

**THE ADVOCATE CLOSE-  
OUT REPORT**

**IMPACTS AND LESSONS  
LEARNED**

**1996-1999**

Prepared for



Prepared by

Charles Jokay  
Margaret Tabler



**THE URBAN INSTITUTE**  
2100 M Street, NW  
Washington, DC 20037  
(202) 833-7200  
[www.urban.org](http://www.urban.org)

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## TABLE OF CONTENTS

INTRODUCTION .....	1
The General Problem .....	1
The Solution .....	2
The Advocate's Activities .....	2
PRODUCT IMPACT .....	5
“Our Telecottage Film” (Advocate with Demnet) .....	5
Financial Analysis Model for Local Governments (UI-MRI) .....	7
NGO-Local Government Cooperation: a Handbook (Demnet) .....	8
Media Handbook for Nonprofit Organizations (Demnet) .....	9
EU Integration and Local Government (ICMA) .....	10
Regional Development Initiatives: an Interactive Handbook (DOL) .....	10
Micro Treasuries in Hungary (Advocate) .....	11
Press Survey of Civic and Municipal Initiatives from Hungary's Regional Press (Advocate) .....	12
Autonomia (Advocate) .....	13
DISTRIBUTION SUCCESSES .....	14
LESSONS LEARNED .....	15
Timing and Partner Cooperation .....	15
Distribution and Marketing .....	17
Press Function .....	18
Advocating Within or Without .....	18
ANNEXES	
Annex 1 Comments from Users of NGO-Local Government Cooperation Handbook	
Annex 2 Comments from Users of Press Survey	

# **THE ADVOCATE CLOSE-OUT REPORT IMPACTS AND LESSONS LEARNED 1996-1999**

## **INTRODUCTION**

Hardly a corner in Hungary remains untouched by the activities of the Advocate, a project designed by United States Agency for International Development (USAID) to widen the impact of its activities. The Advocate can document directly reaching over 6,000 citizens, individuals, and municipal governments located in 1,000 different cities, villages, and towns out of 3,200 in total and 600 non-government organizations (NGOs) based outside of Budapest. The efforts of its partners, who received and further disseminated 2/3 of products, spread the net even wider, perhaps to twice the above numbers. Through regular publications in some 150 small town and regional newspapers, a 6,000 item database of municipal and NGO officials; and publishing in commercial official and semi-official outlets widely read by local governments and NGOs (some with circulation near 10,000). The Advocate provided many opportunities for the target audience to obtain materials produced with USAID support. Its efforts also reached out to a general audience through repeated broadcasts of its Telecottage video on national satellite channels, on some 60 local community cable systems, and at many community meetings, conferences and meetings.

Yet the impact of the Advocate went far beyond its efficiency in broadcasting USAID implementing partners' materials throughout the country. Many of these products would not have existed had the Advocate not participated in their development, sometimes by encouraging the implementing partner to make an already fine product better by making it suitable for the Hungarian climate, sometimes by taking the leading role in producing a much needed item.

Because projects funded by USAID often end with deliverables reaching only a narrow portion of the ultimate audience, the Advocate's mission was to identify, repackage, disseminate, and follow up on products, services, and other deliverables produced by USAID's various implementing partners in the Democracy and Local Governance Strategic Objective. An important question is whether the model used in Hungary was the most effective way of carrying out the task of taking USAID's accomplishments to scale. What follows is a description of the Advocate project, including a discussion of the impact of the products it improved and distributed, and an analysis of this issue and the other lessons learned while conducting operations.

### ***The General Problem***

The USAID Democracy and Local Governance Strategic Objective Team (SOT), which included USAID personnel and contractors carrying out projects (implementing partners), was

responsible for a number of activities related to the development of civil society and local government in Hungary. Many of these "demonstration project" activities were focused on achieving a specific impact in a selected community or region. There was a need to formalize the expansion of project impact from demonstration sites to all municipalities and other elements of civil society since projects needed to be sustainable and to be institutionalized, and USAID needed to foster its legacy.

### ***The Solution***

The Advocate's general objective was to prepare for general distribution and to disseminate innovations that had been tested in USAID-supported programs. This objective was met by surveying present and past assistance programs within the SOT, encouraging the repetition of successful programs in additional communities, and making available the products of the implementing partners on a broad scale after making them suitable for more general audiences. The activities of the Advocate were driven by two principles. First, it focused on the spirit of what the implementing partners were trying to carry out, while helping them improve products so they would be appropriate for the end-users. Second, the Advocate's distribution was always based on an expressly stated demand for a product or service on the part of the ultimate customer, Hungarian municipal leaders and NGO activists. This second principle was put into operation by using advertising to generate proven demand, and asking the recipient to assume most or all of the postage costs where possible. Since two thirds of the Advocate's products were distributed by Hungarian partner organizations, a majority of the distribution costs were borne by those involved in ultimate dissemination. These partners, of course, also had to express an effective demand and demonstrate that they had the capacity to actually disseminate the materials requested.

### ***The Advocate's Activities***

**Product Improvement.** In many cases, the Advocate was able to play an important role in creating products appropriate for the broad audience USAID wished to target. For instance, the Advocate was the primary producer of the video, "Our Telecottage". Demnet's original deliverable was to launch a nationwide-grant competition and training system to set up telecottages. (Telecottages are community centers to provide facilities for small entrepreneurs in villages, including computer, fax, e-mail and informational services.) Supporting cooperation among NGOs and local governments, telecottages financed by Demnet were to serve as examples for the movement overall. The Advocate's strategic contribution was to take this clearly defined deliverable and convert it to a nationwide information dissemination program, while allowing Demnet to "sell" the telecottage idea to host government funders. The Advocate's telecottage video, distributed deep into the countryside and broadcast repeatedly



on national and local community cable television, created a ground swell of interest for subsequent funders and grantees to enjoy. So the Advocate, in full cooperation with Demnet, took an otherwise limited program and assisted in its institutionalization and public acceptance by using methods that otherwise are not commonly used for deliverables, namely video production and marketing. To follow up the video, the Advocate, along with Demnet and some of the original grantees, co-authored a pocket guide to telecottages that was distributed to all those who ordered the film, and was made available to resource centers (such as existing telecottages) throughout the country. The pocket guide, without any further USAID funding, now serves as a basis for a more significant handbook on telecottages to be published by the Telecottage Association by the end of 1999.

In another example, the Advocate persistently pressed for the “Hungarianization” of materials produced by the US Department of Labor (DOL) project. Though the DOL Rapid Response Economic Development project has numerous partners in Hungary, and widespread acceptance in the field among practicing labor and economic development experts, it was the Advocate who convinced DOL that a thorough redesign of the otherwise substantively sound handbook would allow it to enjoy maximum usage and dissemination. Besides assisting DOL in finding additional Hungarian examples, the Advocate ensured that the finished manuals looked good graphically, were easy to handle and use, and contained plenty of space for notes and interactive usage. Furthermore, at the Advocate’s suggestion, the handbooks are not bound but are loose leaf, allowing revisions and other materials to be added later. The Advocate took a very successful USAID program, added value through Hungarianization of the product and a user-friendly design, to universal acclaim of the 5,000 or so recipients of the materials.

Another success was the Financial Analysis Model produced by the Urban Institute (UI) with the ongoing participation of the Advocate. The Advocate worked with UI and its Hungarian partner, Metropolitan Research Institute (MRI), in redesigning, testing, and ultimately marketing a financial analysis model originally used in Poland and the Czech Republic. The model was not only altered for Hungarian use by subject matter experts at MRI, but was field tested by the Advocate among potential users such as banks, consulting companies, and researchers. In addition, the Advocate designed a practical notebook containing instructions, and made sure that the entire package could easily fit into an envelope, making distribution and shipping easy. The Advocate applied its full resources to ensure that the finished product received ample publicity, letting each local government know about its existence in two advertising outlets, and through direct mail. In addition, almost a third of Hungary’s Certified Public Accountants (CPAs) qualified to audit local governments who lived outside of Budapest received the model in the mail in response to their requests. The model “sold out” in less than a month, and MRI continues to receive daily inquiries beyond



closeout. If MRI can continue to develop a commercial market for the product based upon the more than 2,000 names of purchasers delivered to it by the Advocate, then this AID product has achieved sustainability beyond close-out (as in Poland and the Czech Republic).

**Dissemination.** Once appropriate products were available, the Advocate steadily built a direct mail, targeted advertising and network-based information distribution system using the local press as a starting point. Specifically, after some experimentation with advertising and paid supplements in several publications, the Advocate realized that its two primary audiences, NGOs and local governments outside of Budapest, can be most effectively reached in two low circulation publications that are received by essentially all of the target audience. The Advocate advertised most of its products in two monthly publications. One, Pályázat Figyelő, is essentially a grant opportunity-monitoring newsletter aimed at NGOs with a print run of 7,500 and a readership of at least 15,000. The other, BM Tájékoztató, is published by the Interior Ministry and is an official guide to better local government received free of charge by all local government offices, with a print run of 3,500 and a readership consisting of professional municipal staff members and elected officials.

In both cases the Advocate printed a four-color flyer, half the size of standard copier paper, as an insert in the publications. The flyer, as opposed to an advertisement within the text of a publication, has a shelf life of 3-4 months after publication, as the flyer is passed from reader to reader. In addition, the back of the flyer doubles as a detailed press release, with contact information and other relevant details. So, the flyer was used as a press release to the Advocate's local press database, as a handout at conferences, as an insert in publications, and as a part of direct mail. The reader had ready press copy and artwork in hand, and the flyer was reprinted in the newsletters of many NGOs months after its release.

About 12,000 flyers were used in each case, resulting in an average of 1,500 direct responses via telephone to the Advocate's toll-free number. A better than 12 percent response rate to advertising and direct mail was produced, resulting in outreach efforts to over 4,000 customers (the balance is repeat business). If target audiences break down the responses, the response and spread effect is even better. For example, in the case of the UI financial model, of Hungary's 3,100 local governments, 15 percent responded to the advertisement in the Interior Ministry newsletter. If municipal institutions that also responded are included, the rate rises to 25.5 percent of all local governments, including those with fewer than 500 inhabitants as well as large cities.

The Advocate's policy of requiring electronic, written, or telephonic requests for products assured that customers actually expressed some form of demand. In addition to the advertising campaign, certain implementing partners, associations, and members of



parliament automatically received copies of all products. They, in turn, responded by repeatedly ordering significant quantities for eventual redistribution. In some cases, about two thirds of the print runs were distributed by solicited and unsolicited partners who asked for 50-300 copies, which were then passed on. The balance were sent only to those who ordered them in response to direct mail, email, word of mouth, or insert-based advertising.

**Information Channels.** The Advocate was able to develop several effective channels of information collection and dissemination, with a significant follow-up and marketing capacity for projects and implementing partners. These capacities were used, for example, by UI and MRI to recruit participants for the Program Budgeting Seminars, while other partners such as the Center for Independent Journalism (CIJ) borrowed the Advocate's direct marketing and outreach to local journalists to increase participation of rural newspapers in its print training programs. Starting in November 1996, the Advocate maintained an active relationship with about 150 local daily, weekly, and monthly newspapers published throughout Hungary outside of Budapest.

This information channel worked in two directions: the Advocate gathered and analyzed 5000 articles on local government and NGO innovations in a press survey, which it then shared with USAID, the implementing partners, and at its peak, about 300 subscribers. This information channel was also the key to disseminating the news about USAID products and activities, by getting news releases, free advertising and much press coverage for USAID, the Advocate and other implementing partner activities.

## **PRODUCT IMPACT**

The impact of the Advocate can be summed up on an initial level by listing the number of persons, organizations, cities and villages touched by the Advocate's activities. The statistics are indeed impressive. Over 25,000 items, consisting of deliverables from several implementing partners, ultimately reached over 6,000 addresses in over 1,000 localities in Hungary. In addition, a video produced by the Advocate was shown in its entirety twice on national satellite television, and by at least 60 local cable operators throughout the country. Three thousand copies of a computer model for predicting municipal creditworthiness are in the hands of municipal officials, banks, consultants, rating agencies, accountants, and other experts as a result of the Advocate's activities. Over 2 and a half years, some 300 readers, mostly NGO employees, local newspaper personnel, and municipal officials, were able to read over 5,000 articles collected from 150 local newspapers nationwide. This information cross-fertilization led to articles and ideas spreading across Hungary through the Advocate's press summary service. This broad scale distribution clearly exceeds what the implementing



partners acting alone could have achieved. (Distribution successes are described in more detail in the following section.)

More importantly, the products themselves did indeed have a strong impact on their target audiences, as discussed in the following analysis.

### ***“Our Telecottage Film” (Advocate with Demnet)***

The Advocate proposed and produced a 30 minute documentary on the existing 31 Demnet-funded telecottages in March-May 1998. "Our Telecottage" presents an overall picture of Hungary's telecottage movement and its role in combating rural out-migration, unemployment, and social alienation by providing similar opportunities for villagers that city-dwellers take for granted. Based on 15 location-visits to telecottages funded by Demnet throughout Hungary, it shows its viewers what telecottages are, what they are good for, how to "build" (establish) a telecottage, the role of civic organizations, people's reaction to telecottages and what the future prospects of this movement are.

The telecottage film documentary project presented an opportunity to use mass media as a pipeline to raise public demand, encourage further civic initiatives, and inform potential donors and public officials about the possibilities offered by telecottages. The film documentary's primary goal was to concentrate resources on marketing successful practices like telecottages to a wider audience, using the local press and the local government sector in addition to local cable and broadcast operators, as well as the public service component of all national television networks. In addition, the better flow of information among the three sectors (Civic–Government–Private) encourages sustainable, locally based economic development. Furthermore, a film in this format has the potential to disseminate useful information efficiently and in an attractive form to a broad audience in a short amount of time.

The film, which was distributed in 2,500 copies along with an accompanying brochure, helped the Hungarian telecottage movement triple in size in less than a year. The film was shown by at least 3 national channels in its entirety, as well as by 30 cable stations throughout Hungary. The film was ordered by more than half (51 percent) of the winners of the first all-Hungarian funded telecottage competition in September 1998. The rest of the 92 winners were located in the direct vicinity of existing telecottages so it can be assumed that nearly all winning proposals were submitted by those who have either received or seen the film produced by the Advocate, since existing telecottages made an effort to show the film in surrounding villages and community groups. Overall, more than 400 teams of NGOs and local governments applied for the Telecottage Association's grants in September 1998, partially in response to the thousands of copies of the film being shown throughout the country. Seven



daily newspapers published in county capitals and another 30 weekly and monthly papers wrote articles on the film, or simply reprinted the Advocate's press release verbatim.

In an unscientific poll conducted in October 1998, half of the respondents contacted (about 200 of 2,500 orders) indicated that they already were establishing, or were planning to establish, a telecottage. The Advocate's office, the Hungarian Telecottage Association, and some of the principals involved in the movement continue to receive unsolicited inquiries from Hungary and neighboring countries based upon the respondent having seen or heard of the video (from Bulgaria, Croatia, Slovakia, and Romania in particular).

As a professional recognition, "Our Telecottage" received an award at the International "Prince Award" Festival held in November 1998, in Szeged, Hungary, as it made it to the last round of selection (best 5 films) and was nominated for the top prize.

The raw footage collected by this project is about 10 hours, which is substantially lengthier than that necessary for the film documentary alone. This is available for the production of additional programs with a special focus. Printed material such as the telecottage booklet and handbook are important complements to the film as they provide detailed information to those whose interest has been successfully raised. In addition, funding has been solicited from various organizations to produce adaptations of this film in other Central-Eastern European languages like Bulgarian, Croatian, Polish, Romanian, Slovak, and Ukrainian. This is in line with the concept of disseminating successful practices to other countries in transition as part of a larger Cross-Border Cooperation scheme.

There are more and more supporters of Hungary's telecottage movement from the state, non-profit, and business sectors. Several multinationals (for example, Microsoft and SCO), domestic large telecommunications, computing and Internet service providers (for example, Matáv and Elender), and the trade press (Chip Magazine) represent the business sector. From the state sector, cooperation exists with foreign donor organizations (PHARE, USAID, US Department of Labor, the British Council, and the British Know-How Fund). Furthermore, direct ties exist with ITU and CTSC International and the Association also took part in the World Bank's comprehensive telecottage survey. In Hungary, an inter-ministerial committee first passed a resolution in support of this program in 1997. In May 1999 the government issued a decision in support of the national program. Cooperation between telecottages and local governments is a general phenomenon. As a further illustration of the movement's strength, in June 1999 the US Embassy in Hungary decided to fund a telecottage-teletent in a refugee camp in Debrecen set up for refugees from the conflict in Kosovo and elsewhere.



### ***Financial Analysis Model for Local Governments (UI-MRI)***

UI developed municipal financial assessment models in its previous work in Poland and the Czech Republic. This model was modified by MRI based upon experience gathered throughout Hungary at UI's municipal budget training sessions. The model was field tested by MRI and the Advocate in sessions involving consultants and bankers, as well as municipal experts. The final version of the Hungarianized version, along with an instruction book, was initially distributed at UI's conference on Municipal Financial Management Modernization in early May 1999. The Advocate printed 3,000 copies of the computer disk and handbook, wrapped the entire package in plastic wrap, and placed it in a custom envelope. Besides distribution at UI's close out conference, the Advocate used its usual channels to obtain nearly 1,200 telephone orders for 1,400 copies. The rest were distributed to Hungarian partner organizations who requested multiple copies, including nearly 500 copies to the telecottages active in 100 communities and their environs, and the rest to regional conferences and organizations who have their own constituencies. The telecottages, for example, have the computer equipment and skills to use the software and the contacts with local consultants, accountants, and municipal officials who may benefit from them.

The model, based upon Microsoft Excel, allows the user to enter up to 6 years of budget data based upon the framework called for by municipal accounting standards. The current year data can be extrapolated up to 20 years in the future using a variety of estimation methods. Assumptions regarding inflation, economic growth, revenue growth etc. can be modified according to the user's judgment. The model allows a user to perform sensitivity analysis on not only revenues, expenditures, free cash flow, but also on potential borrowing and bond issues.

Banks, rating agencies and municipal auditors have ordered the model and by assumption have begun to examine its application. Customers resident in over 800 communities have obtained copies of the model. In addition, the Advocate contacted 600 accountants, all based outside of Budapest, who are registered with the Board of Accounts as being qualified to audit local governments. Over 170 of them, or 28 percent, now have copies of the program in hand. A start-up rating agency, as well as all banks active in local government finance also have copies, and several of them have indicated that they are customizing the program. Furthermore, as of June 7, 1999, more than 550 mayor's offices and over 350 institutions operated by municipalities have received the model. In terms of geographic distribution, all 22 cities with county rank, 145 persons representing Budapest-based municipal government (capital city as well as districts), and persons representing 610 small towns and villages have received the model. In other words, the municipal creditworthiness model has reached the rural community, consultants, banks, accountants,



and agencies of the central government such as the 20 Takisz (data processing) offices of the Interior and Finance Ministries located in each county seat and in Budapest. All in all, 1,600 copies of the model and the instruction manual have been handed to users by partner organizations.

Because of the recent distribution date (mid to late May 1999), the Advocate cannot clearly assess impact at this time. Several early comments on the model included the observation that it was most useful for larger cities, banks, and consultants, rather than for smaller communities who may not have the time to use the model to its fullest capabilities, and do not anticipate discretionary revenues or free cash as ever being available for borrowing purposes. As of mid-June 1999, MRI continued to receive inquiries and requests for more copies of the software and for technical assistance. It is anticipated that upgrades of the software will be prepared, including an English version for regional use.

### ***NGO-Local Government Cooperation: a Handbook (Demnet)***

Demnet conducted a multiple year project to develop and gather recommendations aimed at furthering local government and NGO cooperation and out-sourcing of governmental functions. Demnet's methodology included holding seminars and lessons-learned conferences throughout Hungary for grantees that served as experimental platforms for NGO-local government contracting. The Advocate participated in these conferences on a substantive basis, and used these events to measure market acceptance of a handbook, and to build its database for ultimate distribution. From its inception, the Advocate worked with Demnet to ensure that the content and form of the book were optimal for ultimate widespread distribution. The handbook contains, consequently, case studies and practical examples that are much appreciated by the readers (see reader comments in the appendix). Demnet finished the handbook in September 1998, and made 500 copies of the original print run of 1,000 copies available to the Advocate. The Advocate added value and impact by reprinting the book twice and eventually distributing 4,500 copies nationwide between October 1, 1998 and June 1, 1999.

The Advocate interviewed about 50 recipients of the book (a 4 percent sample) out of the 1,247 customers who ordered the book directly from the toll free number. (About 2,300 books were distributed by partners such as DOL, telecottages, various United Way and Demnet affiliates throughout Hungary, regional associations, and various NGOs who worked with Demnet earlier. In addition, 150 copies of the book were handed out to 3 parliamentary committees that deal with NGOs, local government and the environment. The Advocate could not effectively survey the impact of those books that were distributed through partner organizations.)

Although the results are largely anecdotal, these early results (most books were in circulation only 2 months, and none for more than 9 months as of June 1999) are encouraging and adequately reflect the geographic and functional diversity of the readership represented by the 5,000 total copies of the handbook. Of the 50 respondents, 36 (72 percent) had read or skimmed the book. Of those who read or skimmed the book, 33 found it to be useful (in other words, 91 percent of those who read it found it to be useful), and a source of information that cannot be found elsewhere. "There is no other book like it out there," said one reader. Overall, of those who have used the book, a majority indicated that from an NGO perspective they found it to be useful in preparing grant applications and in starting negotiations with local governments. The local government side remarked that the book was useful in setting standards and conditions for announcing and running competitions for outsourcing vendors, or, in some cases, the handbook was used to write "NGO policy" manuals and ordinances. Commentary from the respondents is included in Annex 1.

### ***Media Handbook for Nonprofit Organizations (Demnet)***

Demnet translated and published a handbook for NGO-media relations originally produced for an American audience. The Advocate assisted Demnet in marketing the book nationwide, and included the book in all of its direct mail, advertising and events-based outreach efforts. As a consequence, Demnet's inventory was soon exhausted, and the Advocate was able to build its portfolio of countryside-based NGO clients, a portfolio that became useful later on. The book assists NGOs with the vital task of interfacing with the media, thus increasing the spread and impact of those NGOs' activities.

### ***EU Integration and Local Government (ICMA)***

The Advocate reprinted 2,500 copies of ICMA's highly successful book on the European Union (EU) in response to frequent requests from those who realized that the EU integration handbook was useful. (The book had been out of print since September 1998.) In addition to keeping track of these requests, the Advocate surveyed its customer list to assess demand, and responded in kind by printing a sufficient number of copies. Since ICMA did not leave a successor organization in Hungary, only the Advocate had the resources to reprint the book, and ensure that it met demand from the field for an otherwise well-written and timely document. Using its distribution and marketing channels, the Advocate got 1,200 individual orders and several very large orders from host country institutions such as regional associations, local government associations, and other NGOs 8 months after ICMA had left the country.



This volume, written by practicing local government leaders and experts, addressed the daily challenges to local administration posed by impending EU accession. While the EU does not impose many accession requirements that pertain directly to local government, Hungary's local governments are indirectly affected because they have been delegated such a wide gamut of activities subject to the requirements, such as social, economic development, and environmental services. The book will help foster a dialogue among the local governments and the central government, as well as preparing all parties for the accession requirements ahead. Several training organizations, including the Municipal Training Foundation (whose establishment was also partially funded by USAID) incorporated the EU book and the Demnet contracting guide into their curriculum for newly elected mayors and other officials.

### ***Regional Development Initiatives: an Interactive Handbook (DOL)***

The Advocate assisted with the development of DOL Rapid Response local economic development (LED) project, which was based upon a set of methodologies and handbooks developed through the International Labour Organization by US consultants. Under the LED model, county labor centers help to set up local teams consisting of mayors, Local Enterprise Agencies, NGOs, businesses, chambers, regional training centers, regional development councils, incubator houses, entrepreneurs, banks, and other interested community members. The team then participates in a series of four workshops designed to help the member's craft a local development plan and generates ideas for specific projects. By the end of the workshops, the local actors have developed a basic strategic plan for the area and identified concrete projects for implementation. In the project's second phase, the local area implements one or more projects.

The Advocate proposed that the otherwise successful handbooks be thoroughly tested, rewritten, and re-tested by a team of Hungarian employment experts. These experts were retained by the Advocate, along with a graphic designer, to thoroughly revise, and indeed essentially to rewrite the manuals. Staff at the Advocate prepared a working document cataloging examples of both DOL-inspired and Hungarian economic development models. Portions of these models were folded into the new document. The new handbook was tested in the field for 9 months, revised continuously, and finally published with the Advocate's assistance and financing.

The final version of the main volume (the self-help or student's book) was printed in 5000 copies and released in May 1999. Since a variety of Hungarian ministries, government

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<sup>1</sup> The following is based on information provided by the US Department of Labor.

foundations, county-level employment, and development offices have incorporated the Rapid Response model into their standard practices, all copies of the handbook were distributed by the DOL office.

The revised LED manuals detail the process for the LED workshop series. The revised books were tested in 17 areas representing over 200 municipalities under the second round of pilot sites of the DOL project. Since completing the workshops, these 17 areas have begun implementing a total of 19 projects with some US support (\$5,000 each).

Statistics are being compiled currently on the number of jobs created and other pertinent indicators. Based on preliminary data from the 14 areas responding, the areas have leveraged the US support of roughly 15 million forints to attract roughly 36 million forints from other sources in the first 4 months of their work. (These areas also reported other proposals they have submitted but not heard back from yet.)

The first revised book was also used by a three county (Baranya, Somogy, and Tolna) regional project, which conducted the workshop series to develop ideas for which to use PHARE support set aside for the region, and by 4 local areas in Pest County.

However, it should be noted that the impact of the book could best be measured in the results of the projects, which will be undertaken by the local areas in the next year.

### ***Micro Treasuries in Hungary (Advocate)***

In November 1996, at the onset of the press clipping project, the Advocate realized that a handful of medium sized cities had implemented a financial innovation by pooling the cash that otherwise would be managed by a plethora of municipal institutions such as schools and clinics. The local press outside Budapest reported on these municipal cash pools called micro treasuries. Together with several case study cities and MRI, the Advocate held a workshop on how micro treasuries work. This workshop resulted in a small publication on the practicalities of setting up treasury systems that was distributed to all medium and large cities, as well as advertised in several channels. The national media first reported on the micro-treasuries some 6 months after the Advocate detected this tendency, and by this time there were twice as many treasuries than when the workshop was held.

The handbook focused on providing concrete points of contact with the managers of existing treasuries, so it can be assumed that as a consequence some readers of the materials initiated lateral contacts. In the September 1997 budget-making season at the local level, several hundred communities debated, and a few dozen approved, local treasuries. The



Advocate was out front on this local innovation, whose spread was assured through distribution of not only the handbook, but also through the clipping service, since articles selected by the Advocate were reprinted elsewhere, in communities at opposite ends of the country. By facilitating the development of micro treasuries, the handbook contributed to cost savings and better municipal management.

### ***Press Survey of Civic and Municipal Initiatives from Hungary's Regional Press (Advocate)***

Early in the project the Advocate realized that the best source of information about NGO and local government developments was not the national, Budapest-based media, but rather the hundreds of local dailies, weeklies, and monthlies. The Advocate decided to monitor regularly nationwide developments by subscribing to all of the provincial dailies, one city weekly, and at least one village monthly from each county in the country. Overall, the Advocate monitored about 150 different publications for 26 months. It became apparent early on that these local newspapers truly appreciated being “monitored” and gladly printed press releases about USAID projects and the Advocate. So the monitored newspapers became an active part of the Advocate’s early outreach efforts, and this network became available to, and was used by, several implementing partners (UI, Demnet, and CIJ) for announcements, press releases, and general public relations efforts.

The Advocate, USAID, and its implementing partners had a command of press reaction to their activities throughout the country, were able to detect and monitor examples of innovation, and had a proven channel of dissemination (over 400 potential outlets) for a variety of purposes.

Qualitatively, the Advocate, USAID, and its implementing partners could test market acceptance of their products. This channel of communication could also be used to place articles and stories on their activities within their own areas of operation. The local media is regarded in opinion polls as having greater credibility than the national media, so through this effort, USAID was able to reach the overwhelming majority of Hungary’s population that does not read the national printed media.

With the first issue in 1997 the Advocate sent a questionnaire asking the readers’ opinion about the quality of the press survey. The answers were without exception positive and all responders used the possibility of sending the Advocate new addresses to send the next issue to. In fact, the Advocate had to limit the number of issues sent out to the Hungarian readership since that number quickly reached 300.



The most loyal readers were members of the local press, academic research institutes, various government agencies and ministries, the Office of the Prime Minister, small NGOs, and local government associations throughout the country. NGO and local government readers were concentrated in the resource and information-poor Northeastern and Eastern border regions of the country. About a third of the readers were local media representatives. They regularly cited, quoted, and reprinted articles that the Advocate had identified, thus “spreading” good information to geographically dispersed areas.

Very limited sets of reactions from the most loyal readers were solicited several times through questionnaires and telephone interviews. Annex B contains some comments of readers of the service.

### ***Autonomia (Advocate)***

In June 1997, the Advocate was requested to propose and to prepare an outreach mechanism in the form of a newsletter, which could provide general and topical information about the SOT’s efforts with both NGOs and local governments. The Advocate prepared an 8-10 page newsletter that appeared in the monthly magazine, Autonomia, which is distributed to all local governments, members of parliament, and others totaling a distribution list of 10,000 readers. Autonomia published the insert as a centerfold on colored paper in the center of the magazine. The Advocate prepared stories on and with all implementing partners, and wrote about upcoming programs and featured current successes and issues. These well-written and designed newsletters appeared September 1997 to August 1998 and included stories about municipal budgeting, training for local government staff and other timely issues. Analysis after this pilot period showed that Autonomia was probably not the most effective way to disseminate this information. For example, it became apparent that there was a limited reaction from the readership as measured by responses to articles and offers of free materials. Consequently, the project was terminated in January 1999.



## **DISTRIBUTION SUCCESSES**

The Advocate was able to revise, improve, and add value to a variety of implementing partner products over its life span. This involved simple graphical improvements all the way to providing Hungarian examples and conducting research to improve the deliverable. After the value added portion began the distribution phase, as detailed below.

Over 6,000 different customers representing over 1,000 of Hungary's 3,168 incorporated municipalities ordered the three years of the Advocate's existence, about 25,000 pieces of information. Books, videos, computer models, handbooks, press clippings, skill kits, and other products developed in cooperation with all members of the SOT were ordered by mail, e-mail, or toll free telephone, or were distributed by partner organizations or in person at conferences and field visits. About two thirds (more than 15,000 pieces) of all print and production runs were given to partner organizations such as municipal associations, NGOs, county labor centers, local economic areas, telecottages, or research centers, who then passed these materials on at their conferences, training sessions, and other events. Some of these "mass distribution" events were organized by implementing partners such as UI, ICMA, Demnet, and DOL. More importantly, regional economic development associations, local government associations, telecottages, and regional NGO service centers not only distributed materials at their special events but also added these products to their libraries expanding their reach even further. The Advocate can only guess that the number of NGOs and local communities touched by USAID products is a multiple of the names that have accumulated in the various databases associated with each product. For example, the 100 existing telecottages are actively involved with 3 to 5 neighboring villages, increasing spread dramatically.

As Hungary is Budapest-centric, the Advocate took special care to concentrate its marketing efforts outside of Budapest, and the Advocate's lists represent an overwhelming success in overcoming Budapest's informational dominance. Though 80 percent of all NGOs in Hungary are based in Budapest, and 20 percent of the population lives there, only a little over 10 percent of all orders originated in Budapest. In both volume and origination terms the Advocate was able to move information to the countryside representing 80 percent of the population and 99 percent of the local governments. In terms of NGOs, the 20 percent of all NGOs that are based outside of Budapest received virtually all of the materials ordered by NGOs, if it is assumed that Budapest NGOs also did their share in distribution to NGOs outside the city. In terms of penetration and repeat business, it is clear that someone from each community identified in the database ordered products from the Advocate on average at least 6 times! (This is a consequence of using the database of past orders as a part of direct mail efforts. Apparently this repeat business can be construed as a sign of "satisfaction"



with USAID products projected deep into the countryside.)



**Table**  
**Summary of Product Circulation**

Item	Orders Rec'd	No. Shipped	Given to partners for distribution	Own print run + copies rec'd	Number* of different communities reached (confirmed)
Telecottage video	1,200	1,675	825	2,500	683
Telecottage booklet	1,200	1,675	1,325	3,000	683
"Let's Build a Telecottage" book (Telecottage Association)	168	218	782	0 + 1,000	117
ICMA EU integration and local govt handbook	870	996	1,704	2,500 + 200	433
Local Govt Financial Model (The Urban Institute)	1,176	1,397	1,603	3,000	797
NGO-Local Govt Contracting Handbook (Demnet)	1,274	2,237	2,263	4,000 + 500	661
Local Econ Develop. Handbook (US Dept of Labor)	—	—	5,000	5,000	??
Employment Creation at local level conf. Proceedings (Demnet)	263	322	608	0 + 800	192
City Treasury Guide (CCMI)	138	176	824	1,000	314
NGO Media Guide (Demnet)	178	217	483	0 + 700	123
Environ. Finance and Action Plan handbooks (Env. Training Program)	280	366	634	0 + 1,000	116

\*Multiple orders from one community or large orders were only counted once.

## LESSONS LEARNED

### *Timing and Partner Cooperation*

The Advocate's primary mission was to take products developed by an implementing partner, and distribute them beyond the few clients targeted by the original project, in a form appropriate for the many potential clients throughout Hungary. This effort was in general successful, although at times the effort was hampered by timing issues, as well as by partner cooperation concerns.

The Advocate was created to operate in parallel with several other projects conducted by implementing partners. Major partners, such as UI, ICMA, DOL and Demnet were developing deliverables, conducting conferences, and supporting partner organizations from the conceptual stage to final deliverables at the same time as the Advocate set up operations in August 1996. In some cases the Advocate had to wait until these projects were far enough

along to have products to improve and disseminate, thus limiting its impact in the initial stages of operation.

In addition, for a variety of reasons, some implementing partners did not make their products available during the development stage, so that the Advocate could participate in making those products more “disseminate-able” as they were being prepared. Indeed, at times the entire dissemination, product improvement, and impact generation cycle took place months after the implementing partner had left the country or had ceased to operate under its original contract. The result was less than optimal, because the Advocate did not have the resources to modify the ready deliverables given to it by those implementing partners, but only to develop a highly successful distribution and marketing effort.

Preferably, the Advocate should have been able to work with implementing partners in modifying deliverables as they were developed, to increase their general applicability and otherwise to improve the products. To some extent, “turf” issues caused implementing partner reluctance to make the product available during the development stage. Such hesitation to cooperate could have been mitigated had each implementing partner’s contract clearly specified the need to incorporate sustainability as a fundamental part of the program, and required that the partner work with the Advocate to the extent that would have facilitated the development of legacy devices. An additional solution might have been to establish the Advocate function within an existing implementing partner, rather than carrying it out through a separate corporate identity, in order to diminish the sense that an independent outside actor was in some way sharing ownership of the final product. It is also important that USAID take a leading role in encouraging a true partnership among the implementing partners, and in making clear that effective sustainability plans must start early in the process and not be left as a final act at the end of the budgeted time. Third, ownership issues can be better dealt with through a clear division of roles as the Advocate initiates and carries out an operating relationship with the implementing partner. It also bears noting that the personnel of the Advocate must operate with curiosity, tact, and adaptability, ready to provide any of a variety of services based on what would best serve the particular implementing partner. Indeed, they must constantly sell the added value that the Advocate could provide, which would only add to the product in which the implementing partner takes such pride.

Thus experience makes clear that the nature of the implementing partners is truly determinative of the Advocate’s role on a case-by-case basis. The Advocate must remain very flexible, offering a different mix of packaging, content, distribution, dissemination, and information to each implementing partner, depending on their requirements, willingness to cooperate, and the ultimate needs of both USAID and the host country clients. Whatever the form of its cooperation, the Advocate can always offer the very valuable service of lending an



outside eye to those who are perhaps too close to the product to see all its possibilities; the implementing partner, a subject-matter expert, may not have the resources or time to develop a variety of spin-off and outreach products but tends to focus on the deliverable itself. It should be emphasized, however, that some of the Advocate's greatest successes lay in the specific products that the implementing partners produced, or were encouraged to produce, through the Advocate's efforts.

One particularly successful use of the Advocate was to facilitate the "Hungarianization" of products originally based on an American model. For instance, taking a photocopied initial translation of a DOL economic development textbook and turning it into a field-tested, graphically-active, useful, friendly, and professional-looking product, while allowing the implementing partner full reign over the substance, produced an excellent product.

Indeed, the Advocate can contribute much to the legacy of a final product even if it does not become deeply involved in substantive issues. A good example of a successful cooperation is the preparation of the municipal creditworthiness model developed by UI in parallel with the Advocate's plan for eventual distribution. The model was tested by UI on a sample of the ultimate client for the product in cooperation with the Advocate. The design, marketing, product testing, and final production took place as a joint effort between the product developer, UI, and the Advocate. Thus, the product was ready nearly two months before close out, and was fully disseminated to a wide circle of clients a month before close out. This succeeded because the intellectual development work needed to write the handbook and produce the computer model was controlled by UI, while all questions as to design, labels, and distribution were handled by the Advocate in close coordination with the prime contractor. Thus, both sides of the transaction could concentrate on their specialties several months before the ultimate deadline posed by close out.

It should be noted that in order to add value to products, the Advocate must be able to work with implementing partners acting in highly specialized fields. However, in the case of Hungary 1996-1999, this would have included such diverse areas of expertise as municipal budgeting, finance and management, inter-local cooperation, local print and broadcast journalism, local economic development, local reemployment assistance, NGO capacity building and management, and health care reform. It is difficult for an Advocate office to maintain a staff is able to address all such technical questions. Thus, it would be appropriate at an initial stage of project planning to determine which areas of staff expertise should be emphasized in order to maximize staff impact on the production of quality deliverables. An additional solution is to use implementing partner and local consultants to provide technical skills and services.

### ***Distribution and Marketing***

Whatever the Advocate's involvement in development of deliverables, launching a specialized distribution function in a separate project rather than having each implementing partner carry out its own dissemination independently definitely produced positive results. As momentum built, word of mouth continued to expand the potential client base. Furthermore, repeated contacts with clients built credibility for all implementing partners' products. Multiple distribution efforts produced a tested mailing list, allowing the Advocate to greatly increase the breadth of distribution of some products. For instance, more than 4,500 NGO books were distributed by the Advocate, while the total commercial press run for such a book would have been only 2,000 to 3,000. In another example the Advocate was able to convert the success of Demnet's 31 initial telecottages into a video film with nationwide distribution and a regional audience.

In addition, its experience with the various channels available often made production and distribution more efficient and economical. The Advocate was able to reprint the second and third runs of the Demnet book at half the cost of the original per copy print run due to its wholesale access to the competitive printing business in Hungary, using its purchasing power to extract cost savings that benefited the Advocate later when reprinting the ICMA EU integration book.

### ***Press Function***

For a variety of reasons, as the project developed it focused attention on a newsletter and public outreach function. For instance, the Advocate edited and published a newsletter insert in a popular magazine aimed at local governments. The Advocate prepared articles about all implementing partners and employed a sizable staff of reporters, editors, and typesetters. Gradually, the Advocate acquired a proven ability to gather and distribute information nationwide, deep into the local press. In the end the Advocate became very good at advertising and marketing. The Advocate essentially "sold" its own services to the implementing partners, which facilitated its ability to "sell" its implementing partners to the general public as well. Its marketing capacity was made available to, and was used extensively by, several implementing partners. Successor organizations, such as the continuation of the Demnet project and MRI, benefit directly from the proven marketing databases that the Advocate provided to them in the closing days of the project. It should be noted, however that this capacity could have been developed earlier and more efficiently, had it been explicitly included in the original goals of the Advocate.



### ***Advocating Within or Without***

Based upon three years of experience it is difficult to make a definitive statement as to whether the Advocate functions should be conducted by a separate contractor as in the present model (or perhaps as an additional function of a single implementing partner), or carried out by the original contractors themselves. The Advocate's mission of offering dissemination beyond the constraints of each individual contractor's limited budget and scope has been accomplished. For instance, Demnet's final deliverable, a handbook on contracting between local governments and NGOs, reached at most 500 through its own distribution efforts. The Advocate was able to find or create a demand for 4,500 additional copies. Yet, it is hard to know whether Demnet could have generated such a volume of orders by itself had USAID and Demnet agreed at the onset that Demnet would focus more efforts on dissemination.

In some cases, an in-house dissemination and marketing effort may be more efficient, if the contractor has funds, time, and personnel available as the deliverable is completed and ready for distribution. DOL, for example, is distributing all 5,000 copies of the Local Economic Development manual jointly designed with the Advocate. In that case, DOL's contacts with various ministries, local areas, and subnational units of government enabled it to move the material efficiently and quickly.

It bears repeating, however, that the Advocate did not act as a mere clearing house for implementing partner products. It is clear that Advocate, as an interested outsider, added an extra creative spark concentrated on creating and meeting demand for implementing partners' products. This outside view cannot be replicated within organizations given hierarchical and other rigidities. The Advocate's forte was sustainability, while the implementing partners perform were more deeply involved in the immediate moment. The Advocate added the unique perspective of being intensely concerned about the type, quality, and relevance of deliverables being offered to NGOs and the local government players. Thanks to that perspective, several valuable products were created that would not otherwise exist. For it was the Advocate that proposed and produced the immensely successful telecottage video. It was the Advocate who encouraged UI to make its financial model available as a computer disk. It was the Advocate who indeed acted as an advocate in pressing for the Hungarianization of the DOL materials.

In other words whether to use the Advocate for improvement and distribution depends on each product. ICMA did not use the Advocate for value-added improvements, but benefited post facto from intense reprinting and distribution efforts. DOL used the Advocate for substantive revisions and design work, while it handled the distribution itself through a gamut



of its own sustainable successor organizations. Thus, there is no general conclusion as to whether contractors should use a “centralized” value added and distribution partner such as the Advocate, or whether they should set aside time and money to assure a successful distribution of their products.

To the extent deliverables are likely to be ready for dissemination only immediately before the close-out of the relevant contractor, the decision to use the Advocate externally could depend upon the probability of a successor organization emerging after close out. In those cases where there is no or little chance of an operating successor, the Advocate is a good short-term option for distribution needs that continue following closeout of a project. (This analysis assumes, of course, that the Advocate's existence would continue past that date.) In the case of a good successor, the Advocate is not needed for distribution post facto but could provide valuable design assistance during the project development as well as distribution advice while the project is on going.

## ANNEX 1

### COMMENTS FROM USERS OF NGO-LOCAL GOVERNMENT COOPERATION HANDBOOK

Mrs. Terezia Kleinhans Barath, Family Assistance Center, Ajka (Western Hungary):  
“We used the book to prepare our annual non-profit compliance report (for the tax office and registration court) and found it very useful.”

Mr. László Szabó, Handicapped Association, Balatonfüred (Western Hungary): “We studied the book and found it to be good. We will use it during the second half of 1999 to prepare a contract with the City of Balatonfüred.”

Mr. László Papp, “Sound Soul” Foundation, Budapest: “We have a few contracts under negotiation with the local government. The book has already proven to be of use.”

Ms. Katalin Szoke, Soros Foundation, Budapest: “We have used the book to set up our own grants competitions.” The book will be used to set criteria for multiple grant competitions in the future.

Mr. Márton Székely, Foundation for Bakonysárkány, Bakonysárkány, Western Hungary: “We used the book when setting up our Civil House in the village.” They also have a telecottage in the village.

Mrs. Kornélia Sramek Holop, Budapest District XVI. Mayor's Office: “We have had ties to NGOs since 1994. We recently issued our ordinance on NGOs based upon the contents of this book.”

Mr. János Ferenc Kiss, Széchenyi High School Foundation, Budapest: “We are in the process of signing a contract with the Village of Dunakiliti thanks to our having read the book.”

Ms. Valeria Meizl, Sonare Foundation: “We have read all of your publications and have sent them on to the Village of Nagycenk. We are about to sign a service contract with Nagycenk.”

Dr. Éva Gyáli, Human Services Center, Cegléd, Central Hungary: “I recommend your book to everyone. I have proposed several contracts already, but none have been signed yet (as of June, 1999).”

Mr. József Grab, Cegléd: “I have recommended this book to many. There is no other book like it out there. Finally something has specific examples in it.”

Mr. Ferenc Császi, Felsőnyék Mayor's Office, Southwest Hungary: “I really liked it and

have used it as a guide when applying for grants.”

Ms. Beatrix Bódis, Győrújbarát Mayor's Office, Western Hungary: They have used it in grant applications and have a few contracts under negotiation with NGOs.

Ms. Katalin Nagy Budai, United Way Foundation, Kiskunfélegyháza, Central Hungary: With the help of this book, they established an NGO relations position at city hall and were able to write a job description for it.

Mr. László Nagy, Koppány Valley Development Association, Southwest Hungary: “The book has many interesting conclusions worth considering. We established a foundation, and have since then applied for several grants, including one for a telecottage. We also sought a contract with the local government regarding regional development work.”

## ANNEX 2

### COMMENTS FROM USERS OF PRESS SURVEY

**István Mátis, Mayor, Szentlőrinc:** “I believe today the importance of the press to local governments is indisputable. It is far beyond the means, financial and other, of local governments to subscribe to every newspaper in the country and to buy periodical and occasional publications. Keeping continuous track of them and clipping topical articles would pose further difficulties. I therefore thank you for assisting our work in this way and wish that your work be long-lived.”

**Dr. Mária Szilágyi, Mayor, Nyírábrány:** “This is an extremely useful service. In our view by availing themselves of this opportunity Local Governments receive “an entire nation” in exchange for a single paper. *In every possible domain, the Press Survey has outlined to us exemplary efforts worth following and has reassured us in our ideas.* At the same time, learning from others’ mistakes we have recognized signs of negative tendencies and were able thereby to make adjustments in our own tasks and succeeded in avoiding failure. The vast amount of information helped the local government in selecting the right strategy and tactics for itself, short and longer term alike.”

**János Rechnitzer, D.Sc., Director, Hungarian Academy of Sciences, Center for Regional Studies, Gyor:** “We also use the Press Survey in teaching, regularly handing out the summaries in Community Economist courses at the István Széchenyi College’s Regional and Community Economics Department. Students, too, are familiar with it, regularly delve into it, and put it to excellent use when writing case studies and in situation analysis.”

**György Korbely, journalist, Békés Megyei Nap, Orosháza Office:** “I receive the Press Survey regularly and as a journalist also reporting on citizen matters I find it extremely useful.”

**Antal Pintér, Board Secretary, “Gondoskodás”/Care/Foundation, Zalalövő:** “(Through the Press Survey) we receive useful information published in other counties. This information is of great assistance to us in our work and in writing grant proposals.”

**Kálmán Nagy, Mayor, Pacsá:** “Your activity provides very useful assistance to our everyday work through the familiarity we gain with the practices and methods of other local governments and inter-local partnerships.”

**The Editors of DUNAMELLÉK, Dunavecse:** “Reading individual articles, we are given information and ideas as to how other communities or regions solve similar problems. In rural areas people are primarily interested in rural problems and the Press Survey reports precisely on these.”

**Endre Szala, Senior Department Head, Ministry for Environmental Protection and Regional Development:** “We regard the Press Survey a publication of outstanding quality.”

Since we maintain daily contact nation-wide with local governments interlocal associations, etc. it is extremely important to us to that you assist our work with such a concise and comprehensive publication, whereby we are able to obtain a picture in this way also with respect to processes and initiatives in the country. I hope that in the future, too, your funders will make possible the availability of this service.”

**László Kulcsár, Public Opinion and Media Research Director, Marketing Centrum:**  
“We would hereby like to congratulate to your unique initiative, the local government press survey. *As a research economist it is my view that it is a significant step towards the expanding of local democracy.*”

**István Nemoda, Government Advisor, *The Office of the Prime Minister*:** “As a fine complement to the information system of the Prime Minister’s Office we put your thematic Press Survey to good use in the course of our everyday work. The topic “Civil Society, Citizen Initiatives” is especially useful for the Non-profit Workshop operating in affiliation with the Office of the Prime Minister providing as it does a special mirror of daily reality.”