined USAID in Viet Nam in 1966 and retired while serving in Egypt in 1996.

Mariana Milosheva is the co-founder and President of the Creating Effective Grassroots Alternatives organization which is aimed at stimulating citizens participation in local development activities. Previously she co-founded and was the Executive Vice-President of the Access Association which promoted community development programs concerned with providing access to minority populations. As Program Director and Executive Director of the Yanko Sakuzov Foundation, she gained valuable experience in managing programs in the areas of political campaigning, voter education, local government, and economic development. Ms. Milosheva has extensive training and experience evaluating grant-making programs and organizations which is reflected in her collaboration in evaluation efforts with the Charles Stewart Mott Foundation since 1995.

Acknowledgments

The Evaluation Team wishes to thank members of the U.S. Mission to Bulgaria, the staff of the Institute of Sustainable Communities in Bulgaria, and particularly the citizens of Bulgaria that are helping to build non-government organizations in the Third Sector. Doors were always open and conversations both formal and informal were frank and candid, allowing for an honest exploration of the basic issues explicit in the task of the evaluation.

EXECUTIVE SUMMARY

PROGRAM DIRECTION: OVER-ARCHING CONCLUSIONS

In the first twenty months of the DemNet Program existence in Bulgaria, ISC/Bulgaria has provided needed training and grants to an expanding, inexperienced NGO sector. In doing so, the NGO sector has been strengthened to a modest degree, and valuable experience in this sector has been gained by ISC/Bulgaria. In addressing the question of which of the DemNet Program components are most/least valuable, it was determined that each of the components has a valuable role to play in strengthening the NGO Sector and stimulating the civil society debate. It goes without saying that all components -- ISC/Bulgaria, the International Center for Not-for-Profit Law (ICNL), and the National Forum Foundation (NFF) -- must be exploited to their greatest potential. Clearly the ICNL activity is well on the way to making an important contribution in providing guidance designed to create a legislative environment which promotes the NGO sector. The NFF contribution is not as clear at this time.

At this point in the life of the DemNet Program, it is a matter of making significant adjustments in the ISC/Bulgaria program approach. Hard thought must be given by ISC/Bulgaria and USAID/Bulgaria, as partners in this development enterprise, regarding how to change the priorities and the method of operations for the grant making process. This is particularly important if the U.S. resources are to have measurable, demonstrable, and significant impact on the objective of building a civil society in Bulgaria.

There are clear signals from the Bulgaria NGO sector and USAID/Bulgaria that a new way of doing business must emerge that places greater emphasis on developing a network of locally-based NGOs in selected regions to promote community participation to address problems at the grassroots. There is no time to spare in this undertaking. A new strategy and the plans to implement this strategy must be formulated without further delay.

To achieve a regional/grass-roots direction, an option should be considered to focus on several municipalities where there are FLAG, the Local Government Initiative, Peace Corps and other USAID activities (as many as practical) also underway. In the first instance, ISC/Bulgaria may want to select regions/municipalities where the NGOs have taken part in the DemNet Program to date and who show commitment to policy advocacy, community involvement, team work, and partnerships. The NGOs in these municipalities should have demonstrated potential to operate democratically, manage their affairs in a transparent manner, and be proactive in developing the financial basis to sustain their activities.

The election of NGOs to participate in one of several municipalities should come as a result of a consultative process that is undertaken in the municipality by the leadership elements of the municipality. A model for such an approach is seen in the process that the Partnership Foundation utilizes in its Sliven activity. This process lends itself to the type of team building training and consensus generating training on which ISC should be focusing the DemNet Program.

To pursue such an approach, ISC/Bulgaria would have to strengthen their technical

assistance and monitoring capacity. ISC/Bulgaria should also consider the possibility of contracting with organizations to perform certain training functions, particularly for those subjects concerned with democracy building skills. There appear to be a number of organizations that should be considered as candidates for out-sourcing training activities. This is not to suggest that ISC does not have the capacity to design modules developing democracy skills. However, one of the goals of the DemNet Program is to institutionalize indigenous training capacity to strengthen the civil society.

There appear to be a number of indigenous organizations who have as their purpose developing and supporting an approach designed to mobilize community resources to address community problems. Such groups as the Janko Sakuzov Foundation, the Partnership Foundation, the Civil Society Development Foundation, the Bulgarian Association for Fair Elections and Civil Rights, and the Association for the Dissemination of Knowledge could be enlisted to help refine a strategy in collaboration with ISC/Bulgaria and its Advisory Committee.

Is ISC/Bulgaria capable of supporting the approach outlined above? Critics assert that ISC/Bulgaria should have mobilized faster; should have been more sensitive to, and worked closer with NGO leadership to assess specific needs of local NGOs; and should have developed a strategy in concert with USAID/Bulgaria and the Democracy Commission that concentrated resources on communities that had demonstrated potential for mobilizing a network of organizations that shared a common agenda concerned with building grassroots democratic participation. On the other side of the scale, ISC/Bulgaria's efforts in mobilizing a Sofia-based team, in assessing the NGO sector needs, and in structuring a grants program and a training capacity targeted on the NGO community are praiseworthy. ISC/Bulgaria has made a difference in terms of their contribution to strengthening the NGO Sector in Bulgaria. The ISC/Bulgaria staff and ISC management deserve credit for what has been accomplished under difficult circumstances.

Since 1989, citizen participation in the public policy decision making process has increased dramatically over what was possible under the Communist regime. The growth in the number of NGOs in the past six to seven years does, in part, demonstrate the public's eagerness to continue to play a stronger role in the public policy arena. The Democracy Strategic Objective (SO) 2.1 and the DemNet Program have been created to support this public will. ISC/Bulgaria has made efforts at each stage of their progress in country to adjust activities in accordance with SO 2.1. There is very close alignment between the ISC activity and SO 2.1 on paper, with the approved Mission R-4 and the latest Six Month Work Plan prepared by ISC/Bulgaria.

Given ISC's experience on the ground in Bulgaria, their growing client base and understanding of the NGO terrain, and given a willingness to work jointly with NGO partners and USAID/Bulgaria on establishing the standards for future directions and performance, they would be a good choice to implement the changes in strategy and approach over the next several months.

MAJOR RECOMMENDATIONS FOR ISC AND THE NEAR-TERM

A Two Pronged Strategy to Be Initiated During Phase I: Presently ISC/Bulgaria is pursuing a

strategy that is concerned with the delivery of training inputs and making grants to strengthen a community of NGOs throughout Bulgaria. The Third Round of Grants, just recently announced, is an extension of this strategy. It is recommended that the option be considered of adding another dimension to ISC's strategy that would focus resources in selected municipalities or regions throughout Bulgaria during Phase One. The programs in the selected areas could be modeled after the Partners program in Sliven. This program promotes the building of a coalition of interests at the community level through a "Community Dialogue Group" process that, at its core, is a "bottom up" approach. The selection of the specific areas for concentration and focusing of resources could result from a consultative process involving the USAID partners, local NGO leadership, and local government leaders.

Monitoring DemNet Program Performance: ISC/Bulgaria must identify those indicators that are critical to determining if a NGO has been strengthened and is sustainable. These indicators should be used to determine if the DemNet Program has achieved its objective "of strengthening a community of NGOs in Bulgaria." Each of these indicators would be candidates for performance indicators for measuring performance at the IR and SO levels. These indicators should be drawn from indicators that reflect the characteristics that indicate when a NGO is financially sustainable; well managed; capable of pursuing and obtaining their stated objectives be they of the democracy, environment, economic growth, or social safety net variety; and pursuing their objectives in a process that adheres to democratic norms and practices that contribute to building the civil society.

It is important that ISC/Bulgaria and USAID/Bulgaria agree to the targets before initiating activities designed to produce the outcomes that will be used to measure performance. The number of grants to be provided, the number of people to be trained, the number of NGOs to be strengthened, and, finally and most importantly, the number of NGOs that will have achieved a level of capacity based on a profile for a model NGO must be identified.

The Grant Making Component: Significant modifications should be considered for the grant making process to enhance greater Bulgarian involvement in this process and to increase significantly the number of grants to be made over the next twelve months. The newly identified Advisory Council should have a role in the grant selection process that is concerned with policy making and oversight of the actual grant selection process. The option should be considered to have the Advisory Council assume the Democracy Commission's role in the grant selection process.

Consideration should be given to having a year-round grants making process with a window open all the time for making grants as contrasted with the present method which accepts grants only in rounds.

The Training Component: While the impact of ISC training has been positive in many regards, there is also clearly a need to have the program more focused on local needs and supporting the SO 2.1. Training and technical assistance must be integrated into a focused program approach on local institution building and problem solving. ISC/Bulgaria needs to build their capacity in the training and technical assistance fields, particularly in the areas of team building and participatory development (consultative group process).

For training in skills relating to developing norms, standards, and practices critical to building a civil society, ISC/Bulgaria should consider out-sourcing the training in this area of democracy development to such groups as Partners who have already developed capacity in this area.

Increased Staffing for ISC/Bulgaria: The increases to the core staff are proposed to permit ISC/Bulgaria to monitor, deliver technical assistance, and strengthen their in-house capacity to make grants. These recommendations are presented as options depending on the direction that ISC/Bulgaria elects to go over the next twelve months. The specific number of staff required to perform each of the functions identified below should be negotiated at the time that the function is defined in more concrete terms.

Management Tools for monitoring the DemNet Program: There is a lack of agreement on the part of ISC and USAID regarding what are reasonable expectations for progress for achieving the development objectives of the DemNet Program and SO 2.1. This problem has been exacerbated by the lack of user-friendly management tools inhibiting the development of a collaborative relationship between USAID/Bulgaria and ISC/Bulgaria. The current program monitoring and management documents being prepared by ISC/Bulgaria should be reviewed for their appropriateness and utility by USAID/Bulgaria.

Options for the Length of Time that ISC/Bulgaria Continues to Implement Phase I Activities: In considering the length of time that ISC/Bulgaria would require to finish work under Phase I, it is critical to project how much grant making ISC/Bulgaria is going to be encouraged to do over what specific period of time. Once a grant is made, it is critical to the successful implementation of the grant that monitoring, technical assistance, and training be provided by ISC/Bulgaria for the life of the grant. If ISC/Bulgaria were to follow all of the recommendations in order to dramatically pick up the pace of the operation -- grant making, training, and technical assistance -- for twelve more months, ten to twelve months would probably be the time required to monitor and provide technical assistance and training. A basic question that must be asked is how much sense does it make to promote a lot of changes in the way ISC/Bulgaria is doing business if ISC/Bulgaria must start closing down its operation in ten to twelve months?

PROGRAM DIRECTION FOR PHASE II OF THE DEMNET PROGRAM

Are three years a sufficient period of time for the DemNet Program being implemented by ISC to create an environment conducive for supporting the development of a civil society? The answer depends to a very large extent on factors well beyond the influence of ISC/Bulgaria and USAID/Bulgaria. The pace and character at which civil society will develop in Bulgaria is more a function of major economic and political forces at play at this crucial juncture in the history of Bulgaria. Fortunately, in Bulgaria there is a public majority who wish for and are working for a civil society and representative government.

The three year implementation period will have allowed time to develop and test strategies and programs that have influenced a wide range of institutions in the Third Sector that can address the constraints to the development of a civil society. However, three years is not

sufficient time to achieve the final objectives associated with the development of a civil society in which the participants are operating with democratic practices, norms, and attitudes. Additional time is needed for the strategies to achieve targeted results and for the indigenous institutions to begin to function effectively with minimal external support. Achieving advocacy coalitions, increased civilian participation, and stronger grass roots organizations with public creditability are objectives that Bulgaria will be pursuing well into the Twenty-First Century. Certainly U.S. Government assistance should continue on into the Twenty-First Century.

Program Design for Phase II Assistance: The elements of a program supported by USAID/Bulgaria designed to continue to support the development of a civil society in Bulgaria into the Twenty-First Century are discussed below. It is assumed that USAID/Bulgaria anticipates implementing the second phase of the DemNet Program in the Second Quarter of FY 1998. The two major activities or steps need to be undertaken in the transition as a part of the design process prior to the initiation of a new DemNet Program are:

1. **STEP #1 - The Search for an Indigenous Institution to Support the Strengthening of NGOs into the Twenty-First Century**: A flaw in the design of the DemNet Program was the failure to recognize the need to cultivate an indigenous organization through which ISC could run its technical assistance, training, and grant-making operations. As it now stands there will be no local institutional capacity mandated to move forward with a program to strengthen NGOs as a means to building a civil society with the departure of ISC. USAID/Bulgaria, with the Democracy SOC (Strategic Objective Committee) taking the lead and in conjunction with Bulgarians associated with the development of the Third Sector, should begin a consultative process to explore what would be the best approach for identifying the Bulgarian institution(s) that could service the Third Sector well into the Twenty-First Century.

2. **STEP #2 - Design of Phase II of U.S. Assistance**: The design team charged with putting together the package of U.S. assistance for the Second Phase as a follow-on to the DemNet Program should engage in a consultative process that would dialogue with all of the major players concerned with NGO development in Bulgaria. The design team composition should be a mix of U.S. and Bulgarian citizens. The dialogue to be promoted by the design team should take place over an extended period of time and reflect significant involvement on the part of the Bulgarian Third Sector.

AN EVALUATION OF THE DEMOCRACY NETWORK (DEMNET) PROGRAM IN BULGARIA

CHAPTER I: THE DELIVERY CAPACITY OF THE INSTITUTE FOR SUSTAINABLE COMMUNITIES (ISC)

A. ISC PROGRAM OBJECTIVES

FINDINGS

The stated purpose in the RFA for the Democracy Network (DemNet) Program was "to develop and strengthen in Central and Eastern Europe a broad range of indigenous public policy-oriented NGOs." An important dimension of this objective was to promote "independent" and "empowered" public policy-oriented NGOs which would result in the "development of an indigenous community of democratically-run and democratically oriented NGOs to democratize the civil society...." In the ISC proposal, the highest level objective identified was "to develop a sustainable community of NGOs in Bulgaria." To achieve this objective, ISC proposed[1] to achieve the following results:

- to increase membership in participating NGOs.
- to increase the number of NGOs in Bulgaria.
- to increase the number of NGOs active in rural areas.
- to address the management training needs of the NGOs.
- to improve the overall public communications and outreach skills of the NGOs involved in the project.
- to increase information sharing and networking of NGOs in Bulgaria.

The ISC proposal acknowledges the U.S. Bulgarian Democracy Commission's interest in pursuing a strategy that would encourage and develop citizen participation in local government.

In the course of program implementation, ISC/Bulgaria has identified a number of objectives in their program documentation that explicitly support the purpose articulated in the RFA for the DemNet Program. More importantly, ISC has identified objectives that directly support USAID/Bulgaria's democracy objectives that were approved in April 1996, including: Strategic Objective (SO) 2.1, "Increased, better-informed citizen's participation in public policy decision-making"; Intermediate Results (IR) 2.1.1, "Increased, better informed citizens' participation in public policy decision making; IR 2.1.2, "Advocacy coalitions for participation increased"; IR 2.1.2a, grassroots organizations developed"; and IR 2.1.3, "Information sharing among local and national entities increased."

A small sample of the objectives identified in the documentation prepared by

[1] Proposal for USAID Democracy Network Program for Central and Eastern Europe No. EE-94-A-001, Institute for Sustainable Communities, page 12.

ISC/Bulgaria that demonstrate support for the SO 2.1 Results Framework include:

- "Improve the capacity of NGOs to mobilize citizen participation and engage in policy formulation, as well as improve the responsiveness of government to the concerns of people at the grassroots level." (Workplan, September, 1995)
- "Improve the capacity of NGOs to enhance civic awareness and values in society." (Workplan, September, 1995)
- "Support the monitoring of government activities in Bulgaria and reporting to the Bulgarian people in areas such as legislative developments and human rights." (Workplan, September, 1995)
- "Improve the capacity of NGOs to mobilize citizen participation and engage in policy formulation as well as improve the responsiveness of government to the concerns of people at the grassroots level." (Workplan, July-December, 1996)
- "Improve the effectiveness of NGOs in fulfilling their mission, goals, objectives and activities, particularly at the grassroots level."(Workplan, January-July, 1997)
- Enhance the capacity of NGOs to provide services and advocacy for their constituents." (Workplan, January-July, 1997)

Currently, NGOs that receive grants from ISC/Bulgaria have objectives that link directly to USAID/Bulgaria's SO 2.1 Results Framework, and this is reflected in the NGO's Quarterly Report format required by ISC/Bulgaria which prompts the grantees to report performance indicator data for the SO 2.1 Results Framework.

CONCLUSIONS

The business of ISC is to provide assistance to strengthen a community of NGOs as a means to building a civil society in which the civilians promote pubic policies with attitudes and practices compatible with developing a civil society. Though their proposal did not appear to be explicitly responsive to the democratic objective stated in the RFA, in the course of program implementation ISC/Bulgaria has made a sustained effort to be responsive to the objectives in USAID/Bulgaria's SO2.1 Results Framework. The reporting format for their grantees clearly indicates that ISC/Bulgaria understands the importance of being responsive to USAID/Bulgaria and is pursuing a course of action to get indicator data to demonstrate performance at the IR and SO levels.

Though one can find all the objectives necessary to strengthening NGOs scattered throughout ISC's program documentation, it is extremely difficult to see how these objectives inter-relate from the bottom (the DemNet Program: inputs to outputs levels) to the top of USAID/Bulgaria's SO2.1 Results Framework. Consequently, the present documentation does not provide a clear picture of the development path being implemented by ISC/Bulgaria to strengthening a community of NGOs in Bulgaria or ISC 's commitment to contributing to SO 2.1.

B. THE PLANNING PROCESS: STRATEGY DEVELOPMENT AND TARGET SETTING

FINDINGS

Strategy Development

The strategy articulated in the ISC proposal to address the purpose set forth in the RFA -- to develop and strengthen in Central and Eastern Europe a broad range of indigenous public policy-oriented NGOs -- was simply stated. ISC was going to address "the priorities of the U.S. Democracy Commission in Bulgaria by encouraging a range of activities by NGOs on the community level." ISC's highest goal stated in their proposal was "to develop a sustainable community of NGOs in Bulgaria". This goal was to be achieved by delivering a range of services over a broad geographic area with particular attention being paid to rural areas. The core of the services to be delivered was training and grants making to NGOs. For the NGOs participating in the DemNet Program, ISC anticipated the following outcomes would result:

- Increased membership in participating NGOs.
- Increased number of NGOs in Bulgaria.
- Increased number of NGOs active in rural areas.
- Management training needs of the NGOs addressed.
- Improved public communications and outreach skills of the NGOs.
- Increased information sharing and networking of NGOs.

It was reasoned by ISC that having developed "a sustainable community of NGOs in Bulgaria", this community of NGOs would be able to make a significant contribution in achieving the DemNet Program purpose. It was this same reasoning that led both USAID/Bulgaria and ISC/Bulgaria to hypothesize that a strengthened community of NGOs would make significant contributions to SO 2.1, IR 2.1.1, RI 2.1.2, IR 2.1.2a, and IR 2.1.3.

In sum, ISC has been implementing a strategy concerned with delivering training inputs, technical assistance, and grants to as many NGOs that have the potential to achieve objectives compatible with the criteria developed by ISC for the grant selection process.

Target Setting

ISC/Bulgaria's program documentation is replete in identifying inputs or activities to be mobilized and intermediate outputs to be realized against a time line. However, there are so many different documents purporting to be workplans that it is extremely difficult to determine which document should serve to measure, if in fact, the intermediate outputs have been realized against time lines projected by ISC/Bulgaria.[2] Despite this confusion, the reporting that identifies program progress in terms of ISC/Bulgaria's delivery capacity including the execution of training activities and grants making has been satisfactory. What is not understood is the

[2] See "Workplans" section, page 4 of the Bibliography, Annex A.

degree to which USAID/Bulgaria had agreed to the targets before the actual initiation of the activities.

CONCLUSIONS

Given the small numbers of NGOs and NGO staff reached by the DemNet grants and training programs, different strategies must be considered that could result in expanding the potential impact of the DemNet Program.

There are few examples of activities being reported that represent impact as a result of activities implemented by the DemNet Program. Perhaps it is unfair at this juncture, 24 months into the program, to expect to be able to measure impact. However, it would not be unreasonable to have a set of agreed upon targets that identify projected outcomes within a time frame for DemNet Program purpose, the purpose being pursued by ISC, and finally the IR and SO objectives.

At this juncture there is no agreement between USAID/Bulgaria and ISC/Bulgaria about how to measure in concrete terms what would represent a satisfactory accomplishment for ISC/Bulgaria with the termination of the ISC involvement in the DemNet Program. Should satisfactory performance of ISC/Bulgaria be measured in terms of the number of NGOs that have reached a certain level of strengthening? Or, perhaps success should be judged in terms of magnitude of DemNet's contribution to SO 2.1, IR 2.1.1, RI 2.1.2, IR 2.1.2a, and IR 2.1.3?

The approach being pursued by ISC/Bulgaria is to develop a community of NGOs that will enrich the democratic experience in Bulgaria. This approach suggests both quantitative and qualitative dimensions to building a civil society. If you help strengthen enough of the right kind of NGOs, you will be making a valuable contribution to enriching Bulgaria's civil society. If in fact this is the ISC approach, it is critical to identify specific targets for the number of grants to be provided, the number of people to be trained, and the number of NGOs to be strengthened. However, this would only address the quantitative dimension of strengthening a community of NGOs. A qualitative dimension must be considered that measures the number of NGOs that will have achieved a specified level of capacity based on the following attributes:

- financially sustainable;
- well managed;
- capable of pursuing and obtaining their stated objectives, whether they are of the democracy, environment, economic growth, or social safety net variety.; and
- pursuing their objectives in a process that adheres to democratic norms and practices that contribute to building civil society.

C. ISC'S ORGANIZATION AND PROGRAM ADMINISTRATION

FINDINGS

The Sofia-based office staff of ISC consists of eight persons: the Country Program Director, Aaron Bornstein; the Deputy Director, Plamen Dimitrov; the Training Coordinator, Galya Dimitrova; the Training Consultant, Nikola Jordanov; the Office Manager, Katya Nikolova; the Financial Manager, Sviien Horizanov; Svelta Eneva, the Training Program Assistant; and Tlena Kotzeva, the Financial Assistant. A review of the staff's *curriculum vitae*, descriptions of responsibilities in their contracts, and Job Descriptions prepared at the direction of the Country Program Director, reflect that each employee is qualified to perform the responsibilities that she or he has been assigned. At this juncture the delineation of core staff responsibilities is clear. This delineation of responsibilities has evolved over the last 20 months, as ISC/Bulgaria developed a grants program and training delivery capacity.

Throughout this period, ISC/Bulgaria promoted a team approach as the Director and his Deputy searched for the most efficacious mode in which to do business. It has been a bumpy road and as attested by the time and attendance sheets, the work days were inordinately long. The small size and relative inexperience of the staff dictated the slow pace of program implementation. At this point, most of the basic systems, including a grants selection system, a training system, and office management system, are in place and appear to be functioning satisfactorily. The functions are adequate to ensure sustained program performance at present levels of accomplishment.[3]

Training is the principle manner in which assistance is delivered to the NGOs that are being supported by ISC. Except for reviewing the reports required by the grants awards program, ISC/Bulgaria has limited capacity to monitor the grants program. Its ability to provide hands on technical assistance to the NGO is even more limited. An indication of this lack of human resources is evidenced by the fact that the Financial Advisor has only had two opportunities to review the field financial operations of two NGOs that have active grants. In other words, this officer, although doing an excellent job, is almost overwhelmed by details that should be the responsibility of a full-time, qualified assistant under his direction.

Over the last several months the Country Director has been encouraged by USAID/Bulgaria to increase its staff so as to be able to accelerate the pace of the program. However, the Country Director has been reluctant to absorb additional staff that could have negative consequences on the quality of the work being produced by ISC/Bulgaria.

CONCLUSIONS

A consequence of the slow, methodic pace of program development, a direct result of the cautious style of the Country Director, is that USAID/Bulgaria's expectations of what should have been accomplished were not realized. On the other hand, systems are in place, an

[3] There is an audit presently underway reviewing a number of matters pertaining to office management and financial management.

experienced core staff is functioning efficiently, and the grant making and training activities are being performed in a highly satisfactory manner.

If ISC/Bulgaria is to increase its pace of implementing the DemNet Program and achieve significantly higher levels of input mobilization (grant making and training and technical assistance delivery) and output realization (NGOs strengthened in terms of promoting public policies and greater civilian participation at the local level), then there must be additions to ISC/Bulgaria's core staff, as well as significant changes in the way the grant and training programs are administered.

D. ISC'S MONITORING CAPACITY

FINDINGS

The Development of a Data Base for Monitoring

The dimensions of the challenge of creating a viable NGO Sector supporting the development of a civil society in which democratic norms and practices are adhered to in each of the Eastern European countries was understood in only the most general terms when the RFA was drafted. As a consequence, the proposed interventions set the stage for rolling designs to be undertaken by cooperators in each of the country settings. Given these circumstances, it should come as no surprise that the ISC proposal reflected a limited knowledge of the Bulgarian environment and the state of NGO development. Because no empirically based assessment of the NGO Sector existed in Bulgaria, the ISC's Country Director initiated a process of inventorying active, bona fide NGOs as a first step in creating a NGO database.

This process of collecting basic data critical to the understanding of the NGO Sector has been sustained by the ISC/Bulgaria Team, and a management information system, which is currently being consolidated, will be at the core of a monitoring capacity to gauge the development status of the NGOs supported by the DemNet Program. ISC has methodically put systems in place to assess training requirements for NGOs that have applied for ISC support. Institutional profiles of NGOs that receive DemNet assistance, developed as a part of the grant application process, are being established against which to mark change over time. All NGOs that receive grants are required to report progress and performance quarterly. The process of gathering performance indicator data for SO 2.1 and IRS 2.1.1, 2.1.2, IR 2.1.2a, and IR 2.1.3 will be facilitated by this quarterly reporting system.

An experimental NGO capacity self-assessment program has been initiated on a voluntary basis by ISC. An extremely attractive feature of this assessment tool is that it directly involves NGO leadership in the assessment process.

Additionally, an assessment of the NGO Sector has been initiated by USAID/Bulgaria, which is being undertaken by Vitosha Research with the purpose of providing baseline and monitoring data in support of USAID/Sofia's SO 2.1. This data, when available, can be used to augment the information base being developed by ISC/Bulgaria.

Field Monitoring

ISC/Bulgaria has insufficient staff to undertake NGO site visits for monitoring and technical assistance purposes except on an *ad hoc* basis.

CONCLUSIONS

ISC is putting systems in place to measure progress towards DemNet Program objectives. However, there is at present insufficient staff to make site visits on a regular basis to check the validity of the reporting that is required of all NGOs receiving a grant.

As pointed out in the section, "ISC Program Objectives," ISC has identified a variety of intermediate objectives in its program documentation that support its program objective of strengthening NGOs and USAID/Bulgaria's democracy SO. Though specific indicators have been identified to capture the DemNet Program's contribution to SO 2.1, no meaningful set of indicators are in place for collection and analysis purposes that could be used to determine if ISC/Bulgaria is satisfactorily advancing towards its program objective of strengthening a community of NGOs.

E. ROLES AND RESPONSIBILITIES OF THE AMERICAN PARTNERS: ISC/BULGARIA, ISC/VERMONT, USAID/BULGARIA, THE DEMOCRACY COMMISSION (THE COUNTRY TEAM), AND USAID/WASHINGTON

FINDINGS

The Roles:

- **ISC/Bulgaria**: The responsibility of ISC/Bulgaria has been to implement the DemNet Program in accordance with the RFA and their Cooperative Agreement agreed upon by USAID/Washington and ISC/Vermont. ISC/Bulgaria prepares a draft Quarterly Technical Report that is finalized by ISC/Vermont and sent to USAID/Washington and USAID/Bulgaria. Presently, workplans covering a six month period are being prepared by ISC/Bulgaria.

- **ISC/Vermont**: ISC/Vermont has provided backstopping to ISC/Bulgaria. Quarterly Financial Status Reports are prepared by ISC/Vermont based on inputs provided by ISC/Bulgaria and submitted to USAID/Washington and USAID/Bulgaria. Additionally, ISC/Vermont has assisted in the recruiting of Bulgarian Staff and establishing the office in Sofia; providing advice on program design; providing training materials; providing training to ISC/Bulgaria's core staff on sub-grant administration and financial reporting; assisting in coordinating regional activities; and coordinating with USAID/Washington.

- **USAID/Bulgaria**: The Cooperative Agreement approach implies that in the initial stages of implementation there will be close cooperation between the cooperator (ISC) and USAID, particularly in the initial stages of program definition and implementation. At the time of signing the Cooperative Agreement there was a certain amount of ambiguity as to the roles that USAID/Bulgaria and USAID/Washington were expected to play. In

fact what has happened is that USAID/Bulgaria has a close working relationship with ISC/Bulgaria. Rarely does a day pass when there is not a written or oral exchange between the staffs of USAID/Bulgaria and ISC/Bulgaria to discuss DemNet Program implementation matters and review all of ISC/Bulgaria's program documentation, including workplans and Quarterly Technical Reports.

Copies of the Quarterly Technical Report are provided in draft by ISC/Bulgaria to ISC/Vermont and USAID/Bulgaria. The report is finalized by ISC/Vermont and copies are sent to USAID/Washington for distribution as provided for in the Cooperative Agreement. ISC/Vermont sends a copy of the report directly to USAID/Bulgaria.

Workplans for a six month period are being prepared by ISC/Bulgaria. USAID/Bulgaria has the responsibility to review and approve the workplan. The present workplan for the January through June period was submitted after January 1, 1997, and has yet to be approved by USAID/Bulgaria.

- **USAID/Washington**: Copies of the Quarterly Technical Report are to be provided by ISC/Vermont to ENI/DG/PSP and CDIE/DI at USAID/Washington. At this juncture, ENI is performing the traditional backstopping role with regards to the ISC portion of the DemNet Program. ENI is playing a more prominent role, orchestrating the National Forum Foundation's and the International Center for Not-for-Profit Law's respective parts of the DemNet Program in Bulgaria.

- **Democracy Commission**: The Democracy Commission was identified, with the initiation of the DemNet Program in Bulgaria, to take an oversight role, particularly with regards to policy matters. As a consequence in the initial stages of the grants process, the Democracy Commission played a major role in reviewing the guidelines outlining the mechanics of the grant making process. Subsequently, the Democracy Commission has played a more passive role, perhaps reflecting the sentiment that USAID/Bulgaria is satisfactorily performing the responsibilities that were identified by the Country Team in the first instance as the domain of the Democracy Commission. This passive or benign role probably also reflects the perceptions of Democracy Commission members that the grant process is running without significant problems being identified in the Bulgarian community.

Management Tools Used By the U.S. Partners

The Request for Assistance (RFA) and the Cooperative Agreement provided the general parameters in which to implement a program for "influencing both public policy and how governments implement public policies" and guidance of how to structure the USAID and the ISC relationship. The Cooperative Agreement called for ISC to prepare Quarterly Progress Reports containing brief descriptions for the following items:

- Comparison of actual accomplishments with the outcomes established for the reporting period including accomplishments of indigenous sub-grantee NGOs.
- Reasons why established goals were not met.

- A discussion of any program problems.
- The first report was to contain a monitoring plan which was to consist of a manageable number of indicators which will be tracked by ISC and the USAID Project Officer to monitor program performance on an on-going-basis.
- A synopsis of all sub-grants.

For the March 31 and September 30 Quarterly Progress Reports the following items were to be included:

- The strategy for the following year (s).
- A time line for program implementation.
- Any proposed changes in the procedures, criteria, or substructure.

As nearly as can be determined by reviewing the submission dates found on the reports, ISC has submitted Quarterly Technical Reports on a timely basis. Workplans have also been prepared approximately every six months. The degree to which these plans were agreed to and approved by USAID/Bulgaria has not been determined by the Evaluation Team. Neither the Quarterly Technical Reports nor the six month workplans appear to have been particularly helpful in building an understanding between ISC/Bulgaria and USAID/Bulgaria as to the timeliness of inputs mobilized and outputs realized. A factor contributing to this lack of usefulness is that the reports, particularly the workplans, attempt to serve too many purposes. One consequence is that they are overloaded with information, which severely limits their utility.

Although there are numerous references in the program documentation prepared by ISC/Bulgaria which identify ISC/Bulgaria's monitoring responsibilities, a monitoring and evaluation plan that identifies all elements of the DemNet Program, from the activities being undertaken by ISC through the highest objectives of the Democracy Results Framework, does not exist in a clear and comprehensive format.

CONCLUSIONS

The management instruments being prepared by ISC -- the Quarterly Technical Reports, workplans, and monitoring plans -- for USAID are not proving to be particularly useful in terms of building a dialogue between the U.S. partners involved in the DemNet Program. It must be noted that the guidance provided in the RFA and the Cooperative Agreement prompts the Cooperator to prepare reports that attempt to deal with too many subjects in too great of detail. USAID/Bulgaria should consider reviewing what planning, monitoring, and reporting requirements are critical to ensuring that U.S. partners can reasonably discharge their responsibilities.

CHAPTER II: PROGRESS AND IMPACT IN THE NGO SECTOR

A. THE GRANT MAKING COMPONENT

FINDINGS

Publicizing the DemNet Grants Program

To date no donor-sponsored NGO program in Bulgaria has achieved such intensive and broad coverage of its program to assist the strengthening of NGOs as ISC/Bulgaria has achieved for the DemNet Program. ISC/Bulgaria organized campaigns prior to each grant round utilizing existing regional NGO information centers and networks in an effort to reach the largest possible audience. For the First Round of grant making, meetings to announce the DemNet Program were carried out in eleven cities. In addition, information was disseminated through NGO channels, newsletters, and special meetings with key NGO leaders. In addition, four all day training seminars about the DemNet Program were organized and attended by more than 200 organizations. As a result, 450 applications were distributed. Over 70 individual meetings were held with NGOs during the proposal preparation period to clarify grant submission requirements. In addition, over 150 telephone consultations to clarify the requirements took place. The Second Grant Round was publicized both regionally and nationally, also utilizing the network of existing DemNet Grantees.

The opening of the Third Grant Round on March 22 was in marked contrast to the previous two rounds. Instead of holding a series of regional meetings throughout Bulgaria, ISC/Bulgaria organized a high-profile, one-day meeting of NGOs in Bulgaria. More than 800 participants representing 500 organizations attended the event. It was officially opened by the U.S. Ambassador, and other donors presented their programs. Most of the participants that were interviewed were enthusiastic about the event. In their eyes it provided the setting for a high public profile for the Bulgarian NGO sector. Many participants remarked on the value of such an event to network with NGO partners from all over Bulgaria. However, a number of attendees shared their concerns regarding the reduced opportunity for participation of the audience and recommended that in the future ISC return to the regional presentation format. A major concern expressed by several observers of the event was that higher expectations were being generated in terms of the number of grants that would be made than could possibly be realized.

The Grant Application Process

Two application packages were developed -- one for institutional support and the other for project support. Guidelines and criteria for the selection process were developed, approved, and translated into Bulgarian. Though some of the NGOs complained that the questionnaires for the First Round of grant making were excessively complicated, most agreed that in comparison to the PHARE Civil Society Development Foundation application, the DemNet forms were more comprehensive and therefore probably had greater utility. Despite the best efforts on the part of ISC/Bulgaria to develop grant application instruments in Bulgarian, there has been an on-going problem making adequate and comprehensive translations of these materials when it comes to

the "democracy" terminology in the materials.

The Second Grant Round accepted proposals from both democracy NGOs and social safety net NGOs in an attempt to reach ethnic minorities in Bulgaria. ISC/Bulgaria revised the program application package for both Project Assistance and Institutional Strengthening Grants for the Second Round to reflect this expanded target group as well as to streamline the application process reflecting lessons learned in the First/Pilot Grant Round.

For the Third Round (March, 1997), which is entertaining proposals for all four program areas originally identified in the RFA -- Democracy, Safety Net, Economic Development, and Environment -- ISC has further revised and simplified the grant application process. The NGOs have been asked to submit responses of three pages or less to a limited set of questions which are meant to provide an outline of the major aspects of their proposed project. If the submission has merit, the NGO will be asked to provide a fuller picture of the project in the next step of the application process. For the Third Round, ISC has also introduced new grant categories -- the Partnership and the Training Implementation Grants: Training Implementation Grants are to be given to NGOs that have demonstrated training capacity. It is planned that NGOs that have the capacity to provide training in priority areas such as building organizational capacity and advocacy promotion will be given the financial and technical support critical to deliver their training products to DemNet Program grantees as well as to potential future grantees. Partnership Grants are designed to encourage NGOs to associate with the business sector, other NGOs, and local governments to carry out common projects.

The Grant Review and Selection Process

The original ISC proposal envisaged creating a technical review committee consisting of four teams to represent each category of NGOs identified in the RFA. ISC wanted to reach beyond their core staff based in Sofia to have Bulgarian and foreign experts play a role in the review process. By including individuals beyond the immediate ISC/Bulgaria team, ISC hoped to enrich the grant screening and selection process that was to be transparent and efficient. This approach would have had the effect of adding technical expertise to the ISC/Bulgaria team and reducing the workload of the team during the selection process. The Democracy Commission under the leadership of Ambassador Montgomery did not approve this approach because its members felt it would be impossible in the then present political environment to find Bulgarian experts who could constitute a review panel that could be objective. As a consequence, ISC/Bulgaria was intensively involved in the screening and selection process to the exclusion of other tasks.

The actual review process consisted of the following steps:

1. An eligibility analysis was conducted.
2. An impact analysis and ranking was done.
3. All proposals with an impact score of medium and higher were subject to further analysis and ranking on such factors related to the proposal itself (completeness, cost effectiveness, etc.), sustainability (is the project sustainable, replicable, based on real needs, etc.), and organizational capacity of the NGO.

4. All NGOs whose proposals met a threshold on both impact and other significant factors, were given a site visit to ask critical questions and clarify implementation plans.
5. In some cases, NGOs were asked to submit in writing clarifications or modifications to their proposals.
6. An adjustment of the NGO's score and ranking was made based upon the new findings as a result of the site visits and new written materials.
7. A recommendation package was prepared which first went to ISC/Vermont, then USAID/Bulgaria, and finally to the Democracy Commission.[4]

For the First Grant Round, 173 applications were submitted by 150 NGOs for democracy projects; 93 were submitted for Project Assistance and 80 were submitted for Institutional Strengthening. Eighty-five of the proposals came from NGOs based in Sofia, 20 from Varna, 12 from Plovdiv, and 50 from 25 other municipalities. Most of the Sofia-based groups submitted proposals for activities outside of the capital.

In the Second Grant Round 165 proposals were submitted by NGOs, equally split between the two eligible categories: democracy and safety-net activities. The Third Grant Round has just started. Based on the interest in the DemNet Program, the opening of grant making to the four categories of NGOs as envisaged in the RFA, and the reduced paper requirement for making an application, it is reasonable to anticipate that there will be many more applications than for the first two rounds.

The ISC/Bulgaria team recommended that 97 out of 173 First Round proposals be considered eligible and 132 of 165 of the submissions be eligible from the Second Round. After in-depth discussions on the part of the ISC/Bulgaria team focusing on the potential impact of each eligible proposal, a next set of recommendations for grants were passed on to USAID/Bulgaria for their review. For the First Round, 35 proposals were ranked as having the potential for medium to high impact. In the Second Round, 47 proposals received the medium to high ranking. ISC/Bulgaria then visited each of the NGOs that received the medium to high impact score to obtain additional information.

In the First Round, 18 NGOs were awarded grants out of the 173 proposals received. Thirty three additional NGOs were offered as a bonus the opportunity to participate in the DemNet training program. In the Second Round, 33 NGOs were awarded grants out of the 165 applications received. Ten NGOs that did not receive grants were given the opportunity to participate in the training program in the Second Round. NGOs which were not given grants but which were invited to participate in the DemNet training program were organizations seen to have potential to become DemNet Program grantees despite the fact that their proposals may have been weak. One of the goals of the training program was to enable those organization receiving training to submit proposals to ISC/Bulgaria in subsequent rounds that would be accepted.

[4] Memorandum prepared by ISC/Bulgaria, "Comments on the MSI Evaluation Document", page 3.

Profile of the NGOs and the Grants Awarded

In the First Grant Round of the 18 approved grants, five were for Sofia based NGOs that proposed projects in Sofia. Six NGOs proposed undertaking regional activities, and seven NGOs located outside of Sofia were awarded grants to undertake activities in their communities. The First Round grants were for activities that promoted citizen participation in local government, partnership building and conflict resolution, human and civil rights protection, and legislature transparency. The average size of the grant for the First Round was $17,966.

In the Second Round, 33 grants were approved -- ten for Institutional Support and 23 for Project Support. Thirteen of the grants are for Sofia-based organizations which are carrying out activities primarily outside of the capital. The remaining 20 grants were awarded to community based NGOs located outside of Sofia. Sixteen social safety net grants were approved including three grants for volunteer and self-help efforts designed to seek permanent solutions to social problems; four grants for addressing employment and other economic development problems; five grants to provide services to disadvantaged communities; two grants to increase citizen awareness of their social rights and benefits; and two grants to support partnerships to provide better social services. The projects in the Democracy area include five grants for initiatives to promote transparency of government and dialogue between citizens and local administration; two grants to promote the decentralization of decision making; three grants to focus on improving the legal framework for the administration of the Bulgarian Justice System; and two grants to address the human rights situation. The average size of the Second Round grants was $6,882.

Progress to Date and Potential for Impact

In each case when the leadership of NGOs that had received First Round grants was interviewed, it was obvious that progress was being made in terms of their democracy and/or good government agendas. Because of the availability of funding, activities were being implemented as articulated in their grant requests that could not have been undertaken if the funds were not available through the DemNet Program. However, it is extremely difficult to assess the potential for longer-term impacts of the First Round Grantees. Regardless, some impressions are provided below for those NGOs visited by evaluation team members that fall into broad categories, "Human Rights NGOs" and "Citizen Participation NGOs."

Human Rights NGOs

The Human Rights Project, the Bulgarian Helsinki Committee, the Center for Human Rights and Citizens Education, and the Tolerance Foundation had already established good track records in the human rights field. Each organization has been awarded a grant that is providing critical budget support allowing for continuity and growth in their operations. As a consequence of this support, each institution has been able to expand its efforts at the local level with education programs and support new activities related to ethnic and religious tolerance.

The Journalists for Tolerance Foundation of Plovdiv is a new and promising organization. It carried out an interesting project in Kurdgali, a town boiling with ethnic tension. The

foundation published a page on ethnic tolerance in the weekly local newspaper for a year. The DemNet Program was the first program to support this organization, which succeeded in developing a longer term strategy, raising money for other projects, and developing a wide network of contacts with other media groups and NGOs, both nationally and internationally. In the Second Round, this organization received a grant for yet another project.

Citizen Participation NGOs

NGOs observed that fall into this category include:

- The Janko Sakuzov Foundation: The Burgas branch of this foundation has facilitated the establishment of the Burgas Citizens Association which has as its objective to involve citizen participation in local government problem solving. The association has about 40 members working in partnership with local authorities addressing an agenda of local government problems.

- The Education for Democracy Youth Center: This organization in Plovdiv has established six Youth Regional Councils, each with ten members, to participate in a debate focusing on community problem solving. The DemNet Program grant included supporting a weekly radio program concerned with this youth program.

- The Partnership Foundation: The regional branch of this NGO in Sliven has been responsible for creating the Community Dialogue Group with more than 35 representatives from local government including the Police Department, organizations representing minorities, the media, and other local NGOs representing a variety of citizen's groups.

- Bulgarian Association for "School and Health" (BASH): Working initially in five municipalities, BASH established partnership with government and non-government organizations with the purpose of making the school system more democratic.

- Bulgarian Association for Fair Elections (BAFE): The main thrust of the two BAFE regional organizations that have received grants has been to support citizen participation in local government affairs. A standard tactic of BAFE has been to build a coalition of like-minded organizations that promote grass-roots participation in addressing local government problems.

- The Negotiation and Conflict Resolution Foundation: This organization has been carrying out extensive training activities with more than 300 representatives of local ethnic communities in five cities. It is a well established organization that has carried out similar programs over the past couple of years. It has a large body of trainers to support its training interventions. This organization is also directly linked with the Open Education Center of the Open Society Fund that has a vast network of regionally situated centers.

General Impressions

Group and individual interviews with these grantees revealed high motivation and commitment on the part of the grantees. The NGO participants in the grant implementation process were developing new skills as a direct result of taking part in the processes supported by the DemNet Program grants. The grants were seen as having considerable potential for increasing the ability of the concerned NGOs to further strengthen their capacity with regards to promoting democratic attitudes, practices, and norms. For many NGOs, the DemNet Program funding is coming at an early stage of their growth and doubtless will provide experience for the participants that will certainly lead to future successful interventions in the public policy arena.

In Grant Round One at least six grantees are demonstrating willingness and show promise as community role models in:

- establishing citizens' associations for local self-help government;
- establishing networks and improved information systems on public policy decision making; and,
- establishing a framework for citizens' groups to effectively interact with government, business, and media on specific issues and concerns.

As is to be expected, the development among these organizations is uneven, and much more remains to be done to strengthen their organizational skills, strategic thinking capacity, and community outreach ability. There is also a critical need to: (1) stimulate greater dialogue, interaction, and cooperation among these organizations at the grass roots/regional levels in order to increase their collective effectiveness and focus on specific public policy issues; and (2) support community dialogue and cooperation across a broad community base beyond the NGO network.

The volume of paper work required in the application process was a concern of many of those interviewed. A vociferous few of those interviewed expressed the opinion that the paper work was excessive for what they got out of the process including the training. One group of professional women working in female rights programs, the animus Association, claimed that paperwork required for obtaining a DemNet Program grant absorbed more staff time then all of the preparation and reporting for seven other grants they had received since 1994.

The system is in place to have the NGOs receiving grants report quarterly of their progress in implementing the activity funded by the grant and of impact or performance particularly as it relates to the IR and SO objectives. Each grantee reports expenditures monthly and planned expenditures for the coming month. It is against this latter report that ISC/Bulgaria authorizes a monthly allocation to the grantee. The two financial monthly reports appear to be accurate and timely.

CONCLUSIONS

The translation of the terminology associated with the development of democracy and a civil society may require a new Bulgarian vocabulary to emerge. This challenge is not only being

faced by the DemNet Program; other donor programs promoting democratic attitudes, practices, and norms are having the same problem.

Those NGOs that have received grants to support coalition building at the municipality level may be developing model interventions that could be replicated in other municipalities. Their activities facilitate broad citizen participation as a means of promoting policy dialogue and change at the community level.

None of the NGOs are sustainable in a financial sense so as to be able to continue on their own after the grant funds have been exhausted. Only the Community Dialogue Group in Sliven received a short-term institutional support grant in the Second Round. The Bourgas Citizens Association might be searching for alternative funding or apply for a grant in the Third Round. The Education for Democracy Youth Center received a grant in the Second Round for a new activity unrelated to the activity that they undertook in the First Round.

Restricting the project review process to the four core ISC/Bulgaria staff members by not allowing an additional panel of experts to help in the review process significantly hindered the operations of ISC/Bulgaria. It also contributed to the perception that the selection process was a closed process dictated by the U.S. Government. Interviews with grantees and NGOs which did not receive grants showed complete ignorance of the process described above. A perception expressed on a number of occasions was that "my project was reviewed, scored, selected, and decided upon somewhere up in Washington, Vermont, or the Embassy." Limiting the process to core staff inside the ISC Sofia Office added to the development of this negative perception. Such a process of screening, reviewing, and selecting grantees does not promote the sustainability of the program and building a broader indigenous constituency for the support of the process and the DemNet Program.

The grantee reporting requirements are being met satisfactorily which may well reflect that the up-front training activities sponsored ISC/Bulgaria concerned with project management and financial responsibilities are having a positive effect on the grantees. A hallmark of a successful NGO is financial integrity, and if the financial reporting to date is any indication of ISC/Bulgaria's impact on the grantees, then this is one area where it is not too early to say the ISC is doing a good job.

B. THE TRAINING COMPONENT

FINDINGS

Identifying Training Needs

The assessment process concerned with defining the training requirement for the DemNet Program was initiated by ISC when they reviewed the NGO community in Bulgaria as a part of their preparations for their response to the RFA. Training needs were identified. This assessment process continued through the grant advertisement and selection process for the First Round of grants. The ISC proposal identified critical areas for organizational assistance including NGO management, financial operations, integrated program development, and

volunteer mobilization and their roles.

Training activities were further refined by the ISC/Bulgaria training staff as experience in the field was gained. Initial assessments provided the basis for selecting a wide range of training topics that were offered to the NGOs awarded grants during the First Round. The following courses were offered including:

- Introductory Orientation
- Grant Management
- Project Management
- Proposal Writing
- Strategic Planning
- Orientation Training
- Governance
- Trainers Meetings
- Legal/Finance Regulations
- Fund Raising
- Human Resource Management
- Working With Media
- Accounting for NGOs

First Round Training

ISC reported that for the First Round a total of 46 NGOs sent 83 participants to the training courses. Eighteen of these NGOs are based in Sofia with the balance located Burgas, Sliven, Vraca, Ruse, Plovdiv, Shumen, Pleven, and Stara Zagora.

Second Round Training

The design of the Second Round of training reflects the experience gained by ISC/Bulgaria from their own critical review of the training activities during the First Round; formal and informal feedback from individuals and organizations; and an assessment of the data provided by NGOs during the Second Round application process. Second Round training is more wide spread geographically with training events taking place in several additional locations.

ISC/Bulgaria's plan for 1997 is to offer organizational development and public participation training mostly in locations outside of Sofia which will be followed with on-site technical assistance/training activities designed to be responsive to specific problems of individual NGOs. ISC/Bulgaria anticipates adding workshops on Advocacy/Lobbying, Working with Volunteers, and Marketing NGOs.[5]

[5] Memorandum prepared by ISC/Bulgaria, "Comments on the MSI Evaluation Document", page 4.

Observations Regarding the Training Process

It is not clear to what extent First Round training was a one time event or intended to be part of a longer-term, coordinated, and integrated process carried over into succeeding rounds. First Round NGOs had the opportunity to participate in over twelve training events to date, and the members of these NGOs will be invited to all new training events that have not been previously offered.[6]

Interviews by the Evaluation Team in Sofia, Plovdiv, Sliven, and Stara Zagora reflect the following about ISC/Bulgaria sponsored training. Most interviewees were enthusiastic about the training, and the vast majority agreed that the training was appropriate for their individual needs as well as for the needs of their respective organizations. They pointed out that in Bulgaria, the leadership and members of the NGOs were starting from an underdeveloped base of knowledge, experience, and skills. Their understanding of the NGO sector in Bulgaria, supporting programs, and other NGOs activities was in most cases extremely limited.

Some reservations were communicated about ISC/Bulgaria's program including comments on the "static" and "cool" nature of the training. There were also suggestions that trainers should come from a broader base of professions and disciplines, including NGO managers, and lawyers and economists. There was a feeling expressed by some of the trainees that most of the trainers came from the field of Psychology, hence the emphasis on methodology over topics of substance relating to the NGO sector.

A few of the trainees suggested that the training was too general and too sophisticated for some. Yet others commented that the training was boring and inappropriate for some of the more experienced and better educated trainees. These participants wanted more focus on the specific needs of the individual NGOs with delivery of training activities at the moment when it is most needed -- at the moment when it would have the greatest impact.

CONCLUSIONS

The ISC training program -- the seminars, workshops, and training sessions -- have had a positive impact in the NGO community. The training has generated considerable interest and has made a contribution in the following ways:

- it has focused attention on the need for, and the delivery of training to NGOs;
- it has introduced a model for a rapid response to a national training need;
- it has developed a pool of professional trainers that it is utilizing;
- it has produced and tested a significant output of appropriate training materials;
- it has set up an information gathering and data analysis mechanism with great potential for supporting national NGO programs; and
- it is well known by the NGO community and can serve as a positive model.

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[6] Memorandum prepared by ISC/Bulgaria, "Comments on the MSI Evaluation Document", page 5.

A sustainable NGO training component, methodology, and strategy remains a work in progress. No solution has been fully developed for:

- providing training to address problems of NGOs as they are identified;
- creating training modules dealing with promoting NGO networks and coalition building around public policy issues; and
- training to foster community involvement in a consultative process that identifies local problems and promotes grass roots participation as a means of addressing the local problems.

C. TECHNICAL ASSISTANCE AND FIELD MONITORING

FINDINGS

As originally envisaged, ISC/Bulgaria was to complement the grant making and training activities with a technical assistance delivery capacity. Except on an *ad hoc* basis when addressing problems that come up in the process of grant activity implementation, ISC/Bulgaria has had limited ability, because of staffing constraints, to deliver technical assistance in a planned way on a sustained basis.

D. COLLABORATION WITH OTHER USAID PROJECTS

FINDINGS

There were no obvious signs of field activities that reflected ISC/Bulgaria coordination with other USAID/Bulgaria cooperators to promote synergy. This is not to say that efforts are not being made to identify ways to promote synergy in USAID/Bulgaria's Synergy Committee and the Democracy SO 2.1 Committee. However, the Evaluation Team did not uncover any of these efforts on the part of the partners that had been operationalized in communities where ISC grantees had their programs.

CONCLUSIONS

All stakeholders must share a responsibility to focus and coordinate activities to support and complement one another. In this regard, there appears to be a number of opportunities for coordination. Where there are activities under the Firm Level Assistance Group (FLAG), the Local Government Initiative, and the Peace Corps around the country, there are opportunities to increase the impact of the DemNet Program to make a positive contribution through its training and grant making activities. There are several areas for promoting synergy among business, local government, and the NGO community that need to be explored in order to bring the community together to focus on issues, identify problems, and find ways to work for the common good.

E. PROGRAM DIRECTION: OVER-ARCHING CONCLUSIONS

In the first twenty months of the DemNet Program existence in Bulgaria, ISC/Bulgaria has provided needed training and grants to an expanding, inexperienced NGO sector. In doing

so, the NGO sector has been strengthened to a modest degree, and valuable experience in this sector has been gained by ISC/Bulgaria. In addressing the question of which of the DemNet Program components are most/least valuable, it was determined that each of the components has a valuable role to play in strengthening the NGO Sector and stimulating the civil society debate. It goes without saying that all components -- ISC/Bulgaria, International Center for Not-for-Profit Law (ICNL), and the National Forum Foundation (NFF) -- must be developed to their greatest potential. Clearly the ICNL activity is well on the way to making an important contribution in providing guidance designed to create a legislative environment which promotes the NGO sector. The NFF contribution is not as clear at this time.

At this point in the life of the DemNet Program, it is a matter of making significant adjustments in the ISC/Bulgaria program approach. Hard thought must be given by ISC/Bulgaria and USAID/Bulgaria, as partners in this development enterprise, regarding how to change the priorities and the method of operations for the grant making process. This is particularly important if the U.S. resources are to have measurable, demonstrable, and significant impact on the objective of building a civil society in Bulgaria.

There are clear signals from the Bulgaria NGO sector and USAID/Bulgaria that a new way of doing business must emerge that places greater emphasis on developing a network of locally-based NGOs in selected regions to promote community participation to address problems at the grassroots. There is no time to spare in this undertaking. A new strategy and the plans to implement this strategy must be formulated without further delay.

To achieve a regional/grass-roots direction, an option should be considered to focus on several municipalities where there are FLAG, the Local Government Initiative, Peace Corps and other USAID activities (as many as practical) also underway. In the first instance ISC/Bulgaria may want to select regions/municipalities where the NGOs have taken part in DemNet Program to date who show commitment to policy advocacy, community involvement, team work, and partnerships. The NGOs in these municipalities should have demonstrated potential to operate democratically, manage their affairs in a transparent manner, and be proactive in developing the financial basis to sustain their activities.

The election of NGOs to participate in one of several municipalities should come as a result of a consultative process that is undertaken in the municipality by the leadership elements of the municipality. A model for such an approach is seen in the process that Partners activity as promoted in Sliven. This process lends itself to the type of team building training and consensus generating training on which ISC should be focusing the DemNet Program.

To pursue such an approach, ISC/Bulgaria would have to strengthen their technical assistance and monitoring capacity. ISC/Bulgaria should also consider the possibility of contracting with organizations to perform certain training functions, particularly for those subjects concerned with democracy building skills. There appear to be a number of organizations that should be considered as candidates for out-sourcing training activities. This is not to suggest that ISC does not have the capacity to develop training modules concerned democracy skills building. However, one of the DemNet Program goals is to institutionalize indigenous training capacity to strengthen civil society.

There appear to be a number of indigenous organizations who have as their purpose developing and supporting an approach designed to mobilize community resources to address community problems. Such groups as the Janko Sakuzov Foundation, the Partnership Foundation, the Civil Society Foundation, the Bulgarian Association for Fair Elections and Civil Rights, and the Association for the Dissemination of Knowledge could be enlisted to help refine a strategy in collaboration with ISC/Bulgaria and its Advisory Committee. The strategy and the scale of the operation that ISC/Bulgaria will take in the future should be considered in the team building exercise to take place in the retreat.

There will be risks involved in each step of the process. For example:

- the willingness and capability of out-source contractors to perform the training function effectively to ISC/Bulgaria's specifications;

- the ability of ISC/Bulgaria to coordinate, control, direct and effectively monitor and manage field operations;

- the willingness of local leaders and organizations to form and function as Consultative Groups and whether such a Consultative Group organized at the community level can stay together and perform a useful policy advocacy function interfacing with regional and national level government agencies and the national legislative body; and

- whether there will be a critical mass of local NGOs able and willing to work in networks and coalitions.

Is ISC/Bulgaria capable of supporting the approach outlined above? Critics assert that ISC/Bulgaria should have mobilized faster; should have been more sensitive to, and worked closer with NGO leadership to assess specific needs of local NGOs; and should have developed a strategy in concert with USAID/Bulgaria and the Democracy Commission that concentrated resources on communities that had demonstrated potential for mobilizing a network of organizations that shared a common agenda concerned with building democratic participation at the grassroots. On the other side of the scale, ISC/Bulgaria's efforts in mobilizing a Sofia-based team, in assessing the NGO sector needs, and in structuring a grants program and a training capacity targeted on the NGO community are praiseworthy. ISC/Bulgaria has made a difference in terms of their contribution to strengthening the NGO Sector in Bulgaria. The ISC/Bulgaria staff and ISC management deserve credit for what has been accomplished under difficult circumstances.

Since 1989, citizen participation in the public policy decision making process has increased dramatically over what was possible under the Communist regime. The growth in the number of NGOs in the past six to seven years, does, in part, demonstrate the public's eagerness to continue to play a stronger role in the public policy arena. SO 2.1 and the Democracy Network Program have been created to support this public will. ISC/Bulgaria has made efforts at each stage of their progress in country to adjust activities in accordance with SO 2.1. There is

very close alignment between the activity and the Strategic Objective on paper, with the approved Mission R-4 and the latest Six Month Work Plan prepared by ISC/Bulgaria.

Given ISC's experience on the ground in Bulgaria, their growing client base and understanding of the NGO terrain, and given a willingness to work jointly with NGO partners and USAID/Bulgaria on establishing the standards for future directions and performance, they would be a good choice to implement the changes in strategy and approach over the next several months.

CHAPTER III: RECOMMENDATIONS FOR ISC AND THE NEAR-TERM

Based on the Findings and Conclusions presented in Chapters I and II regarding ISC operations in Bulgaria, the following Recommendations are offered for consideration by ISC and USAID for the near-term.

RECOMMENDATIONS: A TWO PRONGED STRATEGY TO BE INITIATED DURING PHASE ONE

Presently ISC/Bulgaria is pursuing a strategy that is concerned with the delivery of training inputs and making grants to strengthen a community of NGOs throughout Bulgaria. The Third Round of Grants, just recently announced, is an extension of this strategy. It is recommended that the option be considered of adding another dimension to ISC's strategy that would focus resources in selected municipalities or regions throughout Bulgaria during Phase One if there is a no-cost extension that permits ISC/Bulgaria to continue their activities to February 1999.

1. ***A Strategy Focusing ISC Resources***: A portion of the grant and training resources being provided by the DemNet Program should be focused on selected municipalities or regions where the potential for synergy with other USAID activities can be operationalized. The programs in the selected areas could be modelled after the Partners program in Sliven which promotes the building of a coalition of interests at the community level through a "Community Dialogue Group" process that at its core is a "bottom up" approach. The selection of the specific areas for concentration and focusing of resources could result from a consultative process involving the USAID partners (representatives of FLAG, the Local Government Initiative, the Professional Media Program, the Bulgarian Association for Fair Elections and Civil Rights, the Peace Corps, etc.), local NGO leadership, and local government leaders. This consultative process ideally could be facilitated by ISC/Bulgaria and the newly created DemNet Program Advisory Committee.

   Criteria would have to be developed by ISC/Bulgaria in conjunction with its Advisory Committee, USAID/Bulgaria, and the Democracy Commission that would promote the selection of grantees fostering community dialogue concerned with broadening the community interest.

2. ***Location of the Democracy Strategic Objective Committee (SOC)***: It is in the context of the Democracy SOC that the various opportunities for developing synergy between the USAID partners are initially explored. Presently, the meeting, which occurs monthly, is chaired by a USAID employee and held in the USAID/Bulgaria conference room. It is recommended that the meeting place be rotated among the offices of the SOC membership. When a meeting is held in a partner's office, USAID/Bulgaria should also consider rotating the chair to the person in whose office the meeting is being held. However, USAID/Bulgaria should be the permanent secretariat for the Democracy SOC.

   During the First Phase of the DemNet Program, the activity was concerned with moving

grants through ISC/Bulgaria to strengthen a community of NGOs. During the Second Phase, it is recommended that USAID work through an indigenous organization that would service the NGO sector with grants, training, and technical assistance. This change in strategy is discussed in greater detail in Chapter IV, "Program Direction for the Second Phase of the DemNet Program."

RECOMMENDATIONS: MONITORING AND REPORTING DEMNET PROGRAM PERFORMANCE

It is critical that ISC/Bulgaria have an efficacious monitoring and reporting system in place. To this end the following recommendations are made:

3. ***NGO Self-Assessment System***: The present system that is in effect on a voluntary basis should be simplified if possible and be used by all NGOs receiving assistance from the DemNet Program.

4. ***Determining if an NGO Has been Strengthened***: ISC/Bulgaria must identify those indicators that are critical to determining if a NGO has been strengthened and is sustainable. These indicators should be used to determine if the DemNet Program has achieved its objective "of strengthening a community of NGOs in Bulgaria." Each of these indicators would be candidates for performance indicators for measuring performance at the IR and SO levels. These indicators should be drawn from indicators that reflect the characteristics that indicate when a NGO is:

   - financially sustainable;
   - well managed;
   - capable of pursuing and obtaining their stated objectives be they of the democracy, environment, economic growth, or social safety net variety; and
   - pursuing their objectives in a process that adheres to democratic norms and practices that contribute to building the civil society.

5. ***Target Setting***: It is important that ISC/Bulgaria and USAID/Bulgaria agree to the targets before initiating activities designed to produce the outcomes that will be used to measure performance. The number of grants to be provided, the number of people to be trained, and the number of NGOs to be strengthen, and finally and most importantly, the number of NGOs that will have achieved a level of capacity based on a profile for a model NGO, must be identified.

6. ***Success Stories***: USAID/Bulgaria should consider requesting ISC/Bulgaria to report evidence of at least two success stories each quarter of activities undertaken by NGOs supported by the DemNet Program. These success stories could be reported annually by USAID/Bulgaria to demonstrate people impact at the grassroots level.

RECOMMENDATIONS: THE GRANT MAKING COMPONENT

Significant modifications should be considered for the grant making process to enhance

greater Bulgarian involvement in this process and to increase significantly the number of grants to be made over the next twelve months. However, the changes identified below (#7 through #10) only make sense in the context of a no-cost extension of twelve months.

7. ***The Grant Selection Process and the Role of the Advisory Council***: The newly identified Advisory Council should have a role in the grant selection process that is concerned with policy making and oversight of the actual grant selection process. The option should be considered to have the Advisory Council replace the Democracy Commission in terms with regards to the role that the Democracy Commission is presently performing with regards to the grant selection process. If such an approach were accepted, USAID/Bulgaria would still perform their review function in much same way that it is presently being performed.

8. ***Year-Round Open Window for Grants***: Consideration should be given to having a year-round grants making process with a window open all the time for making grants as contrasted with the present method of operations which accepts grants only in rounds. This approach should be considered if the activity is to be extended beyond February 1998 and if a decision is made to increase the number of grants to be made beyond the present levels including the Third Round.

9. ***Role of ISC/Vermont in the Grant Process***: ISC/Vermont should consider transferring the final authority to approve a grant from ISC/Vermont (Hamilton) to ISC/Bulgaria (Bornstein).

10. ***Role of the Democracy Commission***: The Democracy Commission should be concerned with reviewing and approving/disapproving all major policy and procedural issues relating to the DemNet Program. An example of one such major procedural issue could be if the recommendation to make grants year-round as discussed in Recommendation #8 is pursued by ISC/Bulgaria.

RECOMMENDATIONS: THE TRAINING COMPONENT

While the impact of ISC training has been positive in many regards, there is also clearly a need to have the program more focused on local needs and supporting the SO 2.1.

11. ***Changes in Emphasis, Direction, and Presentation of ISC/Bulgaria's Training Component***: The following recommendations are made:

    - Training and technical assistance must be integrated into a focused program approach on local institution building and problem solving.
    - ISC/Bulgaria needs to build their capacity in the training and technical assistance fields, particularly in the areas of team building and participatory development (consultative group process).

12. ***Out-Sourcing Training***: For training in skills relating to developing norms, standards, and practices critical to building a civil society, ISC/Bulgaria should consider out-

sourcing the training in this area of democracy development to such groups as Partners who have already developed capacity in this area.

13. ***ISC/Vermont's Backstopping of the Training Function***: Given ISC/Vermont's wide experience in the European Region in developing appropriate training materials that address all aspects of NGO development, ISC/Vermont should be encouraged to play a greater substantive role with regards to the training function.

RECOMMENDATIONS: INCREASED STAFFING FOR ISC/BULGARIA

The following increases to the core staff are proposed to permit ISC/Bulgaria to monitor, deliver technical assistance, and strengthen their in-house capacity to make grants. These recommendations are presented as options depending on the direction that ISC/Bulgaria elects to go over the next twelve months. The specific number of staff required to perform each of the functions identified below should be negotiated at the time that the function is defined in more concrete terms.

14. ***Technical Assistance and Field Monitoring Staff***: At least three officers should be added to the ISC core staff to perform hands-on technical assistance and field monitoring responsibilities. These officers should have had extensive experience with the functions of local/municipal government to be able to operationalize activities by NGOs promoting greater citizen participation in addressing local government problems.

15. ***Grants Administration Staff***: Three persons should be added to the ISC/Bulgaria staff to administer the grants awards program. This recommendation is predicated on the assumption that the grants award program should be dramatically expanded and that there is even the possibility that the method of administration of the awards program could be changed from one where the awards are made in waves to an open door approach in which grants can be made on a continuous basis. This staff of three should include a senior, experienced officer in activities similar to the grants making process presently being administered by ISC.

16. ***Assistant Financial Advisor***: A full-time Assistant Financial Advisor should be added to the core staff as soon as possible. This is absolutely critical if the Senior Financial Advisor is to have sufficient to time to devote to oversight of the financial dimensions of the DemNet Program which must include providing hands-on technical assistance to NGOs at their sites.

RECOMMENDATIONS: COORDINATION OF DEMNET PARTNERS AND FOCUSING THEIR EFFORTS

Currently there are three institutions contributing to the Bulgarian DemNet Program -- ISC, the National Forum Foundation (NFF), and the International Center for Not-for-Profit Law (ICNL).

17. ***Coordination and Monitoring of DemNet Program Institutions***: Though both NFF and ICNL are able to operate independently, there is much to be gained by having ISC/Bulgaria play a proactive role in coordinating the activities of NFF and monitoring ICNL activities in Bulgaria. It is particularly important that ISC/Bulgaria coordinate NFF's activities concerned with NGO internships in the U.S. and short-term AVID volunteers to Bulgaria. These programs should be focused in those communities where ISC/Bulgaria should be seeking synergy with the concentration of the efforts of the U.S. partners. However, it is also terribly important that all of ICNL's activities as they relate to the development of the enabling legal environment be monitored by ISC/Bulgaria to insure that all the DemNet Program partners are fully aware of the status of developments regarding legislation in this crucial area.

18. ***Other Donor Activities***: Given the increased amount of other donor activity focused on developments in the Third Sector, is critical that the Democracy SOC and ISC/Bulgaria continue to share the responsibility of tracking other donor activities concerned with assistance to the NGO sector. Attendance at the Donor's Forum by both USAID/Bulgaria and ISC/Bulgaria is important as are periodic exchanges of information at the Democracy SOC monthly meetings. The importance of tracking donors activities can not be underestimated as USAID/Bulgaria moves through the design phase for the Second Phase of the DemNet Program.

RECOMMENDATIONS: MANAGEMENT TOOLS FOR MONITORING THE DEMNET PROGRAM

There is a lack of agreement on the part of ISC and USAID regarding what are reasonable expectations for progress for achieving the development objectives of the DemNet Program and SO 2.1. This problem has been exacerbated by the lack of user-friendly management tools inhibiting the development of a collaborative relationship between USAID/Bulgaria and ISC/Bulgaria. The current program monitoring and management documents being prepared by ISC/Bulgaria should be reviewed for their appropriateness and utility by USAID/Bulgaria. Suggestions how the present system could modified to improve the utility of the of the documents as communications tools are presented below:

19. ***Workplan***: A time-phased workplan for a six month period should be prepared by ISC/Bulgaria and approved by USAID/Bulgaria. The events to be covered in the workplan should be limited to the activities or inputs to be undertaken by ISC/Bulgaria, i.e., training activities, grants to made, etc. Under normal circumstances, we would be recommending the preparation of yearly workplans, but the short period of time left in the project suggests that a six month period is more appropriate.

20. ***Quarterly Progress Report***: Quarterly progress reporting should be prepared by ISC/Bulgaria and sent directly to USAID/Bulgaria for their review. The objective of this report should be to focus on ISC/Bulgaria progress in implementing the DemNet Program. Consequently the emphasis is on reporting the status of moving towards the near term objectives for which ISC is accountable. The following format is`recommended:

- Activities/inputs accomplishments for the last three months. Where the activities have varied from the workplan in terms of their nature or timing, this should be noted in the quarterly report. It may be appropriate to update the workplan at this juncture depending on the nature and magnitude of the change.
- Projected activities for the next six months.
- Project implementation problems.
- Status of resolution of the problems identified in the last Quarterly Progress Report.
- Status of ISC activities relating to SO 2.1 Results Framework.

21. ***Formal Quarterly Review Meeting***: Shortly after the submission of the Quarterly Progress Report, a formal quarterly review meetings should be held that is chaired by the USAID Representative. The workplan, the Quarterly Progress Report, and the Monitoring and Evaluation Plan would be the management tools used in the review. Th principal stakeholders from USAID/Bulgaria, the Democracy SOC, and ISC/Bulgaria including representatives from the Advisory Council should be invited to attend this meeting. The agenda for the meeting could follow the suggested format for the Quarterly Progress Report.

22. ***USAID/Bulgaria Progress Report***: At least semi-annually, if not quarterly, the USAID Project Monitor should prepare a progress report for the USAID Representative detailing the status of implementation of the DemNet Program.

23. ***Monitoring and Evaluation Plan***: A life-of-project Monitoring and Evaluation Plan should be prepared by ISC/Bulgaria and approved by USAID/Bulgaria. The use of logical framework methodology to build a hierarchy of objectives should be helpful for identifying the relationship of the objectives in the DemNet Program to the Democracy SO 2.1 Results Framework.

    The contents of the monitoring plan should include:

    - the inputs (activities) and their indicators;
    - the outputs and their indicators critical to accomplishing the DemNet Program purpose;
    - all the objectives and their performance indicators in the SO 2.1 Results Framework to which the DemNet Program relates;
    - data collection plans for each indicator including plans how a baseline will be established for each indicator; and
    - identification of a reporting format for the indicators for the DemNet Program and for the SO 2.1 Results Framework.

    As mentioned previously, in the Monitoring and Evaluation Plan it is particularly important to identify targets for the number of grants to be provided, the number of people to be trained, and the number of NGOs to be strengthened, and finally and most important, the number of NGOs that will have achieved a level of capacity based on a profile for a model NGO.

24. ***Workshop to Develop Monitoring and Evaluation Plan:*** USAID/Bulgaria should consider requesting the services of a consultant to lead a workshop in which USAID/Bulgaria and ISC/Bulgaria would prepare the Monitoring and Evaluation Plan. (See Exhibit 1 "Expanded Results Framework for NGO Development" on following page.)

EXHIBIT 1

EXPANDED RESULTS FRAMEWORK FOR NGO DEVELOPMENT

Strategic Objective 2.1: Increased, better-informed citizen's participation in public policy decision-making.

Intermediate Results:

- IR 2.1.1, Increased, better informed citizens' participation in public policy decision making.
- IR 2.1.2, Advocacy coalitions for participation increased.
  -- IR 2.1.2a, Grass-roots organizations developed.
- IR 2.1.3, Information sharing among local and national entities increased.

ISC Activity Purpose: Develop a sustainable community of NGOs in Bulgaria.

Outputs:

- Financially sustainable NGOs.
- Well managed NGOs.
- NGOs capable of pursuing and obtaining their stated objectives, whether they are of the democracy, environment, economic growth, or social safety net variety.
- NGOs pursuing their objectives in a process that adheres to democratic norms and practices that contribute to building civil society.

Intermediate Outputs:

- Increased membership in participating NGOs.
- Increased number of NGOs active in rural areas.
- Management training needs addressed of NGOs.
- Improved overall public communications and outreach skills of NGOs.
- Increase information sharing and networking of NGOs.

Activities/Inputs: ISC/Bulgaria providing grants, technical assistance and training.

Note: A **Monitoring Plan** should be developed that identifies indicator(s) for each results/objective/output of the Expanded Results Framework. A collection plan should be developed for each indicator which should include: 1. identify who is responsible for collecting the indicator data; 2. frequency of collection and reporting the indicator(s); 3. how the indicator data will be analyzed; 4. a baseline for each indicator; and 5. targets for each objective/indicator. The **workplan** should identify when the activities/inputs are going to be mobilized.

25. ***The Role of USAID/Bulgaria in Monitoring Progress of the DemNet Program***: If Recommendations 19 through 24 are accepted, the next step would be to prepare the Workplan and Monitoring and Evaluation Plan. With the approval of the Workplan and the Monitoring and Evaluation Plan by USAID/Bulgaria and the installation of the monitoring system outlined in the Recommendations 20 through 22, it would be appropriate for the USAID/Bulgarian official charged with tracking DemNet Program progress and performance to perform a monitoring role as suggested by the "Re-engineering" guidelines particularly as they relate to partnerships with PVOs.

RECOMMENDATION: OPTIONS FOR THE LENGTH OF TIME THAT ISC/BULGARIA CONTINUES TO IMPLEMENT PHASE I ACTIVITIES

Most of the Recommendations, 1 through 25, are made predicated on the assumption that ISC/Bulgaria would make a major effort to pick up the pace of grant making and provide the necessary training and technical assistance that complements the grants. In considering the length of time that ISC/Bulgaria would require to finish work under Phase I, it is critical to project how much grant making ISC/Bulgaria is going to be encouraged to do over what specific period of time. Once a grant is made, it is critical to the successful implementation of the grant that monitoring, technical assistance, and training be provided by ISC/Bulgaria for the life of the grant. If ISC/Bulgaria were to follow all of the recommendations in order to dramatically pick up the pace of the operation -- grant making, training, and technical assistance -- for twelve more months, ten to twelve month's would probably be the time require to monitor and provide technical assistance and training. A basic question that must be asked is how much sense does it make to promote lot of changes in the way ISC/Bulgaria is doing business if ISC/Bulgaria must start closing down its operation in ten to twelve months?

26. ***Options for Length of Time ISC/Bulgaria Operates Under Phase I***: USAID/Bulgaria should consider the following options:

1# Twenty-four months with a no cost extension of 12 months with all grant making by ISC/Bulgaria stopped at the end of 12 months.

2# Twelve months with ISC/Bulgaria making grants for six months, followed by another 6 month period for monitoring the grants. All grants would be fully dispersed, activities finished, an final reports submitted and evaluated.

3# Start winding down the operation after the Third Round of grants with these grants having to be completed in the next 6 to 8 months, so that ISC/Bulgaria could close down its operation within 12 months or before the PACD.

CHAPTER IV: PROGRAM DIRECTION FOR PHASE II OF THE DEMNET PROGRAM

BACKGROUND

Are three years a sufficient period of time for the DemNet Program being implemented by ISC to create an environment conducive for supporting the development of a civil society? The answer depends to a very large extent on factors well beyond the influence of ISC/Bulgaria and USAID/Bulgaria. The pace and character at which civil society will develop in Bulgaria is more a function of major economic and political forces at play at this crucial juncture in the history of Bulgaria. Fortunately, in Bulgaria there is a public majority who wish for, and are working for a civil society and representative government.

The three year implementation period will have allowed time to develop and test strategies and programs that have influenced a wide range of institutions in the Third Sector that can address the constraints to the development of a civil society. However, three years is not sufficient time to achieve the final objectives associated with the development of a civil society in which the participants are operating with democratic practices, norms, and attitudes. Additional time is needed for the strategies to achieve targeted results and for the indigenous institutions to begin to function effectively with minimal external support. Achieving advocacy coalitions, increased civilian participation, and stronger grass roots organizations with public creditability, are objectives that Bulgaria will be pursuing well into the Twenty-First Century. Certainly U.S. Government assistance should continue on into the Twenty-First Century.

RECOMMENDATIONS FOR PROGRAM DESIGN OF PHASE II ASSISTANCE

The elements of a program supported by USAID/Bulgaria designed to continue to support the development of a civil society in Bulgaria into the Twenty-First Century are discussed below. It is assumed that USAID/Bulgaria anticipates implementing the second phase of the DemNet Program in the Second Quarter of FY 1998. The two major activities or steps need to be undertaken in the transition as a part of the design process prior to the initiation of a new DemNet Program in Phase II are:

1. **STEP #1 - The Search for an Indigenous Institution to Support the Strengthening of NGOs into the Twenty-First Century**: A flaw in the design of the DemNet Program was the failure to recognize the need to cultivate an indigenous organization through which ISC could run its technical assistance, training, and grant-making operations. ISC should have been mandated to identify a Bulgarian institution(s) that could receive a broad range of services over the period that ISC would be working with it in order to transform this institution(s) into a service organization for the NGO community. In the course of the evaluation, it was said that the reason that USAID did require ISC to work through an existing organization in Bulgaria was because it was perceived that the political divisions in the country significantly reduced the possibility of identifying a Bulgarian organization that would be perceived as politically neutral, a crucial factor for a grant making program designed to promote civil society. As it now stands there will be no local institutional capacity mandated to move forward with a program to strengthen

NGOs as a means to building a civil society with the departure ISC.

Consequently, USAID/Bulgaria, with the Democracy SOC taking the lead and in conjunction with Bulgarians associated with the development of the Third Sector, should begin a consultative process to explore what would be the best approach for identifying the Bulgarian institution(s) that could service the Third Sector well into the Twenty-First Century. One option is to discuss the approach to be taken with the newly created Advisory Council of ISC/Bulgaria. This could be the first step in putting together a team of U.S. and Bulgarian citizens that would go through a consultative process concerned with identifying the Bulgarian institution(s) that would be supported by USAID in the next phase of the DemNet Program.

2. **STEP #2 - Design of Phase II of U.S. Assistance**: The design team charged with the responsibility of putting together the package of U.S. assistance for the Second Phase as a follow-on to the DemNet Program should engage in a consultative process that would dialogue with all of the major players concerned with NGO development in Bulgaria. The design team composition should be a mix of U.S. and Bulgarian citizens. The dialogue to be promoted by the design team should take place over an extended period of time and reflect significant involvement on the part of the Bulgarian Third Sector. It would be appropriate if the design team could be expanded to involve collaboration in the design process of a group like ISC/Bulgaria's Advisory Council. The specific tasks of the design team would include:

- Based on the recommendations that emerge from the consultative process (Step #1) concerned with identifying the Bulgarian institution(s) that is to replace ISC/Bulgaria, design the parameters for the institution building effort that will take place during the second phase of DemNet Program implementation. It can be anticipated that there will be a major technical assistance effort that will result in a Bulgarian institution performing all of the functions that ISC/Bulgaria is presently performing. At the of end the Second Phase when U.S. Government assistance would be phased out, the Bulgarian institution(s) should be able to stand alone and deliver assistance to the Third Sector.

  It should be anticipated that it may be a couple of years into Phase Two of assistance before the Bulgarian institution(s) selected to service the NGO community will be in a position to make grants, provide technical assistance, or offer training.

- Review of the lessons learned from the ISC/Bulgaria implementation experience.

- It is anticipated that ISC/Bulgaria will facilitate the emergence of a new strategy that focuses resources on selected communities and promotes coalition building through community dialogue over the next twelve months. The appropriateness and efficiency of this approach must be reviewed by the design team to determine if the strategy being pursued by ISC should be continued into the Second Phase of the DemNet Program.

ANNEX A

BIBLIOGRAPHY

The bibliography contains a large sample of the documents that were reviewed during the evaluation of the Democracy Network Program. However, there were so many documents that were reviewed during the course of the evaluation that it was necessary to be selective in terms of what was actually included in the bibliography.

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- CV, Galya Kirilova Dimitrova.
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- CV, Aaron N. Borstein.
- CV, Svilen Todorov Harizanov.
- Program Staff Position, Training Program Assistant.
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ANNEX B

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-- Orkhan Yusufov, Board Member of Youth Counselors

-- Evgeni Genon, Board Member of Youth Counselors and Chairman of the Board of the Youth Business Center
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-- Michel Garabedian, member
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-- Igor Dernev, member
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-- Aglika Grigorova, member
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-- Antoaneta Gribacheva, Director of the Association for thr Development of Laki Municipality
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-- Sofia Dobreva, municipality official
-- Dora Decheva, Women for Charity "Roma"
-- Natalia Preslavaska, Bulgarian Woman's Union

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Tolerance Foundation, Stara Zagora
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ANNEX C

SCOPE OF WORK

SCOPE OF WORK
MID-TERM EVALUATION
DEMOCRACY NETWORK PROGRAM (DemNet)
Bulgarian Non-Governmental Organization Support Activity

Cooperative Agreement No.: DER-0032-A-00-5017-00

Background

The Program:

The Democracy Network Program in Bulgaria was authorized with Cooperative Agreement No. DHR-003-A-00-5017-00 between USAID and the Institute for Sustainable Communities on February 9,1995. The currency Democracy Network Program cooperative Agreement runs until February 27, 1998, and is funded at $3.5 million. Approximately 75% of this amount is to be directed to the Bulgarian NGO sector in the form of (1) training and technical assistance, and (2) grants to support specific NGO projects.

The Democracy Network Program (DemNet) aims to strengthen Civil Society through Bulgarian non-governmental organizations (NGOs) by supporting their work in four sectors: civil society/democratic practices, economic development, the environment, and social safety nets. To receive DemNet assistance, NGOs must be indigenous non-profit organizations registered under Bulgarian law, whose missions are compatible with the above-mentioned priorities.

To date, DemNet has completed one (pilot) grant round which was launched October 2, 1995. This round was open to NGOs working in only one of the four priority sectors, namely: strengthening civil society/democratic practices. Eighteen organizations received funding for institutional strengthening and/or project activities. Another thirty Bulgarian NGOs were awarded with participation in the training seminars, designed and carried out by the DemNet.

The Second Grant Round opened to two of the priority sectors: strengthening democratic practices and establishing social safety nets. It was announced in July 1996 with the deadline for submitting proposals September 4, 1996. The results of the Second Grant Round were announced on January 28, 1997. Thirty-three Bulgarian NGOs received funding for institutional strengthening and project activities, and another ten organizations were nominated to participate in the Democracy Network Training program.

In addition to the in-country implementing organizations, there are two U.S.-based regional grantees which provide support to the entire eleven-country DemNet program in Central and Eastern Europe (CEE):

> The International Center for Not-for-Profit Law (ICNL) which is responsible for providing country-specific assistance to improve the enabling legal and regulatory environment for NGOs;

The National Forum Foundation (NFF) -- which facilitates networking among NGOs throughout the project region, through its American Volunteers for International Development Program (AVID), regional NGO grants, in-country and regional exchanges, as well as its U.S.-based internships. NFF publishes a regional newsletter which is distributed within the eleven countries and internationally, publishes a training directory, develops and manages an electronic network for the NGOs, and moderates semi-annual meetings for DemNet in the region.

The Environment:

At present, there is no need of profound socio-political analyses in order to prove that the Bulgarian economy is in crisis. In April, 1996, the local currency was trading at 70 leva to the dollar, and the decline continued throughout the year. On February 4, 1997, the rate of exchange for one U.S. dollar was already 3,000 leva.

The International Monetary Fund agreed to a structural reform package with Bulgaria in July 1996 which would have helped replenish foreign exchange reserves, but during the first week of September the IMF postponed an urgently needed second $115 million traunche of its loan. The reason behind was the Bulgarian s Socialist Government s slow pace in meeting structural reform targets and closing down loss-making state-owned enterprises. In the end of September, Bulgaria s Central Bank increased the Central Interest Rate to 300% to improve the prospects for the local currency.

However, attempts at economic stabilization were not adequate without the necessary structural reforms, the situation in Bulgaria worsened and at the end of December, 1996 Zan Videnov s Cabinet had to resign. As a result of the continuing economic and political crisis, the Bulgarians besieged the Parliament on January 10, 1997 and protested against the government. The protests evolved into nation-wide strikes and the united opposition parties supported the public demand for early elections. On February 4, 1997 the Bulgarian Socialist party returned the mandate to the President and the early Parliamentary elections were scheduled for April, 1997.

The reason for this brief summary of the difficult Bulgarian economic picture is to highlight an important environmental factor which would eventually affect the development of DNP-funded projects, particularly involving citizens participation. The necessities of day to day economic survival may decrease citizens interest or availability to become involved. On the other hand, Bulgarians have been silent and patient for a long time, and the latest developments have been a demonstration of involvement and interest in political decision-making.

There have been no previous external evaluations for the DNP in Bulgaria. Program monitoring and evaluation is performed through ISC s quarterly reporting, site visits, meetings and through the MRS system.

ARTICLE I -- TITLE

Audit Evaluation and Project Support Fund -- Independent Mid-term Evaluation of the Democracy Network Program, Project 180-0249.83

ARTICLE II -- OBJECTIVE

A. Purpose:

To assess progress, identify strengths and weaknesses, and make recommendations for improvement of DemNet s ability to support USAID/Bulgaria s Strategic Objective 2.1, Increased, better-informed citizens participation in public policy decision-making.

The results of the evaluation will be a crucial factor for USAID in considering:

ISC s proposed no-cost extension;

The transition strategy for the current DemNet;

The design of a possible follow-on project; and

Planning future programs aimed at increased citizens participation in public policy decision making.

The Contractor shall provide an objective, formal, external evaluation of the grant making, technical assistance and training components of the Bulgarian Democracy Network Program, implemented by the Institute for Sustainable Communities (ISC) and supported by the International Center for Non-for-Profit Law (ICNL), and the National Forum Foundation (NFF).

B. Key Elements to be Addressed in the Evaluation:

General Assessment of the Bulgarian NGO Sector: A brief comparative look at the sector prior to DemNet activities vs. now. Concepts to be discussed with the indigenous NGOs: Civil Society, Advocacy, Public Policy, Building constituency and partnerships.

Is the project design adequately responsive to the Strategic Objective 2.1 and the real needs of the Bulgarian NGO sector, as voiced by them? Are USAID s priorities the NGO sector priorities? If not, what are the project deficiencies?

What components of the Democracy Network program are most and least valuable in contributing to the development of sustainable Bulgarian NGOs and the development of a domestic environment conducive to the growth of sustainable NGOs in Bulgaria?

Future needs of the Bulgarian NGO sector: How should USAID/Bulgaria address these when designing the follow-up NGO assistance program?

The Contractor has the following overriding objectives:

Impact: Assess the achievements to date, measured against the Strategic Objective 2.1 and intermediate results, the original ISC proposal and the Cooperative Agreement;

DemNet Implementation: Evaluate DemNet s strategy and capacity to effectively support indigenous non-governmental organizations (NGOs) through grant disbursement, training and technical assistance;

Monitoring and Evaluation: Assess DemNet s capacity to effectively monitor, account and evaluate the development and achievements of the DemNet-supported indigenous NGOs;

Management: Assess ISC s local staff capability to manage the program, overall management and administrative procedures, effectiveness in utilizing USAID funds to maximize program impact, and pipeline usage;

Sustainability: Evaluate the DemNet s transition/project closeout plans, including their coordination of NGO assistance with other donors in the country/region;

Lessons Learned and Future Assistance to the NGO Sector: Assess DemNet s ability to build on acquired experience; recommend the most effective strategies and future directions to be pursued by USAID in completing the existing grant, transitioning, and designing a follow-on project.

ARTICLE III -- STATEMENT OF WORK

It is USAID/Bulgaria s desire to fund an independent evaluation of the Democracy Network program in Bulgaria. It is envisioned that the evaluation team will include three members. The Team Leader the evaluation team should possess expertise in facilitating the exchange of information and empowering people to function as a team to understand and to meet goals. At least one member of the evaluation team should possess superior verbal communication skills. The Bulgarian expert will have a key role in planning and completing the field work. His/her input and insights shall be carefully considered and incorporated in the final report. The Bulgarian expert will participate equally in the entry meeting and the preparation of the draft questionnaires, as well as the first draft report (as stated below in Article IV.).

The following additional expertise is required of the team: expertise in NGO and civil society development, preferably in transitional economies.

The team will work on participatory basis to identify problems and constraints to the successful achievement of the program purpose. Based upon its assessment, it will analyze the strengths, problems and constraints identified, formulate conclusions and recommend actions needed to improve project implementation and/or the redesign of DemNet. The evaluation will consider these points as they relate to the development of *sustainable NGOs*.

Below are some questions to be considered by the evaluation team in analyzing what is critical to the successful achievement of ISC's contribution to Strategic Objective 2.1. During the team planning meeting the best method for answering these and other questions will be discussed and agreed upon. Based on this discussion, the evaluation methodology will be refined.

Impact:

- Have DemNet s objectives been clearly laid out, agreed upon and/or accepted by ISC? Do they clearly support attainment of USAID's current Strategic Objective 2.1? If not, how should they be modified?

- What kind of public policy work is being done? Provide examples. Has the environment become more conducive for the NGOs in Bulgaria as a result of DemNet's activities (include INL's role)? To what degree has the DNP helped foster civic participation? How has the perception of advocacy developed?

- Is three years sufficient time to accomplish the objectives of the program and leave behind a viable NGO sector?

DNP Implementation:

- Has ISC developed short-term and long-term implementation strategies? What are they? If not, why not? How effective is the ISC s planning in ensuring the quality/quantity of the activities/outputs?

- Has the ISC targeted a defined recipient audience (e.g., geographic, thematic, ethnic, activity-type)? If so, how effective and responsive is this approach to attainment of USAID's Strategic Objective?

- Is the mix of ISC's grant-making, training and technical assistance the most appropriate balance? How has the NGO sector in Bulgaria been strengthened as a result of it? Should it be modified?

Grants:

-- What is the present and potential impact of DemNet's grants program? Which type(s) of grants is proving most effective? Which have the best potential for building (a) institutional capacity, (b) project activity support, and/or (c) sustainable partnerships (e.g., coalition and constituency building)?

-- What is (are) the most effective model(s) for the grants program? How effective, appropriate, and timely is the proposal review process? How open and transparent? Is there a significant impact with a multiplier effect? Does it address grass-roots and local level stakeholders? Is there adequate diversity (e.g., geographic, gender, ethnic)?

Training:

-- What is the present and potential impact of the program's training component? What should the training component focus on? Which training methodology is most effective at addressing the primary needs of the NGO sector? How should it evolve? How well has the

program utilized existing training resources? Is this the best approach? *What is the status of the Training-of-Trainers element*? Are the local trainers receiving adequate training to be prepared to continue ongoing training after ISC leaves? Recommendations for improvement?

Technical Assistance:

-- Is ISC delivering appropriate and timely assistance, which addresses the differing needs of the target NGOs? What are the recommendations for improvement?

Outreach:

-- How are the activities, seminars, grant programs, publications, information exchanges, technical assistance, etc. a) meeting the needs of the NGO sector, and b) being perceived by the public? How is the media involved? Is this relationship adequate and effective? What is the visibility of DemNet? How well does the program address strengthening the relationship/partnership with the *local government*? What is the attitude of the *business community*? Is there any collaboration and support for the NGO sector? Recommend improvements in these linkages?

The regional grantees:

-- How do ICNL and NFF assist ISC in achieving the Strategic Objective? Is this collaboration effective and optimal? If not, recommend areas for improvement. How do NFF's training resources complement the ISC training program? How has ICNL contributed to the improvement of the enabling legal/regulatory framework for Bulgarian NGOs?

Monitoring and Evaluation:

- Has ISC adequately and effectively evaluated its activities and the impact on the NGO sector, recognized the lessons learned, and adapted implementation accordingly?

- How has the DNP/ISC evaluated and monitored the DNP-funded NGOs, in terms of impact and optimal utilization of CNP grants? Recommendations for improvement?

Management:

- Are funds being programmed in alignment with the absorptive capacity of the NGO community? Is the funding ratio between training/TA/grants the right mix at this point? Does it need to evolve with time? If yes, how/recommendations?

- What are the strengths and weaknesses of the management and administrative procedures adopted by ISC?

- Are ISC staff roles and responsibilities clear? How do the members of the ISC staff perceive the roles of USAID and the Democracy Commission? How can these roles and relationships be improved upon to maximize program impact? Given that USAID and the Democracy Commission rely on ISC's review process in approving grants, to what degree do the ISC staff members recognize NGO related policy issues and concerns that need to be brought to the attention of USAID and the Democracy Commission?

- What is the quality of ISC project reporting? Is it complete, informative and useful? Are *workplans* detailed, and effective in guiding implementation of the program? How are they being followed, updated, and implemented?

Sustainability:

- How well has DemNet collaborated with other USAID projects (e.g., Local Government Initiative, Professional Media Program, etc.)? Examples of synergies?

- What is the fundraising capacity of the Bulgarian NGO community? To what extent has the DNP coordinated activities with other donor projects to meld resources in order to multiply the effect of donor assistance?

- What components of the program can be expected to become sustainable (i.e., survive beyond the life of this cooperative agreement, without continued USAID and/or foreign donor funding)? What attributes have made these particular components more likely to be sustainable?

- Is there an effective *NGO network* in place, in-country and regionally? What is the nature of Bulgarian networking efforts? NFF's contribution? How can needs be better addressed?

Lessons Learned and Future Assistance to the NGO Sector:

- How/has ISC taken and built upon the successes and lessons learned from the two grant rounds? If not, why?

- What mechanisms and concepts should the follow-on NGO program inherit from the current DNP project, and what should be changed? What kind of goals should USAID set for the follow-on program? Is there a necessity to modify intermediate results, indicators and targets under S.O. 2.1? If yes, which and how?

Methodology:

It is anticipated that the principle methods to be employed in the conduct of this evaluation are: (1) review of the Cooperative agreement contract and monitoring documents (see below); (2) interviews, briefings, and group discussion with stakeholders (3) site visits and interviews/roundtables with DemNet's subgrantees and trainees. It is anticipated that rapid appraisal techniques, rather than formal sample surveys will be utilized.

1. Prior to commencing on-site activities, the Contractor shall review background documents, including but not limited to:
    - Strategic Framework documents for SO 2.1
    - ISC s Proposal
    - ISC s Cooperative Agreement
    - ISC s Quarterly and other Reports
    - USAID Activity Monitoring Reports

- Training strategy and schedule of trainings for 1996

2. Interviews, roundtables, and/or briefings are to be held with:

DemNet/ISC Staff:
Country Director
Deputy Director
Financial Manager
Training Coordinator

USAID Staff: (Washington, D.D. and Bulgaria)
- General discussion of program
- DNP structure and initial objectives/factors
- Communication (with DemNet staff)
- Other needs identified
- Coordination with other programs and other funding organizations

DemNet Grantees: (grant recipients of DemNet):
- Are the types of grants awarded fulfilling the needs? Future needs?
- What kind of public policy work is being done (e.g., working with communities, local government, etc.) Provide examples.
- How has the funding helped? What incremental input resulted from DemNet's assistance?
- Discussion of program's objectives related to the NGO's work: Program structure, accessibility and outreach (e.g., Was it easy to apply, get information, etc.).

Training Recipients:
- Needs being met?
- Quality of workshops/training materials?
- Are the acquired skills applicable/being used? Replication? Provide examples.

Representatives of NGO Sector: (non-DemNet related)
- DemNet s visibility, openness, transparency?
- Impact by DemNet

Representatives of other donor programs:
- Coordination existing, further opportunities.
- DemNet reputation. Examples of avoided duplication of efforts/funding.

ARTICLE IV - REPORTS AND DELIVERABLES

1. One day prior to departure for Sofia, the Contractor shall submit a draft work plan to USAID/Bulgaria for concurrence. The initial workplan should address the role of the Bulgarian member of the team.
2. An entry meeting shall be held with the USAID/Bulgaria staff on the day following the Contractors arrival to the country.
3. The contractor shall submit *draft questionnaires* for interviewing DemNet staff, the DemNet grantees, the DemNet training recipients, and other NGOs that USAID/Bulgaria shall review

and approve. No interview shall take place before the questionnaires are finalized and Mission approved.

4. A *First draft report* shall be presented to USAID/Bulgaria two days before the Contractor departs from the country. This report shall contain *major findings* of the evaluation and *recommendations* to the mission. The report shall be discussed at the *debriefing* meeting ;hat shall take place on the day preceding the team's departure.

5. Within 5 working days after returning to the States, the Contractor shall submit to USAID/Bulgaria the *Second draft* of the report in an electronic format.

6. USAID/Bulgaria shall give its comments to the contractor within one week following receipt of the *Second draft* of the report. Within three days, following receipt of mission s comments, the contractor shall prepare and submit to USAID/Bulgaria an electronic version (WordPerfect v.5.2 for Windows format or compatible with it) of the *Final Report* that responds to USAID s comments. The final report should incorporate the following, but not limited to:
   a. Analytical data and Findings,
   b. Conclusions,
   c. Action plan for improving the performance/impact of the current program,
   d. Recommendations to USAID for the design of the follow-on NGO assistance program.

The final report is not to exceed 33 pages, plus an Executive Summary of findings and conclusions not to exceed 5 pages. Additional material may be submitted in annexes, as appropriate (e.g. bibliography of documents analyzed, list of persons and agencies interviewed, list of participants in focus groups, etc).

7. Two hard copies of the Final Report shall be submitted by the Contractor to USAID/Bulgaria within ten days after the electronic copy is submitted.

ARTICLE V - RELATIONSHIPS AND RESPONSIBILITIES

The evaluation team will work under the technical direction of: Ms. Bistra Petrova, SO 2.1 Team Leader at the USAID/Sofia office, and the Program Office s direction of Ms. Ivanka Tzankova, Assistant Program Officer at USAID/Sofia.

The Final Report shall be approved by the USAID Representative after a review and discussions with the SO 2.1 core team.

ARTICLE VI - PERFORMANCE PERIOD AND LEVEL OF EFFORT

The evaluation team shall be composed of two U.S.-based evaluation experts, one being the designated team leader, and a local NGO consultant, who will be the third member of the team. The Bulgarian member will be locally contracted by USAID/Bulgaria under a separate purchase order.

The Bulgarian NGO expert shall join the U.S.-based team while in Bulgaria and shall be reporting directly to the team leader (attached is a separate scope of work for the Bulgarian team member). Article VIII, B discusses the qualifications required of the evaluation team. The work shall commence o/a February 18, 1997 for a period not to exceed 22 working days.

Team Member	Activity/Location	Person Work Days
Team Leader	U.S. based info gathering, document review, developing a workplan, drafting questionnaires, interviewing USAID	
	Washington-based staff	2
	Bulgaria field work (including trips outside of Sofia)	10
	First Draft Report, Prepared in Sofia	2
	Second Draft Report	5
	Final Report	3
	International travel days (approximate)	3
	Sub-total	25
Second Member	U.S.-based info gathering, document review, developing a workplan, drafting questionnaires, interviewing USAID	
	Washington-based staff	2
	Bulgaria field work (including trips outside of Sofia)	10
	First Draft Report, Prepared in Sofia	2
	Second Draft Report	5
	Final Report	3
	International travel days (approximate)	3
	Sub-total	25

ARTICLE VII - SPECIAL PROVISIONS

A. DUTY POST: The Contractor shall perform work under this delivery order in: Washington, Sofia (Bulgaria), and in some other cities in Bulgaria, depending on the geographic location of the indigenous NGOs that shall be interviewed.

B. LANGUAGE REQUIREMENTS AND OTHER REQUIRED QUALIFICATIONS:

a. **Team Leader**: Senior Level Consultant
Labor Category -- Institutional Development specialist/Social Scientist
Strategic area -- democracy, civil society.
The minimum qualifications for this position include:

1. write, conceptualize, manage and organize a team at a superior level;
2. Experience in and knowledge of the Balkan countries;
3. The team leader must have relevant previous USAID evaluation or project design experience. Knowledge of the USAID Reengineering process and Results Frameworks will be considered an advantage.

b. **Team Member**: Mid Level Consultant
Labor Category -- Management Specialist/Training/Program Specialist
Strategic area -- democracy, civil society.
The minimum qualifications for this position include:

1. experience in evaluating/managing USAID democracy projects in Central and Eastern Europe and the Balkans,
2. excellence in working with NGOs, NGO strategy and sustainability issues, institutional development,
3. excellent analytical and writing skills.

c. **Team Member**: Local NGO Consultant
The minimum qualifications for this position include:

1. knowledge of the Bulgarian NGO sector,
2. experience in evaluation of NGO activities,
3. excellent analytical skills,
4. very good interpersonal skills,
5. non-recipient of Democracy Network Program assistance.

Proficiency in English and knowledge of USAID assistance to Bulgaria will be an advantage.

The Contractor will certify that their is no conflict of interest with respect to the performance of this evaluation, nor any reason known to the Contractor which would prevent an objective evaluation of this program and/or ISC`s (NFF, ICNL) performance, on the part of the Contractor or any member of the evaluation team. The Contractor will also guarantee that all of the approved evaluation team members are available for all phases of the evaluation schedule.

Throughout this process, USAID reserves the right to appoint a USAID employee to act in the capacity of an additional team member, observer, and/or consultant.

C. ACCESS TO CLASSIFIED INFORMATION: The contractor shall not require access to classified information.

D. LOGISTICAL SUPPORT: All logistical support will be provided by the Contractor, including travel, transportation, secretarial and office support, interpretation services, report printing, and communications as appropriate.

E. WORK WEEK: A six-day week is authorized when in Bulgaria.

F. IN-KIND SUPPORT TO BE PROVIDED BY USAID: USAID will provide limited access to a computer, a printer and a fax machine.

ANNEX D

ASPECTS OF THE DEMNET PROGRAM STRATEGY AND IMPLEMENTATION

ASPECTS OF THE DEMNET PROGRAM STRATEGY AND IMPLEMENTATION

Mariana Milosheva
9 April, 1997

PART I: GENERAL ASSESSMENT OF THE NGO SECTOR IN BULGARIA

The state had absorbed the Bulgarian citizen for almost half a century. The bottom-up models or incentives were in conflict with the existing model. The report-oriented societal system was closed to its members, as it discouraged any potential for public participation or influencing policy changes.

The democratic breakthrough in 1989 opened the door to the values of civil society - free elections, freedom of speech, human rights, participation and freedom of association. The major challenge, however, was how to bridge the gap between vague memories of democracy and creative building on practices and lessons from other parts of the world. Step by step, people remembered what it meant to be a citizen on election day. But the learning process of how to practice **participatory democracy** in the period between two election days takes a lot of efforts and long-term investment from both donors and different local actors involved in the transition to a democratic society.

1. **Brief profile of the NGO sector** in Bulgaria

1.1. The beginning

First came the environmental movement of the democracy clubs emerging in opposition to the totalitarian regime. Soon they gave birth to political parties and organizations. Other "pioneers" were the human rights groups monitoring and addressing basic values of functioning of civil society. The "think-tankers" -- Sofia-based political research centers, associations and foundations -- mobilized the intellectual elite to promote democratic values and open the country to outside democratic experience.

In the period after 1990, with varying intensity, hundreds of associations or foundations have been registered - the two forms Bulgarian NGOs can use to register under the Persons and Family Law. The first boom in the registering of non-profit organizations was in 1990-1991. It was mainly due to providing a new opportunity for self-organization, as well as to focusing the donors' attention on the country. Another reason was the trend to utilize the then existing governmental regulation, allowing for tax-exempt commercial activities under the cover of a non-profit legal entity. A number of the emerging NGOs were involved with trade operations and economic activities which had nothing to do with the building of civil society. This incurred a negative impact on the image of the newly-born Third sector even after 1992,

when this regulatory framework changed and most of the "business-oriented" NGOs died away.

1.2. 1994: At the eve of the Democracy Network Program.

There were more than 2000 legally registered NGOs in Bulgaria. It is difficult to judge how many of them were actively operating. Geographically, most of these were Sofia-based organizations, carrying out activities both in the capital city and throughout the country. By origin, some were left-overs from totalitarianism, others represented pre-1989 dissident human rights groups and ecological organizations; newly-established branches of international foundations, political foundations, emerging charities, NGOs acting in different areas of civil society building. Most of the operating NGOs, no matter whether they had been registered as foundations or associations, had scarce membership - from 3 to 7 members, with small staff usually entirely dependent on foreign assistance funding.

The main actors on the NGO scene were the in-country based grant-making organizations, as well as some of the above mentioned "think-tank" organizations. Some were representing transformed structures, which originated in the period prior to the democratic change, e.g., the International St. Cyril and Methodius Foundation, the Eurika Foundation, the Thirteen Centuries Bulgaria Fund. Others were new formations, e.g., the Open Society Fund (OSF) and its network of 6 Open Society Clubs, registered as a Bulgarian entity with the support of George Soros. Through its various grant programs targeted at promoting democratic changes in the country, OSF helped the emergence of a number of groups and organizations in different fields of the democracy area.

The relations between these major players marked the emerging networking efforts in the country. In 1992 the Union of Bulgarian Foundations was established as the first umbrella organization of Bulgarian NGOs. At that time, it had about 40 members. Although the Open Society Fund participated in launching the idea of its establishment, OSF joined the Union as a full member as late as 1995. The initial goal of the Union of Bulgarian Foundations was to stimulate information sharing, promote new ethics for the NGO sector, and lobby for a better legal environment for the effective functioning of the NGO sector in Bulgaria. Together with the Center for the Study of Democracy, a Sofia-based think-tank organization, the Union carried out a number of projects, related to the drafting of a new non-for-profit legislation. Together with the Open Society Fund, the Union of Bulgarian Foundations carried out research activities, gathered information to set up an NGO database, and published materials on the emerging Third sector in the country. Since 1993, in the framework of the John Hopkins Third Sector Program, a number of sector-wide trainings, discussions and publications have been completed.

1.3. At present:

There are 4,600 organizations registered under Bulgarian Law as associations or foundations, according to the latest survey done by the Union of Bulgarian Foundations and Associations (UBFA) in January/February 1997. About 1,200 of them are considered as actively operating NGOs, the rest can be identified as more or less existing on paper.

Compared to 1994, a certain growth in the establishment of non-Sofia-based NGOs is observed. About 1/3 of the active organizations are located in Sofia. Another 1/3 of the NGO sector is to be found in Plovdiv and the region. The rest of the non-for-profit organizations is spread around the country, leaving regions, like North-Eastern Bulgaria, with only a few organizations functioning apart from each other.

Given the stated mission of local NGOs, there is a continuing non-differentiation and non-specialization of the organizations. More than 80% state as their goals various aspects of Civil Society Development. During the past 6 months, there has been an increase in the establishment of organizations related to social issues, medical care and health.

Most Bulgarian NGOs are still completely dependent on foreign assistance funding. These remain small in size, outreach and profile, being extensively project-oriented to keep themselves solvent, and facing difficulties in building strategies of their own, rather than following the guidelines of present in-country donor policy mix.

2. Donors' assistance to Bulgarian NGOs.

2.1. In the first years of democratic transformation:

The majority of foreign public and private funds were not provided as direct assistance, but through foreign organizations and institutions. The main concern was the lack of administrative and program capacity of emerging young NGOs in the country to effectively absorb foreign assistance.

Except for the Open Society Fund in Sofia, there were a few in-country based funds available to civic initiatives. Those included some small-scale grant programs of Western embassies, local branches of European public or private foundations, etc. Most of the solid US private voluntary organizations, which were very active in Poland, Hungary and the Czech Republic since 1990, had limited or no particular interest in Bulgaria.

2.2. Since 1994:

There has a certain growth in the number and scale of the grant programs supporting the NGO sector in Bulgaria. Most of the above mentioned programs have continued functioning and expanding their activities, e.g., the Open Society Fund. The existing programs opened to a more direct assistance to Bulgarian organizations, for example - the PHARE Democracy, and the PHARE LIEN ones - the two major programs of the European Community, operating from Brussels and providing assistance in the area of democracy building and programs targeting disadvantaged groups. At present, both programs provide opportunities for funding locally initiated and managed activities with leading Bulgarian partners. There are two other

smaller-scale PHARE grant programs in the same area, which are administered by Bulgarian NGOs and supervised by the European Delegation in Bulgaria.

At the eve of the Democracy Network program, another European initiative in assistance to democracy building was launched in Bulgaria. The PHARE Civil Society program, based on an agreement between Brussels and the Bulgarian Government, was decided to be administered by an indigenous NGO: the Civil Society Development Foundation (CSDF). It was established as a result of half a year consultative process with the NGO community in different regions in the country. After a period of two years, CSDF evolved as an indigenous formation with an Executive Board of 9 members, Advisory Board of Trustees of 21 members, various working groups and panels of experts in the different grants areas.

Bulgaria was also included in the grant programs of other significant private donors. The Charles Stewart Mott Foundation provided grants for development of community foundations, NGO networking and information exchange, as well as for improvement of the NGO legislation. Fund-providers like the Westminster Foundation for Democracy (UK), the British Know How Fund, NGO development Dutch agencies - Novib, Cebemo, Caritas, the King Boduin Foundation (Belgium), Open Society Institute (Budapest), etc., continued or started different grant programs covering various aspects of democracy strengthening.

There is hardly any statistics available for the size and programmatic division of the assistance funds provided to coach the emerging non-profit community in Bulgaria. Certain areas are prioritized: human rights, conflict resolution, environment, democracy building, transition to a market economy, NGO networking and information exchange, poverty prevention and community development, assistance to socially disadvantaged groups.

Areas of Concern:

1. Growth as a visible result

1.1. Since 1994, there has been a considerable growth of the non-for-profit sector in the country. Most visible in this direction are the already established and functioning hundreds of operational NGOs and several in-country grant-making organizations,as well as numerous studies and publications, seminars, workshops and conferences, small or large scale projects and programs, and existing work-groups.

1.2. In-country networks. The Union of Bulgarian foundations and associations encomprises already 140 member organizations. The Open Society Fund developed three parallel networks: Open Society clubs, bringing together different stakeholders in community life in 13 cities; Open Education centers in more than 10 cities; information and resource centers in 16 cities. The Bulgarian Association for Free Elections and Civil Rights (BAFECR) has local chapters throughout the country. The Civil Society Development Foundation helped the establishment of NGO resource centers in 6 cities. Side by side with the emergence of new networks, there is a trend of revival and attempts to transform preserved structures from the pre-1989 past. Typical example is the Association for

Dissemination of Knowledge (most of its local branches were registered as autonomous NGOs, thus being more eligible for funding).

Each of these networks has its own background and philosophy. What they have in common, however, are strong links with the central parent organization, and weak horizontal networking and limited capacity. An exception in this respect is the Foundation for Local Government Reform, which maintains contacts with almost all municipalities in the country, remaining a meeting point of different opinions and sharing of emerging democratic experience.

Although having some "closed-society birth marks", the existing in-country networks have their potential for a more structural approach to information-sharing and coalition-building inside the NGO sector. It will depend on the effectiveness of donor program interventions both with funds and technical assistance to overcome rivalry and "network the networks". This process of bringing different networks together is especially important at the grassroots level. Recently some of the tension and the so-called "NGO Balkan Politics" among parent organizations were transferred to the field and in some cases led to factions and rivalry in the local NGO community.

1.3. We may assume that compared to the first years after 1989, the Bulgarian NGO community now has a better absorbing capacity, due to organizational growth and experience in proposal writing and project development. There is a growth in the number of regionally and community-based initiatives, a process which is also stimulated by the donor policy to encourage activities outside Sofia. For example, for the period of May 1995 - October 1996, the Civil Society Development Foundation approved and funded about 300 projects - 35% in Sofia, 65% - in the countryside. With the PHARE LIEN Micro projects the proportion was 44% vs. 56%.

2. Institutional development or organizational development?

Bulgarian NGOs emerged as small groups of people, with missing or scarce links with constituencies, working for, and not with, communities or target audiences. Most of the newly-established organizations were created in opposition to the state, fighting to avoid possible control, and limiting any dialogue with government structures on the central and local levels. Being dependent on projects to maintain existence, NGOs had to put a lot of time in proposal writing, reporting and accounting, which limited the time left for real work with outside factors of development.

On a project or program levels, in most cases the donors have focused on institutional development of the emerging NGO sector. Investment in capacity building is important for a nascent non-profit movement. However, there is a predominant tendency of defining institutional building as organizational strengthening only - management, accounting, sound internal procedures, reporting. Confining this process to strengthening in terms of training in organizational skills is a threat to the further development of the NGOs in the country. It leads to limiting civil society processes within NGOs with less

outreach, instead of building them as institutions working on behalf of their constituencies, with certain position in society, effectively communicating with all other stakeholders of importance to development.

This "narrowed" approach to institutional development during the past years will have a long-term effect on the mentality of the emerging NGOs in the country. It provokes consumerism, more inward than outward oriented self-identity with limited impact on societal change. Although there has been a considerable growth in the number of NGOs and project activities since 1994, the process of opening NGOs to constituencies and the dialogue with the outside world is very slow and limited. The building of practices and attitudes related to the public outreach mechanisms, both horizontally and vertically, needs a strategic focus and development work. The same applies not only to individual organizations, but to the NGO sector as a network. It is difficult to promote an effective collaboration among "closed", inward-oriented participants.

3. Impact that brings about real changes to society

These changes cannot be achieved only by the NGOs. It depends on how well NGOs communicate with the other societal groups (whether they become exclusive democratic clubs or they are the agents of change in communities), how effective their communication and potential is to work with the government structures, the emerging business and the media sectors.

3.1. Partnership building

The sustainability of transition depends on learning to work together, even in the cases when people's approaches or perceptions might differ. The formation of coalitions and partnerships remains one of the most difficult issues to be solved. The government, which for decades was the only actor on the public scene, still hardly accepts the need of sharing responsibilities and efforts with the other agents of civil society. Even when it is declared in program papers or documents, the actual process of implementation is not an easy one. Often it is difficult to overcome the existing prejudices towards these new agents on the public scene. Most government officials are still suspicious about the motivation of these newcomers: are nongovernmental organizations "anti-governmental"; why do they want to do our work; are they competing with us?

NGOs themselves still bear the birth marks of emerging in opposition to the state. Fearing the long-lasting tradition of the past in many cases they consider the state as a menace to their freedom and independence. Furthermore, they often lack skills or awareness to effectively work with government structures on addressing issues of importance to societal development. A major shortcoming is the scarce or missing links of existing NGOs with public interests, their limited constituency and outreach, hampering consistent advocacy and opening the decision-making process at the local and central level to citizens involvement and participation.

Partnerships are feasible only if these parties know more about each other and thus overcome prejudice or suspicion. Over the past two years there has been certain improvement in this direction. Especially on the local level, a number of community-based groups started dialog with relevant government departments on concrete issues related to the improvement of the situation in their cities and neighborhoods. This process is at a very initial stage and needs a lot of attention and nurturing to grow and develop emerging grassroots practices. Emerging democratic experience in this direction remains scattered, isolated, and unknown to the NGO community at large, as well as to local government structures.
Lacking effective monitoring and learning from emerging practices hampers its sharing and dissemination. Neither donors, nor local NGOs have published or analyzed the process of disseminating experience of how partnerships can work. The Foundation for Local Government Reform has made an attempt in this direction, though at an initial stage,.

3.2. Bulgarian NGOs and the public at large

The Bulgarian NGO sector still has a low profile in the public perceptions. Most of the surveys and polls show that the public at large has none, or just a vague notion about the potential of organized civic action to promote public policy change. In many cases NGOs are conceived as something imported from abroad and not linked with historic traditions and culture. National media either keeps silent, not considering NGO activities as newsworthy, or it fuels negative perceptions and attitudes through sensational campaigns, accusing non-profit organizations of being agents of foreign interests.

Most of the Bulgarian NGOs lack the skills and experience necessary for gaining a wide public support for initiated activities. Usually, it is considered that a press conference or an announcement in the local newspaper is sufficient for this purpose. The consistent work with media is of crucial importance for imbedding NGOs in society. Identifying partners inside the local media and learning together how and what works for a sustainable transition should be stimulated through all stages of program development.

The building of public support depends also on the adequacy of NGOs to identify community interests and their capability to promote them on different public levels. Unfortunately, the practice of assessing needs and opportunities for development still remains closed inside the office, or the leadership of the NGOs. Participatory needs appraisal techniques and process are still very new for the country. There are a few practices of consistent advocacy based on the feed back from the grassroots level. They emerge only at the neighborhood level, where activists live inside their communities. Urban or national NGOs usually remain in the area of top-down research, or are based on previous central statistics studies at the stage of project writing, describing the problem definition section. There is a gap between the regional and national research units and the "think tanks", able to develop policy and strategy on local and national level and emerging grassroots experience. The bridging of practical and policy levels can help develop initiatives promoting visible change in public policy.

4. Sustainability:

For seven years now, sustainability is a major issue for donors and recipients alike. It is one of the important benchmarks for measuring the impact of investments on social development. How would a project continue after the funding is over? This issue is usually present in donors application guidelines. The typical Bulgarian NGO answer is: "We will approach another donor program". There are several problems related to the sustainability of indigenous NGO development:

4.1. Legislative framework for effective functioning of Bulgarian NGOs.

This has been on the agenda of the NGO community in Bulgaria for the last 5 years. It is the main obstacle for future development, and it is being identified as a hurdle by small and big organizations. The Persons and Family Law, which was passed back in 1949, provides only a paragraph with the option for citizens to establish foundations, and elaborates a bit more on the association forms. There are no regulations stimulating donations or charity. A brief paragraph provides for total control of the relevant Minister over the foundations. Over the past two years the efforts of an NGO task force of the Center for the Study of Democracy and the Union of Bulgarian Foundations, supported by US and European funders and assisted by organizations like the International Center for Non-profit Law, resulted in several drafts of a new law to regulate non-profit activities.

In 1996, the NGO sector succeeded to establish at the Ministry of Justice a mixed working group of NGOs and governmental officials to further develop the new legislative framework and pass the draft through the Parliament. A Parliamentary Committee in support of NGO development was formed at the end of 1996 to help promote better regulations for non-profit functioning. The NGO draft law was never reviewed by the former Parliament. However, due to the work accomplished in the previous period, this draft may face a brighter future. Further efforts will be needed to develop and launch all additional regulatory mechanisms to put this legislation into practice. This will provide more opportunities for in-country fund-raising to support non-for-profit and charitable activities.

4.2. The NGOs, the State and the Market.

NGO legislation alone can hardly provide for the sustainability of civil society efforts. Both the US and European assistance efforts for stimulating democratic transition to a market economy render account that chances of success are much better for improving government functioning, development of business and the creation of strong and viable civic groups and organizations. Actually, the support for NGOs comprises just a small piece of the overall Western assistance to Bulgaria, provided for different sectors of development mainly by multilateral agencies or governments to Bulgarian Government on central or local level.

The problem is in the "sectoral" approach and scarce synergy and coordination between different donor programs, which hampers the development of indigenous partners. The

supported reform efforts at the government level (social welfare, economic development, or education) suffer from the insufficient coordination with program intervention in these areas at the level of the NGO community. Monitoring the effectiveness of efforts and evolving practices will provide a more sustainable impact on development. It will also contribute to a more systematic coaching of opening of different sectors to communication and partnership on issues of common interests: stimulating government to consider NGOs not as a threat, but a possible partner in carrying out the reform; building capacities in NGOs to identify, develop and advocate public policy change through involving citizens in the decision making process on different levels of governance.

4.3. Embedding NGOs in society

One of the major dimensions of NGO sustainabilfty is how they fit in society as organizations. No matter how democratic and well trained they are, organizations which are small and closed to constituency or partnerships with other NGOs, or those which are on the defensive with the media and remain "vague and distant" to public both on community or national level, have little chances to survive.

As it was mentioned above, most of the Bulgarian NGOs depend on funding from abroad. Most grant application guidelines require public outreach and constituency aspects in the proposed activities. Those are important for measuring the impact of implemented projects. The problem is that most of the assistance programs, being under pressure of required visible results to justify continuation of public support in their countries, can hardly provide for a longer-term commitment to areas of development they are active in. Most of the grant programs last a year or two, searching for civil society impact that can hardly be seen in the short-term. An annual investment can have a sustainable effect only if it builds on a longer-term strategy of the recipient NGO. In most cases when a project is successful in the first year of performance, it can rarely expect a second year of funding. Some donors have policy of financing only starting projects, or search to diversify their audience and turn to new clients.

This affects the NGOs and the donors programs alike:

- In order to keep themselves "solvent", local NGOs develop proposal writing skills and reporting capacities; skills, commitment and resources focus more on organizational survival rather than on institutional development in the direction to more influential role in communities. Even if the start is successful, the activity might wither due to a lack of community support and sole reliance on outside donor funds. In case of success, when the organization finds a new donor agency with different policy guidelines, the NGO might shift its strategy to conform to the new requirements rather than to the local demands. There are a number of organizations whose growth is entirely grant-application-driven and in this process of "survival", they diffuse and lose their community identity and strategic focus.

- Once there are several successes on the local level, donor programs have little time to study what works best, and how to further invest in the development of successful programs. Pressed by the time factor and the demand for accounting for tax-payers' money, donors need to report on short-term measurable results. These results, however, if not embedded as benchmarks in the long-term strategy, can hardly become sustainable investment in the development of a viable civil society.

The nurturing of partnerships and networks, which stimulate citizen participation and public policy change, takes time and consistent efforts. This is a mutual learning process, leading to strategic alliances between donors and the local NGO community for sustainable development. Identifying new initiatives with potential for significant change is important and breaks the monopoly of the few well-known and well-connected organizations. But just seeding up the infancy stage of new projects, without effective monitoring and building on lessons learnt, is not efficient in the long run. Sustainability can only be achieved through longer-term commitment on different levels of project cycle and consistent coaching of local partner development. This approach is of great importance and is still rare in funders' policy both on the level of individual projects and in terms of horizontal networking of similar initiatives of different organizations throughout the country.

The Bulgarian NGO Community and the Democracy Network Program

The Democracy Network program "arrived" in Bulgaria at a very important stage of development of the Bulgarian NGO sector. Its goals and philosophy were accepted with very high expectations by the NGO community. Though there were already a number of donor programs aiming at stimulating civil society development in the country, this was the only grant program designed to address some of the priority needs of non-profit organizations as agents of societal change. The focus of the program on stimulating institutions related to advocacy, public outreach, growing role in public policy change, building constituencies and partnerships is of crucial importance to helping the NGO sector to become more viable, more skilful and open to dialog and cooperation at different levels, more influential in society at large.

It is difficult to measure the impact of a program of such a scale for only 18 months of its functioning. Moreover, as mentioned above, the growth and development of the NGO sector in Bulgaria for this period was influenced by the policy and implementation of a variety of donors programs in the country, Being completely dependent on project funding by outside assistance funds, Bulgarian NGOs already had certain structural marks related to previous or simultaneous intervention. It is most difficult for the indigenous sector to meet this mixture of requirements and policies of different donors.

This made the task of launching and implementing the DemNet program even more difficult. Its success depended on: 1/ its capability for in-depth studying of the NGO community development so far and its mentality at the time of the start the start of the program; 2/ its sensitivity to cultural context and flexibility in developing the

implementation of the program; 3/its ability to study and understand the fast changes in the social, political, and economic environment and to provide flexibility in program approach and update of policies; 4/ its openness to consultations and participation of local stakeholders in updating program focus; 5/its pro-activeness in stimulating through grants and technical assistance structural shift in mentality and practices of Bulgarian NGOs from inward-oriented entities to outward-bound institutions capable of promoting real changes in the country.

The Democracy Network Program and the Donors' Forum Initiative:

During the last two years there were a number of discussions related to the need of a better coordination of investment and policies of donors programs active in the country. Some programs like the Democracy Network,the Civil Society Foundation, and in-country small PHARE Democracy and LIEN programs, made consistent efforts to maintain working contacts in order to avoid overlapping of funding for the same organizations. However, this remained only on the level of project application. Little was done to discuss strategies and effectiveness of program interventions in regard to sustainability of societal changes in the country.

Recently, the Donors' Forum Initiative was launched as a new possibility for donors cooperation. The idea follows existing experience in other countries in Central and Eastern Europe (for example the Czech republic). However, there is no clear vision what exactly this new initiative can be. Some of the participants, like the St. Cyril and Methodius foundation and Eurika foundation were looking at it as an "exclusive" club of both Bulgarian and foreign funders. Others, like the Civil Society Foundation and the Democracy Network program were considering it more as an operational tool for better functioning of their programs from the perspective of networking and cooperation.

The Donors' Forum can become a successful initiative if it functions as an open platform for discussions of strategies and practices emerging in the country. This assumes scheduling regular meetings not only among the donors themselves, but also between donors and different stakeholders from the NGO community (both on national and grassroots levels). So far, however, the Donors Forum initiative has been moving in the direction of a more institutionalized coordination - establishing an office, staff, etc. This might "close" the forum and miss the opportunity for a more effective communication between the donors and the local NGO community.

PART II: ASPECTS OF THE DEMNET PROGRAM STRATEGY AND IMPLEMENTATION

A/ Program Strategy Development

1. Generic Strategy - as in Corporate Agreement and Original Proposal

1.1. The purpose of the DemNet program is to develop and strengthen in CEE a broad range of indigenous public policy - oriented NG0s in four priority sectors: l/ democracy; 2/ environment; 3/ economic growth, and 4/ social safety nets. Through sub-grants and technical assistance, local NG0s aim to become self-sustainable and capable of: influencing the formation and implementation of public policy; serving as a forum for public policy debate and advocacy; forming partnership and alliances with public and private sectors; operating democratically; become efficient, responsible, financially and organizationally sustainable; providing services to and advocacy to their constituency.

1.2. Program strategy of ISC as in the original proposal is designed in consistence with the US Democracy Commission strategy emphasis: l/ encourage and develop citizens participation in local government and its responsiveness to local grassroots level; 2/ increase awareness in civil society and participation of ethnic minorities in the economy; 3/ promote information sharing through small projects with progressive innovative groups. The main focus of the program approach is to encourage measurable activities on the community level which demonstrate successes, increase their credibility with the public, and provide testing grounds for regional and national policies. The assumption is that "if NG0s have been successful on the local level with a policy or a strategy, they will have more momentum when they bring their suggestion to a wider audience".

1.3. The original proposal has four broad goals: l/ to develop a sustainable community of NG0s in Bulgaria, 2/ to increase managerial effectiveness of Bulgarian NG0s 3/ improve credibility of NG0s in Bulgaria; 4/to link NG0s in Bulgaria with each other and with international NG0s. These goals are to be accomplished through the implementation of three program components, including training, technical assistance and grant-making: l/ capacity building component - to strengthen organizational capability of NG0s; 2/ program support component - to support ongoing activities in the priority focus areas; 3/ **public policy component -** to help efforts and develop practices in influencing the formation and implementation of public policy.

1.4. The major factor for the implementation success of the above goals, which were guaranteed by ISC's good record of work in Bulgaria, are the linkages with the Bulgarian NGO community, and respectively the good knowledge and understanding of its specific characteristics and trends of development. A more detailed reading of original ISC proposal, however, shows a somewhat superficial notion of the real trends in the country.

For example in the "Status Quo and Constraints" Chapter (p.1-2), some key actors (either "good" or "bad" ones) in the local NGO development field are not present in the analysis: e.g., the Open Society Fund and its network of community clubs and information centers; the human rights organizations with established record of activities; the Union of Bulgarian

Foundations (an umbrella of more than 60 organizations at that time), think-tanks such as the Center for the Study of Democracy, the Institute for Market Economy, etc. Some of these have carried out research and analytical work in several NGO-related areas. ISC had planned to ask "international contacts that work with NG0s, such as Citizen Democracy Corps and the Regional Development Center in Budapest for lists of NG0s in Bulgaria" (p.4).

The characteristics of the social safety net NG0s are somewhat surprising, too (p.2). Together with Roma organizations as key examples are provided the Bulgarka Foundation and the Slavyani Foundation. Neither have any democratic record, nor any peculiar intervention in civil society practices, especially in the social safety net area. (For example, the Slavyani Foundation is better known as a bank under the same name).

Conclusion:

The program strategy design in the original project is so professional and broad that it provides a lot of flexibility and creativity for "landing" it within the local cultural context. The goals, as set in the design of the Democracy Network Program and the RFA, provided grounds for a significant program intervention for boosting the democratic society building in Bulgaria.

ISC's initial "distant" awareness of the Bulgarian environment, in my opinion, is a factor with a long-term impact on the program strategy development:
1/ It can be one of the reasons for the slow start-up of the program. Together with the numerous logistic and program tasks (establishing an office and launching program, hiring staff, etc.), the in-country director had to simultaneously start from scratch identifying and communicating with Bulgarian NGO community.
2/ It might have delayed the development of a longer-term implementation vision and marked it with a more reactive, rather than proactive attitude to outside factors.
3/ Together with other reasons, it might have provided for the initial closer management monitoring of the program by the US Democracy Commission for Bulgaria.

2. The implementation strategy - the Bulgarian context

2.1. ISC's implementation strategy is marked by *a step-wise, evolutionary approach.* During the first 18 months the program tested its machines through a pilot phase of grant-making (announced in October 1995), opening only to the democracy building area. The second grant round (announced in June 1996) added the social safety net area. These decisions were suggested by USAID/Sofia and the Democracy Commission at the U.S. Embassy to Bulgaria. Two main factors determined such a recommendation: 1/ the country specifics, which needed more focused investment in democracy building (the legacy of the past was imposing a lot of constraints to civil society development and effective NGO functioning); 2/ It was considered that this will be a more manageable approach, allowing ISC to test different program components in this area,to get better oriented in the NGO community and environment,and to build on emerging practices from the field to prepare the "take off" in the other three focus areas.

2.2. The DemNet program implementation was developing side by side with the re-engineering process of the USAID mission in Bulgaria, which was targeted at strategizing and improving the effectiveness of overall development investment in the country. Designed to stimulate the growth and effectiveness of public-policy oriented NG0s, the DemNet program has the potential to link and enrich other USAID-funded programs (those in the area of social reforms and the small and medium enterprises). It is of crucial importance for the identified strategic objective to stimulate informed citizens participation in public policy decision making. As stated by John Tennant (at the Pocantico II meeting, Nov. 1996), Demnet strategic mandate is to: 1/ identify (potential) and develop strong models and then encourage replication and further development of practices; 2/ develop horizontal linkages (among NG0s, cross sector dialogue, communications, partnership), as well as vertical ones (building on grassroots practices to promote change in national policy).

This strategic mandate, although present in the generic concept of the DemNet program, is rather a desired objective than consistent practice in the current program implementation process. The current DemNet program will need to immediately consider relevant adjustments to address such a mandate.

2.3. Currently, the DemNet is at the beginning of its second stage of program development. When based on pilot projects and analyzing different approaches tested in the field, it should sharpen its vision, and develop a critical mass of public policy advocates, build on the successes from the first round and lay the foundations for a sustainable NGO sector. The Third Grant Round is opening to all four program areas. In addition, the program staff should develop a strategy for a smooth transition to the follow-on NGO assistance program.

Conclusion:
The in-country "fielding" of ISC's program strategy was, and still is, a long on-going process. Its evolution so far was *rather reactive than proactive* to outside factors related to in-country specifics of civil society processes, profile and trends in NGO community development, USAID strategy and reengineering process, recommendations and requirements of US Democracy Commission of Bulgaria.

The positive side is that the DemNet program can be more flexible and adaptable in the short term to the field demands and other factors by analyzing them and fine-tuning the next steps.

The threat is that the long-term vision can be absorbed in the mechanics of processing short-term activities. Also, a reactive approach to an "inactive" NGO environment, where linkages with outside world, public policy orientation and broad constituency are still new or emerging, might endanger longer-term development impact.

[WHAT WOULD YOU DO IN THEIR SHOES TO AVOID THE THREATS?]

B/ Grant-making **program** component: policy and practices

<u>1. Development of DemNet's guidelines/eligibility criteria</u>

ISC had put a lot of efforts and did enormous work in the preparation of the pilot grant application round. Two project application packages were developed: 1/ institutional support; 2/ project support. Explicit guidelines and criteria for selection had been developed, approved and translated into Bulgarian. Though some of the NG0s complained that the questionnaires for the First Grant Round were pretty extensive, most agreed that they were more comprehensive, compared to the PHARE Civil Society Development Foundation application forms.

Based on the lessons learned from the First Round (October, 1995), the program team updated the application packages for the Second Grant Round, which added the social safety net area to the eligible projects. The Third Grant Round (March 1997), which opened to the four program areas, has a simple two-step approach (from a concept paper to a full proposal), which will help the selection process and reduce paper work for applicants.

The team did enormous work in searching for an adequate and comprehensive language in translating the materials, which was not an easy task, due to the fact that most of the *democratic terminology* is missing or difficult to translate in Bulgarian. This relates not only to the application guidelines, but also to the Democracy Network press-releases for the media, training materials, etc. The language issue is a serious challenge for the comprehensive program outreach. A number of NGO representatives shared that the terminology sounds "foreign", "literally translated", or making little or different sense in Bulgarian. The reasons could have been the pressing timeliness, or the insufficient differentiation on the part of the DemNet training program of the level of qualifications within the NGO target audience.

"Somehow, the evolving language of the Bulgarian NG0 sector became a barrier between them and the society at large", shared the executive director of the Union of Bulgarian Foundations.

In fact, the translation of "democratic" literature in Bulgaria needs a revision and a new approach. This challenge is faced not only by DemNet, but by other in-country donor programs and by the NG0s themselves.

2. Launching and publicizing of the DemNet program

No program active in Bulgaria so far has accomplished such an intensive and broad launching information and training campaign. ISC has organized such campaigns prior to each grant round ISC, mobilizing existing regional NGO information centers and networks trying to reach as broad an audience as possible. The initial launching of the program took a lot of efforts. Eleven informational meetings were carried out in different cities. In addition, information was disseminated through NGO channels, newsletters, meetings with key NGO leaders; four all-day trainings on the DemNet program were organized and attended by more than 200 organizations. As a result 450 applications were distributed. Over 70 individual meetings were held with NG0s in the proposal preparation month to

clarify requirements; over 150 telephone consultations were conducted for the same purposes.

The second grant round was publicized both regionally and nationally, utilizing the network of existing DemNet Grantees, as well as already available knowledge about the program among the NGO community.

The opening of the Third Grant Round (March 22, 1997) was organized in a different manner compared to the previous ones. Instead of regional meetings, ISC organized the biggest high-profile one-day meeting of NGOs from all over Bulgaria so far. More than 700 NGO representatives attended. It was officially opened by the US Ambassador. Other in-country donors presented their programs. Most of the attendees who were interviewed, were fascinated by the event: they pointed out that this meeting is contributing to the higher public profile of the Bulgarian NGOs. Others, however, found the solemn atmosphere and the reduced opportunity for participation of the audience to be a deficiency of this kind of presentation, and recommended that the DemNet staff returns to the previous practice of touring around the country to present the next grant rounds.

3. Project applications and selection process:

3.1. Project Proposals:
The first grant round resulted in a total of 173 applications submitted by 150 NGOS: 93 for Project Assistance, 80 for Institutional strengthening; about 85 from Sofia, 20 from Varna, 12 from Plovdiv, about 50 from other 25 municipalities. Most of the proposals from the Sofia-based groups were for activities to be carried out outside of the capital city.
The second grant round resulted in 165 proposals, equally split between the two eligible areas with a relatively higher percentage of non-Sofia based groups. The third grant round has just been announced, but based on the interest to the program and the opening of all the four areas, the number of proposed project concepts will probably be much higher.

3.2. Proposal Review Process

ISC's proposal envisaged the establishment of a technical-review committee, consisting of 4 teams, including outside Bulgarian experts to help and make more precise and transparent the process of project proposals screening. This would have helped in adding technical expertise to the ISC Bulgarian office team and reduce the time and workload during the selection process. The Democracy Commission at the US Embassy in Bulgaria did not approve it. The ISC Bulgarian office program staff remained with the responsibility to do the project review and recommend the eligible projects with high potential of impact to ISC/Vermont and to the Democracy Commission.

ISC developed a three-stage proposal screening procedure:

a/ eligibiifty analysis: independent reading of proposals by the DemNet Bulgarian Staff deputy director, training coordinator and consultant, and making a recommendation on

eligibility. First round - 10% out of 173 proposals were recommended; second - 80% of 165 were eligible.
b/ impact analysis: in-depth discussion on the impact of each eligible proposal, based on evaluation by consensus among DNP staff reviewers. First round - 35 proposals were ranked from medium to high impact; second round - 47. Almost all of these were translated into English and passed through an additional ranking against a series of secondary criteria.
c/ site visits to highly ranked organizations. Some applicants were asked to submit additional information, others dropped out, third could carry out the project but only with a strong technical support from DNP.

After the final discussions and selection, the DemNet team developed a recommendation package including a brief resume and scoring of recommended, not-recommended and not-eligible proposals. A package of each round was submitted to ISC/Vermont's office, and then, through USAID/Sofia, to the US Democracy Commission in Bulgaria for approval. For the first grant round - 18 out of 173 proposals were approved (10 %) and additional 33 NGOs were offered participation in the DemNet training program for the grantees as a bonus. The Second round - 33 NGOs were awarded grants out of 165 applications (25%), and 3 organizations were offered to join the DemNet training program.

Conclusions:

- Confining the project review process to four staff members, and not providing additional panel of experts to help the process did not contribute to its efficiency. It brought about an enormous workload to the DemNet team, who had to simultaneously carry out trainings, prepare project packages, provide consultations, organize monitoring and evaluation. Thus, the concentration on disbursing grants affected the higher-level implementation strategy of the DemNet, also reducing time to be spent in the field and analyzing feedback for suggest strategy update and development. It is evident that this is a management problem. Fixing certain timeliness in work plans and committing to deadlines should conform to the absorptive capacity of the DemNet program staff. Currently, the timeliness they are setting raise unrealistic expectations among their customers.

- In the course of interviewing grantees and NGOs, which did not receive grants, we found out that they were ignorant of the above mentioned process. Most of the interviewees were aware of the general set of eligibility criteria, which were widely publicized through the information campaign and training. A predominant perception was that "my project was reviewed, scored, selected and decided upon somewhere up there in Washington, Vermont or the Embassy". Closing the process inside the Sofia office (mainly Bulgarian staff, no matter how skilful and well-intended) *reflects on the reduced transparency of the DemNet program,* which, together with workload, can lead to disappointment among customers, and does not support the intention for adequate visibility of the program.

4. Demnet Grantees

4.1. Profile of awarded projects:

- At the first grant round 18 projects were approved: 5 Sofia-based, 6 regional activities, 7 locally-based. In terms of thematic arrangement, the activities could be grouped as follows: citizens involvement in local government (transparency, monitoring of local structures, local government training/practice improvement, youth participation); partnership building and conflict resolution; human rights (monitoring, education, legal issues, religious tolerance, ethnic tolerance media education), voter mobilization and election monitoring; legislative improvement and transparency.

- In the second grant round 33 projects were approved: 10 for institutional support, 24 for project support. Only one is for Sofia-based activities, 9 belong to Sofia-based organizations, which will carry out activities in other locations, the remaining 24 are local or community-based organizations. Thematically, the 16 social safety net projects divide as follows: 3 on volunteerism and self-help efforts to solve social problems in a sustainable way; 4 on employment and other economic development possibilities; 5 on NG0s' ability to provide services to disadvantaged communities; 2 on increasing citizens awareness of existing social rights and benefits and the legal framework ; 2 on partnerships for better social services provided.

  The projects in the democracy area include 5 initiatives to promote transparency of government and dialogue between citizens and local administration; 2 on decentralization of decision making; 3 on improving legal framework and administration of the Bulgarian Justice System; 2 on human rights situation.

4.2. Present and potential impact of Demnet grantees' activities:

It is difficult to assess the real and potential impact of first grant round projects. Each of them had their profile and outreach scale depending on the profile of the implementing organization, its mission and track of record, project goal and objectives, and profile of communities where the project was implemented. Here are three examples of potential sustainability among the DemNet grantees of types of projects visited:

1 . <u>Human Rights projects</u>:

- The institutional and project support for human rights watchdog organizations is a continuation of an important tradition in donors Democracy sector policy (Bulgarian Helsinki Committee, Human Rights Project, Center for Human Rights and Citizens Education, Tolerance Foundation). The Democracy Network program supports and enhances the efforts of these organizations to extend activities on the local level, increases citizens' and institutions' awareness through education,and supports new aspects related to religious tolerance. This type of projects can be sustainable only through diversifying their donors, as there are not enough prospects currently for in-country sponsorship of human rights monitoring.

2. <u>Conflict resolution and ethnic tolerance projects:</u>

- The Negotiation and Conflict Resolution Foundation carried out extensive training with more than 300 representatives of local ethnic communities in 5 cities. It is a well established organization carrying out similar programs, supported by other programs in the last years, with a wide network of local trainers (registered as separate conflict resolution groups). It is also directly linked to the Open Education Center of the Open Society Fund (with a wide network of community Open Education Centers). The group is well connected and will be able to raise project funding from other donors. Its training capacities can be used to support the training program component of DemNet.

- The Journalists for Tolerance Foundation (Plovdiv) is a new but very promising organization. It carried out a very interesting project in Kurdgali, a town boiling with ethnic tension. The project was publishing for a year a page on ethnic tolerance in the weekly local newspaper. The DemNet was the first to support this organization, which together with carrying out successfully its DNP project, succeeded in developing a longer term strategy, raising money for other projects, develop a wide network of contacts with other media groups and NG0s, both nationally and internationally. In the second round the organization received a grant for another project. The Kurdgali Newspaper Tolerance page project from the first round will search for other donor assistance.

3. The Community Dialogue and Other Community Groups:

This group of projects outlines an emerging, new for the country, community-based approach establishing stable communication channels, different stakeholders in local development, community problem solving, local self-government and democratization. Some of them were launched in different places and supported by Sofia-based groups, others were both initiated and developed locally.

The local branch of the Yanko Sakazov Foundation established a Citizens Association on Local Self-governance with about 40 members (both corporate and individual) to work in partnership with local authorities. The Youth Center Education for Democracy in Plovdiv established six Youth Regional Councils, each with 10 members, to participate in debate and community problem solving, including a weekly broadcasted youth program. The Partnership Foundation's regional branch in Sliven created a Community Dialogue Group, with more than 35 members, including local government officials, local policemen, representatives of 7 minority organizations, Social Partnership Committee, local media, other local NG0 representatives and citizens.

- Group and individual interviews with these projects showed high motivation, commitment and growing skills, as well as *high potential for* program development in regard to future public policy work. The core funding provided by DemNet *supported the formation* of most of the community groups through training and a lot of hand-holding on behalf of initiating organizations. All these groups are currently facing and discussing *the next stage of development* - action planning, setting community priorities and implementation of activities of common importance to communities.

- *None of the groups* **is** *adequately sustainable and can continue on its own.* The Community Dialogue group in Sliven received a short-term institutional support in the Second Round (3 times less than requested). The Burgas Citizens Association might look for alternative funding, or apply at the Third Grant Round; the Youth Center Education for Democracy applied and won a grant from the Second Grant Round with a completely new project.

- *If studied and coached in order to* further develop action plans in the direction of increasing citizens participation in public policy change, these groups can be used as *models,* which can be replicated on a larger scale through existing networks like the Foundation for Local Government Reform and the regional municipal associations, the Open Society Community clubs (in 13 cities), the regional NGO development centers and the Union of Bulgarian Foundations and Associations. The possible *horizontal expanding* of these practices can be supported by some of the above-mentioned pilot groups and organizations to provide training or practical internships on the basis of in-country exchange.

4.4. Monitoring and evaluation of grantees

The process of studying and coaching the emerging beneficial practices depends also on the effectiveness of monitoring and evaluation which is performed by the program. The process of monitoring grantees from the first round was based *mainly on the reports* of organizations, discussions with the project leaders and the teams during the DemNet trainings and the annual NGO meeting, organized by the program to share experiences. According to some of the first grant round grantees, the self-assessment forms and evaluation questionnaires *are complicated and not always comprehensive. Only a few field visits* were carried out, mainly to visit offices and check project-related documentation. There are no records of evaluatory interviews with other stakeholders or community members, nor with local people who participate in a certain project in order to measure progress of these particular activities and intervene with technical assistance if necessary.

At present, the DemNet program is developing an extensive monitoring and evaluation system. It will be good if it "opens" to other stakeholders, who are significant to the project outreach, as well as to a more participatory format, promoting self-assessment practices and contributing to closer examining of program development. A good monitoring system will help a better learning from the field and will provide opportunities to update strategies.

4.5. Program Target / audience

The original proposal states *generic* targets to correspond to requirements. The only definition is that they should be grassroots NG0s with measurable activities in the four program areas - democracy, economic growth, environment, social safety net.

Targets and audience evolved from launching the two grant rounds. These include a variety of NG0s mainly with activities in the democracy and social safety net(human rights groups, advocacy groups, youth and students groups , Roma and other minority groups) The initial

approach was random, responsive and rather unfocused to the specific grassroots needs and development opportunities.

The top-down "marketing" approach, based on informing the public what the program gives money for and the technical training to fill out questionnaires and applications, threatens to bring to the sector the consumer orientation and can miss the valuable opportunities to learn and develop together with communities. *Consultative group discussions with* representatives of different segments of communities will be helpful for the greater sustainability of the program.

Assessment of Demnet's Strategy and Capacity to effectively support indigenous NG0s through grants, training and technical assistance:

- The grant-making policy of ISC has evolved very carefully, self-defensively, still not knowing the environment and the target audience. It has been trying to see "what we arrive at" and has been reactive to what was presented by the field. From the reporting documents it is obvious that there was *no clear idea* of how the short term intervention will bring to the long-term strategy of the program.

- DemNet started "strategizing on the run" , following developments on the ground. During the first pilot phase it tested different approaches and selected a range of projects, providing a variety of emerging democratic practices which can form a good basis for further development.

- The initial period of program development is marked by a *trend of closing the* Demnet : 1/ on individual project level (funding an organization or a project, not bridging it with others in coalition (horizontally); 2/ inside the Demnet (developing a network, communication only among the constituency of grantees - the "selected"); 3/ on ISC program level: project selection done by the team, leading to less transparency; consultations and providing TA, monitoring and evaluation was again carried out over the phone or by a the program staff who may need additional expertise (especially practical experience in working in NGO development); training and drafting materials were again designed mainly by the team, or by the "Demnet Training Corps" (less than 15 individuals). Especially the training modules are being designed on the run -- piece by piece, not resulting from one completed and well-planned process. It resulted in complaints of Bulgarian NG0s, that only the name stands for "democratic and networking". Although this allows more operational efficiency, "enclosures" lead to a lack of sufficient checks and balances and reduced transparency, to an enormous workload and reduced time for thinking and strategizing, and in the end, to missing development opportunities.

- DemNet currently attempts to open up the process through establishing an Advisory Committee, initiating communications with other training organizations, introducing the Partnership and Training Grants, popularizing the NFF's exchanges and internships, and stimulating more effective donor cooperation.

However, there is a threat that, with the ambitious launching of the Third Grant Round, DemNet may slide back to focusing on the process itself rather than on developing a clear action plan for implementing the concepts of the Third Grant Round. I am afraid that they will lack time to consider how to consistently develop a program leading to the next stage of assisting NGOs: raise a local heir.

- DemNet has identified that the generic problem of local NG0s is institutional strengthening, but was not able to define this in the framework of the problems of democracy building in the country. The definition of institutional strengthening was made more through the perspective of internal organizational strengthening of NG0s with a focus on enhancing management, team-building, planning accounting and administrative capacities. There is a lack of more strategic investment in building of NG0s outreach capacities in the direction of 1/ building constituencies; 2/ horizontal linkages (collaboration with other NG0s and community groups and partnerships (collaboration with other stakeholders in local development - local government, media, businesses), and 3/ vertical linkages (effective advocacy and lobbying, to influence policy development).

- Confining investment in society building only to the internal strengthening of NG0s, a lot of which are good but still underdeveloped groups, immersed in their own problems with scarce capacities of outreach, is a threat to program development in regard to DemNet overall objectives.

RECOMMENDATIONS:

In line with the above analysis, the following recommendations are made:

The donors (not only the DemNet program) need to nurture partnerships with local organizations, which will provide for a mutual learning process on either individual project level, or cluster project level and national level, based on developing mutual trust from entry-phase to withdrawal. One year investment has to be a part of a longer term strategy including:

1. entry strategy (getting to know the track-record of your partner in the target areas, key players, potential players, practices - feasibility and flexibility for intervention);
2. approbation - several projects by subject as suggested by local organizations (e.g., citizen committees);
3. effective monitoring and project support - individual coaching, hand-holding
4. assessment of impact and further program development - **"bringing up your partner"**
5. withdrawal strategy for each project - and for each program area.

- *Strive for longer term commitments.* Sustainability of NG0s in the field of democracy/civil society building, in a country which has a big gap in its democratic tradition, is difficult to reach.

- *Building on successful practices* - replication in other regions (using successful model practices as advisors (e.g., Community Dialogue Group (CDG), further development of already successful initiatives; help in opening them to the next level in regard to public policy change (ex. CDG - formation stage during the first year - to action plan and community action in the second stage).

- Become more *proactive: l/* in developing networks of democratic practices between organizations in a similar area, or different organizations on concrete issues; 2/ in opening the program to linkages between different stakeholders in society building; confining the process only inside the NGO sector might be dangerous.

- More investment in *rethinking* program functioning and further strategic development through the perspective of its sustainability. Confining civil society to NG0s only is a dangerous process. There is an urgent need of consultative process on the grassroots and policy analysis levels to further"embed" Demnet in Bulgarian society. Discussions should not be locked only inside Demnet recipient audience, but open to input of other stakeholders (local government, media, business, interest groups).

- Strategies for the transition process will have chances for success if they are based on an integrated approach combining: participatory consultancy processes, inter-sectoral gap bridging (synergy), policy analyses (bridging the gap between grassroots assessment and influencing national policies). Mobilizing and bridging both indigenous grassroots and think tank potential should produce future strategy for each of the focus program areas: l/ democracy; 2/economic development; 3/ social safety net; 4/ environment.

- The strategy for transition, which has three components: l/ Current DemNet strategy adjustment; 2/. Creating the Framework for Transition; 3. Developing Guidelines for follow-on programs, should be based on the needs and opportunity assessment on three levels:

  l/ Community level- consultative group process, involving grassroots organizations, business, media, government community interest groups

  2/ Analyses level- consultative think tank group (analysts, thinkers, practitioners from different sectors, opinion makers (media). They will describe the situation, analyze findings and formulate policy recommendations. They will have to bridge the gap between local and overall vision in the areas of democracy and civil society, economic development, social safety net, and environment

  3/ Program level- ISC should work in network with other NG0s, training groups, other USAID programs, and cooperate with other donors. Through its programs it can create a public dialogue on policy recommendations.

The DemNet program staff will have additional tasks in adjusting day-to-day operations to better serve the strategic objective:

-- expand the trainers' corps through contracting organizations rather than individuals;
-- identify a pool of experts to provide expertise on particular aspects of the screening / selection process;
-- develop a detailed schedule for field visits;
-- dedicate a group of the consultants' corps to work on the SWOT analyses of emerging groups or organizations, to which DemNet provides technical assistance, as basis for the future TA.

Positive Aspect:
This integrated approach will provide for embedding of Demnet, not only in the NGO sector, but in a society of transition. It will make it more adequate and ensure sustainability and a sense of ownership of the program on the part of entities on local and national level.

Negative Implications:
The speed and flexibility of strategic adjustment of current DemNet Program in the context of a changed societal environment is crucial for the success of the transition strategy. Any delay in this might hamper theimpact not only of this program, but of the forthcoming transition and follow-on intervention in regard to consistency, sustainability and development aspect on society at large. In case the development of transition strategy and its operational implementation of the consultative process is only a task of the Demnet team, it might overload the system, which is already too occupied with the on-going project selection and lacks practical monitoring and evaluation.

Recommendation:
A lot of concrete ideas for the design of future assistance can be gathered through focus discussions with different groups, both on community and national level. The launching and facilitation of such a consultative process should start in the current phase (DemNet I) and should be guided by USAID/Bulgaria. The relevant USAID/Bulgaria staff should be actively involved in consultations and spend more time in the field. Special support and involvement should come from other USAID-funded programs, e.g., the Local Government Initiative (LGI) through its new component dedicated to involving citizens in local government; FLAG (small and medium enterprize development) -- by increasing the awareness of the private business of the importance of the NGO sector; Professional Media program -- media NGOs may train other NGOs on how to develop media strategy, etc. The Bulgarian NGO community needs to be an integral part of these consultations.

As an initial step, panel discussions both in Sofia and in other cities may provide more ideas on how to focus the next phase of the DemNet (DemNet II). Thematic meetings with focus groups can be set up for each of the four DemNet priority areas. The actual participants may be identified with the help of other USAID contractors, which will facilitate the effort to mix NGOs with other agents of change in the country development.

Such a broad-based consultative process will not only help fine-tune the already formulated desired results under the strategic objective, but will also be a means to adjusting to the changes in the surrounding environment. This process could play the role of a catalyst to opening the NGO community to real-time public policy debate and attract the attention of

a broader audience. The Democracy Network Program was designed and launched two years ago, when the situation in the country was much different. The current economic crisis and collapse of the social welfare system, as well as the humanitarian and relief operations undertaken by outside donors may impact all program areas.

The civil protest in January 1997 proved that there is a critical mass of citizens who are not indifferent to public policy changes. However, the existent NGOs were almost absent from that scene, and were obviously far away from the emerging new generation of citizens formations. If NGOs in Bulgaria remain concentrated on their internal problems and organizational development, they may become marginal elements in the mainstream of development trends.