

**BULGARIA PILOT COMMUNITY FUND &
SOCIAL ENTERPRISE PROGRAM**

**SEVENTH QUARTERLY REPORT
April 1 to June 30, 2003
Submitted to USAID/Bulgaria**

Grantee:	Counterpart International
Award Number:	183-A-00-01-00106-00
Contact:	Arlene Lear, Senior Vice President Division of Civil Society Programs alear@counterpart.org
Collaborating Partner:	3NET Association

COUNTERPART INTERNATIONAL

**1200 18th Street, N. W.,
Suite 1100
Washington, D. C. 20036
Tel: 202/296-9676
Fax: 202/296-9679**

**113 Evlogi Georgiev Blvd.
First Floor, Apt. 6
Sofia 1504, Bulgaria
Tel: 359 2 944 1071
Fax: 359 2 944 7291**

TABLE OF CONTENTS

PAGE

Executive Summary

Project Purpose

Project Impacts

Project Activity

- Management Overview

Project Activity by Objective

- Objective 1
- Objective 2
- Objective 3
- Objective 4

Coordination and Cooperation

- Meetings and Conferences

Leveraging

Lessons Learned

Attachments

1. Combined Study Tour Report
2. Revised Matching Funds Policy
3. Table of Community Funds' Quantitative Achievements
4. Social Enterprise Training Matrix (April – June 2003)
5. Peace Corps Volunteer, Irene Porges, Responsibilities

Executive Summary

This quarter had a tremendous amount of activity in both the Community Fund and Social Enterprise components of the program. The program has a great deal of momentum and continues to search out opportunities of collaboration and leveraging with other organizations. The World Bank and the European Foundation Center have both expressed interest in Counterpart's activities in Bulgaria.

The largest event of the quarter was the Community Fund study tour to Seattle, Washington. The 8 study tour participants included a representative from Counterpart, a representative from our partner - 3NET, the Executive Directors and Chairpersons of the Managing Boards as well as one additional person from the Board of the Community Funds in Chepelare and Gabrovo. The Gabrovo Community Fund began implementing Phase I of its test fundraising objective: the renovation of the Intensive Care Unit (ICU) at the regional hospital. Chepelare was awarded a grant from Foundation for Local Government Reform (FLGR) to renovate the town park and began fundraising for their next Community Fund project: the renovation of the town library/reading room (Chitalishte), a process which they believe can be accomplished by 2004. An unexpected program success story was the addition of Stara Zagora to the program's Community Fund Network. The Stara Zagora Community Fund was registered in June and all costs leading up to registration were funded through donations.

The Social Enterprise program has been active throughout the quarter in providing training and technical assistance to the individual organizations. One-on-one consultation hours doubled from last quarter. This is a strong indication that the decision to utilize independent business consultants was more productive than going through the central BARDA to schedule and pay for Social Enterprise trainings. The independent business consultants who provide the consultations, Counterpart staff, and Integra were trained in Social Enterprise Business Plan Preparation, the difference between a Social Enterprise business plan and a for profit business plan, and calculating social factors during the past quarter. A Social Enterprise "Trade Fair" was held in Veliko Turnovo during which the participants had the opportunity to "sell" their business idea and products to the network of Social Enterprises. Integra then trained the Social Enterprises on the topics. A site visit to a successful Social Enterprise, and presentations on the current legal conditions and opportunities were also included in the Seminar. An assessment of our training and technical assistance provision was conducted by an external expert and will be included in the October quarterly report. Several Social Enterprises in our program completed project proposals for submission to World Learning's Small Grant program. Counterpart and Nachala are working together to find the most efficient and cost effective manner in which to disburse future loans to the Social Enterprises. A separate foundation must be created to meet the legal requirements. We are discussing with Nachala the possibilities of starting this new foundation together.

3NET, the program's Community Fund co-implementing partners, progressed through the immersion stage to undertaking responsibilities with the Funds. This has greatly assisted Counterpart and, more importantly, the Funds who benefited from their expertise. Increased involvement in planning and implementing the program for the Funds will lead to development of their full capacity to be the support organization for Community Funds throughout Bulgaria. A strategic meeting was held to discuss the long-term vision of the program, our cooperation, and to determine our future work together. 3NET's capacity was enhanced by participation in the study tour to Seattle, Washington.

Administratively, the quarter included the development of an accounting package and training on its use for the Community Funds. Sub-grant agreements and seed grants for the Community Funds were developed along with revision and formalization of the sub grant and proposal formats and procedures. These will be completed next quarter. The Program Expansion/Extension Application required revision and this was re-submitted to USAID in May. Extensive time and effort have been devoted to identifying the most effective manner in which to administer the Social Enterprise loans.

Project Purpose

To enhance the sustainability of Bulgarian NGOs

Project Impacts

Community Fund Development

Community Fund Impacts Inspire Interest in Other Communities

Counterpart was contacted by the director of a non-profit organization working with children in Plovdiv who was interested to learn more about our experience with Community Funds. There was an unsuccessful attempt for developing a Community Fund in Plovdiv several years ago, but the community believes that a more successful model can now be developed. Counterpart shared its methodology, as well as specific lessons learned, and promised to provide additional methodological assistance to the Steering Committee upon request. A newly created Plovdiv Fund would be a welcome addition to the Community Fund Network.

The Lion's Club in Blagoevgrad Expresses Interest in Long-Term Collaboration with the Fund

The newly appointed Executive Director utilized his linkages with the local Lion's Club in Blagoevgrad to arrange a meeting between the Fund and the Club. The Club has since shown strong interest in future collaboration between the two organizations. The Lion's Club proposed a specific initiative that they can organize and co-fund in collaboration with the Community Fund: an annual children's folk arts contest.

Gabrovo Community Fund Receives Over 2,500 Euros from Two German Companies

Two German citizens living in Bulgaria and who are current Board Members of the company Impulse-Gabrovo donated their 2002 net annual salaries to the pilot campaign of the Community Fund. This inspired another German company, KHS which has business contacts with Impuls-Gabrovo, to donate 2,500 Euros to the Community Fund as well.

Open Society Club in Rouse Uses Counterpart Community Fund Model to Attract Municipal Funds

The Open Society Club Rouse, which functions as a community foundation, utilized the experience of our Community Funds to attract a donation from the Municipality of Rouse. The Club utilized BCNL's guide on municipalities donating money to NGOs to convince the Municipality of the legitimacy of such donations.

Social Enterprise Development

Business Consultants Provide Strategic Guidance to Social Enterprises in Varna and Pazardjik

The regional business consultants from Varna and Pazardjik assisted 2 NGOs assess the feasibility of their business ideas by providing a thorough understanding of the financial and operational aspects of a business. The Association of Parents of Children with Cerebral Palsy in Varna decided, after consultation, that their idea to start a greenhouse is not feasible at this time, and they have since focused on summer camps for children with disabilities. The Chovekolubie Center for Mental Health in Pazardjik, with their consultant, investigated the feasibility of starting a small food store and found that the expense and expertise needed are not feasible at this time. They decided instead to focus more on the development of their arts and crafts production.

Social Enterprise in Dryanovo Raises Money and Awareness by Holding a Charity Ball

The Association for Social Assistance in Dryanovo initiated the establishment of a Club for Social Contacts. The Social Enterprise conducted several media events - the biggest of which was the Spring Ball. These activities have the double effect of income generation for the NGO and a growing recognition of the Social Enterprise's services and initiatives. In addition, it proved the necessity of such services and, perhaps more importantly, the readiness of clients to pay for it.

Social Enterprise Engages Municipality in Mutually Beneficial Contract

Strategic partnerships are very valuable for Social Enterprise initiatives. The Gavrosh Association in Varna identified the potential value that the Municipality can bring to the development of their activities. The NGO negotiated a contract allowing the Social Enterprise to set up a stall on the pedestrian street in Varna to sell its crafts. In return the Municipality will receive public recognition for their contribution.

Enhanced Technical Expertise for Social Enterprises in Pleven and Pazardjik

As a result of trainings and effective communication from Counterpart, the business consultants in Pleven and Pazardjik greatly improved their working relationships with the Social Enterprises under their care and as a result are providing better and more efficient consultancies to them. The consultants became more responsive to the needs of the Social Enterprises and also took on some responsibility for the non-profit mission-led aspects of the NGOs' ventures.

Project Activity

Management Overview***Counterpart Washington Holds Community Fund Roundtable***

Counterpart's Civil Society division hosted a Community Fund Roundtable in Washington, DC. Attendants included the USAID Country Desk Officers for Bulgaria and Central Asia, a USAID Democracy and Governance Officer, the World Bank Community Fund Expert, a member of the European Foundation Center and representatives from International Center for Not-for-Profit Law and the United Way.

Program Extension and Expansion Application

Upon receipt of comments and recommendations from USAID on the initial application, Counterpart – Bulgaria revised and resubmitted the document on May 30, 2003.

Sub-Grant Agreements

During this quarter, Counterpart – Bulgaria signed three sub-grant agreements with the Community Funds in Gabrovo, Blagoevgrad and Chepelare. These seed grants aim to support the operational costs of the Funds, which includes personnel, office expenses and promotional activities and materials. This financial support will contribute towards the process undertaken by the Community Funds in order to strengthen their organizational capacity and make a move towards sustainability.

In addition, a matching funds sub-grant agreement was signed with the Gabrovo Community Fund in the amount of 37,770 USD for renovation of the Intensive Care Unit of the Regional Hospital. The duration of the sub grant agreement is June 17 to October 31, 2003.

Memorandum of Cooperation with Bulgarian Charity Aid Foundation

Counterpart – Bulgaria conducted a series of working meetings with the Bulgarian Charity Aid Foundation (BCAF) and reached an agreement for cooperation and joint efforts in the development of local philanthropy. On 17th June 2003, the process was formalized by a Memorandum of Cooperation.

Counterpart Matching Fund Policy

The Matching Fund policy supplements money raised by the Community Fund through its own fundraising events and serves as a key instrument in stimulating local philanthropy and mobilizing local resources. Based on Counterpart's experience in Year 1, where municipalities have been the major source of funds, Counterpart proposed a modification to the originally applied principle of one-to-one (1:1) matching on all funds raised by the community regardless of their source. The revised policy will assure enhanced civic participation without discouraging the support of local government, and will encourage the Community Funds to look for alternative funding sources rather than relying too heavily on the municipalities.

Loan Administration

After extensive research on existing practices and options for the operational structure of microfinance programs, Counterpart and Nachala reached strategic agreement on the registration of a new legal entity that will be responsible for loan management. The loan administration procedures elaborated by Counterpart last year were adjusted to reflect the revised division of responsibilities between the two parties. In order to speed up the process, Counterpart undertook the responsibility of drafting the initial legal documents for review by BCNL. It is important to state that Counterpart's partner for the loan administration, Nachala, was open for discussion and actively collaborated in the preparation process.

Counterpart Project Review Procedure

In parallel with the need to revise its Matching Fund policy, Counterpart elaborated the procedure for internal review of project proposals submitted by the Community Funds. Detailed evaluation criteria and an evaluation matrix were formulated and utilized in reviewing the concept papers and project proposals submitted by the Community Funds.

Negotiations with Peace Corps for a Volunteer Assigned to Counterpart

Counterpart and Peace Corps negotiated terms for a Peace Corps Volunteer, Irene Porges, to be assigned half-time to Counterpart and half-time to her current organization in Teteven. The responsibilities of the Volunteer were laid out and agreed upon by the COP and CED Program Manager. The two organizations began the search for living accommodations that meet Peace Corps' requirements and Counterpart's agreed upon budget.

Finance and Administration***Financial Management Consultancy for Community Funds***

In June, Counterpart – Bulgaria signed a consultancy agreement with the local financial consultants for the development of a comprehensive accounting system, accounting policies and procedures manual and accounting software for the three Community Funds in Chepelare, Gabrovo and Blagoevgrad. The purpose of this consultancy is to further enhance the financial management capacity of the Community Funds in order to effectively report and monitor their project activities.

The consultancy includes, in addition to the development of systems, a series of trainings both in Sofia and at their respective project sites, which will be conducted by professional accountants and IT specialists. After introduction of the accounting systems and installation of the software, regular contact will be kept with the Community Funds in order to follow-up and provide technical support as and when required.

Strategic Planning Meeting

In April Counterpart – Bulgaria conducted a one-day strategic planning meeting. The main purpose of the meeting was to brainstorm and evaluate the strategic objectives of our program. In addition, the following topics were discussed in detail: internal and external communication, program planning and implementation, the decision making process and Counterpart's policies and procedures.

Information Technology

Counterpart Website

The Counterpart Bulgaria web page www.counterpart-bg.org is regularly updated by the Counterpart staff. The web page has been linked to a consolidated list of Counterpart International websites which is published on the Counterpart HQ website (<http://www.counterpart.org/network>). This approach enables interested organizations and individuals to gather information and have access to resources available within Counterpart's network.

<p>Project Activities by Objective</p>

Objective #1: Facilitate the process of community fund development in three communities in Bulgaria.

Counterpart continued its provision of ongoing methodological and technical assistance to the Community Funds in the following areas:

- Organizational development
- Planning and implementation of activities
- PR and networking.

3NET participated actively as co-implementer of most activities related to Objective 1. They took part in monthly reviews and planning, and in the development and implementation of program strategies and tools. By the end of the quarter they began providing independent assistance upon request to the Community Funds. 3NET's involvement as co-implementer has gradually increased and in the following quarter they will undertake overall coordination and monitoring of some activities which is the next step towards becoming a mentor to the Community Funds.

Counterpart continued working with other partner organizations – BCNL and BCAF in particular – to provide context-tailored assistance to the Community Funds. BCNL was actively involved in developing the documents for legal registration of the Community Fund in Stara Zagora and in conducting the Founding Assembly. A memorandum was signed with BCAF for provision of services upon request to the Community Funds.

Assistance with Organizational Development

Counterpart provided context-tailored organizational development support and mentoring to the three Community Funds with a focus on improving the management skills of the Executive Directors and the functioning of the Managing Boards. An intricate and delicate issue at this stage of the Funds' gradual maturation is how to provide mentoring without creating dependency.

Counterpart and 3NET worked most closely with the Blagoevgrad Community Fund who experienced a change in Executive Directors. Other issues addressed were the gaps in communication between the Executive Director and the Managing Board, as well as between the Managing Board and the Board of Trustees. Counterpart delivered induction training to the new Executive Director that provided her with basic knowledge on the mission, goals and principles of work of a typical Community Foundation; its services to donors; the types of funds it manages and its liaison with the community. The training also introduced her to the history and annual planning goals of the Blagoevgrad Community Fund; the by-laws and internal regulations; the successes and challenges experienced by the Fund thus far; and the reporting requirements set by Counterpart-Bulgaria.

A major challenge faced by the Community Funds in this reporting period was how to ensure the involvement of all Managing Board members in the work of the Fund and fair distribution of tasks. As the

Funds develop the amount of work increases and there is need of an effective mechanism for communication and distribution of tasks between management and the control bodies, as well as between the Executive Director and the Board. Another pressing task was to train the Managing Boards and the Executive Directors on utilizing external assistance in achieving their long-term and short-term goals. All of the Community Funds formed Support Commissions in different areas at the beginning of their work; however, their actual involvement and acceptance of responsibilities is insufficient.

USAID and World Learning provided an invaluable opportunity to 6 representatives of the Gabrovo and Chepelare Community Funds (Executive Directors, Chairs of the Managing Boards and 1 additional Board member) to get international exposure, and to be in direct contact with American Community Foundations by taking part in the Community Fund Study Tour to the USA, organized by World Learning and funded by USAID. The participation of the Blagoevgrad Community Fund in this training was cancelled due to serious performance weaknesses. USAID approved a second group of Community Fund representatives to be trained in the USA by the end of this calendar year, and the Blagoevgrad Community Fund will be included providing they demonstrate considerable improvement.

Assistance with Planning and Implementation of Activities

Counterpart and 3NET provided assistance upon request to each Community Fund with planning and implementation of specific activities. Again, more time was devoted to the Blagoevgrad Community Fund as a result of the delay in implementing their pilot fundraising campaign and meeting their annual plan goals. In May, the COP called a Strategic Meeting with the Managing Board, representatives of the Board of Trustees and the Executive Director to address issues related to the Fund's performance: Board commitment; communication between the organs of the Fund; public image; vision for the future. As a result of the meeting, the Fund requested additional help from Counterpart/3NET in order to achieve marked improvement by September 30, 2003, which is the deadline set by Counterpart. At that time, Counterpart will evaluate the Fund and decide whether to terminate or continue supporting the Fund. Following this meeting Counterpart and 3NET assisted Blagoevgrad in developing a detailed operation plan through the end of September; in elaboration of their pilot project concept paper and proposal; and in developing a plan for the implementation of a World Bank-funded small project dedicated to the elderly.

Special assistance was provided to the Gabrovo Community Fund with preparation of the bidding procedures to select the contractor for their pilot project: renovation of the intensive care unit of the regional hospital. The Chepelare Community Fund received support from Counterpart in elaborating the proposal for the project "Future for Bogutevo" that aims to improve the conditions for the development of village tourism in this small village within Chepelare municipality.

Assistance with Public Relations and Networking

All Community Funds were assisted with development of their PR plans and with preparation for the public charity events scheduled for the month of May. 3NET's PR expert delivered short lectures to the Executive Directors and some Board members of the Community Funds on the relationship with the media and reviewed their promotional materials and publications. A strategy for gradual involvement of the national media with popularization of the achievements of the Community Funds was elaborated by 3NET and Counterpart.

Community Charity Fund – Blagoevgrad called for help in solving a PR issue that required special attention. The only local newspaper, "Struma", published two negative articles about the Chair of the Managing Board that reflected negatively on the Community Fund. 3NET and Counterpart assisted them in developing a strategy for overcoming the negative implications of these publications. The strategy comprised of maintaining diplomatic relationships with the newspaper and regularly sending them information about the current activities and successes of the Fund. As a result of this carefully thought-out strategic approach to local media several positive publications followed, and the newspaper requested an interview with the COP of Counterpart Bulgaria to get an in-depth understanding of the goals of our program and the opportunities that it provides to the community of Blagoevgrad. It should be mentioned that Struma requests payment for

any articles they publish, an issue that the COP raised with the Bulgarian Media Coalition. BMC and Counterpart will seek solution to the situation.

Assistance to Newly Emerging Community Funds

Counterpart and 3NET assisted the Steering Committee for starting up the Community Fund in Stara Zagora with logistical preparation for the Founding Assembly and legal consultations on developing the By-Laws were provided by BCNL. The Founding Assembly took place on June 10 with 174 participants, 136 of whom signed the registration documents as Founders of the Community Fund. With this number of Founders, and with a Managing Board of 17 and Board of Trustees of 22, Stara Zagora became the largest Community Fund supported by Counterpart. The principle for maintaining a balance between the three sectors in the membership of the Fund's governing bodies – accepted by the other pilot Community Funds – was applied here as well.

BLAGOEVGRAD

Organizational Development

Board performance below expectations. The delay in implementation of the annual plan of the Community Fund was largely due to lack of commitment and insufficient involvement of the Managing Board. Subsequent to the Strategic Meeting initiated by Counterpart to discuss the causes and ramifications of the poor performance of the Fund, the Board called numerous meetings in an effort to remedy the situation. The Board of Trustees and the Support Commissions (PR; Fundraising and Development) moderately increased their involvement and, at a joint meeting with the Managing Board and Executive Director, elaborated a mechanism for regular exchange of information. Unfortunately, the increased frequency of Board meetings did not lead to significant improvement of the Fund's performance, and one Managing Board member submitted his resignation.

The Board of Trustees called for a meeting with the COP to further discuss the issues brought up during the Strategic Meeting. Three of the 9 Board members participated in the meeting. The COP again outlined the deficiencies and asked for their assistance in putting the Fund on track. The meeting has thus far had no impact on the Fund's performance.

New Executive Director begins work. The new Executive Director was immersed into the work and demonstrated good understanding of her role and responsibilities. Her contacts with influential people in the community could be a good starting point for enlarging the donor base of the Fund; however, the Managing Board has not yet provided her with enough freedom to independently use her networking skills for the benefit of the Fund. During the initial 3 months of her work, the Executive Director's principle activity was the development of an effective mechanism for exchange of information with the Managing Board, and for distribution of tasks in a way that will keep everyone involved.

Fundraising and Project Implementation

The financial goal of the pilot fundraising campaign achieved with considerable delay. The Blagoevgrad Community Fund managed to attract a donation of BGN 15,000 from the Municipality, which enabled the Fund to reach its financial goal for the pilot fundraising campaign, although with a delay of 3 months. BGN 3,500 was raised from citizens and businesses since December. The Community Fund did not manage to attract major business donors nor has the donor base expanded since the beginning of the calendar year. Attempts to collect cash in the streets at public events did not produce sizable results as the events were poorly planned and organized. By the end of the reporting period it became clear that a change in the fundraising approach is needed in order for the organization to survive.

Success in attracting funds from external resources. The Community Fund won a grant of USD 2,600 from the World Bank for the project "Hand a Hand to the Elderly". The project aims at creating 2 voluntary units of pensioners: one will support sick elderly people who are confined to their homes, and the other will

provide assistance with child rearing in the local orphanage. The project will also enable the Community Fund to establish contacts with active elderly people who can be involved in future voluntary work. The project started the end of June and will continue till the end of February 2004.

Public Relations and Networking

Strategy to improve the public image of the Fund. The negative publications in “Struma” newspaper raised concern about the public image of the Community Fund. The effect of these publications would have been much less had the Fund managed to publicly demonstrate its ability to mobilize local resources for the benefit of the community. The core of the PR strategy developed with the help of 3Net and Counterpart was actually an increased number of publicly visible Community Fund activities. The Fund organized a children’s graffiti contest for the International Children’s Day – 1st of June – under the title “*Me and my town*”. The event was widely covered by local media.

Recruitment of Volunteers for the project funded by the World Bank. Implementation of the World Bank funded project for elderly started with the development of a questionnaire for recruiting volunteers among the pensioners. This questionnaire will be distributed at pensioners’ clubs, such as the Club of Retired Teachers, the Club of Retired Military Workers, Club “Health” of pensioners who jog every day, etc. The Executive Director contacted institutions and individuals who had given support letters for the application to the World Bank, and discussed the project implementation plan. The list of contacted institutions included the Municipal Social Service Department, the Institution for Abandoned Children, and the Labor Office.

CHEPELARE

Organizational Development

Established working group for preparation of the Chitalishte project. The Community Fund initiated the formation of a working group consisting of members of the Managing Boards of the Chitalishte and of the Fund, as well as a representative of the Municipality for elaboration of the concept for renovation of the Chitalishte. The working group met several time to discuss the fundraising campaign and the concept paper for the project.

Effect of participation in the study tour to the USA. Upon return from the study tour to the USA, the members of the Managing Board and the Executive Director organized an internal debrief to share their impressions and knowledge acquired in the USA. The most direct practical outcome of the study tour was the development of two project plans – one for computerization of all schools in Chepelare with the assistance of Rotary International and 3Net, and another one for the creation of an X-ray center in Chepelare that will be achieved with local and external resources. Another noticeable effect of the study tour was an expressed determination to develop a new fundraising strategy that will attract business owners in the municipality.

Fundraising and Project Implementation

Raising funds for the project *Future of Bogutevo*. The funds for the project “Future for Bogutevo” that aims to improve the conditions for tourism in the village of Bogutevo were successfully raised from the citizens. Every family in the village of Bogutevo donated to the project. A group of volunteers that will donate their labor to the implementation of project was formed. The Community Fund conducted a competitive selection of a Technical Coordinator who will oversee the work of the volunteers and the construction companies responsible for the renovation. The volunteers will be responsible for cleaning and felling, as well as other cosmetic activities.

Opening of the campaign for renovation of the Chitalishte. The campaign for the renovation of the Chitalishte – the cultural center of Chepelare – was announced at a charity concert organized on May 9 in the Chitalishte hall. Counterpart attended the concert and wished a successful campaign to the 500 citizens who filled the hall. The charity concert raised BGN 360, and many local businesses committed to donating for this goal in the near future.

The campaign continued raising funds from the citizens at the open-air town celebration on May 24. The Community Fund aims to raise the full amount of money for the Chitalishte by the end of 2004.

Attracting funds from external resources for renovation of the town park. The Community Fund won a grant in the amount of BGN 14,154 from the Foundation for Local Government Reform for renovation of the town park. Project implementation started in the beginning of June and will finish the end of July. The project is implemented in partnership with the Association for Protection of the Rhodopi Mountains, and has managed to attract 30 local volunteers for cleaning, felling, grassing and planting.

Public Relations and Networking

Continued strong coverage by local media. The Community Fund is already well established as a factor that unites different key players in the community for different public purposes. All activities of the Fund are covered by the local media. The Fund aims to attract the attention of national media too for some of the bigger events that it organizes. Counterpart and 3Net will provide support in bringing the national media to Chepelare.

GABROVO

Organizational Development

Community Fund increases visibility. The Community Fund is gradually becoming more visible as a factor in community development. The work of the Managing Board has concentrated mainly on maintaining the relationship with the Municipality as the major donor of the pilot fundraising campaign. Additional efforts were devoted to establishing a working relationship with potential donors from the business sector. This resulted in 10 new contacts with business people who agreed to support the Fund in the future. Not all Managing Board members were equally committed to undertaking responsibilities for the benefit of the organization. The Board of Trustees has also not been sufficiently involved in attracting new donors or performing its control functions. One of the major effects from the study tour to the USA was the increased ability of the participants to assess the strengths and weaknesses of their Fund and to clearly identify areas needing improvement.

Fundraising and Project Implementation

Beginning of the implementation of phase 1 of the pilot project. The goal of the pilot project, as decided by the Open Forum, is two fold: 1) renovation of the intensive care unit (ICU) of the hospital and 2) creation of a women's cancer screening center. The pilot project strengthened the partnership between the Fund and the Municipality of Gabrovo by meeting one of the municipal priorities: renovation of the regional hospital ICU. The Managing Board and the Executive Director realized that simultaneous implementation of both projects is not feasible for the Fund. Because of the BGN 50,000 donation received from the Municipality, which helped the Fund achieve the financial goal of phase 1, they decided to concentrate on renovating the ICU first and then move to implementing phase 2. The Municipality is also committed to providing the technical documentation necessary for phase 2 of project implementation.

The implementation of Phase I started with a transparent bidding competition to select the construction company that will renovate the ICU. Eleven local construction companies applied. A Bidding Commission, consisting of construction experts, a lawyer, a representative of the Municipality and representatives of the Fund, made the decision and signed a contract with the selected construction company. The renovation work started the end of June and will be finished the beginning of September. The Fund hired a Technical Observer to monitor the renovation work together with construction experts provided free of charge by the Municipality as a non-financial contribution to the pilot project.

Public Relations and Networking

Participation in the carnival of the humor. Although the attempts to raise money in the streets during town celebrations with the help of student volunteers did not produce any sizable financial result, it helped to increase the visibility of the Fund and to promote it as a local fundraising organization. The Community Fund with the help of 15 volunteers took part in the traditional Carnival of the Humor in Gabrovo, and participated in the parade. The event is widely covered by local and national media and attracts hundreds of participants and viewers from all over Bulgaria.

Broad coverage of the start of the renovation of the hospital. The start of the renovation of the hospital attracted considerable media attention. There were 15 publications on the topic within less than a month in 4 local newspapers and representatives of the Fund were invited to speak on numerous TV and radio programs.

Objective #2: Assist in the development of Social Enterprises throughout Bulgaria

The main objectives of the Social Enterprise component during this quarter were:

- ***Training and Technical Assistance***
To continue the process of Social Enterprise capacity building by organizing a series of trainings following the first year training plan, and by providing technical assistance through one-on-one consultations
To enhance the technical assistance provided by the Regional Development Agencies and binding it with the concrete stages of each Social Enterprise establishment and development
- ***Training and Technical Assistance Assessment***
To assess the impact and results from the first year of training and technical assistance provision
- ***Loan Administration***
To finalize the loan administration process and provider.

Training and Technical Assistance
Human Resource Development

The first training for the quarter was in April. Daniela Milkova, a consultant from the Agency for Regional Development in Dobrich, delivered the training to 8 Social Enterprises. The objective of the training was to enhance the level of understanding and knowledge about Human Resource Management in a business organization. The participants learned the importance of staff recruitment and motivation and how this can affect the operations of the Social Enterprise. Emphasis was placed on the fact that the success or failure of an enterprise is tied to the talent, skills and acumen of the managers charged with overseeing the execution of the organization's business and related strategies.

Social Enterprise Seminar

At the end of April, Counterpart organized a seminar with the following agenda:

- Discuss the current legal regulations concerning the delivery of social services.
- Networking - Presentation of the Bulgarian Association of Social Workers (BASW)
- Site visit to Open Door Center, Veliko Turnovo
- NGO Services Exchange Exercise

The first session was extremely useful for the participants as it raised their awareness of using state funding provided to NGOs that provide social services. Marieta Dimitrova, a BCNL consultant who participated in the working group to develop the new regulations to the Social Assistance Act, was invited as the lecturer. She gave new and timely information to the Social Enterprises which will enable them to properly register as social service providers and be ready for the opportunities presented in the new legislation.

The second session was not of great value to the participants. The Bulgarian Association of Social Workers (BASW) representatives were not well prepared and could not provoke the interest of the group. In future collaboration with BASW, Counterpart will work towards enhancing their capacity to better identify and deliver pertinent information.

The site visit to the Open Door Center premises was very interesting. The group was introduced to their activities and it was useful to see the various areas in which the NGO is working. The Center is a good model and example of a working Social Enterprise which is very active due to close partnerships and cooperation between the NGO, local authorities and businesses.

The purpose of the last session was to give each NGO the opportunity to practice presenting its services and products. This had the double benefit of encouraging the Social Enterprises to market their products, and also made the other Social Enterprises aware of each others' product, which will help the participants generate new ideas and exchange experiences.

Social Enterprise Business Planning

In May, Counterpart – Bulgaria organized a one and a half day workshop for Counterpart staff, BARDA Consultants and Integra representatives. Because the Social Enterprise concept is new to Bulgaria, Counterpart invited Kim Alter, an expert Social Enterprise consultant and author, to conduct the seminar consisting of 3 topics:

- The difference between a social purpose business and a traditional for-profit business and its reflection in the business plan
- The concepts of the double-bottom line and assessing social and economic impacts
- The concept and methodology of assessing Social Return on Investment and value creation.

The workshop aimed at developing and strengthening the skill level of those assisting the NGOs in the development of their Social Enterprise business plans. The training helped the consultants to better understand the concept of the double bottom line and the balance between the social and business missions. At the same time the participants saw different methods of quantifying the levels of social impact, as well as examples of how to measure certain social indicators (dependent on industry) with relative accuracy in order to assess the social value created by a Social Enterprise. They also learned how to calculate the social costs and reflect them in the SE financial statements. The last part of the training aimed at describing the basics of Social Return on Investments (SROI). The participants learned how to incorporate and calculate a Social Return on Investment as a tool for measuring the social and economic value.

Participants increased their general awareness in measuring social costs as applied in a Social Enterprise business plan. However, most of them found it difficult to directly apply and measure Social Return on Investment given the lack of pertinent statistics in Bulgaria. Counterpart will continue collecting data and statistics to give this important tool more value in application.

Writing a Social Enterprise Business Plan

This three-day training was aimed at acquiring knowledge and skills related to the specifics of the Social Enterprise Business plan writing process. The participants increased their capacity and level of understanding of the structure of a for-profit business plan and the specifics of a Social Enterprise business plan. The training helped the participants better understand the concept of the double bottom line and the balance between the social and business missions. At the same time the participants learned how to calculate the social costs and reflect them in the SE financial statements. The training also described the basics of Social Return on Investment. In addition Integra developed a Social Enterprise Business Plan Workbook and distributed them to each participant to assist them in the development and finalization of their business plans. The training was delivered to the Social Enterprises by three representatives from Integra who participated in Kim Alter's training.

BARDA Consultations

Changing our procedure from a contract with BARDA to individual contracts with each consultant and/or training provider had a good effect on the overall quality of one-on-one consultation, which is directly reflected in the number of consultations provided this quarter: 364 as opposed to 182 last quarter. Communication and efficiency of financial remuneration was greatly improved and the consultants' exhibited increased motivation to provide services. The direct coordination and correspondence between Counterpart program staff and the consultants also encouraged dialogue regarding the progress of the Social Enterprises without the complication of a third party, BARDA. Several Social Enterprises were assisted by their consultants in developing project proposals for World Learning's Small Grant Program. Additionally, the consultants and the Social Enterprises developed individual Technical Assistance Plans for the period June 15 – September 15, 2003.

Technical Assistance Reports and Plans

Monitoring is very important for the long-term success of the project. To ensure adequate response to changing conditions and opportunities, Counterpart-Bulgaria included a new element in our monitoring methodology: preparation of progress reports and technical assistance plans for each organization.

Meetings between the Social Enterprises and their consultants were initiated to discuss: the current status of the Social Enterprise and the factors that assure progress and those that act as barriers to the development and implementation of the Social Enterprise idea; activities needed to minimize the barriers; and mechanisms that the organization can utilize to improve enterprise implementation .

The purpose of this meeting was to enhance the technical assistance provided by the Regional Development Agencies and to bind it with the concrete stages of each Social Enterprise establishment or development. Based on the above discussions we expect the following outcomes:

- Each consultant will prepare a written report summarizing the findings of the meeting
- Together with the Social Enterprise representatives the consultants will develop a clearly defined TA plan outlining the objectives, activities/tasks, roles and responsibilities and timelines.

Training and Technical Assistance Assessment

As we look to expanding our program to include 27 additional Social Enterprises, and in an effort to ensure that the provision of Training and Technical Assistance is efficient and useful, Counterpart initiated an assessment to evaluate the relevance, efficiency and impact of our current model. The aim is to adapt our program strategy and planning to more closely meet the needs. John Keane, a free-lance consultant who has extensive micro financing evaluation experience, was invited to do the assessment and make recommendations for future training plans with a more customized and demand-driven training content. The consultant is also expected to assess and recommend different opportunities for increasing the impact and improving the effectiveness of the training component of the Social Enterprise program.

Loan Administration

Counterpart-Bulgaria continued its efforts to research and identify the best possible procedure for managing the Social Enterprise Loan Fund. Numerous meetings with Nachala, USTOI, banks and other organizations providing loans to NGOs were conducted this quarter. The outcome of these meetings is a joint decision by Nachala and Counterpart to create a new foundation, Social Enterprise Foundation (SEF), to meet the legal requirements of loan provision. Meetings were held with BCNL to investigate the structure of the foundation. At the close of this quarter, Counterpart and Nachala are continuing deliberations regarding the physical structure of the foundation and all related costs associated with delivery of the loans.

Objective #3: Enhance the capacity of 3NET Association to support Community Funds throughout Bulgaria.

The past quarter was very active in terms of transitioning 3NET from the learning stage of immersion to the implementation stage with separate responsibilities. The level of coordination, cooperation and input increased dramatically last month with 3NET's participation in Counterpart's staff meetings and in planning sessions for the Community Funds. In addition the plan for enhancing the capacity of 3NET to be the support organization for Community Funds was developed.

3NET Staff Skills Development

Vladimir Galabov of 3NET Association participated in the World Learning Community Funds study tour to the USA.. The opportunity to experience first hand Community Funds in America was a substantial investment in enhancing 3NET's capacity. It was also unique and a good choice to train a person who is specialized in PR activities; thus complimenting strategic skills and knowledge that are rare in such a specific combination.

Strategic Meeting between Counterpart and 3NET

Another important step aimed towards better collaboration between Counterpart-Bulgaria and 3NET was the joint strategic meeting held in June. It was the first opportunity to compare and brainstorm on the visions that both organizations have for their future development – together and separately. The main areas covered by 3NET were as follows: strategic priorities of the Association; future support of the Community Funds by 3NET (operational structure); vision of Community Fund program co-implementation with Counterpart-Bulgaria; 3NET's vision for being the Community Fund support organization after 2006.

Both teams were pleased to discover that their visions are similar in most strategic points and directions. Resultant of the meeting was a plan for 3NET's increased inclusion into implementation and the planning process, especially in the area of elaborating a common approach and synchronized message delivery to the Funds from Counterpart and 3Net on a regular basis.

Improved Coordination of Support and Mentoring Activities

Another important outcome of the Open Forum within the Strategic Meeting between Counterpart and 3NET is an agreed upon approach for providing support to the Community Funds: different 3NET members and consultants from their data base will meet the different needs of the Funds; intensive information sharing between 3NET, consultants and Counterpart. It was agreed that 3NET will become more involved in joint planning of program activities to ensure better coordination with Counterpart and will apply a multi-faceted approach in providing on-going mentoring to the Community Funds.

Plan to Enhance the Capacity of 3NET to support Community Funds

Counterpart and 3NET initiated the process of identifying the skills and capacity enhancement needs of 3NET to effectively support Community Funds throughout Bulgaria. A brainstorming session resulted in identifying the following needs: development of specialized training modules for Community Funds; development of a database and a web based resource library; improved marketing skills for promotion of successful practices; skills for research and advocacy.

Objective #4: Document and disseminate lessons learned and best practices for Community Funds and Social Enterprises.

The last quarter was very intensive with the Community Funds participating in various public events aiming to increase public awareness and/or to mobilize local resources. Together with the Public Relations consultant from 3NET, Counterpart developed a system to snapshot the participation of the Funds and keep a video archive of the events. Furthermore, this is envisaged as a source of photos and video clips for documentation and popularization of the Community Funds and Social Enterprises good practices.

A very efficient tool for dissemination of best practices in Bulgaria proved to be the electronic newsletter of the Foundation for Local Government Reform. It is distributed through the Internet to more than 1,500 organizations, local authorities and governmental institutions. In its section on Innovative practices the two models developed by Counterpart in Bulgaria, Community Funds and Social Enterprises, were presented as innovative approaches in the field of community mobilization and improvement of social services.

Coordination and Cooperation

Counterpart International/Bulgaria conducted a series of meetings with other donors and support organizations in order to learn about their programs and exchange ideas for future coordination and cooperation. Listed below are some of the organizations:

World Learning

During the past quarter, Counterpart/Bulgaria continued active cooperation with World Learning. On 12 May 2003 all Counterpart local partners – Community Funds and Social Enterprises attended the Certificate Award Ceremony for participants in training programs organized by World Learning. As part of the ceremony, World Learning announced the Small Grant Program within the Participant Training Program aiming to provide financial support for participants in achieving the goals of the action plans developed during the trainings.

Department for International Development (DFID)

Counterpart - Bulgaria continued to inform the Department for International Development (DFID) within the British Embassy about the progress of the social enterprises and Counterpart's activities in the social field. DFID programs in Bulgaria are focused on improving the public sector, strengthening capacity at regional and municipal levels, and strengthening civil society to reduce social exclusion. DFID is interested in an Integrated approach to the NGOs, combining resources from different donors and/or programs. A considerable achievement for Counterpart staff in Bulgaria was that DFID identified as a priority area in their current Small Grant Scheme the development of models of Social Enterprises. This was an important sign on behalf of other donor organization that the Social Enterprise concept pioneered by Counterpart in Bulgaria is a proven mechanism to increase non-profit sustainability.

Bulgarian Center for Non-profit Law

During the quarter, Counterpart staff organized a series of meetings with BCNL to discuss possibilities for collaboration in implementing the Pilot program for Community Funds and Social Enterprises in Bulgaria. As a result of the meetings a work plan for joint activities was developed with an emphasis on expanding their involvement in program activities and utilizing BCNL's expertise in the field of social services and NGO legislation more effectively. BCNL provided invaluable support and expertise during the founding assembly of the Community Fund in Stara Zagora.

Integra - Bulgaria

During the quarter, Counterpart staff organized a series of meetings with Integra to discuss possibilities for collaboration and sharing of resources as both programs aim to improve social services. Integra expressed interest in expanding their knowledge on the specifics of the social enterprise. They were invited to participate in the training on Measuring Social Impact and how to develop a business plan for social enterprises. Counterpart's objective is to build the training capacity of Integra so they become a reliable source of trainers for the current and future Social Enterprises.

Bulgarian Association of Social Workers

During the quarter, Counterpart staff conducted meetings with the Bulgarian Association of Social Workers to discuss opportunities for cooperation. Their main objective is to introduce innovative models and

approaches in the social service sector by providing training and capacity building for social workers. Representatives of the organization were invited to a networking event of the Social Enterprises where concrete areas for cooperation were discussed.

Individuals and Organizations

- Gail Sprinkle, Peace Corps Volunteer, Economic Development Consultant in Pleven
In April the Program Director and Social Enterprise Manager met with Gail Sprinkle in Pleven and discussed ways to support the Social Enterprise in Pleven, “Open Door Center”, with additional business consultancy. Counterpart staff convened a meeting between the Peace Corp Volunteer and the NGO staff where an agreement for cooperation was reached. Gail expressed an interest and readiness to look for other funding opportunities that may help the NGO to expand the scope of programs related to empowerment of women.
- Irene Porges, Peace Corps Volunteer, Economic Development Consultant in Teteven
Irene Porges, a Volunteer based in Teteven, accompanied the Social Enterprise Manager and Program Director to Varna on a visit to the Social Enterprise Gavroche Association. She provided invaluable advice and ideas to the arts staff of the NGO, who are planning to expand their craft production as an income generating activity. An additional value for the NGO was her commitment to explore and approach international museums to donate arts books for the Roma kids at the day care center of Gavroche Association.
- Carl Hammerdorfer and Anton Pashov, Country Director and Community Economic Development Program Manager, United States Peace Corps
The COP had several meetings with Peace Corps this quarter exploring and finalizing opportunities for Counterpart Bulgaria to have a Peace Corps Volunteer. Irene Porges, whose current site is in Tetaven, will be assigned 50% of the time to Counterpart Bulgaria and 50% to her current site. The volunteer will assist Counterpart Bulgaria in program implementation with a particular focus on the arts and craft producing Social Enterprises. She is a Community Economic Development volunteer with a strong business background and has the added value arts and crafts experience as well and we are confident that her expertise will be of great assistance in program implementation.
- Pavel Velev, Program Manager, Ustoi Microfinance Program (CRS)
On 13th June 2003, the Finance and Program Directors of Counterpart – Bulgaria met with Pavel Velev to explore the principles and operational structure of CRS’s microfinance program in Bulgaria. This was the next step in Counterpart’s efforts to define the most appropriate legal and operational structure for the administration of the Social Enterprise Loan Fund. The meeting was very beneficial and provided Counterpart with the opportunity to learn about the difficulties in implementing micro credit programs in Bulgaria with a totally ambiguous legal environment.
- Aneta Ivanova, Executive Director, Bulgarian Association for Persons with Intellectual Disabilities (BAPID)
On 18th June 2003 Counterpart Program Director and Social Enterprise Manager met with the Executive Director of BAPID to discuss opportunities for collaboration. Currently BAPID is the National Coordinator of an EU initiative to create links and twinning groups of NGOs that provide social services and want to exchange specific knowledge and expertise. The purpose of the initiative is to strengthen international cooperation at the individual/organizational level and to support the transfer of innovative approaches and unique experiences. As a follow up, Counterpart staff promoted the initiative within the network of Social enterprise throughout Bulgaria.
- Maria Goranova, Executive Director, Marie Curie Association - Plovdiv
During May 2003, the Program Director and Social Enterprise Manager of Counterpart – Bulgaria met with representatives of Marie Curie Association who are currently implementing an EU funded project aiming to develop a network of employers for people with disabilities. The focus of the meeting was to discuss how the network of social enterprises can cooperate with the network of employers and how to facilitate the exchange of information and good practices about employment for the disabled. The Marie Curie Association has broad knowledge and expertise in developing training and mentoring programs for disabled.

- Hristo Gregorov, President, Bulgarian Red Cross
The COP met with the President of the Bulgarian Red Cross to discuss opportunities for cooperation. Several Bulgarian Red Cross offices applied to the Social Enterprise program during the first round, however, they were not accepted at that time. Mr. Gregorov agreed to assist us in distributing information relative to our next round of applications, and the COP encouraged Bulgarian Red Cross offices across the country to apply during the next round.
- Suzanne Savage, Head of Regional Delegation, American Red Cross
The COP met with Suzanne Savage to discuss similarities in our programs and to seek ways to merge resources for the enhancement of both programs. An agreement was reached to include each other in mailings regarding trainings and other relevant events. Further meetings will be held next quarter to determine concrete steps.

Discussion Forums, Conferences and Public Meetings

- Discussion Forum “Endowments – Challenge and Opportunity for Non-profits in CEE”, Sofia, 19 May 2003
In May, Counterpart took part in a discussion forum organized by BCNL and the Open Society Foundation. The topic was “Endowments – Challenge and Opportunity for Non-Profits in CEE”. The forum brought together NGOs leaders, think-tanks and local government representatives from around the country. Robert Thomas, an experienced Endowment expert with extensive experience in CEE region, presented the challenges, benefits and needs of the NGOs to start building endowments. He pointed out that building an endowment requires strong financial skills, practices and commitment on behalf of the NGO management. Luben Panov from BCNL presented the legal environment for starting an endowment in Bulgaria.
- Workshop on “Opportunities for NGOs to conduct Health Services” May 20th 2003, Rila Hotel
The Program Director and Social Enterprise Program Officer participated in a workshop organized by the Bulgarian Center for Non-profit Law and the Open Society Foundation. Participants were various NGOs throughout the country who are supporting legislative changes that will provide legal opportunity for NGOs to provide health services. The legal experts presented a comparative analysis of the health sector in the CEE region and a survey of the economic impact of the legal provision for NGOs to provide health services in Bulgaria. Several of the Counterpart’s Social Enterprise Program participants attended the meeting and advocated for a change in the legislation.
- Annual Meeting of “Workshop for Civic Initiative Foundation”, Arbanasi, 27 June 2003
Counterpart – Bulgaria Program Director participated in the annual meeting of the Workshop for Civic Initiative Foundation. The objective was to gather the NGOs supported by the Workshop for Civic Initiative Foundation and to share innovative practices and approaches in mobilizing local resources and developing local philanthropy. Representatives of 50 NGOs, businesses and other donor organizations participated in the annual meeting. Counterpart presented its methodology to develop Community Funds as a mechanism for mobilization of local resources after which several participants expressed interest in learning more about the Counterpart experience and in applying some of the successful approaches in their activities at the local level.

International Cooperation

European Foundation Center Conference - Lisbon, Portugal June , 2003

The Chief of Party attended the EFC Conference in Lisbon with the topic “The Citizen Facing Challenges of Globalisation”. Important contacts were made with Community Fund/Foundations implementers and support organizations around the world. The most critical information gathered from the Conference was the World Bank’s interest in supporting Community Funds/Foundations through intermediaries as opposed to national governments as has been their practice to date. In follow up to the conference, Counterpart, D. C. arranged a meeting with World Bank representatives to further investigate opportunities for Community Fund Development support.

Leveraging

The Steering Committee for the creation of the Community Fund in Stara Zagora managed to attract financial contributions in the amount of BGN 1,250 to cover its establishment and registration costs. The other Community Funds continued to attract in-kind contributions in the form of voluntary labor, expert help, services, and free media coverage of their activities.

Volunteers

- Blagoevgrad – 5 volunteers – students from local schools assisted in cash collection from citizens in a sports event in April co-sponsored by the Community Fund.
- Chepelare – 20 volunteers, most of them students from local schools, took part in cash collection during the charity concert organized by the Community Fund and the other fundraising activities in the month of May. Fifteen volunteers participated in the cleaning and felling included in the park renovation project.
- Gabrovo – 15 volunteers, most of them students from local schools, assisted the Community Fund in implementing its public fundraising campaign in the month of May.

Services

- Gabrovo – web designers of Veda Consulting began the CF web site, and will also help with its maintenance.
- Free of charge bank accounts at private banks for Community Fund Gabrovo, Blagoevgrad and Stara Zagora. The estimated savings are BGN 10 per organization per month.

Expert Help

- Blagoevgrad – the Municipality provided expert help with the development of the technical part of the bidding documentation for the swimming pool renovation project
- Chepelare – the Municipality provided expert help with the development of the technical documentation for the park renovation project
- Gabrovo – the Municipality provided expert help with the developing of the bidding documentation for the selection of the company that will renovate the ICU of the hospital. It also provided 2 experts who took part in the bidding procedure. The estimated savings from the bidding procedure are BGN 200.

Access to Publicity

- Gabrovo – 7 local media are currently attracted as partners of the Community Fund. The estimated savings for 3 months are BGN 210.

Access to International Training - Community Funds Study Tour in the USA

In January, Counterpart – Bulgaria submitted a training request for a Study Tour to the USA for representatives of the Community Funds participating in the program. The Study Tour took place from May 30 to June 14, 2003 in Seattle WA, USA. The study tour provided 6 representatives from 2 Bulgarian Community Funds (Chepelare and Gabrovo), the Community Fund Program Officer of Counterpart Bulgaria and one representative of 3NET Association with invaluable experience in understanding the American non-profit sector and the specific role of the Community Foundations. The participants visited a number of community-based non-profit organizations, such as neighborhood development associations; community-based environmental restoration organizations; college foundations; medical center foundations; and community foundations. This created a comparative perspective that distinguished the Community Foundation from other types of non-profits in a fully developed third sector. The study tour provided a great opportunity to the Bulgarian participants to experience American community life by putting them in contact with a variety of local people working as volunteers on non-profit Boards and community-service organizations. The participants also had the chance to work with experienced non-profit consultants. The intensive learning experience stimulated creative ideas that were incorporated in the action plans and will become the basis for future projects of the Community Funds.

Lessons Learned

Participatory Planning Process is a Prerequisite for Efficient Coordination

Understanding and heeding the importance of the information flow is crucial for the effective development of the project. Regular meetings between the staff of Counterpart-Bulgaria and 3NET Association has given improved results in two directions: on one hand, a regular flow of information ensures that no important detail will be missed, and on the other hand, different points of view result in better solutions and diversified approaches. The same approach of more active networking and exchange of experience, information and ideas is noted as a positive tendency in future activities planned for the Community Funds by Counterpart-Bulgaria and 3NET Association and will result in better development and stabilization of the Community Funds.

Public Cash Collections Generate Minimal Results

Despite the efforts to organize volunteers and promote their campaigns, neither of the Funds established in larger communities managed to collect sizable amounts from public campaigns addressing the average citizen. There are several possible explanations for this phenomenon. First, people associate cash collection in the streets with begging. Second, there were many “fake” fundraisers for public causes during the last 10 years in Bulgaria, which resulted in a national newspaper article advising people not to donate cash on the street. Third, in a large town the promotion of causes is much harder than in a small town – that is why this method for raising funds has produced the most plausible results in Chepelare, a community of 6,000. The study tour provided additional evidence that this method of raising funds from average citizens does not work and is not used by US Community Foundations. The most widely used method for raising money from average citizens during public events is through the sale of food, drinks and crafts. Nevertheless, this method could still be useful for promoting the Fund, particularly in the beginning.

Community Funds Should Not Have Politicians as Chairman of the Board

The negative articles published in the local newspaper in Blagoevgrad were designed to spoil the image of the chair of the Managing Board who is a member of the Municipal Council, and a political figure. Unfortunately, the articles reflected poorly on the Community Fund as a whole. This gave credence to the widely accepted rule that politically affiliated people should not serve as chairs of non-governmental organizations.

Philanthropy in the USA is Strengthened by a Strong Legal Environment and Entrepreneurship

The US study tour showed that community philanthropy is greatly stimulated by a legal framework that provides tax incentives to donors. Community Foundations developed as intermediaries between the donors and the community to match donor interests with community needs. Achieving sustainability requires entrepreneurship, flexibility and persistence. It requires identifying, creating and filling a market niche. US Community Foundations fill an important market niche: the re-distribution of donor funds in areas of their interest while at the same time providing benefit to the donor, i.e. tax incentives. These requirements are applicable to the Bulgarian context for sustainability of Community Funds and Foundations.

A Clear Definition of Responsibilities Needs to be Shared with all Parties

Participating NGOs and business consultants need to ensure that they have a shared understanding of the project aims and approach. The Nadejda Association of Disabled in Dobrich has envisaged the consultant as the person responsible for writing the business plan for the Social Enterprise. After communicating with Counterpart program staff the unclear areas were defined and a particular emphasis was placed on clarifying specific program components and expected roles and responsibilities between the NGO and the business consultant.

Networking Workshops Increase Future Collaboration

Organizing workshops involving all the NGOs participating in the program is beneficial because participants can share information with each other to improve management and field-specific practice. Initiating and facilitating such workshops allows participants to collaborate to address the specialized challenges of pursuing viable Social Enterprises. Networking helps participants exchange and disseminate best practices and resources.