

# **Evaluation of EEA and Norway Grants - NGO Funds**

## **Main Report**

**For the Financial Mechanism Office**



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The views expressed are those of PITIJA, svetovanje d.o.o. and do not necessarily reflect those of the Financial Mechanism Office.

This report has been prepared as a result of an independent external review by PITIJA, svetovanje d.o.o. being contracted by the Financial Mechanism Office.



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## Executive Summary

### 1. INTRODUCTION

#### 1.1 Overview of EEA and Norway Grants - NGO Funds

- **19 NGO Funds across 12 countries, with EEA and Norway Grants contributing € 85,3 million and € 7,9 million co-financing.<sup>1</sup>**
- **45 calls for proposals resulting in 14,810 applications submitted, and 1919 sub-projects approved, ranging from 30 (Portugal) to 613 (Poland) sub-projects.**
- **37% of sub-projects were in the thematic areas of democracy, human rights, discrimination and inclusion of disadvantaged groups.<sup>2</sup>**

The EEA and Norway Grants – NGO Funds (hereafter referred to as NGO Funds), funded by Iceland, Liechtenstein and Norway, focus on supporting civil society development in the beneficiary states, with the strategic objective of reducing social and economic inequalities in the EEA. Nineteen NGO Funds were specifically established in twelve beneficiary states (Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, and Slovenia).<sup>3</sup>

The NGO Funds support advocacy, awareness raising, and service provision by NGOs, as well as capacity-building of the sector itself. Activities are supported across a range of different areas, which have been defined under four main cluster areas by the FMO for statistical purposes. As of July 2010 these areas are:

- Protection of the environment, - 574 sub-projects (in 11 countries, not including Cyprus);
- Human resource development – 1083 sub-projects (in 11 countries, not including Cyprus);
  - Democracy, human rights, discrimination - 47%;
  - Capacity building - 22%;
  - Inclusion of disadvantaged groups - 18%;
  - Regional policy - 10%;
  - Mainstream gender equality - 1%;
  - Human resource development- general - 1%;<sup>4</sup>
- Health and childcare – 146 sub-projects (Bulgaria, Cyprus, Poland, Slovenia and Slovakia only);
- European cultural heritage – 116 sub-projects (Hungary, Poland, Romania, and Slovenia only).

In each beneficiary state, a national Focal Point was established as a coordinating authority for the overall EEA and Norway Grants, which is responsible for the collection and prioritisation of submissions from potential project promoters. The NGO Funds are managed by Intermediaries, contracted by the Focal Point or directly by the FMO (in the case of Bulgaria, Hungary, and Romania). Consortia of partner organisations act as the Intermediaries in Romania and Bulgaria, and for the Hungary NGO Fund. Private sector bodies were engaged as Intermediaries for three of the NGO Funds; six of the 19 NGO Funds were managed by governmental and publicly established bodies covering four

<sup>1</sup> As of July 2010.

<sup>2</sup> As of July 2010.

<sup>3</sup> Full details of the funding streams and amounts awarded to each country are given in the main report, in Chapter 3 and in the Annexes.

<sup>4</sup> Some sub-projects covered more than one thematic area.

beneficiary states; the rest of the Intermediaries were non-governmental (NGO) or not-for-profit organisations.

## 1.2 Evaluation

### ***Scope and objective of the evaluation***

The purpose of the evaluation was to provide an expert independent evaluation of the contribution of the NGO Funds to the NGO sector in the beneficiary states. The evaluation was intended to identify lessons learnt at strategic and operational level from the funding, including the results achieved from the funded sub-projects. Questions set for the evaluation are shown below in Section 3 of this Executive Summary. The evaluation was also to provide national, trans-national and overall recommendations on the sector's future needs, and suggest priorities for NGO support within the future EEA and Norway Grants 2009-2014, as well as suggestions for a programme approach for future Funds.

### ***Methodology***

All of the beneficiary states of NGO Funds were included in the research. The evaluation approach combined desk studies with fieldwork. Data on sub-projects and implementation processes was collected from a sample of end beneficiaries by means of a questionnaire, supplemented by telephone interviews and, where possible, Focus Groups for both end beneficiaries and key informants, such as representatives of other donors, State administrations, large NGOs, and Norwegian Embassies. In addition, Focal Points, Intermediaries managing the NGO Funds, donor representatives and Norwegian Embassy staff were interviewed. In total, 424 responses were received to the questionnaire (over 26% of all sub-projects) and over 100 people were interviewed or took part in Focus Groups. Overall the Focus Groups were effective, but where there was an insufficient response to the Focus Groups, individual interviews with end beneficiaries were conducted to ensure that a full range of views were collected. Local experts collected additional data on the status of civil society and the needs of the NGO sector in each beneficiary state, based on parameters used by CIVICUS,<sup>5</sup> to allow potential comparison with previous studies.

## 2. CIVIL SOCIETY IN THE BENEFICIARY STATES

**The NGO Funds have been a key source of funding for NGOs in the beneficiary states, particularly as other funding sources are now less readily available.**

Chapter 2 of the report highlights some of the key issues facing civil society in the beneficiary states.

The significance of civil society, as an important building block for democracy in all of these countries, cannot be underestimated, particularly for those countries that started on a transition process from centralised non-democratic states towards democracy 20 years or less ago. Whilst Portugal and Cyprus have separate histories from the countries of Central and Eastern Europe, the Balkans and the Baltic states, they too face challenges. The legal position and definition of NGOs varies from country to country, as does the relationship between NGOs and government.

In all of the beneficiary states, to a greater or lesser extent, civil society organisations:

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<sup>5</sup> The CIVICUS methodology was originally developed by a team at Johns Hopkins University in the United States as a means of researching and collecting data on the state of civil society across the world and was promoted by CIVICUS, the world-wide network of NGOs. It is a standardised and complex methodology, which uses a series of indicators that have been drawn upon for this evaluation. Previous CIVICUS studies are available for many of the beneficiary states, but many of these are now some years out of date.

- Advocate on behalf of citizens and help to represent them and their interests;
- Act as watchdogs, evaluating and challenging government at all levels;
- Raise public awareness of issues and seek to inform citizens;
- Pilot and innovate in a wide range of social, economic and environmental activity areas;
- Provide services, particularly to marginalised and disadvantaged groups;
- Aim to increase levels of citizen activism and engagement.

These civil society and NGO activities were supported through the NGO Funds. However, overall the range of financial sources available to NGOs has decreased as international donor funding has been withdrawn, and replacement of this funding from local sources, be it governmental or private, has not necessarily filled the gaps, particularly in more contentious areas, such as advocacy. In common with every NGO sector globally, NGOs report inadequate resources to grow and develop their work. Key areas for the future development of civil society in the beneficiary states are highlighted in Chapter 4 of the report and outlined below in this Executive Summary. More detailed information about each beneficiary state is given in Annex 3 of the report.

### **3. PERFORMANCE OF NGO FUNDS 2004-2009**

- **The average of grants was €45,474 with the highest average of grants (€105,460) in the Polish Fund for Environmental Protection and Sustainable Development, and the lowest average of grants in the Estonia NGO Fund (€12,710).**
- **101 bilateral partnerships, with significant numbers in Poland, Slovenia and Cyprus.**
- **38.5% of sub-projects completed at time of the evaluation.**
- **Whilst there is little evidence that these small sub-projects will significantly contribute to the reduction of social and economic disparities, new and innovative services and activities that meet specific local needs already appear to have significant impact.**
- **The funding has made visible the sector's role in supporting social justice, promoting democracy and encouraging a more sustainable approach to societal development.**
- **Evidence of increased public awareness and voluntarism.**
- **More than half of respondents to a questionnaire believed that the NGO Funds helped them in capacity building.**
- **As a result of the experience gained in the NGO Fund process, 2 out of 5 respondents to a questionnaire were able to obtain funding from other financial sources.<sup>6</sup>**

The detailed findings from the evaluation in relation to the performance of the NGO Funds are in Chapter 3 of the report. The following sections of this Executive Summary highlight the key findings against the evaluation questions.

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<sup>6</sup> As of February 2010.

### 3.1 Targeting of NGO Funds and achievement of objectives

*To what extent and how have the NGO Funds responded to the EEA and Norway Grants overall objective of reducing economic and social disparities? To what extent and how have they contributed to responding to strategic priorities and needs as well as to the development of the NGO sector at national level?*

**The NGO Funds have contributed significantly to ongoing NGO sector development. Whilst the NGO Funds could not on their own contribute significantly towards the lessening of social and economic disparities in the beneficiary states, they have demonstrated innovation, new responses to need and problems, and assisted in addressing inequalities.**

Overall, the evidence suggests that the objectives of all of the evaluated NGO Funds were relevant, even if not all were specifically focused on the overall objectives of the EEA and Norway Grants. The most appropriate needs of NGOs in that period were targeted, and this was confirmed by the views of the end beneficiaries and interviewees. One of the weaknesses in the overall programme development process was that consultations with NGOs on the priorities to be financed in each beneficiary state were not required or implemented in all countries. This suggests that even more effective targeting could have been achieved if such consultations had been held in all beneficiary states.

In relating the targeting of the NGO Funds to the achievement of the overall objectives of the EEA and Norway Grants, where the NGO Funds were aimed at the same objectives these may well have been too ambitious for small grants.

There is general recognition that whilst it is likely that none of these NGOs Funds *per se* can make a “major contribution” to reducing social and economic disparities in any country, appropriate sub-projects funded with regard to local circumstances can:

- Demonstrate innovation, particularly in services or initiatives where the state is weak or has withdrawn, and where NGOs are important in developing pilots to show new ways of dealing with old problems. Partnerships with EEA state NGOs and other bilateral partnerships can be an important means of thinking and learning about innovative practice.
- Provide sub-projects that can be complementary to state policy and strategic initiatives.
- Address inequalities, for instance between regions in a country or for specifically marginalised or disadvantaged groups.

It is particularly in relation to innovation that funds such as the NGO Funds can be valuable.

Whilst civil society remains fragile in all of the beneficiary states, the NGO Funds have clearly assisted with the support of the NGO sector in all beneficiary states. Through the NGO Funds, NGOs in some beneficiary states been encouraged to be innovative and develop new responses to existing issues and problems (particularly Hungary and Romania). The grants overall have therefore contributed to on-going NGO sector development, but there are still areas where a future grants programme in all beneficiary states could contribute towards further development and these areas are identified in Sections 4 and 5 of this summary.



### 3.2 Intermediary performance and practices

*How efficient was the management set up and how could it be improved to increase efficiency of the grant system?*

**Management by the Intermediaries was variable and affected by a range of factors. In the main, however, application processes were well-conducted, assessment processes were transparent, and contracting of the sub-projects and monitoring and reporting procedures were carried out well. More detailed guidelines are needed from the FMO to increase efficiency and effectiveness.**

The evidence suggests that the performance of the different Intermediaries varied in terms of their responsiveness to end beneficiaries, in administrative and reporting capabilities, and in their understanding of the NGO sector and its needs, both between countries and between Intermediaries in the same country. Achieving efficiency and effectiveness was sometimes inhibited due to (i) the national frameworks in which NGO Funds had to operate (e.g. national procurement laws or requirement for harmonisation of procedures with those applied under EU Structural Funds), (ii) misinterpretation of FMO rules and procedures between different implementation bodies (Intermediary, Focal Point, and Paying Authority), (iii) complex implementation systems set up before the Intermediaries were selected, or (iv) lack of direct communication with the FMO. The **FMO guidelines** relating to implementation systems are considered very general and there is scope for the provision of more detailed explanation of certain issues, such as reporting, auditing and monitoring.

Overall, **application processes** were well-conducted, with good application packs and wide access to information about the grants, which resulted in a high number of applications. The guidelines provided clear instructions to the potential applicants on the preparation of applications and sufficient information was requested in application forms and in required documentation, which enabled objective assessment, as well as efficient monitoring of the sub-projects during their implementation.

**Assessment processes** were seen as transparent and despite problems in one country, were found to be efficient and well-conducted. Quality assessment and selection criteria in general were appropriately set and applied, but differed in the complexity or development of scoring systems and the scope and clarity of the assessment criteria. Decision making and the selection of sub-projects were carried out transparently and within the planned time frames (with the exception of Lithuania NGO Fund and the Hungarian Environmental Fund, where there were problems relating to assessment procedures in both countries). All applicants were appropriately informed about the results of the assessment and selection process. In many cases, applicants were provided with detailed information on the assessment of their sub-project proposals, which was considered as a part of a learning process.

In the main, **contractual negotiations and monitoring and reporting** on the sub-projects was conducted well. However, there were issues in some beneficiary states in relation to payments to sub-projects. The **speed of processing payments** to end beneficiaries greatly depended on the complexity of the implementation system established.

The evidence suggests that the **capacity building support** given to applicants, both through workshops and consultations, contributed to the skills of applicant NGOs in relation to sub-project development, and that applying for and implementing a sub-project has also contributed to NGOs being able to access funds from other donor sources. Capacity building was also enabled through other workshops, for end beneficiaries and within and by sub-projects themselves.

The evidence points to **the need for Intermediaries to be trusted by, and knowledgeable about, the NGO sector, and be experienced grant makers.** The evaluation evidence suggests this role should be with an organisation independent of the government.

*What is the visibility of the contributions at different levels?*

**The NGO Funds are visible in all beneficiary states and widely respected.**

Although the visibility of the contributions was not an explicit NGO Fund objective, it can be evidenced that the donors achieved a high level of visibility through the activities of the Intermediaries, Focal Points and Embassies. By supporting NGOs at local (and sometimes national) levels, the NGO Funds are visible across the beneficiary states.

*To what extent have cross-cutting priorities of gender, bilateral relations and sustainable development been addressed?*

**Further attention needs to be paid to cross-cutting issues and to bilateral partnership development.**

The cross-cutting issues, which focus on good practice processes and understanding, were not well-incorporated into sub-projects. As these issues are important in relation to good practice development, further attention needs to be paid to developing more understanding of why and how they should be included as part of sub-project delivery processes.

Overall, bilateral partnerships have not been taken up extensively in the beneficiary states. The reasons for this have been identified and recommendations made to improve the effectiveness of this component of the NGO Funds.

### **3.3 NGO Fund results**

*To what extent have the NGO Funds' overall objectives been met at Fund and sub-project level?*

**NGO Funds have resulted in strengthening the capacities of the NGO sector and in addressing the needs of local communities. Some significant sub-project results can be identified at local and sometimes national levels.**

There are a huge range of sub-projects, supported under 36 thematic areas over 12 beneficiary states. Despite the fact that a majority of sub-projects (60%) were still being implemented at the time of the evaluation, there was good evidence of some significant results from the sub-projects. NGO Funds effectively tackled areas of strengthening the capacity of the NGO sector, advocacy and awareness raising activities, good governance and legislative initiatives, as well as service provision (especially in areas such as social and health care) and environmental initiatives. The NGO Funds were effective in addressing needs of local communities by supporting local grass-root organisations in addressing local problems. This suggests that in the main, the application and assessment processes had successfully identified sub-projects that would produce results, and thereby broadly meet the NGO Funds' overall objectives at Fund and sub-project level. More information on results is contained in the main report, but some significant highlights include:

- NGOs skills in advocacy work reported as being significantly strengthened in Estonia.
- Increased co-operation between NGOs, and NGOs and state authorities, noted in Latvia and Poland.
- The model of grant-making used by the consortium of NGOs working as the Intermediary in Hungary is being used in discussions with the National Development Agency for the reform of the various EU funding streams currently implemented through government agencies.
- The newly created NGO association of Gniez region (Poland) strengthened its capacity using a sub-project grant to convince the municipality to open its previously closed tenders to NGOs, and then to win two tenders to implement public tasks.
- Environmental NGOs in Romania are particularly involved in attitude change sub-projects, e.g. achieving community agreement to give up agricultural practices that would have a harmful environment impact, and getting the community to take ownership of the sub-project results. The organisation of public debates on environmental issues in Romania has resulted in improvements in public consultation processes.
- In the human rights field in Slovakia, an anti-discrimination awareness sub-project achieved a high level of interest in information materials aimed at the longer-term impact of decreasing discriminatory practices against their target groups.
- A sub-project in Slovenia took a census of 300 households, and implemented energy saving solutions, and used the participating households to promote energy saving further in the community.
- In the Czech Republic, a sub-project focused on strengthening ties between convicted parents and their children. The sub-project recognised that to work with the children alone would not be sufficient so the sub-project was also focused on the parents in prison, the prison staff, and providing alternative care as well as supporting the visits.
- In Bulgaria, the establishment of a new model for social services to patients with oncological diseases, filling a gap that the state does not meet, with the overall aim of this being seen as a model for a social service funded through the state budget. Involvement of students in clinical psychology and patients in remission as volunteers.

### 3.4 Impact and sustainability

*What has been the planned and unplanned impact, including on the institutional capacity of the sector, and on the targeted areas/groups at sub-project level?*

*To what extent has ownership by stakeholders and the institutionalisation of supported activities been sustained after funding has ceased?*

**Further evaluation is needed to assess both impact and sustainability.**

Since the evaluation was conducted with many sub-projects still being implemented or only just completed, it is not possible to provide conclusive evidence about impact or sustainability. However, there are some examples of impact already being apparent from some sub-projects, for instance in the environmental field, with the engagement of communities in improved environmental understanding and practice, and in projects which have given voice to previously marginalised groups, such as minority ethnic and gay and lesbian communities. As yet, the potential for impact cannot be identified, either at an individual country level, or aggregated across the entire programme. Impact at a more strategic level may be limited, as most sub-projects are meeting local needs, and the wide range of thematic areas across the beneficiary states makes aggregation of these local impacts difficult. In addition to this local impact, there is some evidence of advocacy work and public awareness in terms of developing new legislation and national media awareness campaigns, though this will take longer to evidence.

Similarly sustainability cannot yet be assessed, and much depends on the definition of sustainability against the kinds of funded activities and what of these funded activities can therefore be regarded as sustainable. It will be important for Intermediaries to undertake in-country evaluations, to identify learning from the sub-projects that could be more widely

disseminated, thereby contributing to both the sustainability of new processes and innovative practices, and also to the impact of the work of the sub-projects and the overall NGO Funds in each beneficiary state, by encouraging and enabling the spread of the learning from the sub-projects.

### 3.5 Complementarity with other funding

**Co-ordination is needed to ensure complementarity with other funding.**

NGO Funds were practically the only funding available specifically for NGOs in the evaluation period, so complementarity has not been a significant issue. However, in most beneficiary states there was no mechanism for coordination between donors, different government departments responsible for the NGO sector, and the NGOs themselves. Without co-ordination, it will difficult to ensure complementarity in the future, as other funding becomes available (e.g. Swiss contribution).

### 3.6 Perceptions of the role of the NGO Fund in the beneficiary states and what the NGO Funds have achieved

**The NGO Funds are perceived positively and have addressed both gaps in funding and also challenges in the local environments of the beneficiary states.**

The most significant impact of the NGO Funds has been their contribution to the growth and development of the NGO sector in all beneficiary states. It is not only the financial support which has benefited the sector, but also the recognition through the NGO Funds of the sector's role in supporting social justice, promoting democracy and encouraging a more sustainable approach to societal development, which are also key values framing the EEA and Norway Grants overall. The NGO Funds have addressed **gaps** in funding, particularly for more “challenging” issues, such as groups working with gay and lesbian communities or with specific minority groups, in advocacy work and in the human rights field; and also for capacity building, particularly to meet new **challenges** in the current environment, such as environmental sustainability, contracting out of public services, and diversification of financial resources.

## 4. LEARNING AND CHALLENGES LEADING TO NEW APPROACHES

A wide range of learning was derived from the evaluation and this is discussed in detail in Chapter 4 of the report. This section of the Executive Summary highlights the learning.

### 4.1 Using appropriate processes

**Appropriate funding processes are needed, if the NGO Funds are to achieve wide reach across NGO sectors. Over-burdensome procedures can make the NGO Funds hard to access and impede the effective delivery of sub-projects. The size of grants need to reflect local conditions and needs. Flexibility is needed, and a “one size fits all” approach is not appropriate. Further and more detailed guidance from the FMO is needed.**

#### *Processes for funding*

In terms of the mechanisms for the NGO Funds, much depends on what the Funds are intended to achieve. There is a distinction between Funds that are intended to support the activities of the NGO sector, and through these activities to support the development of its capacities; and Funds which are intended to tackle social, economic and environmental issues, which may have NGOs as primary end beneficiaries, or as only one of a wider

range of end beneficiaries. This distinction will affect the appropriateness of mechanisms that are deployed for applications, assessment and implementation of sub-projects.

The evidence from the evaluation shows that there are significant differences in each beneficiary state, with no single model of NGO Fund delivery. Whilst some processes are governed under specific regulations enacted to enable the NGO Funds to be implemented in the country, and follow the procedures of the main EEA and Norway Grants or EU Structural Funds, in other cases (in particular in three countries, Bulgaria, Hungary and Romania, where the Intermediary is directly contracted to the FMO) there has been considerably more flexibility, and the NGO Funds have been regarded by the NGO sectors there as easy to access, responsive and flexible. With this flexibility there has been an awareness of the need for rigorous assessment and monitoring during implementation, to ensure that risks are appropriately managed. However these NGO Funds have also been able to break down more of the barriers of access to grants for smaller and less experienced NGOs and to encourage innovation.

A key lesson was therefore the importance of developing appropriate processes and reducing the administrative burden of NGO Fund procedures, which appeared excessive in some countries. Where State Aid rules and procurement legislation were applied, this was difficult for NGOs, but many countries obtained exemptions. There was a lack of clarity about application of 'De Minimis' rules, which could have a significant effect where NGOs are developing activities which could be seen as social enterprises, and thereby 'trading', but for wholly public (rather than private) benefit.

A key challenge is how assurance in relation to risks – sub-project failures, corrupt practice etc. – can be built in if state funding mechanisms, such as standardised application and assessment procedures, procurement requirements, and procedures for financial reporting and disbursements, are not followed by the NGO Funds.

### **Key Capacity Challenges**

Key challenges and considerations have therefore been identified, which include:

- How far procedures that apply to both other state funds and the NGO Funds rely on NGOs having well-developed skills in proposal writing and reporting, and whether good sub-project ideas are being rejected as a result of some types of NGOs lacking these skills – and therefore how far processes that diverge from those used for other state funding are needed and what the implications are for the reach of the funds if there is no divergence; and what support would be needed in these circumstances to build the capacities of NGOs to ensure Fund access.
- What appropriate alternative processes could be adopted, and how far alternative mechanisms (for applications and for implementation support) can be used to build skills and capacities within NGOs, whereby the processes of the NGO Funds themselves contribute to overall capacity building within the NGO sector within a country.
- What the management, and therefore the resource implications, are of providing a flexible and supportive sub-project application and implementation process.

### **Core or Management Costs**

The issue of contribution to core or sub-project management costs has been raised in most beneficiary states and the limit of 10% which was set by the FMO has been considered to be too low. Co-financing through in-kind contributions also caused problems in some beneficiary states, particularly in relation to evidencing the value of such contributions, in terms of eligibility and proof of the contributions, and more clarity and guidance is required.

### **Grant size**

In terms of size of grants, minima and maxima for any individual country need to be determined by knowledge of the absorptive capacity of the NGO sector, how far the grants should reach (for instance, to smaller NGOs with less capacity to manage large grants), and the criteria set for the NGO Funds in each beneficiary state (e.g. partnership working, innovative practice etc.).

### **Clarity of FMO Rules and guidance**

The FMO rules and procedures were quite general and not detailed, and in some beneficiary states this led to difficulties of interpretation. There is a need for more detailed guidance and rules to be developed for future funding streams, which operate within a framework that takes on board the issues raised above, and at the same time allows flexibility.

Further, clarification as to what an NGO Fund is and what it is meant to achieve is also sought.

## **4.2 Intermediaries**

**The key criteria for successful Intermediaries have been identified. NGO consortia can be particularly effective in delivering results. Direct contracting of Intermediaries by the FMO has been successful, but it is recognised that this may not be possible in all beneficiary states.**

### **Access to Information**

A wide range of approaches were used, both to encourage applications and also to communicate more widely about the NGO Funds. There is good practice to be shared.

### **Support for applications and implementation**

Estonia provided a good example of disseminating experience from previous end beneficiaries. Another good practice was the organisation of workshops to provide training to NGOs. The processes of application and implementation of sub-projects can contribute significantly to NGO capacity building, but this will only occur where resources are deployed to assist the NGOs. This would suggest increasing the resources available to Intermediaries specifically for this type of support.

### **Types of Intermediaries**

There was a diversity of Intermediaries, including NGOs, not-for-profit organisations, commercial companies and governmental or quasi-governmental agencies. However, where NGOs and not-for-profit organisations, rather than government departments, were contracted to manage the Funds, this was seen by end beneficiaries as more successful

The evaluation has identified that Intermediaries need to be able to:

- work flexibly to take account of the sub-project idea (including in the training of assessors), rather than the skill of an NGO in submitting a well-worded proposal;
- fully understand the needs of the sector, and to respond to these needs with active and trusting relationships with, and detailed knowledge of, all parts of the NGO sector, including grass roots and regional groups;
- seek clear evidence of need in developing an NGO Fund proposal, engaging the NGO sector in the process;
- demonstrate independence from excessive state bureaucracy, to ensure that grants are allocated according to the priorities of the NGO Fund itself rather than any direct or indirect 'political' considerations;

- ensure that smaller NGOs without access to additional resources are not disadvantaged by slow payment mechanisms;
- be 'trusted' by the NGOs as not being seen as an instrument of state funding, have experience/understanding in running grant programmes that involve detailed proposals with targets and outcomes, and understanding of national laws, rules and procedures that apply to the management of public money;
- have experience of developing manuals and accounting systems that reflect size of the NGO Funds and yet protect small NGOs from unreasonable demands;
- have systems for good publicity and experience of running information events etc.;
- be able to provide support to end beneficiaries during application and implementation processes;
- ensure clear transparent assessment process for grants;
- ensure efficient payment and financial monitoring systems;
- ensure monitoring and evaluation procedures that focus on outcomes not just targets and outputs, and encourage self evaluation in end beneficiaries;
- have a partnership approach to working with NGOs and government.

The evaluation suggests that these points need to be taken account of in the contracting of Intermediaries in the future. It also suggests that the most successful types of Intermediaries are likely to be NGOs or not-for-profit organisations. In three beneficiary states where NGO consortia were the Intermediaries, these were seen as particularly successful, as bringing together a wide range of experience of NGO issues and interests as well as demonstrating to the NGO sector in general the benefits of consortia or coalition working.

#### ***Contractual arrangements with Intermediaries***

Direct contracting of Intermediaries by the FMO was implemented in three beneficiary states, and worked well in these, but there is a potential downside that by-passing the Focal Point could reduce government "ownership" of a civil society programme and impede the donor's objective of building strong relationships with beneficiary governments and between governments and NGOs. Where possible, direct contracting clearly has advantages; however where this is not possible, it is essential that Intermediaries have direct contact with the FMO. Where the Intermediaries have worked directly with the FMO, the experience is seen as positive. Where such communication has been through a Focal Point, there was scope for misinterpretation.

The existence of more than one NGO Fund, and more than one Intermediary in a single country may be administratively costly, and has in one case led to some confusion.

#### **4.3 Knowing and understanding the NGO sector**

**Civil society is diverse across the beneficiary states, but there are common issues that need to be taken into account in the design and implementation of any new programme.**

Understanding of the civil society sector and the potential range of sub-project interventions is essential to achieve successful investment outcomes. Understanding the sector includes the diversity and typology of the sector in each beneficiary state and its regions and the legal definitions of an NGO determining eligibility for funding; the absorptive capacity in the sector in relation to the size of grants on offer; the support required from application to implementation, and the flexibility to respond to changes in the circumstances of the end beneficiary.

The definitions of NGOs and civil society differed from country to country. There was inadequate legislation covering the definition of NGOs in some beneficiary states, and organisations were sometimes barred or accepted as applicants based on local definitions.

### ***Diversity, but common issues***

However, a range of issues was identified that affect the NGO sector across all of the beneficiary states and whilst the effect of these may differ from country to country, they can both inform and impact on the effective investment of the NGO Funds to the NGO sector. They include:

- the current political environment and the relationships between NGOs and governments;
- the perceived fragility of civil society and in particular its connectivity to local communities and citizens, and the way in which this affects the awareness raising role of NGOs and how far NGOs are able to increase volunteering;
- the importance of NGOs in reinforcing democracy, good governance and in advocacy and watchdog roles, as well as promoting new thinking about issues and encouraging and ensuring compliance with European norms;
- the opportunities for, and resistance to, networking and building common platforms and coalition and partnership working in some beneficiary states, where a reluctance of NGOs to work together is in part a result of their competition for scarce financial resources;
- regional disparities, which point up the divergence between capital cities and regions, and which can be exacerbated by perceived allocations of funding favouring larger NGOs based in capital cities. Achieving a broadly-based civil society is essential to prevent polarisation within the sector and meet a wide range of needs.

## **4.4 Bilateral partnerships**

<b>Further work is needed on the framework for bilateral partnerships.</b>
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Because most sub-projects are not completed, it is too early to identify the benefits of bilateral partners (partners from the donor states Iceland, Liechtenstein and Norway), and so most of the feedback concerned the ease or difficulty of setting up partnerships. There are some clear barriers, some of which require attention in order for the bilateral partnerships to develop. These include:

- Lack of funds to allow workshops to bring carefully selected NGOs together to build relationships that are real.
- Limited awareness of donor state NGOs of the scheme, and limited information in English on their websites.
- Legal barriers to partnerships - for example in the Czech Republic there were difficulties in allowing partnerships with not-for-profit, non-NGO entities, like research centres.<sup>7</sup>
- The lack of standardised application procedures.
- Staff members of small NGOs do not speak English; they find it difficult to develop applications – these must be jointly agreed, without a donor state NGO taking over.
- Norway is an expensive partner. There is a view that donor state NGOs should give their time for free - but they need seed money, as with the EU Leonardo programme.
- Fatigue and over demand on the part of donor state NGOs.

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<sup>7</sup> These kinds of difficulties might be avoided if the Norwegian Helsinki Committee was involved in early MoU discussions with the beneficiary governments which is not the current situation.



There is interest in the extension of cross-country working to other countries in the EU, and in particular to other beneficiary states.

The views of the Norwegian Helsinki Committee on the key attributes of a successful partnership are critical: common understanding of content and strategy; good sub-project planning; building good sustainable relations; common understanding re culture - similarities and differences; agreement on financial framework; and a longer term perspective and funding of 2-3 to 5 years.

The key focus of learning transfer through partnerships needs to be on good practice and process, which can be two-way, where NGOs from the “contributing” country also use the experience to reflect on their own practice and process. Further evaluation is needed to explore in-depth the learning achieved through the bilateral partnerships.

#### 4.5 Enabling innovation, sharing learning

**Innovative practice has been enabled in many beneficiary states and this should be encouraged. Dissemination workshops, to showcase new thinking and approaches, would be very useful.**

Whilst not a specific aim of the NGO Funds, it is clear that in a number of beneficiary states, either specifically or incidentally, innovation in practice has been developed in the sub-projects. In some beneficiary states, sub-projects have been funded that break into new areas, such as gay rights, whilst in others, such as Hungary and Romania, innovation and creativity, “encouraging new ways of dealing with old problems” have been actively encouraged in the grant programmes. Whilst not suggesting that a key focus of the Funds in future programmes should be on innovation, encouraging new ways of thinking on the part of NGOs and supporting this through capacity building initiatives should be considered. Where innovation is occurring, it is also important that the learning from this is captured and disseminated. Dissemination workshops should be supported, to showcase new thinking and to enable the spread of new ideas. Showcasing could add significant value to the NGO Funds, and also enable a changed environment in the NGO sectors in the beneficiary states, contributing to capacity development and also to the encouragement of new thinking and innovation.

#### 4.6 Evaluation – learning and disseminating

**Further work on evaluation and in disseminating the learning from the sub-projects is needed at the country level.**

Country-level evaluation has not to date been undertaken by most of the Intermediaries (with the exception of Poland), although evaluations are planned in the Czech Republic and Latvia. Country-level evaluation would be valuable in identifying the key learning from the sub-projects and to enable wider dissemination of this learning, where appropriate, and should be undertaken in all beneficiary states towards the end of the NGO Funds.

It is also valuable for end beneficiaries themselves to engage in reflective and evaluative processes, and to include in these participatory approaches, particularly where they have been working with groups of end beneficiaries. Capacity building in evaluation methodologies would be valuable, as would specific budgets for the end beneficiaries to undertake evaluations.

There is clearly some important learning that has been gained in each beneficiary state and it would undermine the investment of these NGO Funds if the detail of this learning is not appropriately captured. If there are changes in Intermediaries within a new programme, there is a risk that such learning could be lost. Some Focal Points have

already gathered learning, including from the NGO Funds, and this, added to learning from the Intermediaries, is important. This current evaluation also provides an opportunity for wider experience sharing and learning.

Workshops and networking activities can be used to disseminate the learning, involving both end beneficiaries and wider groups of stakeholders. As well as printed reports, the use of the internet should be considered.

## **5. IMPLICATIONS FOR THE FUTURE**

Chapter 5 of the report looks at the learning from the evaluation in relation to the possible design of a future programme.

### **5.1 Future Needs**

In terms of future needs identified by interviewed stakeholders, there were long “shopping lists” in all beneficiary states, but there were also some underlying trends. The general picture of needs shows that the beneficiary states share the same challenges as elsewhere in the world: human rights, democracy, developing active citizens, environmental concerns, and underlying these, the need to develop a strong civil society, with capacity building being seen as a priority.

### **5.2 Evidencing outcomes, impact and indicators**

The development of indicators is critical for any new NGO Funds. It has proved difficult during this evaluation to evidence outcomes and longer-term sustainable impact from the NGO Funds at country level, not least because of the paucity of indicators against which the results of individual projects could be measured, as well as the fact that in many beneficiary states, sub-projects are still being implemented. The status of civil society has been assessed as part of the evaluation and provides a base-line for each beneficiary state, as the lack of a baseline has made assessment of change as a result of the Funds difficult to measure.

Views from some beneficiary states suggest that indicators should only be **goals** for the overall programme, as indicators themselves need to be country specific. It is clear that any country-based indicators should be set against a baseline,<sup>8</sup> and an understanding of the country, as well as against overall strategic goals for the NGO Fund. The question of results-based systems is relevant here, as this approach would not necessarily increase the effectiveness of sub-projects, nor enable a reflection of the effect and outcomes of many of the types of sub-projects that could be supported through these Funds - Intermediaries from both Hungary and Romania noted that most NGO sub-projects are at base very qualitative and about attitude change through sub-project activities. Achieving attitude change is a key issue not only in these two beneficiary states, but across all the beneficiary states.

### **5.3 Suggested approach to setting goals, aims and indicators**

It is clear that the NGO Funds are missing a strong reporting system from Intermediaries to the FMO that can evidence what is achieved by the NGO Funds. This is because the current Funds lack a clear strategic focus.

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<sup>8</sup> Such as the CIVICUS Civil Society Index.

Building on the donors' apparent current thinking about the next programme as focusing on participation and giving priority to vulnerable groups, we have identified the following strategic framework:

**SUPER GOAL:**<sup>9</sup> To enhance and strengthen the role of civil society

**GOAL:**<sup>10</sup> To strengthen the contribution that civil society makes to governance, democratic processes, the protection of human rights and environmental sustainability, through support for projects that involve citizens, increase social cohesion and social capital development, address economic disparities, and increase environmental awareness.

**AIMS:**<sup>11</sup> The **development of Funds** that enable innovative, creative and effective NGO interventions in:

- **Institutional strengthening;** including partnership working, networking and building stronger relationships with public institutions and creating an enabling environment for NGOs;
- **Social cohesion development;** including provision of effective local services which are responsive to local needs;
- **Promotion of democratic values;** including human rights;
- **Environmental protection and improvement;** including responses to climate change and food security;
- **Policy and strategy development;** including advocacy and watch dog activities.

#### 5.4 Criteria/ issue focus

Based on the identified needs and the findings of the evaluation, the requirement from the donors' perspective to be able to assess results and impact and ensure efficient use of Funds, and taking into account the disadvantages of spreading objectives across a wide range of sectors and sub-sectors, it is recommended to base future Funds on a series of themes or values that characterise a healthy civil society, that will enable achievement of the aims noted above. Thus sub-projects would be allowed in any sector or sub-sector, and might be assessed against defined local sectoral objectives, but from the point of view of the donors, the FMO, and the Intermediary, assessment of achievement of objectives would be on the basis of the contribution to strengthening civil society. Sub-projects in any country would be expected to demonstrate activities and potential outcomes in one or more of the following areas, as appropriate:

- Community and citizen empowerment - including end beneficiary involvement in the design and delivery of sub-projects and their activities;
- Promotion of human rights;
- Advocacy and watch-dog role of NGOs, including the promotion of good governance and more active participation of citizens in decision-making;
- Development of cross-sectoral partnerships, particularly with governmental organisations at both local and national levels;
- Moves towards sustainability (e.g. resource diversification, philanthropy, income generation, social enterprise etc);
- Developing networks and coalitions of NGOs/NGOs working in partnership;
- Institutional strengthening within NGOs and the sector, including the creation of a more effective enabling environment for civil society;
- Cross-community initiatives;

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<sup>9</sup> Super goals are sometimes called strategic objectives.

<sup>10</sup> Goals relate to the longer-term impact that is sought.

<sup>11</sup> Aims relate to the outcome or difference that is sought.

- Engaging citizens in civil society activities (citizen activism, volunteering, awareness raising of civil society, work with the media etc.);
- Capacity building with smaller/grassroots organisations;
- Sustainable development (at community level).

Other criteria could be added, such as innovation, developing new ways of solving old problems, pilots of strategic importance, replication and dissemination of previously successful sub-projects, and quotas for sub-projects outside capital cities. Indicators of achievement of the objectives need to be set by stakeholders, and would only be defined for the overall NGO Fund, as they need to be country specific and set against a baseline. A detailed list of possible indicators is given in the main report.

## 6. CONCLUSIONS AND RECOMMENDATIONS

The conclusions suggest that the NGO Funds overall have been efficiently disbursed through the Intermediaries, and that there are results from the sub-projects; thus the immediate objectives of the Funds are likely to be at least partially or substantially achieved, even though impact cannot yet be fully identified.

The report provides the main conclusions in relation to the evaluation questions, discusses the learning from these questions and findings, and builds on the learning to propose a possible strategic framework for the future, together with indicators against which the performance of sub-projects, country-level Funds and the EEA and Norway Grants allocated for NGO support can be measured in the future.

The following recommendations are therefore the result of the evaluation findings:

### *Recommendation 1: Learning from evaluation*

There is a need to **draw from the learning** and experience of the current experience of the NGO Funds, for the future set-up of Funds. **Appropriate stakeholder consultations** at a national level, as well as consultations at a European level should be held. These consultations should be informed by the findings and conclusions of this evaluation, as well as the in-country evaluations.

### *Recommendation 2 – Future targeting of NGO Funds*

Within the donor's overall priorities, the country needs and priorities should be agreed in **consultation with the NGO sector**, both before drawing up the tender documents for the appointment of the Intermediary, and after the appointment in developing the detailed funding programmes, taking into account complementarity with other donors and national funds.

Building on the need to target funding so that it can have clear impact, and taking into account our understanding of the donors' current thinking about the next programme as focusing on participation and democratisation and giving priority to vulnerable groups, we recommend **consideration of the framework outlined in Sections 5.3 and 5.4** of this Executive Summary, focussing on strengthening the contribution that civil society makes to governance, democratic processes, the protection of human rights and environmental sustainability, through support for projects that involve citizens, increase social cohesion and social capital development, address economic disparities, and increase environmental awareness; and introducing themes and issues as criteria that would be common across all beneficiary states.

It is also recommended that support is in future given to Intermediaries to **update the country baseline information**, as this would provide evaluative information against the

indicators, as well as continuing to provide an ongoing understanding of changes taking place in the NGO sector in each beneficiary state.

### ***Recommendation 3 – Appropriate implementation systems for the NGO Funds***

The wide diversity of beneficiary states and their NGO sectors suggests that a “one size fits all” approach for any future NGO Fund would not be successful. The FMO should discuss with beneficiary states the **establishment of implementation systems that would allow flexibility and efficiency**. MoU negotiations should aim to achieve less bureaucratic mechanisms for NGO Funds in all beneficiary states, using the experiences of those countries where exemption has been achieved from the more exacting requirements, including procurement rules and state aid regulations. This could enable wider access to NGO Funds, and encourage sub-projects that would deliver significant outcomes. Direct communication of Intermediaries with FMO should be made possible. However, the system should be flexible to take into account the specifics in each beneficiary state.

Implementation systems should **avoid the complex administration of the EU Structural Funds and main EEA and Norway Grants**, and should include:

- provision of advance payments, and easy systems to evidence ‘in-kind’ co-financing;
- simplified reporting for small sub-projects;
- clearly defined responsibilities regarding checking of sub-project reports to maintain a reasonable level of control.

### ***Recommendation 4 - Types of Intermediaries***

**Intermediaries should be trusted by, and knowledgeable about, the NGO sector**, and be experienced grant makers. The evaluation evidence suggests this role should be with an organisation independent of the government.

It appears that, with FMO support and the engagement of other key country and donor stakeholders through local steering committees, all the open Intermediary tender processes were undertaken in a transparent and professional manner. However, in some beneficiary states, the Intermediary tender process was closed. **Tender processes for Intermediaries need to be open**, using each country’s public procurement procedures and respecting relevant national laws. The selection body needs to be a FMO-appointed Steering Committee.

**Coalitions of NGOs as Intermediaries**, as in Bulgaria, Hungary and Romania, were seen to be very successful, as they combined wide and different experience and knowledge. This, and a single NGO Fund for each beneficiary state, should be strongly encouraged for future NGO Funds.

### ***Recommendation 5 - Clarifying NGO eligibility***

The FMO should consider developing **tighter definitions of the eligibility of different types of organisations** for NGO Funds, to avoid both the inclusion of quasi-NGOs, and the unjustified rejection of appropriate NGOs. This needs to be considered in line with the recommendations on the framework for a new programme.

### ***Recommendation 6 - Clarity and consistency in rules and procedures***

The FMO should produce **clear and detailed rules for future funding streams**, within a framework which allows for flexibility for each country NGO Fund, harmonising existing good practice. The rules need to cover all aspects of programme implementation - publicity, applications, assessment, contracting, capacity building support, and monitoring

and evaluation, whilst allowing for country flexibility. There needs to be clarity about the definition of management, administration or core costs, advance payments to Intermediaries and end beneficiaries, the evidencing of ‘in-kind’ co-financing contributions, and the use of the State aid rules etc.

**The annual meetings of Intermediaries** organised by the FMO and the Norwegian Helsinki Committee should be continued, with more opportunities for Intermediaries to meet and exchange information and identify topics of common interest and good practice. It would also be useful to create opportunities for National Focal Points to meet and exchange information.

### **Recommendation 7 - Application processes**

Application, assessment and implementation processes are very important, and **good practice from a number of beneficiary states should be included in the guidelines** from the FMO for future NGO Funds. Specific recommendations are:

- The number of calls for proposals should be appropriately planned. Countries that have so far carried out more than one call per year should consider reducing that number in favour of preserving more time for pro-active development support for sub-projects. A good practice would be to make pre-announcement of the calls, to stimulate applicants to prepare themselves more thoroughly for the coming call for proposals.
- Appropriate application forms that can guide a less experienced applicant through the requirements of a sub-project proposal, with guidelines for applicants that are clear and indicate clearly what is required in each section of an application form.
- For small sub-projects, the application forms should be simplified, so that the process can be carried out in one phase.
- A two-stage application process for larger sub-projects should be introduced if time allows. In the first stage, the sub-project concept would be evaluated and only those approved would continue developing full proposals, possibly being offered further support to develop them. In the second phase, full proposals would be assessed according to the selection criteria.
- Definitions of “large” and “small” grants need to be negotiated with each beneficiary state, taking account of the scale and diversity of the NGO sector.
- Workshops or other kinds of support at the pre-application stage, to provide detailed guidance on what will be looked for in the proposal for funding;
- To widen access to NGO Funds, assessment processes should use weighting where specific types of sub-projects are under-represented e.g. rural sub-projects, Roma organisations etc. This would not distort the “level playing field” for applicants if used as part of a transparent process e.g. publication of assessment criteria.
- Encourage partnership/coalition applications, particularly where the NGO sector is very competitive, and also encourage applications where “strong” NGOs partner with “weaker” NGOs (or unregistered organisations), where direct or indirect capacity building can be achieved through the “stronger” partner.

### **Recommendation 8 - Assessment/selection processes**

There is scope for the sharing of good practice, and a set of FMO-generated minimum requirements for transparent assessment processes. The FMO should clearly stipulate the **basic requirements for assessors**, including expertise in the field supported by the NGO Fund, experience in assessment, and independence (particularly having no links with the applicant organisations or their partners). The FMO should define in which situations an assessor would be deemed to have a conflict of interest, and how this should be tackled. Potential conflict of interest should be checked as a standard procedure. Transparent assessment criteria need to be published with the application details, so that applicants

know and understand the basis on which their proposals will be assessed. There needs to be flexibility to take into account the specifics in each beneficiary state.

In addition, **staff of the Intermediary should not be involved in quality assessment**, especially if a more active role in development of a sub-project is planned.

**Grant selection committees should be independently chaired**, with the staff of the Intermediary acting as officers. The National Focal Point, the donor Embassy and the FMO should only attend as observers.

### ***Recommendation 9 - Support to applicants and end beneficiaries***

The experienced Intermediaries provided **training and support during the application process** through web sites, workshops and by telephone and e:mail, despite limited resources (in a number of beneficiary states, extra funding for capacity building of end beneficiaries by the Intermediaries was not permitted by the Focal Point). There is scope for sharing of good practice, and the FMO should develop minimum requirements so that all **Intermediaries provide ongoing mentoring and support**, and not just monitoring. Resources should be allocated to Intermediaries to enable the expansion of support activities.

### ***Recommendation 10 - Monitoring processes and evaluation processes***

**Country evaluation reports** should be completed for the current programme, focusing on outcomes and impact, and the Intermediaries for each beneficiary state should organise a **closure conference** in 2011 looking at results and needs for the future, linked to the donor state embassy. It needs to involve a wide range of NGOs and be open to all who would like to participate so as to ensure future fairness in choice of Intermediary. The EEA and Norway Grants' Technical Assistance Fund where it exists, or a donor state embassy should help with costs. This approach should also become standard for any future NGO Funds.

A mechanism should be developed for **exchanging information among funded NGOs**, including both general and thematic areas, both through thematic country meetings and via electronic means throughout the beneficiary states. This would provoke new ideas among NGOs, answering the need reported by some Intermediaries to encourage more innovative thinking about sub-projects.

As well as the target outputs, the outcomes - the difference made, and the changes at all levels, need to be identified for each sub-project as well as the NGO Fund overall. **Evaluation of sub-projects should be built into budgets**, and in the next NGO Funds, serious attention should be given to outcomes and impact by the FMO and the Intermediaries. The NGO Funds need a strong reporting system from Intermediaries to the FMO which can evidence what is achieved by the NGO Funds; this system needs to be jointly developed between the Intermediaries and the FMO.

### ***Recommendation 11 – Bilateral partnerships***

**Support to developing bilateral partnerships should be strengthened.** In particular, the following is recommended:

- More evaluation of needs and gaps in learning and skills in NGOs in the beneficiary states, and encourage applicants to seek bilateral partners that would help action the new approach to NGO Funds;
- Promotion of the bilateral partnerships in donor states, emphasising the benefits to NGOs in the EEA EFTA States (Iceland, Liechtenstein and Norway) in engaging in bilateral partnerships, ensuring information in English is on donor country NGO websites;



- Attention to supporting inclusion of partners from EEA EFTA States to ensure real partnerships - partnerships should be driven by common interests, and not by attempts to achieve high assessment scores – therefore extra scores for the inclusion of bilateral partners should not be used;
- A longer time frame for partnership development;
- Seed money is needed to support the development of partnerships including funds to allow workshops to bring carefully selected NGOs together to build relationships that are real; allocation of funding to Intermediaries to organise end beneficiary-based country seminars, focus groups or workshops, with the participation of relevant NGOs from EEA EFTA States;
- Identification of legal barriers to partnerships and exploration of how to overcome these during the country/donor negotiations;
- Standardised application procedures to be developed by the Norwegian Helsinki Committee in collaboration with the FMO ensuring that both partners are fully engaged in the application development;
- Sharing good practice on partnership development at the annual meetings of the Intermediaries;
- The possibility of the extension of bilateral working to other countries in the EU, and in particular to other beneficiary states of the NGO Funds.

### ***Recommendation 12 – Visibility of the NGO Funds and sharing information***

There is scope for the **sharing of good practice**, and the FMO should develop minimum requirements for communication.

With regard to visibility and publicity about the NGO Funds on Intermediary web sites, the FMO should:

- Provide the basic outline of the web page;
- Provide a list of information that must be published on the web site;
- Provide a list of documentation that should be available in the English language, such as: rules of the NGO Fund (including basic information on themes of support), application forms, evaluation criteria, texts of the call for proposals, lists of sub-projects that received funding, and a short presentation of the sub-projects that received funding;
- Provide a deadline for completion of tasks (e.g. timing of publication of information).

Provision of the most important information about the call for proposals is important to promote bilateral/international cooperation.

### ***Recommendation 13 – Cross-cutting issues in future Funds***

**Focus on cross-cutting issues** should be increased during both programming of an NGO Fund and the application process. The relevance of cross-cutting issues, and targeted results or impacts should be discussed with all Focal Points and Intermediaries at joint meetings, workshops or seminars. Special attention should be given to underline the rationale of cross-cutting issues in NGO Funds that include overlapping themes, such as environment, with the FMO identifying clear expectations.

More focus should be given to increase awareness and understanding on cross-cutting issues among potential applicants at workshops. Understanding would be improved if practical examples of good planning and delivery of results could be demonstrated in workshops and NGO Fund guidelines.



**Recommendation 14 - Grant size and length of sub-projects in future NGO Funds**

There was a need identified in all beneficiary states for:

- **Longer-term sub-project funding**, particularly where pilots/innovation are being developed. Longer-term funding is also needed for larger-scale sub-projects, and bilateral partnerships.
- **A lower maximum size of grants coupled with simplified procedures for smaller grants for small and newly established NGOs.**



# **1. INTRODUCTION**

This Chapter describes the objectives/aims of the evaluation, the context of the EEA and Norway Grants NGO Fund support to 12 beneficiary states in the period 2004-2009, the methodology, and limitations of the evaluation.

## **1.1 EVALUATION OBJECTIVES/AIMS**

The purpose of this evaluation was to provide an expert independent evaluation of the contribution of the EEA and Norway Grants 2004-2009 to the non-governmental organisation (NGO) sector in the 12 beneficiary states operating NGO Funds. The evaluation was intended to identify lessons learnt from the current funding arrangements, at both at strategic and operational levels, including those related to the different roles of NGOs working in advocacy and/or service provision. The evaluation was intended, additionally, to provide national, transnational and overall recommendations on the sector's future needs, and suggest priorities for NGO support within the future EEA and Norway Grants 2009-2014, as well as suggestions on a results-based management system for such support.

## **1.2 THE CONTEXT**

For the beneficiary states of the EEA and Norway Grants, the funding of the NGO sector has been crucial, as previous support specifically targeted at NGOs from the European Commission (EC) and many bilateral donors largely ceased at the time of the accession of these countries to the EU. Thus, in the period 2004-2009, EEA and Norway Grants have provided major support to these NGO sectors.

At the end of this round of funding, it was logical that the donor states - Norway, Iceland and Liechtenstein - and the Financial Mechanism Office (FMO), the secretariat of the grant schemes, wished to evaluate how well the 2004-2009 NGO Funds had performed and whether there are lessons that could be learned that would assist in the future. The FMO therefore commissioned in early 2010 this evaluation of NGO Funds under the EEA Grants and Norway Grants 2004-2009. All figures in this report represent the situation as of February 2010 unless stated otherwise (the July 2010 profile is reproduced Annex 2, Table 11).

## **1.3 THE EEA AND NORWAY GRANTS**

The 2004-2009 EEA and Norway Grants are open to 15 EU member states (Bulgaria, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, and Spain) and have the underlying objective of reducing social and economic disparities in the EEA. Twelve of the beneficiary states of the overall grants have operated block grants with a focus on NGOs, hereafter referred to as NGO Funds. The EEA and Norway Grants were established in 2004, and implementation is based on close cooperation between the donor states, Norway, Iceland and Liechtenstein, and the beneficiary states. The purpose and size of the programme, together with the method of implementation, is set out in a Memorandum of Understanding (MoU), which is negotiated with each beneficiary state. In this framework, levels of financial assistance are agreed against a series of strategic objectives. Each beneficiary state has developed a programming framework through focus areas in a series of priority sectors.

EEA and Norway NGO Grants are an important source of funding for civil society in Central and Southern Europe: €85 million in support is provided through 19 NGO Funds and €100 million is given in direct support to individual projects promoted by NGOs.

In each beneficiary state, a national Focal Point is established as a coordinating authority and is responsible for the collection and prioritisation of submissions from potential project promoters. The NGO Funds are managed by Intermediaries, contracted by the Focal Point or directly by the FMO (in the case of Bulgaria, Hungary, and Romania). Consortia of partner organisations act as the Intermediaries in Romania, Bulgaria, and Hungary (NGO Fund). Private sector bodies were engaged for the implementation of three NGO Funds. In total, six of the 19 NGO Funds were managed by public (governmental) bodies acting as Intermediaries in four beneficiary states. Sub-projects are selected from applications submitted in response to a series of calls for proposals.

Management of implementation (in terms of administration of the Funds, financial control and on-the-spot monitoring) is mostly carried out by the Intermediary, but on-the-spot monitoring is also performed by the Focal Point. Monitoring and evaluation of sub-projects is shared between the Donor states (through the FMO), and beneficiary states (the Intermediary, the Focal Point, the Paying Agency, and the Project Promoter who has to demonstrate the capacity to manage the sub-project).

## 1.4 EVALUATION METHODOLOGY

### *Evaluation team*

This evaluation was carried out by a team of core experts involving sector specific experts, evaluation experts, an analytical team, a quality controller, and local experts in each of twelve beneficiary states.

### *The Approach*

This Evaluation was conducted between February and April 2010. It examined the set up and management of NGO Funds, including calls for proposals, applications and selection processes; performance of sub-projects in the NGO Funds; and the status and needs of the civil society sector in each beneficiary state in order to respond to six key evaluation questions (see the terms of reference (ToR) given in Annex 1):

1. **Relevance:** To what extent and how have the NGO Funds responded to the EEA and Norway Grants overall objectives of reducing economic and social disparities? To what extent and how have they contributed to responding to strategic priorities and needs as well as to the development of the NGO sector at national level? How would a programme-based approach look for the civil society sector, and what sort of indicators should donors use to make sure that funds were wisely spent?
2. **Efficiency:** How efficient was the management set up and how it could be improved to increase efficiency of the grant system?
3. **Effectiveness:** To what extent have the NGO Funds' overall objectives and cross-cutting priorities (gender, bilateral relations, sustainable development) been met at Fund and sub-project level?
4. **Impact:** What have been the planned and unplanned impacts, including on the institutional capacity of the sector, and on the targeted areas/groups at sub-project level?
5. **Sustainability:** To what extent has ownership by stakeholders and the institutionalisation of supported activities been sustained after funding has ceased?
6. **Visibility:** What is the visibility of the contributions at different levels?

The approach combined desk studies with fieldwork (for interviews and evidence collection and verification). Within the resources and time scale of this evaluation, and its timing before the completion of most sub-projects, it was not possible to evaluate all the projects or to interview end beneficiaries face to face. The approach was therefore to collect data from the end beneficiaries using a questionnaire, supplemented by telephone interviews and, where applicable and practicable, focus groups for both end beneficiaries and for key

informants (involving representatives of other donors, State administrations, larger NGOs, and representatives of the Norwegian Embassies) (see Table 1).

**Table 1 Collection of country information**

Country	Personal Contact			Questionnaires			
	Bodies interviewed or present at Focus Groups			Sent		Received	
	Planned number	Actual number	Types of body providing info	Planned	Actual	Target	Actual
<b>Poland</b>	2 + 3 FG	4 + 3 FG	2 IB + FP + NE + 9 EB + 2 GD + 4 UM + 1 OT	557	557	74	130
<b>Czech Republic</b>	1 + 2 FG	3 + 2 FG	IB + FP + NE + 7 EB + GD + 4 UM	151	151	29	44
<b>Hungary</b>	2 + 3 FG	1 + 2 FG	2 IB + FP + NE + 14 EB + 4 UM	236	236	34	63
<b>Slovakia</b>	3 + 2 FG	5 + 1 FG	3 IB + FP + NE + 6 EB + OT	37	37	20	20
<b>Lithuania</b>	2 FG	3 + 2 FG	IB + FP + NE + 8 EB + 3 GD + 4 UM + OT	106	37	20	20
<b>Latvia</b>	1 + 2 FG	1 + 2 FG	IB + FP + NE + 6 EB + GD + 2 UM	165	165	22	20
<b>Romania</b>	1 + 2 FG	1 + 2 FG	IB + FP + NE + 9 EB + 5 GD + 3 UM + 12 OT	46	46	14	28
<b>Estonia</b>	1 + 2 FG	16	IB + FP + NE + 9 EB + GD + UM	155	119	24	26
<b>Portugal</b>	1	4	2 IB + FP + NE	30	30	11	18
<b>Bulgaria</b>	1 + 2 FG	1 + 2 FG	IB + FP + NE + 10 EB + 5 GD + UM	61	42	20	31
<b>Slovenia</b>	1 + 2 FG	1 + 2 FG	IB + FP + NE + 4 EB + 2 GD + UM	24	24	13	13
<b>Cyprus</b>	1	3	IB + FP + NE	33	33	11	11
<b>Total</b>				<b>1,601</b>	<b>1,477</b>	<b>292</b>	<b>424</b>
Legend: IB = Intermediary; EB = End beneficiary FP = Focal Point; NE = Norwegian Embassy FG = Focus Group; GD = Government Department; UM = Umbrella organisation for NGOs; OT = other (institutes, universities, foreign donors, donor forums, Foundations, etc.)							

The Core Team developed a questionnaire based on a hierarchy of evaluation questions and evaluation criteria given in Annex 11. The questionnaire was sent to local experts who translated it into local languages and sent it to a selection of end beneficiaries. The end beneficiaries were selected using the criteria of size of grant, representativeness of sectors, end date of the sub-project, and in the larger countries, a spread of regions. The approach planned for a 15-20% response rate, which in the event was slightly exceeded, with the return of 424 questionnaires, representing over 25% of all sub-projects that were included in this evaluation. Not all the end beneficiaries that responded to the evaluation questionnaire filled in all the questions. The number of respondents that answered each specific question will be given under each Figure in this report.<sup>12</sup>

Face-to-face semi-structured interviews with representatives of Focal Points, Intermediaries and Norwegian Embassies were undertaken in all beneficiary states by local experts and/or members of the Core Team.<sup>13</sup> These were supplemented by interviews with representatives from the donor, the FMO, and the Norwegian Helsinki Committee (NHC).

<sup>12</sup> End beneficiaries that responded to the evaluation questionnaire will be referred to in this report as 'respondents'.

<sup>13</sup> The Core Team visited the Czech Republic, Estonia, Hungary, Lithuania, Poland, Slovakia, and Romania, chosen for their size of NGO Funds.

The Focus Groups were particularly effective in engaging both end beneficiaries and key informants in reflecting on the learning of the NGO Funds as well as starting the process of identifying the future needs.

A country template was developed in order to gather information on the state of civil society and NGO sector in each beneficiary state, which was completed by local experts.<sup>14</sup> These templates aim to provide a baseline for the development of possible indicators for any future programme.

## 1.5 LIMITATIONS AFFECTING THE APPROACH AND EVALUATION

A number of respondents in several beneficiary states noted that it was premature to aim to assess the impact of the funds, as many sub-projects were still in process of implementation or had only very recently been completed. The timing of evaluations will affect impact assessment; however, in this case, it is understood that the timetable was influenced by the requirement to look at the overall achievement of the Funds focused on NGOs and start to identify future needs, before negotiations with beneficiary states for a new round of overall grant funding from the EEA countries.

The scope of the evaluation was very wide, not only because of the large number of sub-projects across 19 NGO Funds in the twelve beneficiary states, but particularly because of the requirement to collect information about the status of civil society and needs and suggestions for future funding in each beneficiary state. In the event, the quantity of data collected was greater than expected. This represented a real challenge, not only in terms of time to carry out the analysis and synthesis of the collected data, but also in terms of its logical and straightforward presentation whilst maintaining a balance between the different beneficiary states.

During the course of the evaluation, several further issues arose which were successfully overcome to deliver the evaluation report as planned. These included:

- (1) A large amount of information was collected for the country templates, but in two countries, Lithuania and Latvia, up-to-date information on civil society was widely spread and it was not possible to complete the template within the resources available for this evaluation. Information collected about the sectors was therefore drawn from existing literature.
- (2) None of twelve invited Slovakian end beneficiaries attended the Focus Group that had been organised for them. To ensure that views of end beneficiaries were collected, personal interviews were organised with six end beneficiaries.
- (3) The majority of end beneficiaries of the NGO Fund in Latvia did not want to respond to the questionnaires, because some research had already been undertaken on behalf of the Intermediary during November 2009, gathering opinions of applicants and end beneficiaries about the previous administration of the NGO Fund and future conditions.<sup>15</sup> Of 165 distributed questionnaires, only 10 replies were received. The local expert carried out additional telephone interviews on the basis of the questionnaire with 10 end beneficiaries. The information collected was considered as sufficient, representing nearly 91% of the target end beneficiaries.
- (4) In Hungary, it was not possible to evaluate the Environmental NGO Fund fully. The Ministry of Environment met the local expert and provided documents, but due to pressure of work, it cancelled a meeting with the international expert and no representatives attended the Focus Group for key informants. Basic data was

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<sup>14</sup> This template used to a large extent the parameters of the CIVICUS methodology, thereby allowing for potential comparisons with previous studies.

<sup>15</sup> Opinion of applicants and end beneficiaries about the operation of EEA and Norwegian Financial Mechanism NGO Fund, prepared by Sabiedrības Integrācijas Fonds, November 2009, Riga.

available about the Environmental NGO Fund, but there was insufficient feedback from key stakeholders to be able to carry out a full analysis.

Despite these challenges and constraints, the evaluation team is confident that this resultant report reflects both the current situation in each beneficiary state and the key learning from the operation of the NGO Funds to date, which informs the recommendations proposed in this report.

## 2. BACKGROUND IN THE BENEFICIARY STATES

The Chapter provides an overview of the civil society sectors across the beneficiary states, and an overview of the NGO Funds set up. Individual descriptions of civil society and the NGO Funds in each beneficiary state are given in Annex 3.<sup>16</sup>

### 2.1 OVERVIEW OF THE CIVIL SOCIETY SECTOR

#### *Transition countries, and the importance of donor support for civil society*

The importance of civil society in all of the beneficiary states cannot be underestimated, particularly for those beneficiary states that started on a transition process from centralized non-democratic states towards democracy 20 years or less ago. In this respect, both Cyprus and Portugal have different histories,<sup>17</sup> from those of the Baltic, Balkans and Central European states. In these latter countries, the development of a plurality of civil society has been made possible through the support of many international donors, most of which have withdrawn as these countries have progressed to membership of the European Union. An exception is Cyprus, where the UN continues a significant presence due to the divided nature of the island and the need to deflect the resulting tensions. In many of the states of the former Eastern bloc, democracy is still fragile, and in some countries such as Hungary,<sup>18</sup> the existence of extremist nationalistic political tendencies and parties is undermining societal acceptance of difference, with the risk of consequent human rights abuses. In Slovakia,<sup>19</sup> the government has at various times displayed hostility to the NGO sector and civil society in general. Conversely, in some countries, such as Estonia and Poland, relationships between government and NGO sector have been showing improvements over the past few years.

#### *The roles of NGOs*

In all of the beneficiary states, to a greater or lesser extent, civil society organisations:

- Advocate on behalf of citizens and help to represent them and their interests;
- Act as watchdogs, evaluating and challenging government at all levels;
- Raise public awareness of issues and seek to inform citizens;
- Pilot and innovate in a wide range of social, economic and environmental activity areas;
- Provide services, particularly to marginalised and disadvantaged groups;
- Aim to increase levels of citizen activism and engagement.

#### *Human Rights and Advocacy – a critical role for NGOs*

The role of civil society organisations in relation to human rights, and to advocacy with and on behalf of citizens, is critical, particularly in those countries where transition, both political and economic, has increased the risks of marginalisation of many societal groups and changed the mechanisms of service provision. Encouraging the engagement of citizens in

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<sup>16</sup> Baseline studies were carried out for this evaluation, and for some countries significantly updated data was collected, whilst for other countries there are gaps in recent information. For Latvia and Lithuania, for example, information has been drawn from older sources. It is understood that some studies have been carried out in preparation for the Swiss Contribution, which were not available for this evaluation, but which are a possible source of new information.

<sup>17</sup> Portugal experienced the transition to democratic government in the 1970s. The Republic of Cyprus has been an independent country since 1960, having gone through a struggle against British rule, but since the Turkish invasion of 1974, the Republic of Cyprus does not exercise effective control over part of its territory.

<sup>18</sup> Where an extreme nationalist party has recently achieved some electoral success in elections for the national parliament.

<sup>19</sup> Recent changes in government may herald a more positive relationship.



activism, in democratic process and decision-making are also key roles. A recent USAID report noted in relation to NGOs' advocacy roles that:<sup>20</sup>

*"While Northern Tier<sup>21</sup> NGOs tend to have a high capacity for advocacy and actively pursue advocacy efforts, their effectiveness varies widely and is greatly dependent on government attitudes toward NGOs. Half of the countries in the region experienced changes in their advocacy scores. Hungarian and Polish NGOs enjoyed an improvement while their counterparts in Latvia<sup>22</sup> and Slovakia faced greater difficulties mobilizing citizens. In Poland, the change was largely due to the new government's openness to NGO input. The political climate in Slovakia, by contrast, became less favourable toward NGOs, with the prime minister making negative public statements about some organisations".*

Bulgaria's score in relation to advocacy also worsened, as a result of a more difficult advocacy environment and deterioration in infrastructure support, and NGOs in Romania reported that their governments became less receptive to dialogue and cooperation. As funding from government controlled sources (including EU funding streams) becomes harder to access, there is a risk that many NGOs will curtail their advocacy and watchdog activities, so as not to put at risk their access to such funding, by being seen as a challenge, or oppositional, to government.

### **Funding Opportunities and Constraints**

The range of financial sources available to NGOs has decreased as international donor funding has been withdrawn, and replacement of this funding from local sources, be it governmental or private, has not necessarily filled the gaps, particularly in more contentious areas, such as advocacy. In common with every NGO sector globally, NGOs report inadequate resources to grow and develop their work. Access to EU Structural Funds is challenging, particularly for smaller NGOs. Whilst NGOs were eligible also to apply for grants under the main EEA and Norway Grants,<sup>23</sup> these grants are over € 250,000, and they could only be addressed by larger NGOs whose cash flows allowed pre-payment of activities implemented under the awarded sub-project.

Financial support for advocacy work in particular is difficult to secure – in the main, government funding sources will not support advocacy work or NGOs primarily involved in advocacy, and therefore, as noted above, NGO roles in advocacy work can be limited or curtailed where NGOs wish or need to seek funds from sources controlled by government. This can particularly affect the development of policy work on the part of NGOs, where evidence from service provision is used to inform policy dialogues and where this area of work is seen as advocacy and therefore as "challenging".

In all of the beneficiary states, diversification of income sources is needed, in addition to an increased level of funding. There is also a need for further encouragement of self-generating income activities, such as social enterprise. However, in some beneficiary states, this is difficult, due mainly to the tax regimes as they affect NGOs. NGOs in many of the beneficiary states cite a need for more favourable tax legislation to support sustainable NGO sector development.

One mechanism, which has been introduced in some countries for NGO support, is the so-called "percentage law." Laws enabling taxpayers to donate part of their income taxes

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<sup>20</sup> 2008 NGO Sustainability Index for Central and Eastern Europe and Eurasia, USAID, June 2009.

<sup>21</sup> Estonia, Lithuania, Latvia, Czech Republic, Slovakia, Hungary, and Poland.

<sup>22</sup> Few sub-projects around advocacy were funded in Latvia under the NGO Fund.

<sup>23</sup> Although several larger NGOs did benefit from EEA and Norway Grants, this evaluation is focussed on the performance of the NGO Funds only.

to NGOs now exist in Croatia, Hungary, Slovakia, Lithuania, Poland, Slovenia, and Romania, though some are under threat of change or withdrawal.

### **Service Provision**

The global economic crisis has severely affected all of the beneficiary states, with consequent cut-backs in government budgets and with a particular impact on funding for services. What were seen as comprehensive welfare systems, despite their shortcomings, are being transformed by market-oriented policies, and in many cases services are being withdrawn altogether, as state budgets are under pressure. Service provision is an area where NGOs have been relatively successful in responding to societal needs, stepping into the gap, taking contracts for service delivery from the state, or providing new services, funded independently, in the gaps left by the withdrawal of the state. However, licensing conditions for service providing NGOs in some countries are a barrier to their access to contracts, and payment regimes for contracts are difficult for smaller NGOs to negotiate. NGOs continue to face challenges recovering costs, obtaining government contracts, and developing services that meet market demands.

### **Legal and Fiscal Environment**

Although most beneficiary states report an enabling legal environment for NGOs, this is very varied, with issues arising concerning the definition of NGOs within the legislation and what constitutes a Public Benefit Organisation, to varying requirements for the provision of Annual Reports and transparency and accountability of NGO finances and activities. As noted above, the fiscal regimes in many countries do not easily enable the diversification of funding sources by NGOs, and impose corporate taxes on a range of income generation activities.

### **Civic Activism, volunteering and public perceptions of NGOs**

Civic activism and volunteerism is patchy, with none of the beneficiary states exhibiting high levels of volunteer activity. In some countries, specific laws on volunteering have been introduced; in others, such legislative definition is seen as being needed. Public perceptions of NGOs vary, but are relatively favourable in many of the beneficiary states. However, there is still a need to increase NGO transparency and accountability and to ensure that good governance in NGOs is fully developed, to achieve higher levels of public confidence. This in turn can influence governments to work more closely with NGOs and also increase citizen engagement in NGO activities. Codes of Ethics exist in many beneficiary states, but are voluntary and may not be adopted by all NGOs.

### **NGO Organisational capacities**

Organisational capacities and access to capacity building vary across the beneficiary states, with some resourcing agencies, particularly at regional level, providing access to training and support services. However, funding for the sustainability of these resourcing agencies may not be secure. While not all beneficiary states in the region have NGO resource centres, NGOs generally have access to training, legal advice and other support services.

These contextual issues have informed the discussion in Chapter 4 of this report.

## **2.2 OVERVIEW OF NGO FUNDS**

The NGO Funds focused from the outset on supporting civil society development in the beneficiary states, with NGOs eligible to apply for both large and small-scale grants. Nineteen NGO Funds were established in twelve beneficiary states (Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia,

and Slovenia). The following Table 2 shows the detailed breakdown of funds allocated to each beneficiary state and total number of sub-projects as at 9 February 2010.<sup>24</sup>

**Table 2 Overview NGO Funds and sub-projects by beneficiary state**

Country	NGO Fund	No. of calls for selected sub-projects	Number of sub-projects	EEA and Norway grant (M€)	Co-financing (M€)
Poland	NGO Fund – Equal Opportunities and Social Integration	3	557 <sup>25</sup>	33.5	3.73
	NGO Fund – Democracy and Civil Society	5			
	NGO Fund – Environmental Protection and Sustainable Development	3			
Czech Republic	NGO Fund	3	181	9.5	0.00
Hungary	NGO Fund	2	236	6.4	0.16
	Environmental NGO Fund	1			
Latvia	NGO Fund	4	165	5.2 <sup>26</sup>	0.91
	NGO Fund - Society Integration Fund <sup>27</sup>	1			
Lithuania	NGO Fund	1	106	4.5	0.50
Slovakia	NGO Fund – Social Inclusion	2	87	4.8	0.85
	NGO Fund – Human Rights	2			
	NGO Fund – Sustainable Development	3			
Portugal	NGO Fund – Citizenship and Human Rights	1	30	1.8	0.33
	National Environmental NGO Fund	1			
Estonia	NGO Fund	5	155	2.0	0.18
Bulgaria	NGO Fund	2	61	1.9	0.00
Romania	NGO Fund	1	46	1.8	0.00
Slovenia	NGO Fund	2	40	1.5	0.26
Cyprus	NGO Fund	1	33	1.4	0.15
<b>Total</b>		<b>43</b>	<b>1697</b>	<b>74.3</b>	<b>7.07</b>

Source: FMO database, 9 February 2010. Figures rounded. For update 25 May 2010, see footnote 24.

From the total of 1697 funded sub-projects identified on 9 February 2010, Poland had the highest number of sub-projects (557) and Portugal the lowest (30). The number of supported sub-projects was a function of the size of the overall funds allocated for each beneficiary state.

The NGO Funds support advocacy, awareness raising and service provision by NGOs, as well as capacity-building of the sector itself. Activities are supported across a range of different areas, which have been categorised into four main cluster areas by the FMO, for statistical purposes. These areas, using July 2010 data are:

<sup>24</sup> This was the cut off point for the evaluation, though there were still three calls for proposals open, under which additional sub-projects have been contracted. From the 6<sup>th</sup> call in Estonia, 35 sub-projects were awarded (M€ 0.15). From the 3<sup>rd</sup> call in Hungary NGO Fund, 63 sub-projects were awarded (M€ 0.95). From the 2<sup>nd</sup> call in Romania, 69 sub-projects were awarded (M€ 2.8). One sub-project in Lithuania was cancelled. Total sub-projects as of 25 May 2010, were 1863. The current picture as at July 2010 is to be found at the start of Annex 2, Details of NGO Funds

<sup>25</sup> Total sub-projects as of 25 May 2010 in Poland – 613 (incl. withdrawn sub-projects/sub-projects contracted from reserve lists).

<sup>26</sup> The total financial amount for the NGO Fund in Latvia is 5 899 144 EUR (Contractors - € 5 352 277, Management costs - € 546 867) and Society Integration Block Grant € 764 706 (Contractors - € 688 236, Management costs - € 76 470).

<sup>27</sup> In Latvia, a different title was used for the Fund, namely the Civil Society block grant (LV0061). In this report, the title from the FMO database - 'Society Integration Fund' - is used throughout.

- Protection of the environment, - 574 sub-projects (in 11 countries, not including Cyprus) - 30%
- Human resources development – 1083 sub-projects (in 11 countries, not including Cyprus) - 56%;
  - Democracy, human rights, discrimination - 47%;
  - Capacity building - 22%;
  - Inclusion of disadvantaged groups - 18%;
  - Regional policy - 10%;
  - Mainstream gender equality - 1%;
  - Human resource development – general - 1%;<sup>28</sup>
- Health and childcare – 146 sub-projects (Bulgaria, Cyprus, Poland, Slovenia and Slovakia only) - 8%;
- European cultural heritage – 116 sub-projects (Hungary, Poland, Romania, and Slovenia only) - 6%.

Protection of the environment, human resources development and health and childcare were further sub-divided into specific focus areas. An indication of the sectors and sub-sectors addressed by the NGO Funds in each beneficiary state as of 9 February 2010 is given in Table 3. The number of sub-projects in each sub-sector varied substantially and was to some extent dependent on the focus of particular NGO Funds.

The sub-sectoral grants totals ranged from 466 for ‘*Democracy, human rights and discrimination*’ a thematic area covered in ten beneficiary states (with the exception of Cyprus and Slovenia), to 1 for ‘*Prevention and fight against addictions*’ in Cyprus. 37% of the sub-projects were in the thematic areas of democracy, human rights, discrimination and inclusion of disadvantaged groups.

However, how sub-projects are defined as fitting within these broad categories will depend on the criteria set for individual grants programmes and the “fitting” of funded sub-projects into appropriate categories for statistical purposes. Thus, whilst capacity building as a specific sub-theme of the area of human resources development was identified only for Latvia and Poland, many of the sub-projects in other countries also contained what could be defined as capacity building elements.

As there was a wide range in the thematic areas, access to the NGO Funds by a wide diversity of NGOs should have been possible in most countries. The appropriateness of the themes, sub-themes and reach of the NGO Funds will be discussed in subsequent chapters of this report.

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<sup>28</sup> Some sub-projects covered more than one thematic area.

**Table 3** Number of sub-projects by thematic area and by beneficiary state<sup>29</sup>

Sub-sectors	No. of sub-projects												
	Total	BG	CY	CZ	EE	HU	LT	LV	PL	PT	RO	SI	SK
Protection of the environment	518	15		66	36	110	62	40	117	16	15	12	29
Biodiversity	9									9			
Education	20					13				2			5
Protection of environment - General	223			66	36	24			51		15	12	19
Renewable energy, energy efficiency and reduction of greenhouse gases	5												5
Sustainable development	261	15				73	62	40	66	5			
Human resources development	959	22		61	119	84	44	125	408	14	18	11	53
Capacity building	217							51	166				
Democracy, human rights, discrimination	466	22		61	71	45	44	32	139	14	4		34
Human resource development - General	11											11	
Inclusion of disadvantaged groups	161					39			89		14		19
Mainstream gender equality	14								14				
Regional policy	90				48			42					
Health and childcare	144	24	33						21			7	5
Childcare	8		8										
Health and childcare - General	12											7	5
Health promotion	7		7										
Prevention and fight against addictions	1		1										
Social / family issues	116	24	17	54					21				
European cultural heritage	76					42			11		13	10	
European cultural heritage - General	76					42			11		13	10	
<b>Total</b>	<b>1697</b>	<b>61</b>	<b>33</b>	<b>181</b>	<b>155</b>	<b>236</b>	<b>106</b>	<b>165</b>	<b>557</b>	<b>30</b>	<b>46</b>	<b>40</b>	<b>87</b>

Source: FMO database, 9 February 2010.

<sup>29</sup> Since 9 February 2010, 222 further sub-projects were added up to 29 July 2010.

### 3. PERFORMANCE OF NGO FUNDS 2004-2009

This Chapter reviews the alignment of the NGO Funds with the overall donor state objectives and with civil society needs; the targeting of financing; the application process and NGO Fund management; the achievement of objectives, including the cross-cutting priorities; and the impact and sustainability of the results. The Chapter also looks at the Funds' complementarity with other funding, and bilateral relations between NGOs from the donor countries and the end beneficiaries.

Conclusions based on the evidence from the evaluation are included at the end of this chapter. These largely relate to the management and outputs of the programme and include responses to the questions set for the evaluation.

#### 3.1 ALIGNMENT OF NGO FUNDS WITH DONOR OBJECTIVES

In general, it can be concluded that the objectives of all 19 NGO Funds were aligned with the overall objective of the EEA and Norway Grants, *'to contribute to the reduction of economic and social disparities in the European Economic Area through financing of grants to investment and development sub-projects.'*<sup>30</sup>

In eight NGO Funds (Bulgarian NGO Fund, Cypriot NGO Fund, Estonian NGO Fund, Hungarian NGO Fund, all three Polish NGO Funds and the Romanian NGO Fund) the overall objectives were identical to the overall objective of the EEA and Norway Grants, including the same wording in their overall objectives. The overall objectives of the other NGO Funds included different, more realistic aims for the support of civil society initiatives (for example the overall objective of the Czech NGO Fund is to strengthen civil society at local and regional levels in priority areas. Similarly, the objectives of the remaining NGO Funds are to contribute to capacity strengthening of NGOs and support to civil dialogue). These aims are nevertheless relevant to the overall aim of the EEA and Norway Grants, since the development of the NGO sector does contribute to the reduction of economic and social disparities, not only directly through some types of sub-projects, but also as part of a wider social and economic impact resulting from NGO and civil society interventions.

The desired areas of support were defined in the Memorandums of Understanding (MoU), signed between the donor states and the beneficiary states. Detailed tables of the themes in different countries and how they addressed the EEA and Norway Grants' priority sectors, are included in Annex 2 (Table 12 and Table 13). As noted briefly in chapter 2, the main areas for the NGO Funds were:

- Protection of the environment
- Human resources development
- Health and childcare
- European cultural heritage

Other areas that were included in the overall EEA and Norway Grants were not in the main used as the focus for NGO Funds. These included:

- Implementation of the Schengen *acquis* and strengthening the judiciary;
- Regional policy and cross-border activity;
- Technical assistance to the implementation of the *acquis*;
- Academic research.

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<sup>30</sup> Stated in the Protocol 38a, the EEA protocol and in the Agreement between Norway and the EU on the Norwegian Financial Mechanism.

However, in Slovakia, strengthening of the judiciary was also included in the NGO Funds focus areas; and in Estonia and Latvia, regional policy and cross-border activity was included. In five beneficiary states, there was more than one NGO Fund – Poland, Hungary, Slovakia, Latvia and Portugal.

In most cases the priority sectors of the NGO Funds were aligned with the country priority sectors in the preparation phase, but Poland and Slovenia were the only countries covering the four main priority sectors also during the implementation of their NGO Funds. How far this alignment with donor priorities also reflected the needs of the NGO sectors will be examined in the next section.

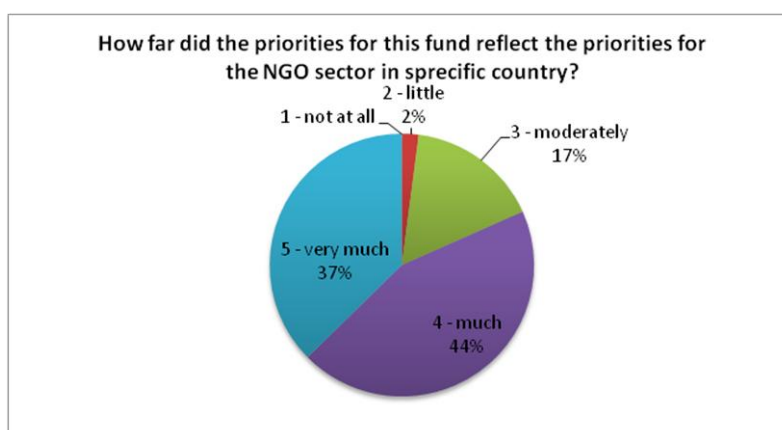
## 3.2 CIVIL SOCIETY NEEDS AND THE TARGETING OF FINANCING

In this section we examine how the NGO Funds were targeted in terms of NGO needs, and how priorities were identified.

### 3.2.1 Alignment of priorities with NGO needs

As noted above, the NGO Funds were aligned to the donor priorities. How far these were also aligned to the needs of local NGO sectors is also important. Almost all the end beneficiaries that responded to the questionnaire believed that the priorities of the NGO sector in their country had been met by the NGO Funds (see Figure 1),<sup>31</sup> either to a large or very large extent (81%), or a moderate extent (17%). These views were also confirmed in the Focus Group discussions in most countries involving key informants.

**Figure 1 Alignment of Fund priorities with sector needs**



Source: 343 questionnaire responses.

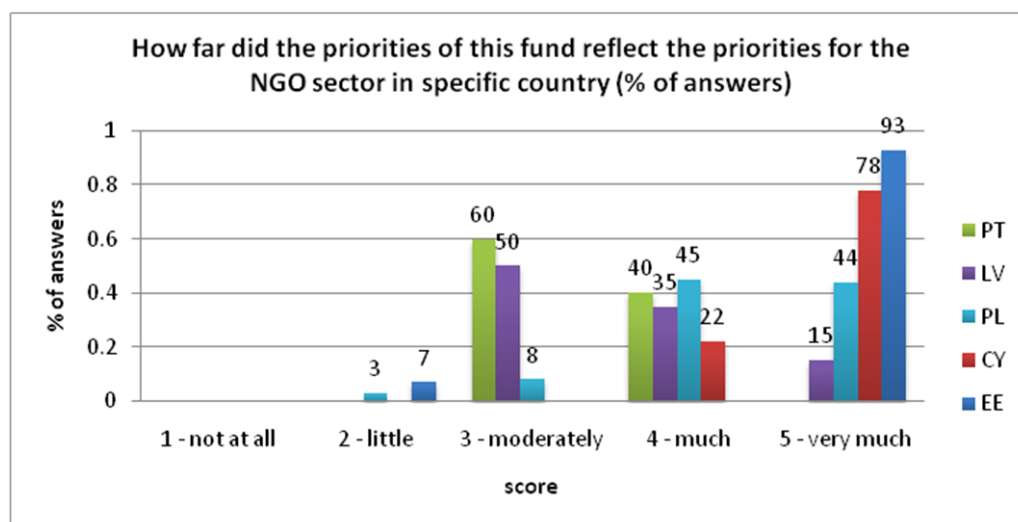
However, the survey also showed that the satisfaction with the priorities differed between countries. In most countries (the Czech Republic, Lithuania, Bulgaria, Slovenia, Romania and Poland), respondents stated that the priorities of the NGO Fund significantly reflected the needs of the NGO sector; however, in Portugal, respondents on average believed that the NGO Funds only moderately reflected the priorities of the NGO sector in their country. Cypriot, Estonian, Hungarian and Slovakian respondents on average believed that the NGO Funds in their countries were very closely aligned with the needs of the NGO sector.

Figure 2 shows the results of the questionnaire in five individual countries, whereby it can be seen that Estonian and Cypriot respondents were the most satisfied while the Latvian and Portuguese were the least satisfied with the appropriateness of the supported

<sup>31</sup> In total, 424 end beneficiaries responded to the evaluation questionnaire (in this report these will be referred to as the 'respondents'), but not all respondents filled in all the questions. The number of respondents that answered each specific question will be given under each figure.

thematic areas. In Estonia, the highest percentage of respondents believed that the priorities of the NGO Fund met priorities of the NGO sector very closely.

**Figure 2 Alignment of Fund priorities with sector needs**



Source: 157 questionnaire responses

A higher satisfaction of respondents to the questionnaire with the supported thematic areas was reported from countries where potential end beneficiaries were involved in discussions about priorities at the design stage. In only four beneficiary states NGOs were not consulted on the priorities to be supported (Portugal, Lithuania, Bulgaria and Slovenia), and in none of these four countries is the average satisfaction of respondents with the supported priorities very high. Portugal is the only country where respondents expressed that there was only a moderate reflection of the sector needs in the NGO Funds. The reason for lower satisfaction with the priorities in Portugal might be due to the top-down process of selecting the supported priorities, as reported by the Intermediaries. Overall, this division between the satisfaction levels in those countries where there was consultation, and where there was not, would suggest that wider cooperation between the sponsors and managers of the NGO Fund and potential end beneficiaries would enable a closer alignment of priorities with NGO needs.

### 3.2.2 Identification of priorities

The beneficiary states identified and defined the themes and priorities of support to the NGO sector in different ways, using expert committees, surveys, seminars or public consultation (see Box 1). Where there was no specific research, such as Slovenia, the NGO Fund included all possible themes supported by the EEA and Norway Grants.



### Box 1. Examples of identifying priorities

**Czech Republic** - The Intermediary organised a series of workshops for a Task Group consisting of representatives of institutions and sector experts, which had to define the NGO Fund and its focus.

**Latvia** - An umbrella organisation, Latvian Civic Alliance, proposed possible areas of support on the basis of known needs of NGOs in Latvia. These were further developed by the Intermediary and put to public consultation (the proposal was published on the Internet); 80 NGOs expressed willingness to take part, and 25 comments were received. The Intermediary developed a new version, which generated no further comments.

**Romania** - A national seminar for NGOs for the assessment of funding needs was organised with the support of the Norwegian Embassy.

**Slovakia** - The Open Society Foundation acting as the Intermediary of the Human Rights NGO Fund conducted a survey and discussed the needs of the NGOs on the ground in various parts of the country. The results of the survey were formally announced through a Donors' Forum.

**Poland** - The areas to be supported under the calls for proposals were identified during a programming process led by the Focal Point and carried out in consultation with the Council for the NGOs which the Focal Point consider as a partner for identification/discussion, which should be financed from external sources. Views were expressed to the evaluation team that this council was dominated by key individuals.

Specific thematic areas and sub-sectors are shown in Table 3 in Chapter 2 above.

In five beneficiary states, more than one NGO Fund was established – Poland (3), Slovakia (3), Hungary (2), Latvia (2) and Portugal (2) - as shown in Table 2 in Chapter 2. The range of themes within the different NGO Funds also varied between countries. Clearly the more focussed NGO Funds (such as specific environmental funds; or the Latvian Society Integration Fund working on issues relating to minority ethnic groups and which could be defined as one of the most focused NGO Funds ) had a more limited range of sub-themes within their Funds. Cyprus had only one priority area – health and childcare – and this was the only beneficiary state which did not offer a range of theme areas, either through general NGO Funds or specialist NGO Funds.

However, in general a degree of caution must be exhibited in analysing the prioritisation of Funds in each beneficiary state against the types of sub-projects aggregated for statistical purposes against the range of sub-themes. Much depends on the detailed criteria set for applicants for the Funds, and also on the ways in which sub-projects have been categorised for monitoring returns. Thus projects placed under a heading “*Democracy, human rights and inclusion*” in one country could be placed under the heading “*Inclusion of disadvantaged groups*” in another. However, what is of critical importance is how far the key priority areas for NGOs were included in the Funds, and thus reflected in the criteria for applicants, and how far the priority areas included broadly reflected the key needs and priorities of the NGO sectors, and where possible enabled gaps in funding to be met.

Within the themes and sub-themes, the NGO Funds have addressed gaps in funding. One example is that it appears that for the first time, in Portugal, two gay/lesbian organisations received institutional funds for sub-projects. As noted in chapter 2, NGOs can find it difficult to obtain funding for advocacy and awareness raising activities and these areas are encouraged in the NGO Funds, with projects developing such activities in the fields of discrimination, human rights, domestic violence, and trafficking. More examples of how the NGO Funds addressed gaps in funding are shown in Box 2. Clearly, the flexibility in the targeting of the Funds from country to country, through the development of the Fund application criteria, enabled specific NGO needs to be met.

**Box 2. Examples of focus on specific NGO needs**

**Latvia** - The **NGO Fund** had three measures, of which two were specifically aimed at two types of NGOs. The “*Activity Measure*” (40% of funds) was for stronger, experienced NGOs that already proved that they could deliver results. The grants supported regular activities in accordance with NGO long-term action plans and annual work plans. An analysis by the Intermediary showed that this measure mainly supported NGOs operating at the national level. The “*Capacity strengthening Measure*” (20% of funds) was aimed at newly established NGOs or those starting their activity in a new field. The support allowed for soft capacity building measures and investment (supply of equipment). There were regional quotas taking into account the number of inhabitants and GDP levels. The “*Project Measure*” (40% of funds) allowed for co-financing of sub-projects in the domain of the call for proposals from €8,000 to 100,000.

The **Society Integration Fund** had six sub-measures, of which five were specifically aimed at ethnic minority NGOs and one at primary and secondary schools. Two measures were also open to mass media organisations, and one measure to publishing houses.

**Poland** - The **Democracy and Civil Society Fund** targeted two types of NGOs. The micro project grants for “*Reinforcement of institutional capacities of NGOs and institutional capacity of NGOs*” were meant solely for organisations starting activities, i.e. they had to be entered into the National Court Registry or other relevant registry no earlier than 12 months before the date of the application submission. Small, medium and large sub-project grants were planned for two areas, “*Respect for democratic rules*” and “*Increase of knowledge on civil society and democratic processes*”. Only organisations registered at least 12 months before the date of the application submission could apply for these two areas.

**Czech Republic** - A regional approach was followed by allocation of the funds to NUTS II regions. The grantee focus group pointed out that this led to speculations about where to locate a sub-project in order to gain a better chance to being selected for funding.

### 3.2.3 Size of grants

The NGOs needs and operational capacities were to some extent reflected in the size of the grants that could be applied for in the different Funds and was also reflected in the average sizes of the grants awarded.

#### *Division of Funds into sub-categories*

Of the 19 NGO Funds, five divided the grants into sub-categories based on the size of the sub-projects, small or large.<sup>32</sup> The other 14 NGO Funds introduced either a minimum and maximum amount of a grant or only indicated the maximum grant amount. The NGO Funds in Latvia and Romania additionally defined different grant limits depending on the type of sub-project/measure. Annex 4 summarises the division of NGO Funds into sub-categories, and the sizes of grants.

#### *Minimum grant size*

Three NGO Funds (Latvia - Civil Society, Slovakia - Sustainable Development, and Romania) set no minimum size of grants according to the Fund set up documents. The smallest minimum grant amount was set by Estonia with a value of €1,278.<sup>33</sup> A minimum grant amount of €5,000 was set by six NGO Funds: Poland (all 3), Hungary NGO Fund,

<sup>32</sup> Poland – Democracy and Civil Society Fund, Hungary – Environmental NGO Fund, Lithuania NGO Fund, Estonia NGO Fund, Bulgaria NGO Fund). The Democracy and Civil Society Fund in Poland defined four categories (micro, small, medium, and large).

<sup>33</sup> The amount set was actually 20,000 EEK.

Latvia NGO for Measure 2, and Romania for the Small Grant Schemes (SGS). A minimum grant amount of €10,000 was set by four Funds: Czech Republic, Hungary Environmental NGO Fund, Lithuania, and Slovenia. Five NGO Funds set the minimum grant amount above €10,000, of which the highest amount was €40,000, set by Portugal Citizenship and Civil Society NGO Fund.

Where only high minimum grants are available, this can disadvantage smaller NGOs with less absorptive capacity, and thus risk reducing the range of NGOs that have access to the grants.

### **Maximum grant size**

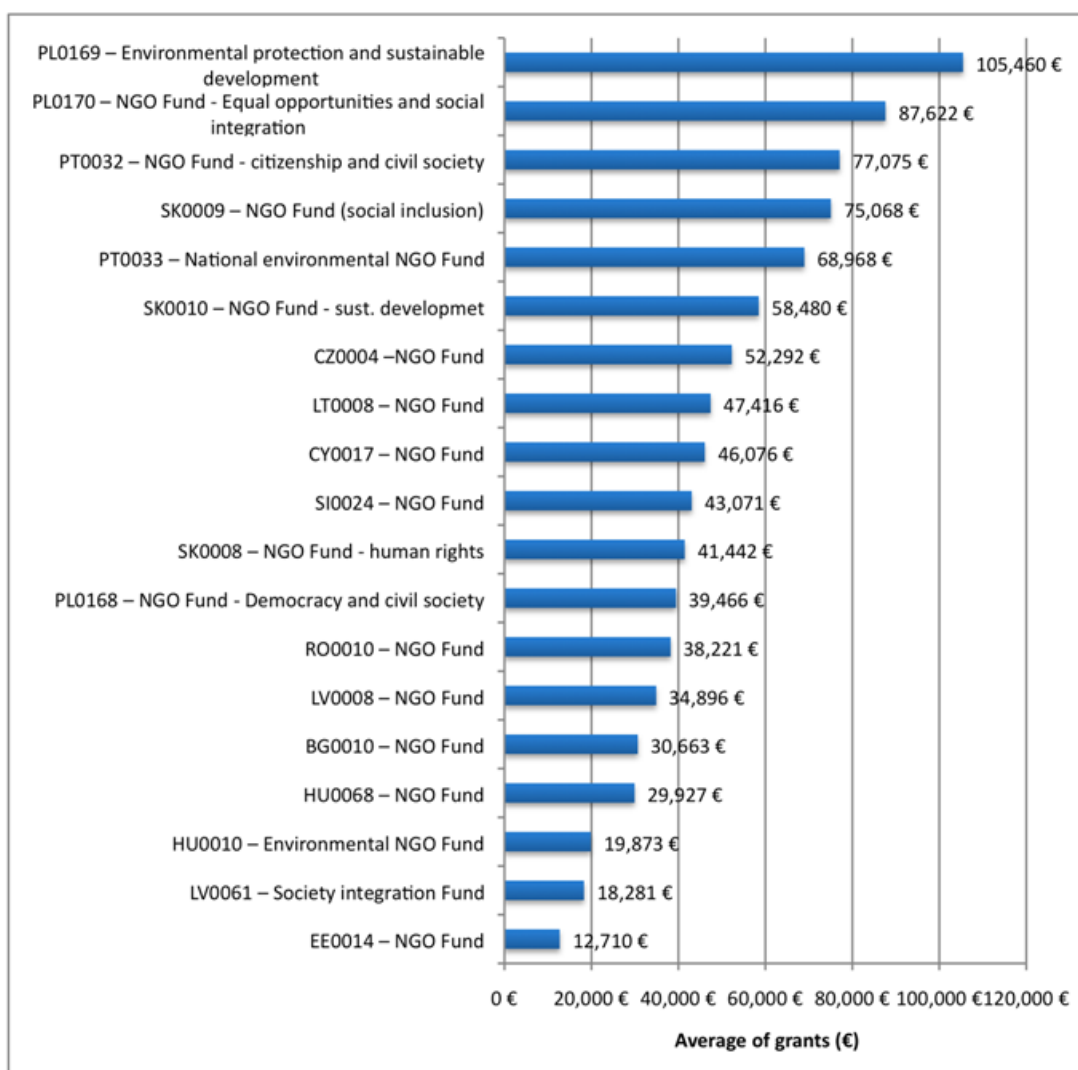
The highest grant amount of €250,000 per sub-project was set by five NGO Funds: Citizenship and Civil Society Fund in Portugal, Environmental NGO Fund in Hungary and all three Funds implemented in Poland. A maximum grant amount of €100,000 per sub-project was set by Latvia NGO Fund – Measure 3, Lithuania, and Slovakia (2). The lowest maximum grant amounts were set by Latvia Society Integration Fund and Measure 2 of NGO Fund (€30,000), Estonia (€31,956), and Slovenia (€50,000). Appropriate maximum grant sizes need to reflect the nature of the NGO sector in a country and the intended range of the grants in relation to the size of the funding stream.

### **Distribution of grant size**

The distributions of grant sizes, and the averages of awarded grants vary between NGO Funds. Histograms of the number of grants against grant size are given for each beneficiary state in Annex 3, and the averages of awarded grants are given in Figure 3. The highest average of grants (€105,460) was seen in the Polish Fund for Environmental Protection and Sustainable Development, which allowed grants up to €250,000. Across all NGO Funds, there were only 35 end beneficiaries that received grants over €200,000, all of which were in Poland. The Hungarian Environmental NGO Fund also allowed grants up to €250,000, but the average of grants there was only €19,873, with the maximum awarded grant within this Fund being €47,455. Within the overall funding programmes, Hungary achieved the second highest number of grants awarded, at 236. This was 42.4% of the total number of grants that Poland awarded, but with only 19.1% of Poland's allocation of funds. A specific decision was taken in Hungary to increase the number and thereby the spread of the grants, by funding well under the maximum size of grant that would be allowed.

The lowest average of grants were in Estonia (€12,710). Some distributions were highly skewed – for example, the average size of grants from the Portugal Environmental Fund was €68,968, which was 92% of the maximum allowed grant (€75,000). The average of grants was also close to the maximum grant size in Slovenia (86%).

From Figure 3, it can be seen that for about half of the NGO Funds, the average size of awarded grant was in the range €30 - 50,000. Around 15% were in the range €10 - 20,000; 20% were in the range €60 - 80,000; and 10% were €90,000 or more. The lower numbers of larger grants reflect two influences; firstly the maximum values of allowed grants to be awarded under the calls for proposals (see Annex 4), and secondly, the capacity of the NGO sector to implement large sub-projects.

**Figure 3 The average size of grants**

Source: FMO database, 9 February 2010.

### 3.3 THE GRANT APPLICATION AND IMPLEMENTATION PROCESS

This section covers the preparation of the application packs, the ease of access to information about NGO Funds, the support provided during the application process, the assessment and selection of applications, and the contracting process.

#### 3.3.1 Preparation of the application packs

Application packs for the calls for proposals were prepared by the Intermediaries, or by a sub-contracted secretariat (Lithuania). Interviews with the Intermediaries indicated that they made use of good practice and experience from the implementation of other programmes and donor funds. The most frequently mentioned sources were:

- Phare (PRAG and GGAPPI documentation);<sup>34</sup>
- EU Structural Funds;
- National programmes;

<sup>34</sup> Practical Guide to contract procedures for EC external actions; Guide on Grants and Public Procurement under Pre-Accession Instruments.

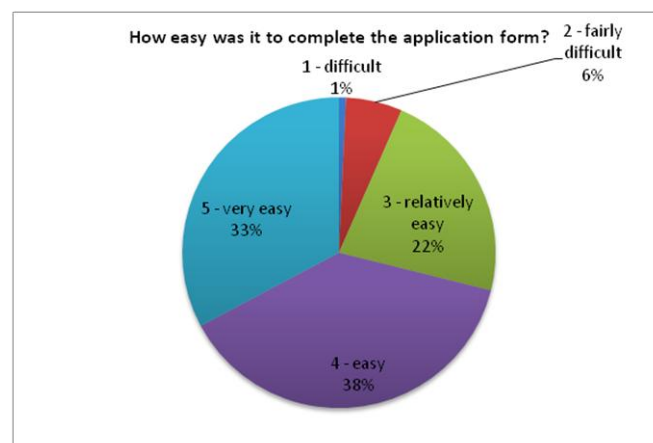
- Other donor programmes (e.g. Swiss mechanism, USAID).

The approach to the development of the application pack differed between the NGO Funds, but there was a common minimum documentation consisting of application forms and guidelines for completion of the forms explaining the objectives, eligibility of applicants, partners, activities and costs, size of grants, project duration and other important information. Applicants were also informed in advance about the assessment criteria and selection process. Most of the application packs also included a sample grant contract.

Where the NGO Fund was divided into small and large sub-projects, most of the Intermediaries used the same application forms for both types of sub-projects, although different forms were used when some specific types of activities or measures were introduced within one NGO Fund.<sup>35</sup>

With regard to the preparation of application forms, 93% of respondents found the application forms relatively easy, easy or very easy, and only 7% found them fairly difficult or very difficult (see Figure 4).

**Figure 4 Ease of completing the application forms**



Source: 412 questionnaire responses.

Changes and improvements to the application pack documents were introduced on the basis of lessons learnt from earlier calls for proposals or other necessary changes emerging from a change of legislation or FP requirements, or other reasons, for example:

- in Romania, the administrative requirements were simplified for the 2nd call for proposals resulting in an increase of the applications received and their eligibility rate; the quality assessment criteria were also improved;
- in Latvia, Activity Measure, the regional quota for applications was cancelled as it did not work under the 1st call for proposals, and instead national/regional quotas were introduced;
- in the Czech Republic, the minimum and maximum grant size and project duration were changed in each subsequent call for proposals;
- In Hungary, the sub-project assessment process of the NGO Fund for the 3<sup>rd</sup> round was improved.

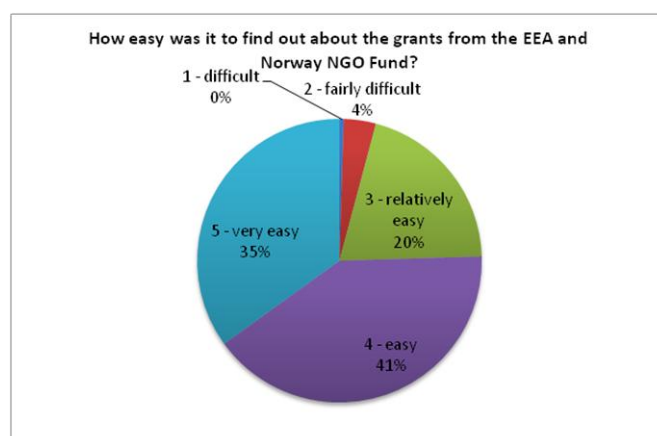
<sup>35</sup> For the NGO Fund in Latvia, the Intermediary developed three sets of selection criteria and application forms specifically adapted to the needs of each specific measure. The Democracy and Civil Society Fund in Poland used two application forms; one to cover sub-projects under areas A and B and one for the area C. The quality assessment grids were also adapted.



### 3.3.2 Access to information about EEA and Norway Grants

End beneficiaries were asked how difficult it was to find out about EEA and Norway Grants for the NGO sector. Most respondents stated that they found it easy to access information about the calls for proposals (see Figure 5). In many countries, where prior consultation with NGOs had taken place, the NGO Funds were already expected, and the target groups were well informed. In some cases, (like Estonia) the Intermediaries made pre-announcements of the calls on their web sites.

**Figure 5 Ease of information access about NGO Funds**



Source: 412 questionnaire responses.

Most of the Intermediaries organised extensive road shows and information meetings. For example for the Hungarian NGO Fund, the network of local NGO centres were used to disseminate information and the Czech Intermediary undertook a strong regional information campaign. Promotion was claimed to have been successful by both applicants and the Intermediaries.

Besides publishing the call for proposals in national newspapers, and on the web sites of the Intermediary and the Focal Point, existing NGO structures and networks were often used to spread the information. In Latvia and Estonia, the call for proposals was also published in Russian language newspapers to ensure access to information for the Russian speaking population.

In most beneficiary states the Norwegian Embassy co-operated with the Intermediaries to organise special events for the launching of the NGO Funds (see Box 3).

### 3.3.3 Support provided during the application process

All the NGO Funds except the NGO Environmental Fund in Hungary provided support to applicants through the organisation of information seminars. Most NGO Funds organised seminars in several regions, while others only organised seminars in one location, usually the capital (e.g. National Environmental NGO Fund, Portugal).

In terms of provision of advice during the application phase, all potential applicants

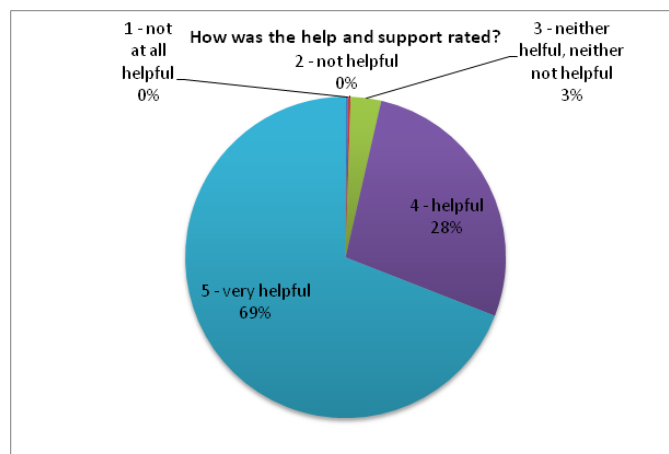
#### **Box 3. Embassies support launches.**

*In **Bulgaria**, at the NGO Fund Launch Conference, organised jointly with the Norwegian Embassy in July 2008, more than 115 Bulgarian NGO representatives as well as representatives of business entities from Bulgaria, ministries and institutions and more than 30 representatives of Norwegian NGOs, were present.*

*In **Romania**, the launch events, organised jointly with the Norwegian Embassy, were one-day events, where the second half of the day was used to organise five parallel thematic workshops (for the five components promoted in Romania), during which the objectives of the components were described, the points of view of Romanian organisations were recorded and contacts facilitated with Norwegian NGOs. Each thematic workshop was chaired by both Romanian and Norwegian resource experts.*

were given the opportunity to submit questions. In Latvia only written communication was possible, but in other cases, individual consultancy was provided. Most respondents (more than 97%) assessed the support of the Intermediaries in the application process as helpful or very helpful (see Figure 6). Examples of efficient support are the use of information seminars to share information on common mistakes made by applicants to the previous calls for proposals (see Box 31, Section 4.4.1) or provision of individual consultancy in sub-project development in Estonia.

**Figure 6 Assessment of support during the application process**



Source: 391 questionnaire responses.

### 3.3.4 Calls for proposals and applications received

In total, 14,810 applications were received,<sup>36</sup> and 1697 sub-projects were approved under the 19 NGO Funds as of 9 February 2010 (see Table 4).

A brief overview of the NGO Fund operation shows that the majority of NGO Funds started in 2007 (12) and 2008 (5), but the number of calls for proposals that were processed in the first period varies. The highest number of calls within one NGO Fund was carried out in Estonia and Poland (5), and Latvia (4). On the other hand, only one open call was launched under the Hungarian Environmental NGO Fund, Latvian Society and Integration Fund, Lithuanian NGO Fund, both Portuguese Funds, the Romanian NGO Fund and the Cypriot NGO Fund. The experience of the Intermediaries was that many applications rejected in the first call for proposals were re-submitted in the following calls.

How the Intermediaries managed the assessment processes and selection of sub-projects for funding will be examined in the next section.

<sup>36</sup> The number does not include applications received by the Hungarian Environmental Fund, or the ones received to the 2<sup>nd</sup> call for proposals under the Romanian NGO Fund.

**Table 4 Overview NGO Funds and sub-projects by beneficiary state in Feb 2010**

Country and NGO Fund		Intermediary status	Start of NGO Fund operation	No. of calls for selected sub-projects	No. of applications	No. of sub-projects
BG	NGO Fund	Consortium of NGO foundations	2008	2	704	61
CY	NGO Fund	Consortium of private bodies	2008	1	114	33
CZ	NGO Fund	NGO foundation	2006	3	1107	181
EE	NGO Fund	NGO foundation	2007	5	768	155
HU	NGO Fund	Consortium of NGO foundations		2	2779	236
	Environmental NGO Fund	Ministry - gov. body		1	-	
LV	NGO Fund	Foundation – public body	2007	4	1111	165
	NGO Fund - Society integration Fund		2009	1		
LT	NGO Fund		2008	1	390	106
PL	NGO Fund – Equal opportunities and soc. Integr.	NGO foundation	2007	3	6765	557
	NGO Fund – Democracy and civil society	Private body	2007	5		
	NGO Fund – Environmental protection and sust. dev.		2007	3		
PT	NGO Fund – Citizenship and human rights	Public agency – gov. body	2007	1	251	30
	National Environmental NGO Fund	Public agency – gov. body	2007	1		
RO	NGO Fund <sup>37</sup>	Consortium of NGO foundations	2008	1	415	46
SK	NGO Fund – social inclusion	NGO foundation	2007	2	235	87
	NGO Fund – human rights	NGO foundation	2007	2		
	NGO Fund – sust. Dev.	NGO foundation	2007	3		
SI	NGO Fund	Inter-governmental organisation	2007	2	174	40
<b>Total</b>				<b>43</b>	<b>14,810</b>	<b>1697</b>

Source: FMO database, interviews with Intermediaries.

### 3.3.5 Assessment and selection of sub-projects for funding

Assessment and selection of received applications followed three main steps:

1. Administrative compliance and eligibility check of applications performed by the Intermediary/Secretariat;
2. Quality assessment of applications performed by the Evaluation Committee;
3. Selection of applications recommended for financing performed by the Selection Committee.

#### *Administrative compliance and eligibility check*

Administrative compliance and eligibility checks were common to all NGO Funds and mainly looked at receipt of the application within the set deadline, completeness of the application, number of copies, eligibility of applicants, partners, size of requested grants, etc. The NGO Funds varied regarding the requirements for supporting documents to be submitted with the application form. For official documents and proofs, applicants were mainly requested to provide statutes of the organisation, registration certificates, documents proving the financial situation of applicants, and proof of paid taxes and

<sup>37</sup> First call for proposals. For the second call for proposals, there were 524 application received within the deadline.



contributions. The ease of collection of requested documents varied as some NGO Funds allowed copies of documents certified by the responsible persons (e.g. two Polish NGO Funds – Environmental Protection and Sustainable Development, and Equal Opportunities and Social Integration), while others requested originals or notarised copies (NGO Fund in Romania). The latter also required partners outside Romania to provide authorised translations. How the complexity of administrative requirements was dealt within the second call for proposals in Romania is explained in Box 4.

**Box 4. Example of assessment - Romania**

*In the first call, 20-25% of applications were ineligible. The administrative compliance and eligibility check were carried out in two stages under the 2<sup>nd</sup> call for proposals. Only the application form and the declaration of the applicant were requested before the selection. The share of ineligible applications fell to 6%. A detailed check was carried out after the technical and financial evaluation phase for those applications only that were recommended for the financing by the Selection committee. The applicants were given a reasonable time to deliver supporting documents. In case an application was not eligible, the next applicant on the waiting list was contacted.*

There was scope to simplify compliance and administrative requirements, and thereby make exceptions to national legislation, for instance in respect of State aid rules (see Section 4.3.2, page 71). The Polish NGO Fund – Democracy and Civil Society defined simplified administrative requirements for the MICRO sub-projects (5,000 to 15,000 €).<sup>38</sup>

Where documents were missing from the application, the Intermediaries requested submission within a defined period of time. Applications that failed the administrative and eligibility check did not qualify for the quality assessment.

**Definition of eligible applicants and partners**

The NGO Fund set-up documents show that eight of the 19 NGO Funds used a definition of an applicant as stated in Article 1 of the NGO Grants Guideline.<sup>39</sup> The other NGO Funds used similar definitions including some of the following characteristics:

- non-governmental organisations existing as legal entities (Poland, Hungary – Environment Fund, Latvia,<sup>40</sup> Lithuania, Portugal, and Slovenia);
- social partners (Poland, Latvia – NGO Fund, and Portugal);
- faith-based organisations (Poland, the Czech Republic);
- operation in the public interest or in the wider interest of society (Slovenia, Portugal, Lithuania, and Latvia);
- not-for-profit operation (Portugal, Latvia, and Slovenia).

The detail of the eligibility criteria used in each beneficiary state is contained in Annex 5.

Although most of the Intermediaries and Focal Points did not identify any major difficulties in defining eligible applicants, in practice the definitions of NGOs and civil societies are not necessarily clearly stipulated in legislation in many of the countries. This has sometimes led to the granting of sub-project funds to organisations that could be considered as outside of the parameters of the grants programme, and in other cases to rejection of applications from organisations that could appropriately be considered as eligible for receipt of funds, but excluded because of lack of clarity in defining what constitutes NGO status.

<sup>38</sup> The only requirements were (i) a statute or another equivalent document defining the goals and activities of the applicant (one duplicate; original or copy), (ii) Extract from the National Court Registry (e.g. original extract) or another relevant registry, confirming the registration date of the applicant's organisation, its legal persons, data of persons with power of attorney issued no earlier than 6 months prior to the date of the application submission (one duplicate; original or copy); and if appropriate; (iii) Legally binding permits required by law, necessary to commence building/investment works (one duplicate, original or copy) – refers only to sub-projects within which investment works are foreseen.

<sup>39</sup> Hungary – NGO Fund, Slovakia (3), Estonia, Bulgaria, Romania, and Cyprus.

<sup>40</sup> There were some issues about eligibility in Latvia, due in part to the current state of legislation defining NGO status.

To highlight a few examples: eligibility of organisations (associations) in Lithuania was broadened during the application process in order not to exclude associations where one or more members were governmental institutions. This however allowed as applicants associations established solely by governmental organisations, such as the Association of Municipalities, which were not eligible applicants in some other countries (e.g. Latvia). In Bulgaria and Romania, churches were specifically mentioned as ineligible applicants, although faith-based organisations were included in Poland and the Czech Republic. Participants in the Focus Group for end beneficiaries in Bulgaria specifically noted that in their view, organisations that were not “indigenous” to Bulgaria should not been included.

A few NGO Funds set very specific additional requirements for applicants, such as:

- to have environmental protection and conservation stated as a goal in their statutes (Environmental NGO Fund in Hungary);
- to have a minimum two years’ experience in the implementation of activities in at least one of the four focus areas of the NGO Fund (NGO Fund Slovakia);
- targeted definitions aimed at issues relating to ethnic minority groups (Society Integration Fund in Latvia).

Seven NGO Funds included requirements about partners in the criteria for applicants.<sup>41</sup> Partner requirements were more relaxed than those for sub-project main applicants, for example, commercial companies could take part in sub-projects implemented in Poland providing that the involvement of the partner was not-for-profit in nature. The position of non-registered community-based organisations as partners was also discussed in a number of countries, such as Romania and Hungary.

### **Quality assessment and selection criteria**

The quality assessment used criteria that had been briefly defined in Annex III of the NGO Fund set-up. Although all the NGO Funds applied a scoring system, there was no unified approach. The Intermediaries developed criteria on the basis of their previous experience with other donor funds and programmes, such as Phare, Open Society, and national programmes. These broad criteria can be summarised as:

- Relevance of the sub-projects;
- Methodology;
- Coherence between the objectives, activities, outputs and results;
- Experience and capacities of the applicants;
- Value for money;
- Sustainability;
- Crosscutting issues.

The NGO Funds differed in the explanation or interpretation of the specific criteria and how they were scored. The Intermediaries assigned a different importance/weight to specific sets of criteria in relation to the total possible score. Some Intermediaries introduced extra points to encourage partnership sub-projects, especially with partners from the donor countries (for example Poland, Latvia, Estonia, Romania, and Slovenia)

The minimum requirements for an application to be recommended for financing also differed. The Polish NGO Funds included a minimum required score for important criteria, such as relevance of the sub-project to the NGO Fund objectives. A minimum total score for a sub-project to be recommended for financing was set by several countries, however the scores differed; in Bulgaria and Lithuania this minimum was set at 60 out of 100 points,

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<sup>41</sup> Democracy and Civil Society Fund, Environmental Protection and Sustainable Development Fund, Equal Opportunities and Social Integration Fund in Poland; Latvian Civil Society Integration Fund, Lithuania NGO Fund, Citizenship and Civil Society Fund in Portugal, and Estonia NGO Fund.

and in Cyprus 50 out of 100. Examples of detailed scoring of criteria are given for Lithuania, Poland and Romania in Annex 6.<sup>42</sup>

### **Assessment Committees and organisation of their work**

The majority of NGO Funds exclusively engaged external experts to carry out the quality assessment of applications. The experts were selected either through an open advertisement calling for applications for these roles, or invited on the basis of their previous experience working with the Intermediaries, or through recommendations from ministries or other funding institutions.

Conflict of interest in relation to assessment of applications is a key issue, particularly in beneficiary states where the NGO sector is relatively small and where knowledge of the sector is important for the assessment role. The treatment of conflict of interest varied. In Lithuania, the minimum standard was that the evaluation expert was not involved in assessment of any application submitted to the same call for proposals by his/her organisation. However, monitoring in Lithuania did raise concerns about conflict of interest there and that the selection committee voted on-line. This was the only country where an on-line assessment committee process was used. In Estonia, an additional check was made to ensure that the assessor had no links with applicant organisations. In Poland, regional aspects were also taken into account, and the assessors could not assess applications from the region in which they lived. Each assessor was required to sign a declaration of impartiality.

In most cases, meetings with the assessors were organised to explain assessment grids and to ensure harmonisation with regard to specific questions.

Often each application was assessed by at least two assessors and in some countries by three (e.g. Estonia). Micro sub-projects, co-financed under the Democracy and Civil Society Fund in Poland, were assessed only once, due to time pressure. Where there were substantial differences in the scores awarded to applications by the two or three assessors, either a discussion was held between the assessors, or, in most cases, an additional and separate assessment was carried out, often by the staff of the Intermediary. Thresholds for score difference between assessors that would trigger an additional assessment varied widely. In Bulgaria, a score difference of 40% was allowed, while Lithuania and Cyprus allowed 25%, Poland 20-30%, and Slovenia 15%. This is a wide difference in threshold scores for reassessment and suggests that some guidance could be given on this issue.

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<sup>42</sup> The Lithuanian NGO Fund used a simple grid covering the main sets of criteria, but there is room for improvement of the assessment questions. For example, under Relevance, there is no direct question regarding compliance of the sub-project with the Fund objectives. The Polish Environmental Fund demonstrates a complex scoring system and covers relevant questions to be observed. In Romania, the criteria were improved for the second call for proposals. Cross cutting issues were not part of the quality assessment.

Specific examples of quality assessment are given in Box 5.

**Box 5. Examples of assessment processes**

**Latvia** - Quality assessment is done by an Evaluation Committee, appointed by the Society Integration Foundation (Intermediary) council on the basis of an open competition (5 persons + 5 substitutes). The Committee is supported by a group of 27 experts who cover all areas of the Fund and have undergone rigorous filters/tests. On average two or three assessments of one application are done by experts, and assessment grids are checked by the Evaluation Committee. If substantial differences are found, experts are contacted to explain. Sometimes another pair of experts is involved; sometimes Evaluation Committee members make assessment themselves. Complex guidelines for quality assessment were developed on the basis of experience gained through implementation of calls for proposals.

**Estonia** - Three members of the Evaluation Committee were proposed initially in the Intermediary bid, subsequently increased to 13. The experts were invited to the Committee on the basis of already established links and recommendations from ministries. The main requirement for the assessor was expertise in priority areas of the call and link with the civil society sector. A prerequisite was no connection with the applicant organisations. The assessors were approved by the Intermediary board. Before an assessment session, a meeting with experts is organised to explain criteria and share lessons learned. After two rounds, guidelines for assessment were prepared. Each application is assessed by three assessors. For the top ranking projects, a meeting with all assessors is organised. They discuss projects, especially those with scoring differences, however the assessors are not forced to change views.

**Poland** – In case of the two NGO Funds – Equal Opportunities and Social Integration Fund and Environmental Protection and Sustainable Development, each application was assessed by two external assessors, who had to carry out their assessment at the Intermediary. Difference in scoring of 20% between two assessors requires third assessment, by the Intermediary. The Steering Committee was given the right to change the position in the ranking list, but in practice they did not intervene in decisions of the assessors. In case of Democracy and Civil Society Fund, applications received under the micro fund were assessed by one external assessor, while applications received under small, medium or large size were assessed by two external assessors. If the overall scoring differed by more than 30% a third external assessor assessed the application.

**Czech Republic**- There are 2 independent external assessors appraising each project proposal using a standard sheet. The average score is then corrected by a ratio coefficient. All sub-projects are then ranked according to score and selected based on allocations for NUTS II (regional), priorities. There is also a list of reserve sub-projects created. The Intermediary has a database of assessors but also launches call for assessors. Assessors are also recommended by ministries and other institutions (National Training Programme, and others). There are selection criteria for assessors (including e.g. professional experience) and training is offered. The final list of assessors is discussed in selection committee, and approved by the Director of The Intermediary. The Intermediary's assessment manual is in use in the Ministry of Environment.

**Decision making on selection of sub-projects**

Beneficiary states applied different approaches to sub-project selection. In most countries, Selection Committees received recommendations for funding from the Assessment Committees and accepted their recommendations. In most countries, the FP staff observe most selection panels and no concerns have been expressed about the decisions.

The formation or appointment of the Selection Committees varied, with two main approaches:

- existing structures/bodies of the Intermediary (boards, councils) took on the role, which was often the case where foundations were the Intermediaries (e.g. Latvia, Estonia, and Slovakia);
- committees were specifically formed for the NGO Fund (e.g. Romania, Poland, Lithuania, Slovenia, and Bulgaria).

As noted above in this section, specific scoring cut off points were used to draw up the list of applications that could be considered eligible for funding, on the basis of the assessment criteria. Clearly, where the number of eligible applications passing that threshold exceeds the funds available, the main task of the selection committee is to prioritise and decide on the final selection of sub-project awards. As noted in the case of Poland above, the Steering Committee could alter the position of projects in the ranking list. This approach is seen in many grants programmes, where there is an interest in funding against a strategic set of criteria, such as regional coverage, or to fund projects

from types of organisations or groups which may otherwise be under-represented in the portfolio of funded projects.

### ***Notification of the applicants about the results of assessment and selection process***

All rejected applicants were informed about the outcome of their application; however, there are differences in the amount of feedback given to the rejected applicants. One of the issues noted by the Intermediary in Cyprus was that NGOs had difficulties in writing clear proposals, and were rejected on the basis of lack of clarity. This is a particular area which can be helped through detailed feedback.

Examples of good practice were the Estonian NGO Fund, the Hungarian NGO Fund, the Czech NGO Fund and the two Polish NGO Funds,<sup>43</sup> where unsuccessful applicants received detailed feedback on why their sub-projects were not approved for funding or what risks were identified that prevented funding. In the Polish NGO Funds, applicants received a detailed assessment of how they had met the criteria and their total scores (but not individual scores per criterion). From the detailed assessment, the rejected applicants had an opportunity to learn about their mistakes, and correct these in submissions made under new calls for proposals. As a result, some applicants who had earlier been rejected won sub-projects in later calls, and the Intermediaries considered this as a good demonstration of the learning process and indirect capacity building.<sup>44</sup> In the Czech Fund, all unsuccessful applicants received a letter informing about formal reasons for rejection but after signature of contracts with successful applicants, the unsuccessful applicants could arrange a meeting (or phone call) with a chairman of a selection committee to find out more details about how their application was appraised.

The best practice Intermediaries tried to emphasise the positive aspects of the applications and made suggestions as to what could be improved for future applications, on the basis of comments and suggestions made by the assessors. Where applicants were still not happy about the initial feedback, Intermediaries exhibiting the best practice allowed requests for further information. Intermediary staff also advised on opportunities from other more appropriate funds. Good practice suggests, as the Polish example demonstrates, that a failure to achieve grants can be used as learning for applicant organisations and in strengthening the capacities of NGOs in applying for grants.

### ***Approved sub-projects compared to number of application.***

From the 14,810 applications received (as at February 2010), 1697 sub-projects were approved. Across the entirety of the 19 Funds, this is an approval rate of 9.5%. However, this overall rate hides some significant differences. Although the data given below is not disaggregated for specific Funds in all countries, an overall country approval rate compared to the number of applications can be arrived at. This ranges from 37% in Slovakia to 8.2% in Poland. The percentage of successful applications to the number of applications received may be a function of a number of variables, including the ease of the application process, where a less complex process could encourage more NGOs to apply, the clarity of the criteria,<sup>45</sup> to the availability of other funds to the NGO sector.

The significant number of applications in many countries would suggest that these NGO Funds are filling an important funding gap. It may also suggest that tighter criteria could be drawn for the Funds. However, no firm conclusions can be drawn from this data at this

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<sup>43</sup> Environmental Protection and Sustainable Development Fund and Equal Opportunities and Social Integration Fund.

<sup>44</sup> This was also apparent with the Hungarian NGO Fund.

<sup>45</sup> Other funds that members of the core team have evaluated have demonstrated that where schemes are widely publicised, criteria are broadly drawn, and appear to offer access for a wide variety of applicants and sub-projects, the number of applications rises and the ratio of successful applications to the total number of applications falls (see, for instance: Ministry of Justice Innovation Fund Evaluation (UK), Christine Forrester and Sarah del Tufo, November 2009).

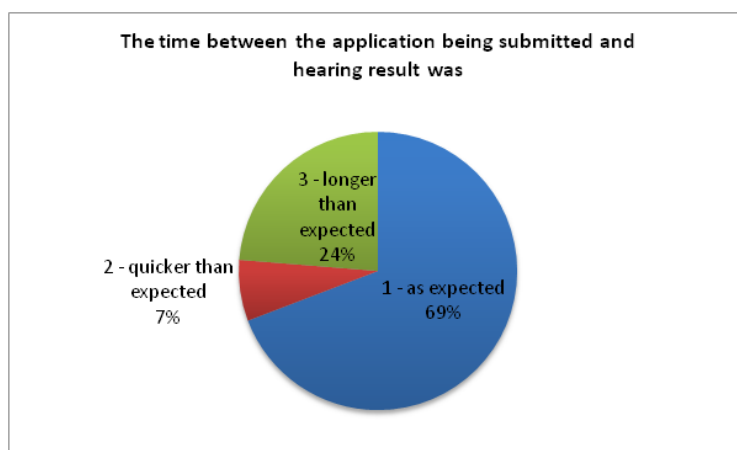


stage. Further analysis of unsuccessful applications in each beneficiary state would enable a more detailed analysis of the possible reasons for the low ratio of successful applicants to the overall number of applications, but this was not undertaken for this evaluation.

### **Overall time frames for the assessment and decision-making process**

NGO Funds set different time frames for the completion of the assessment and decision making processes. In Estonia, this was approximately two months, and in Latvia four months. For more than half the questionnaire respondents, the application process was completed within the expected time, while for a quarter of respondents it took longer than expected (see Figure 7). From the responses to the questionnaire, the process was finished in the expected time in Bulgaria, the Czech Republic, Hungary NGO Fund,<sup>46</sup> Slovakia, Poland, and Latvia. In Lithuania, the process lasted longer due to public controversy as many rejected applicants complained about the selection results, which resulted in the suspension of the selection process. However, after investigations, the National Monitoring Committee found no irregularities in the processes and confirmed the ranking list.

**Figure 7 Expectation of time to process applications**



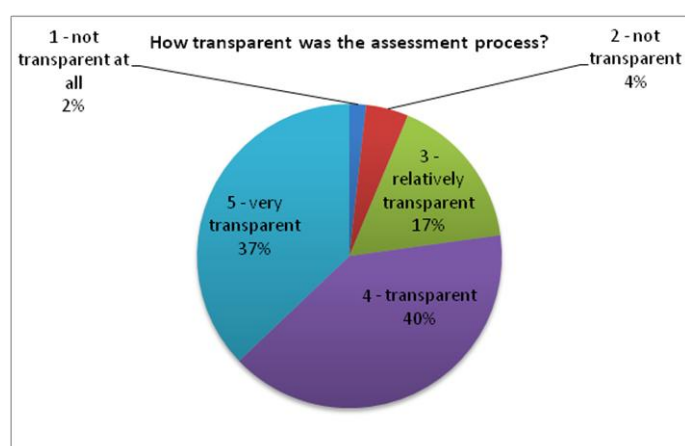
Source: 409 questionnaire responses.

Time frames should be reasonable, to allow both sufficient time for applicants to prepare applications and for thorough and detailed assessments to be carried out, without undue time pressures on assessors. Where applicants are informed in the application packs as to the expected time when they will hear about the results of their applications, as far as possible these time frames should be adhered to. That nearly 25% of applicants noted that the time frame was longer than expected suggests that either time frames were unrealistic when advised to applicants, or that delays in the processes precluded timely decision-making.

### **Transparency of assessment process**

Just over three-quarters of questionnaire respondents saw the assessment process as transparent or very transparent (see Figure 8). The 6% of respondents, who assessed it as not transparent or not transparent at all, were from Slovenia, Bulgaria, Czech Republic, Poland, Latvia, Portugal and Hungary. This is a very small percentage, and as it is distributed across a number of countries, suggests that overall, the processes were transparent. The distribution of assessment criteria with application forms, and also detailed feedback to unsuccessful applicants, are important in ensuring the transparency of processes.

<sup>46</sup> But not the Hungarian Environmental Fund.

**Figure 8 Transparency of assessment process**

Source: 399 questionnaire responses.

### Overall views on the application process

Overall, respondents mainly noted that the application process was comparable to that of other funders, and in particular that it was simpler than that of the EU funds (noted across a number of countries) but more complex than those of some independent foundations (such as Trust for Civil Society in CEE). A number of specific examples of comments are given in Box 6. It is noted that some comments specifically mention that in some countries, the process was not easy for some types of NGOs.<sup>47</sup> As the types of NGO commenting that the processes were complex have not been disaggregated in the analysis, it is not possible to extrapolate whether larger and more experienced NGOs experienced fewer difficulties than smaller NGOs.

From the perspective of the Intermediaries, practically all of the NGO Funds were faced with a large number of applications, and the majority of these have undergone both the administrative compliance and eligibility check, and the quality assessment process. This proved to be costly and time consuming. Some Intermediaries are therefore already considering alternative approaches, for instance introducing a two-stage application process, with an initial

#### Box 6. End beneficiary comments on application process

- BG: Simpler than EU programmes and more complicated compared to US donor programmes (Trust for Civil Society in CEE, Balkan Trust for Democracy), guidelines and application form were clear enough compared to other programmes;
- CY: Easy and understandable, faster and effective, better than other application procedures; minor problems mentioned regarding request for specific documents, delays in releasing details of successful end beneficiaries.
- CZ: Easier than EU Structural Funds, more demanding compared to Czech donors, administratively demanding;
- EE: Similar to others, smooth, easy and understandable, quick and professional, but to some end beneficiaries also difficult, complicated, requesting many details and with repeating questions.
- HU NGO Fund: Simple, easier, quicker, flexible;
- LT: No significant differences, long evaluation process,
- LV: High competition, but the application process is clear and simple, understandable; but to some respondents also complicated and in some parts more bureaucratic than other programmes;
- PT: Comparable, easy, but to some NGOs also complex and demanding;
- PL: Simple and clear; user friendly, comparable, transparent, less formalised
- RO: Simpler, better, comparable, but to some respondents also more complicated;
- SK: Comparable, quicker, user friendly application process;
- SI: More requirements than financing from national budget, better conditions of the grant, good organisation.

<sup>47</sup> It should be noted that in Slovakia, the application process was viewed positively by respondents, and it was post grant award administration that was identified as problematic.

outline submission, to be followed by a full application. As an example, under the third call for proposals of the Hungarian NGO Fund, applicants were requested to submit sub-project ideas as outlines or expressions of interest. These were assessed, and successful applicants at this first stage were invited to participate in a project development workshop. Following this workshop, they were invited to submit full proposals.

### 3.3.6 Contracting process

For most of the NGO Funds, the contracting process was carried out efficiently and smoothly. Exceptions were the Hungarian Environmental Fund and the Lithuanian NGO Fund,<sup>48</sup> both of which experienced delays. There was a nine-month delay in finalising the contracts under the Hungarian Environmental Fund due to differences in the interpretation of rules, procedures and responsibilities between the Focal Point and the Intermediary.<sup>49</sup>

The contracting phase usually included the checking of sub-project budgets, and negotiations with end beneficiaries in relation to any conditions set by the Selection Committees. In Romania, the Intermediary made pre-contracting visits wherever a potential risk was indicated, and assessors could recommend these visits. Some Intermediaries introduced a regular practice of checking for double funding from other donors and programmes, but this was not characteristic for all NGO Funds.<sup>50</sup> In Bulgaria, double funding checking was undertaken by the Intermediary, who contacted all donors working in the country and supporting similar activities including Managing Authorities of the Operational Programmes. This was time-consuming and led to delays in signing contracts. The risk of double financing was probably not serious, as there were not many financial resources available for NGOs at that time; however this risk may increase in the new financial period, with new donors (such as the Swiss contribution) coming to the beneficiary states.

For most NGO Funds, the contract was signed between the Intermediary and the end beneficiary. In Slovenia, the grant contract was signed between the Intermediary, the Focal Point and the end beneficiary. In Lithuania, the contracts were signed between the Intermediary, the Secretariat and the end beneficiary. To a certain extent this shows a difference in the level of responsibility given to Intermediaries, and is partly linked to the arrangement of financial flows as explained earlier.

### 3.3.7 Co-financing arrangements

As a general rule, the NGO Funds required a 10% contribution to the financing of eligible costs - these contributions were provided by end beneficiaries and could be in funds or 'in-kind'. All NGO Funds allowed 'in-kind' co-financing by the end beneficiaries. Only the NGO Fund in Bulgaria had different arrangements from the NGO Fund-set up. The share of 'in-kind' co-financing was defined either as a percentage of the end beneficiary's co-financing or as a percentage of total eligible costs, and ranged from 2% to maximum 20% of total eligible costs.

Countries developed their own solutions and procedures for checking and approving the 'in-kind' contribution and were sometimes faced with difficulties due to lack of experience in this area. In Romania, 'in-kind' contributions (except for voluntary work) needed to be evaluated by an independent authorised expert. In Latvia, maximum rates were set for as proxy hourly fees for volunteers, and income and expenses of the 'in-kind' work had to be

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<sup>48</sup> The reasons for delays in Lithuania are given under section 'Overall time frames ...', page 22.

<sup>49</sup> This delay and other complications with this Fund led to the setting up of the separate NGO Fund in Hungary.

<sup>50</sup> In Portugal, approved applications were cross-checked with the projects financed by the European Social Fund, National Social Security Institute and Portuguese Youth Institute. In Estonia, approved sub-projects were checked with the National Foundation for Civil Society and other donors were also informed; the Intermediary checked the applications with other funds and measures for which they are responsible.



evidenced from accountancy records. In Slovakia end beneficiaries have to show co-financing not as a sum across a year, but for every month of the year, which caused difficulties, and consequently they did not use the 'in-kind' contributions at all because of their concerns about levels of proof.

### 3.3.8 Payments to end beneficiaries

All NGO Funds used some type of advance payment to end beneficiaries, which could be made up to 80% of the total grant, but the arrangements differed. An analysis of payment systems is given in Annex 8. Common solutions were as follows:

- for small-scale sub-projects, an 80% advance was paid after signature of the contract (Estonia, Poland);
- the majority of grants were paid in advance, but instalment procedures were used, that were defined according to the size of a grant, sub-project duration, etc. If the sub-project duration was more than one year, the advance payment was usually paid out in two or more instalments.

The end beneficiaries and Intermediaries agree that the possibility of advance payment was of key importance for the NGOs to be able to implement sub-projects.

Some NGO Funds requested guarantees for receipt of an advance payment (Lithuania). In most cases, the first advance payments were paid out relatively quickly, but differences exist. In Romania, an advance payment was executed within 30 days after start of the contract (not signature of the contract), and normally it was paid out in 3-4 days; in Latvia it took up to 10 days; in Estonia 5 days; in Hungary one week under the NGO Fund and 60 days under the Environmental NGO Fund with other delays reported; and in the Czech Republic within 15 days. Some delays occurred in Lithuania, where payments were made in 5-6 weeks.

Nearly two thirds of respondents did not experience any delays or problems in receiving grant instalments (advance and further instalments), while 16% did. Some delays were reported in Slovenia, Latvia, Lithuania,<sup>51</sup> Poland, and a severe delay of 6 months in Portugal, where in addition, there are still open issues related to the payment of the yearly national contribution (15%) to the Environmental Fund Intermediary. There was an agreement made on the signing of the MoU that the Paying Authority would support the contribution as the Intermediary itself has no state budget for the NGO sub-projects, however this obligations has not yet been fulfilled.

Very few respondents reported delays in Hungary in relation to the NGO Fund,<sup>52</sup> Romania and Bulgaria. It should be noted that these three NGO Funds were managed by NGO Intermediaries directly contracted to the FMO, received their funds directly from the FMO, and were empowered to make payments to the end beneficiaries without the intervention of a state agency.

Implementation systems differed in other countries in the arrangement of the money flow to the end beneficiaries. For the majority of NGO Funds, payment to the end beneficiaries was the responsibility of the Intermediary and the most common system was where the Intermediary received funds for re-granting from the Paying Authority upon receipt of the money from the FMO. There were some exceptions where payments to end beneficiaries

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<sup>51</sup> In Lithuania, the end beneficiaries received payment after 5-6 weeks from the date of submitting the payment claim on average (depending how accurately they filled in the payment claims). The first payment claims took a bit longer to process. The Secretariat and Ministry of Finance have put in place certain measures to simplify the payment procedure and to reduce the time between the submission of payment claim and actual payment (from 5-6 weeks to 2-3 weeks). Partial payment was introduced, i.e. the whole payment is not withheld due to mistakes or missing documentation. This speeded up the process.

<sup>52</sup> Some were the fault of the end beneficiary.

were made directly by the Paying Authority. Interviews indicated that these systems usually took more time and were therefore less efficient than the arrangements in Romania, Hungary and Bulgaria, which were seen to be the most efficient and to result in the least delays in payment. Examples are presented schematically in Annex 8, together with processing of Project Interim Reports (PIR).

### 3.3.9 Reporting arrangements at the sub-project level

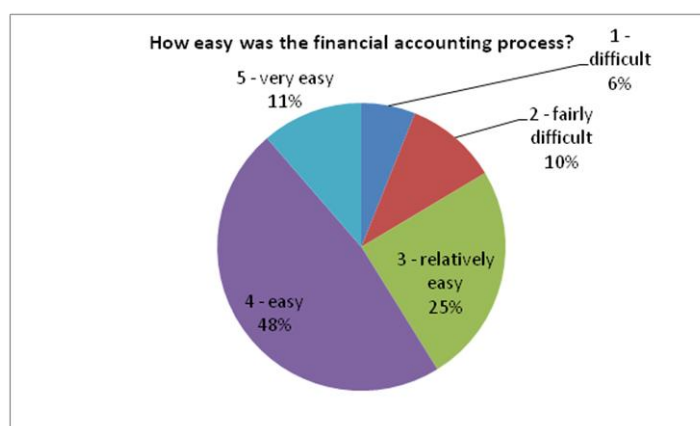
In general, all of the NGO Funds set similar requirements regarding reporting. In most cases quarterly reporting was agreed; however, in Hungary, the Environmental NGO Fund introduced 6-month reporting. A sub-project completion report was also required in all countries. There were differences in the amount of documentation that was required to be submitted with reports, but most of the NGO Funds required full technical and financial reports in each reporting period.

However, some NGO Funds employed simplified procedures,<sup>53</sup> and this required full engagement of the end beneficiary and Intermediary from the very start, to establish proper sub-project administration to avoid later problems that could arise because of lack of evidence. Some NGO Funds have made reporting for small-scale sub-projects a little less demanding (fewer reports were required, but with the same reporting formats).

The periodicity of sub-project reporting is critical. Where six-monthly reporting was used in the Hungarian Environmental Fund, and sub-project monitoring visits were only made after the submission of the first report, any problems arising in project implementation were only picked up late. As monitoring and reporting are the key means by which sub-project progress can be measured and any problems dealt with in a timely fashion, six-monthly reporting may be too long for effective sub-project support.

The specified financial accounting procedures did not appear difficult for the end beneficiaries to establish, with 84% of respondents having found it very easy, easy or relatively easy, while for only 16% it was fairly difficult or difficult (see Figure 9).

**Figure 9 Ease of accounting process**



Source: 396 questionnaire responses.

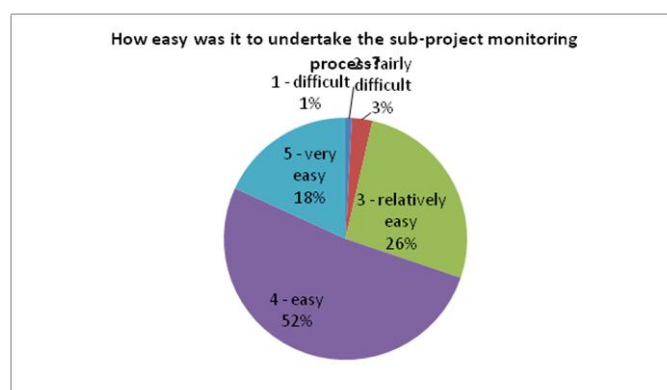
<sup>53</sup> In Poland, financial reporting required end beneficiaries to provide only a table of expenses clearly showing an audit trail without supporting documents. These are part of on-the-spot checks. In Latvia, quarterly reporting was simplified. An informative implementation report with an extract from the accountant books was required. The Intermediary was obliged to check the report within 10 work days (usually it is done in 5 days). Supporting documentation related to content and finance was submitted only once with the final report. It was estimated that 85% of sub-project final reports were processed in 70 days.

Support to enable end beneficiaries to meet the financial reporting requirements was said by 91% of respondents to have been made available. The 9% of respondents who felt that they did not receive support, came from all the beneficiary states except the Hungary NGO Fund, Latvia and Romania. The wide country spread does not suggest any specific failures on the part of any individual Intermediary. All of the Intermediaries, however, would state that they offered help with the reporting process.

### 3.3.10 Monitoring and evaluation

In the main, respondents did not find it difficult to undertake the sub-project monitoring process (see Figure 10).

**Figure 10 Ease of monitoring**



Source: 364 questionnaire responses.

Three quarters of the 355 respondents were able to access support to carry out sub-project monitoring, but one quarter stated that they did not receive support. More than half of those not able to receive support thought that this would have been helpful. The 25% of respondents, who felt that they did not receive support, came from all the countries except Latvia and Romania. Again, the wide country spread does not suggest any specific failures on the part of any individual Intermediary. All of the Intermediaries, however, stated that they offered help with the monitoring process.

There was no common approach to the monitoring of sub-project achievements at the level of NGO Funds. Intermediaries developed their own systems for monitoring and selected certain indicators, on which sub-projects were required to report during project implementation. Intermediaries were aware that the aggregation of results was not always easy, as the sub-project activities differed significantly.

As well as different reporting arrangements, Intermediaries also developed different approaches to carrying out on-the-spot monitoring, with visits to sub-projects. Some decided to carry out at least one sub-project visit within the project lifetime, others set a minimum proportion of end beneficiaries to be visited. In such cases, priorities for visits were usually determined after the receipt of the first reports, when sub-projects with potential risks were identified.

In Portugal, monitoring activities have been particularly affected by a low level of sub-project completion, resulting from the fact that end beneficiaries so far have only received 25-30% funding. Although the relationship between the end beneficiaries and Intermediaries has been positive and constructive, frequent modifications and lack of clarity in reporting procedures has been exacerbated by delays in payment, which has created some tensions between them. The end beneficiaries have been placed in a difficult situation, which may cause serious difficulties in the effective completion of the sub-projects.

According to responses to the questionnaire, 65% claimed to be required to carry out evaluation work, and 63% of those were provided support; however, 16% of the respondents did not reply to this question. In relation to this response, much depends on what has been understood by the term "evaluation" as evaluative evidence of the difference being made by the projects is not readily available in most of the beneficiary states. So far not many Intermediaries have carried out any external evaluation work. The exceptions are Poland, where an external evaluation of the Democracy and Civil Society Fund was undertaken, and in Hungary, for the NGO Fund. The NGOs in Latvia with support of the Norwegian Embassy and Society Integration organised an evaluation of the NGO Funds in late April 2010. An evaluation is planned in the Czech Republic.

Some analytical work on data has been undertaken, however, with statistical analyses of the calls for proposals (for instance in Romania, Poland and the Czech Republic); and in Latvia, the Intermediary has carried out an external analysis of the opinions of the applicants and end beneficiaries about the NGO Fund.

The FMO also carries out monitoring, with regular reports on implementation of the NGO Funds, and has commissioned evaluation work, including this current evaluation.

### **3.4 MANAGEMENT OF THE NGO FUNDS**

This section examines how the Intermediaries were appointed and how they performed, with a focus on the support to end beneficiaries and arrangement of reporting and payment at the sub-project levels.

#### **3.4.1 Contracting of Intermediaries**

Intermediaries had a crucial role in setting up and managing the NGO Funds. They were selected in two ways:

- a) Public procurement procedure: Cyprus, Bulgaria, Czech Republic, Estonia, Hungary NGO Fund,<sup>54</sup> Poland, Romania, Slovakia, and Slovenia.
- b) Direct appointment: Latvia, Portugal, Hungary Environmental Fund, Lithuania.<sup>55</sup>

The Intermediaries selected following the public procurement procedure are mainly organisations that can be defined as non-governmental, not-for-profit organisations (NGOs or foundations or the Regional Environmental Center for Central and Eastern Europe, a public organisation of international character, independent from the direct influence of governments on its operations and fulfilment of its mission).<sup>56</sup> Consortia of partner organisations act as the Intermediaries in Romania, Bulgaria, and Hungary (NGO Fund). Private sector bodies were engaged for the implementation of three NGO Funds - the Environmental and Equal Opportunities and Social Integration Funds in Poland and the NGO Fund in Cyprus.

Ministries were engaged as Intermediaries for the NGO Funds in Lithuania and in Hungary for the Environmental NGO Fund. In Portugal, one Intermediary is a public agency within the Ministry of Environment and Territorial Planning and the other is a public agency under the Secretary of State for Equality. In Latvia, the Intermediary is a public foundation established by the government. In total, six of the 19 NGO Funds were managed by public (governmental) bodies acting as Intermediaries in four beneficiary states.

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<sup>54</sup> The four NGOs in the consortium acting as the Intermediary for the Hungarian NGO Fund were all approached individually and asked to apply to the FMO. Discussions with the FMO allowed the formation of the consortium.

<sup>55</sup> In Lithuania the institutional structure for the NGO Fund differs from all other NGO Funds as the Focal Point also acts as the Intermediary. The Intermediary is supported by a Secretariat, which was selected on the basis of a public procurement procedure.

<sup>56</sup> Their specific legal status depends on the legal frameworks and jurisdictions within which they operate.

There were three NGO Funds for which the FMO directly contracted the Intermediaries (Romania, Bulgaria and Hungary NGO Fund), while for other Funds the contracts were signed between the Focal Point and the Intermediary.

### **3.4.2 Intermediary performance**

#### ***Operating in the country context***

FMO guidelines describe the responsibilities of the Intermediary to a certain extent. However, the different national frameworks and contexts within which the Intermediaries operated, and some differences in the interpretation of guidelines and documentation did influence and affect the performance of the Intermediaries. Legislation or regulations in some countries, such as Latvia, required the conformity of the NGO Funds to the processes and compliance requirements of the main EEA and Norway Grants, or conformity with other funding programmes, such as the EU Structural Funds.

Some difficulties were also experienced in the understanding, and clarification of the responsibilities and roles of the institutions involved in NGO Fund management.<sup>57</sup> In some countries, there were differences of interpretation of the guidelines. Where there was no direct communication between an Intermediary and the FMO, and the Focal Point had responsibility for communicating interpretations to the Intermediary, this in some instances did cause problems. In some cases, Intermediaries reported unreasonable requirements placed on them, in the name of fulfilling FMO rules, which appeared to be an interpretation by the Focal Point of these guidelines, rather than the actuality of the FMO guidelines. However, both Focal Points and Intermediaries noted that the FMO guidelines appeared to be unclear and open to interpretation.

#### ***Flexibility***

How much flexibility could therefore be introduced into the management of the NGO Funds, with consequent effects on performance, therefore depended on the relationship of the Intermediary to the FMO, to the Focal Point and to any other intermediary agencies involved, such as a national Paying Authority. Public bodies (ministries and governmental agencies) usually needed to follow set internal administrative procedures, which can lessen the flexibility available to them in the management of these types of funds, both acting as Intermediaries and also in their role as other state bodies with overall responsibility for the Funds; however, this cannot be set as a rule. Whilst it is important to ensure that appropriate control measures are in place to guard against misappropriation or corrupt use of funds, the burden on NGOs, both in applying for grants and in implementing sub-projects has been seen as excessive in some countries. In relation to flexibility, there were also national procurement laws to be considered. However, over-burdensome bureaucracy does not necessarily equate with efficient Fund management

The interviews with Intermediaries and Focal Points in Slovakia and Hungary (Environmental Fund) indicated that these NGO Funds faced difficulties as a result of the Intermediaries being obliged to follow the regulations set for EU funding (especially the

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<sup>57</sup> In Portugal there was a delay of 6 months on average in payments to end beneficiaries due to different interpretation of the MoU between the Intermediary and the Paying Authority. Only in December 2009 was a document produced that defined the communication flow and responsibilities between the FP, Paying Authority and Intermediaries, but apparently this has not contributed significantly to solving the payment issues. The structure of the Funds, the organisational model and responsibilities of the involved actors are not clear in practice, which ultimately negatively affects the efficiency and effectiveness of the end beneficiaries. In Hungary, the Environmental NGO Fund experienced a 9-month delay in the contracting phase due to different interpretation of rules, procedures and responsibilities of the Focal Point and the Intermediary.

Structural Funds).<sup>58</sup> In Portugal, one of the Intermediaries noted that the Fund management by the Focal Point and, in particular, by the Paying Agency, was close to the model of the European Social Fund, where reimbursement of expenditure and not advance payment is the norm. The Paying Authority that deals with NGO Funds in Portugal is also managing the European Social Fund and has shown difficulties in incorporating the advance payment system of the NGO Funds into its processes, which has led to major delays in the execution of advance payments to sub-projects.

There has been some good practice identified as well, which has demonstrated how flexibility in NGO Funds management has been able to benefit the sub-projects. The Intermediary in Romania found implementation of the NGO Fund to be a significantly better experience than that of previous public funds. It was able to obtain specific facilities for the NGO Fund grants:

- Permission to make payments in Euro, in order to avoid exchange rate differences and related losses for end beneficiaries;
- Exemption from the provisions of the public procurement law, which can be very difficult to apply in terms of paperwork and procedural deadlines;
- Exemption from the legal provisions concerning state aid.
- Where the funding comes into the state budget but is treated separately as funding from a foreign donor - a ring-fenced National Programme

Flexibility in management is therefore likely to have had an effect on the performance of the Intermediaries. Particularly in Hungary and Romania, where a consortium of NGOs acted as the Intermediary, the Fund management was regarded as efficient, due in part to their use of a flexible and less bureaucratic implementation system. It was possible for this to be introduced as these consortia were directly contracted by the FMO.

### ***Different types of Intermediaries***

The establishment of an NGO consortium as the Intermediary has many benefits, and these were seen in the countries where these operated. The combined knowledge and experience of NGO partners from different thematic areas or regions, increases the knowledge available for the grant-making process. However, tasks must be clearly allocated and defined between the partners, and co-ordination ensured, otherwise there is a risk of an inconsistent approach. In the countries where consortia worked as the Intermediaries, good practice in working in partnership in a consortium was seen, and there was both efficient and effective management of all of the Fund processes.

Good management efficiency for both Intermediaries in Poland (one an NGO, one a private company) was recognised by end beneficiaries as well as by the Norwegian Embassy and Focal Point. The end beneficiaries stated that the private company had lacked sufficient understanding of NGO sector at the start, but they learnt very quickly and proved to be responsive and supportive to the NGOs. These comments need to be viewed in the context of the established implementation system. Although the Intermediaries were appointed by the Polish Focal Point, there was no double or triple administrative and financial controls undertaken by different bodies, and payment processes to NGOs proceeded smoothly, avoiding cash flow problems for the sub-project implementers.

Where more than one NGO Fund operated in a beneficiary state, with different Intermediaries, interviews with the Intermediaries indicated that there was not much communication and exchange of experience between them. The few meetings that were organised at international level for the Intermediaries within the EEA and Norway Grants

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<sup>58</sup> In Slovakia, the government decided to harmonise procedures for all financial mechanisms in order to enable end beneficiaries to use identical reporting regardless of the financial sources and to avoid exclusion of some potential end beneficiaries. This has resulted in an administrative burden for all funding comparable to EU funds.



were much appreciated (e.g. conference organised by FMO in Oslo in May 2009), as enabling an exchange of information that could assist with the development of efficient practice.

Some countries, such as Estonia and Slovakia, have developed practices of managing information flow and coordination between Intermediaries and a number of different stakeholders,<sup>59</sup> which are intended to assist efficient management of the NGO Funds.

### **Support to end beneficiaries in implementation**

All Intermediaries supported the end beneficiaries in the implementation of their sub-projects. The main types of support included:

- consultancy and advice regarding implementation (individual, phone, e-mail, visits)
- organisation of specific seminars (e.g. procurement, accounting);
- regular publication of frequently asked questions (FAQ);

The majority of end beneficiaries who returned the questionnaires appreciated the assistance provided by their Intermediaries. Again in the Focus Groups and interviews this support was noted. However, some end beneficiaries assessed the support being provided to them as not as efficient and effective as it could be (see Box 7). Effective support of end beneficiaries can ensure that sub-projects keep on track and deliver results, as well as assisting with the capacity building of the end beneficiaries. Where there are specific contractual obligations required of end beneficiaries, good practice suggests that workshops on these obligations, such as procurement, accounting and monitoring and reporting, can help to ensure contract compliance. These workshops were a feature of the stronger Intermediaries.

#### **Box 7. Quality of assistance provided by Intermediaries**

##### **Positive**

- the Intermediary is very keen in assisting the end beneficiaries, the staff are supportive, flexible, easy to communicate with (*Latvia*);
- the Intermediary has provided quick and prompt replies to clarification questions and that they have maintained full availability, competent advice, flexible and open (*Romania*);
- the Intermediary treated applicants and beneficiaries as equal partners, it was always available for questions, it knew the NGOs, the status of the sub-project, there was a permanent communication with beneficiaries, therefore a simplified reporting system was enough and it could be more flexible with any change in the sub-project. Times schedules were always met (*Hungary NGO Fund*).

##### **Negative**

- Different interpretation occasionally of management procedures between the central and regional partners (*Romania*);
- Sometimes insufficient understanding of NGO specificities (*Latvia*);
- Slow response, and delays (*ENV Fund Hungary*);
- Administration of the sub-projects is demanding and complicated, and the requirements for large and small sub-projects are the same (*Lithuania*).

### **Overall efficiency of Intermediary management arrangements**

The majority of the Intermediaries were recognised by key stakeholders, the Focal Points, the Donor Embassies, and the end beneficiaries as operating in an efficient and satisfactory way. The only exceptions to this were the Hungarian Environmental Fund, and the Citizenship and Civil Society Fund in Portugal.

<sup>59</sup> In Estonia, a Steering Committee was set up as a counselling body. It has no decision-making power, but gives advice in practical matters, such as publicity, application forms, and irregularities. Its members inform each other about activities. Composition: Open Estonia Foundation board representative (Intermediary), Focal Point, Norwegian Embassy, NGO representative, Ministry of Internal Affairs (responsible for the NGO sector). The meetings are more of an informal nature and take place approximately twice a year. In Slovakia, following difficulties in the implementation and harmonisation of procedures, a working group consisting of all the Intermediaries, the National Focal Point and the Paying Authority was set up. The group has met every three months since December 2008 to solve deficiencies, and to identify improvements/simplifications for the future programming period.

### 3.5 ACHIEVEMENT OF NGO FUND OBJECTIVES

This Section examines the achievement of overall NGO Fund objectives and the objectives at sub-project level.

The majority of sub-projects are still in progress and their results are not available yet. However, some indications of results were offered by Intermediaries and by the end beneficiaries that responded to the questionnaires. Table 5 shows the percentage of sub-projects completed and the percentages of returned questionnaires, which demonstrates the validity of findings from the completed sub-projects. The situation differs strongly between countries, and details are described by country and NGO Fund in Annex 3. First, an overview is presented in the next Section, 3.5.1; and then a description of the progress in capacity building is given in Section 3.5.2; the results by sub-sector in 3.5.3, and visibility of NGO Funds in 3.5.4.

**Table 5 Sub-projects completed, by country**

Country	Completed sub-projects	Uncompleted sub-projects	% of sub-projects completed	Number of questionnaire responses for completed sub-projects	% of questionnaire responses of completed sub-projects (of completed sub-projects)	% of questionnaire responses of completed sub-projects (of all sub-projects)
BG	4	57	6.6	2	50.0	3.3
CY	0	33	0.0	0	0.0	0.0
CZ	91	121	42.9	16	17.6	7.5
EE	79	76	50.9	17	21.5	11.0
HU	64	172	27.1	9	14.1	3.8
LV	73	92	44.2	9	12.3	5.4
LT	0	106	0.0	0	0.00	0.0
PL	329	228	59.1	70	21.3	12.6
PT	0	30	0.0	0	0.0	0.0
RO	1	45	2.2	1	100.0	2.2
SK	6	81	6.9	1	16.7	1.1
SI	19	21	47.5	7	36.8	17.5
ALL	666	1062	38.5	132	19.8	7.7

#### 3.5.1 Overall achievement of objectives

The strategic level objective of the EEA and Norway NGO Grants to reduce social and economic disparities cannot be expected to be achieved through the NGO Funds in each beneficiary state, as NGO sectors by their very nature cannot be prime instigators of strategies and initiatives that will lead to this reduction. NGOs can only be part of the solution, but the strengthening of NGO capacities can in the longer term serve to highlight and contribute towards the solution of societal problems. It is within this context that the overall achievement of objectives needs to be seen.

The results achieved cover a wide range of different thematic areas. The only common results reported for nearly all NGO Funds are NGO institutional capacity strengthening and increased public awareness. Themes covered in awareness raising campaigns included all the sectors supported by the FMO, but not in all countries.

The majority of the results reported were specific to individual sub-projects spread over 36 different thematic areas and these were difficult to aggregate under the NGO Funds' overall objectives. The contribution to a higher objective is also difficult to estimate because the sub-projects were mainly small (with only 8.3% of sub-projects having budgets of more than €100,000 (139 sub-projects in Poland and two in Portugal), and spread across a wide geographical area. However, despite the small scale of many sub-projects, the feedback provided by different stakeholders in each beneficiary state noted



that the results of these small sub-projects were important for local communities, in ensuring and maintaining the presence of active NGOs at a local level. By enabling applicants with less capacity, the NGO Funds penetrated to local environments, through supporting grass-root NGOs and their sub-projects aiming to solve local problems. In addition to this local impact, there is some evidence of advocacy work and public awareness in terms of developing new legislation and national media awareness campaigns, though this will take longer to evidence.

Table 6 provides an overview assessment of the achievement of NGO Fund objectives in each beneficiary state, together with an indication of results in capacity building, and increasing public awareness, and the percentage of questionnaire respondents that believed that they had achieved their sub-project objectives reasonably, well, or very well. This table is however based on relatively subjective views, rather than on an independent detailed examination of the results of all of the funded and completed projects in each beneficiary state. The perceptions of the end beneficiaries are their own and may over- or under-estimate their achievements or longer-term impact. Also they may be based on achieving the planned outputs rather than outcomes and impact.<sup>60</sup>

**Table 6 Self evaluation summary of sub-projects, of their perceived achievement of NGO Fund objectives**

Beneficiary state and NGO Fund		Capacity built	Public awareness raised	Evaluation of achievement of overall NGO Fund objective	Questionnaire respondents view of success			
					No.	% mod.	% good	% very good
<b>BG</b>	NGO Fund	✓	✓	✓✓✓	30	6	87	6
<b>CY</b>	NGO Fund	-	-	-	-	-	-	-
<b>CZ</b>	NGO Fund	✓	✓	✓✓	44	57	39	5
<b>EE</b>	NGO Fund	✓	✓	✓			7	12
<b>HU</b>	NGO Fund	✓	✓	-				
	Environmental NGO Fund				55	25	34	40
<b>LV</b>	NGO Fund	✓	✓	✓✓✓				
	NGO Fund - Society Integration Fund			-	17	6	65	29
<b>LT</b>	NGO Fund	✓	✓	✓✓	20	25	40	35
<b>PL</b>	NGO Fund – Equal Opportunities and Soc. Integr.	✓	✓	✓✓	110	8	66	25
	NGO Fund – Democracy and Civil Society	✓	✓	✓✓				
	NGO Fund – Environmental Protection and Sust. Dev.	✓	✓	✓✓				
<b>PT</b>	NGO Fund – Citizenship and Human Rights	✓		✓				
	National Environmental NGO Fund	✓		✓				
<b>RO</b>	NGO Fund	-	-	-	-	-	-	-
<b>SK</b>	NGO Fund – Social Inclusion	✓		✓	20	20	60	30
	NGO Fund – Human Rights	✓	✓	-				
	NGO Fund – Sust. Dev.	✓	✓	✓✓				
<b>SI</b>	NGO Fund	✓	✓	✓✓	9	1	3	55

<sup>60</sup> Outcomes, the difference the sub-projects and the NGO Funds make; outputs, the numbers of activities, people involved, pamphlets written etc.

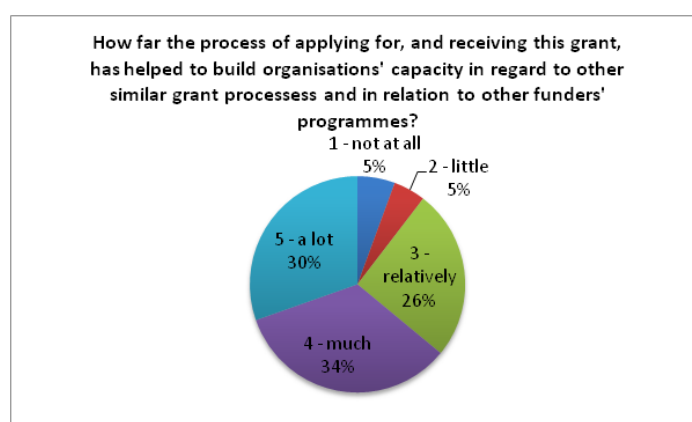
Much depends on whether “success” for the NGO Funds is seen in aggregate - that is over all of the separate country Funds- or disaggregated to look at the achievements in each beneficiary state. It should be noted that, as described earlier in this report, the objectives of each Fund in each beneficiary state were different, and common indicators were not set for the Funds. Without baselines, it is challenging to assert change in relation to funding interventions; without common indicators, it is difficult to assess the success of one Fund against another.

### 3.5.2 Capacity building of NGOs

Capacity building is the most important common factor across the NGO Funds. All the Intermediaries, with the exception of Cyprus, reported strengthened capacity of the NGOs in their countries.<sup>61</sup> In Romania, there was no concrete evidence of increased capacity as yet, as all, with the exception of one sub-project, are still being implemented. However, the Intermediary states that increased capacity can be expected, as 30% of the grants within the NGO Fund there could be specifically applied to capacity building initiatives.

In answer to the question “*How far the process of applying for and receiving this grant helped to build organisations’ capacity in regard to other similar grant processes and in relation to other funders’ programmes?*” more than half of 250 respondents believed that the NGO Funds helped them in capacity building (30% believed the NGO Funds’ contribution was very significant and another 34% believed it was significant). Another 26% believed that their capacity was moderately improved, while 10% did not think that the NGO Funds improved their capacity much or at all (see Figure 11).

**Figure 11 Respondents view of capacity building**



Source: 250 questionnaire responses.

Different types of capacity building interventions were used in different beneficiary states. These included:

- Workshops organised by the Intermediary, particularly for training sub-projects in contract compliance issues;
- Specific areas in the criteria for sub-projects, which encouraged capacity building elements to be built into sub-projects themselves;
- Using the monitoring process, specific consultancy and access to Intermediary staff during sub-project implementation to work with end beneficiaries on specific issues and problems.

<sup>61</sup> Cyprus did not report on capacity strengthening because sub-projects were not completed at the time of the evaluation. The Intermediary reported that the NGO Fund provides for a very good opportunity to build capacity as NGOs are requested to resubmit their reports in the case that there are any omissions or lack of clarity both in the progress reports and in the financial reports. Also the assistance provided by the Intermediary is a good opportunity for end beneficiaries to develop their project management and reporting capacity.

Latvia (see Box 8) directly supported capacity building, through allowing NGOs to train their staff, and provision of study tours, equipment etc. In the Czech Republic, workshops were organised by the Intermediary for applicants and end beneficiaries (covering topics such as project preparation, monitoring, reporting, etc.). In the remaining eight countries, capacity building and NGO system improvements were achieved through on-the-job learning through sub-project preparation, implementation and reporting. Estonia developed a system whereby NGOs increased their organisational capacities, by contributing to activities that help NGOs develop clear visions of their development and sub-projects, and also involving volunteers.

The Intermediary reported that the organisation of the sector was strengthened, compared to the period before the NGO Fund. For the Hungary NGO Fund, a “top-down” approach for sub-project generation was replaced with a “bottom-up” approach, through encouraging NGO applicants to consult with and involve community level partners and end beneficiaries. In Slovenia, the Intermediary organised various workshops on sub-project preparation, implementation and reporting for end beneficiary NGOs. Slovenian NGOs in particular reported that they had gained knowledge on sub-project preparation and writing sub-project proposals and applications. Through reporting, NGOs have become accustomed to more rigorous systems, and respondents thought that applying to other external donor’s funds (e.g. EU Structural Funds) will be easier for them. Sub-projects there also enabled NGOs to train new personnel.

#### **Box 8. Examples of capacity building – Latvia**

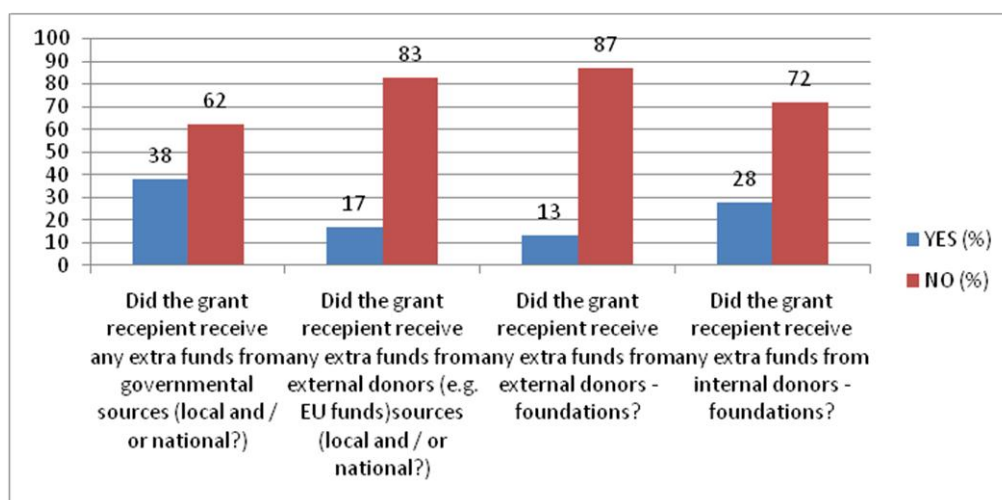
Whilst only 28 sub-projects were completed by the time of evaluation under the ‘*Strengthening capacity*’, measures included training of staff and members of NGOs in accountancy, public procurement, languages, and voluntary work under 51 sub-projects (258 people participated in training).

As a result, NGOs gained 51 new members and developed two certified educational programmes. After sub-project completion, 15 NGOs developed or improved their web sites and databases of clients, three developed strategies, 23 bought equipment, 12 undertook renovation work and two provided access for disabled.

In addition, 288 activities under the ‘*Activity Support*’ Measure included training of staff and members in agriculture, environment, tax, accounting, project development and management, and work with socially excluded groups. Five organisations improved their equipment; NGOs attracted 120 new members and established two new legal entities.

Further analysis shows that, based on the experience gained in the NGO Fund process, some NGOs were able to obtain funding from other financial sources. The largest share (38%) of NGOs that replied to the question received additional funding from the national budget. Around 28% of NGOs received funding from foundations operating within their countries. About 17% of them received funds from external donors (such as the EU) and 13% of NGOs obtained support from external foundations<sup>62</sup> (see Figure 12). The results of this analysis do also reflect the availability of different financial resources in the end beneficiary states – but do also show that engagement in the NGO Funds as end beneficiaries may well have increased the ability of some NGOs to achieve funding from other sources.

<sup>62</sup> However, this latter figure should be treated with caution, due to differing availability of funds from external foundations still operating in the beneficiary states.

**Figure 12 Identification of additional funding**

Source: 396 questionnaire responses.

### 3.5.3 Results by sub-sector

Although it is difficult to fully assess the achievement of the overall objectives of the NGO Funds, or to assess fully the achievement of objectives at a country level, not least because sub-projects are still being implemented in many countries, there are some significant results from sub-projects, which start to show the difference the NGO Funds are making in relation to the sub-sectors. Some of the main results reported for each of the sub-sectors supported by the FMO, as reported in the questionnaires, are presented in Table 7.

**Table 7 Examples of sub-project results reported in questionnaires**

Subsector	Stated results
European cultural heritage - general	<ul style="list-style-type: none"> <li>- Guided professional tours for target groups</li> <li>- Developed fresco-therapy</li> <li>- Established system of knowledge transfer through education</li> <li>- Established museums, rebuilt museums, new activities of museums (such as drama-therapy, plays)</li> <li>- Exhibitions</li> <li>- Increased public awareness through promotion campaigns, visits, public discussions,</li> <li>- Established websites</li> <li>- Publishing of books</li> <li>- Strengthened capacity through higher inclusion of volunteers</li> </ul>
Health and childcare – childcare	<ul style="list-style-type: none"> <li>- Social integration of excluded groups through service provisions, social rehabilitation,</li> <li>- Increased public awareness achieved through public discussions, brochures, manuals, seminars,</li> <li>- Strengthened capacity through higher involvement of volunteers</li> </ul>
Health and childcare – general	<ul style="list-style-type: none"> <li>- Social integration of excluded groups through service provisions, social rehabilitation, newly developed methods</li> <li>- Plan for replacing drug equipments</li> <li>- Higher awareness through promotion campaigns on diseases (hepatitis C), public discussions, brochures, manuals, seminars,</li> <li>- Developed services for ill people (psychic disorders, disabled people,</li> <li>- Developed prevention programmes</li> <li>- Strengthened capacity through experience exchange, new employments, training of staff,</li> <li>- Supplemented school curricula</li> </ul>
Health and childcare – health promotion	<ul style="list-style-type: none"> <li>- Increased co-operation in socialisation process</li> <li>- Strengthened capacity of NGOs through expansion of services, increase of quality of services,</li> </ul>

Health and childcare – prevention and fight against addictions	<ul style="list-style-type: none"> <li>- Probation programme implementation</li> <li>- Increased public awareness through distribution of target groups' problems,</li> <li>- Strengthened capacity of NGOs through training</li> </ul>
Health and childcare – social / family issues	<ul style="list-style-type: none"> <li>- Provision of new social services</li> <li>- Social integration achieved through placements of children in families, house placements of families, job placements, school successes of children, flat refurbishment,</li> <li>- Geographical expansion of services</li> <li>- Prepared new programmes for reorganisation of services</li> <li>- Higher awareness of parents through training and of public achieved through promotion campaigns, media tools</li> <li>- Rebuilt centre for child and family support</li> <li>- Capacity strengthening through training, improved services, increased number of clients, networking, purchase of equipment</li> </ul>
Human resources development – capacity building	<ul style="list-style-type: none"> <li>- established promotion of NGO</li> <li>- developments of partnerships</li> <li>- gained support of local communities</li> <li>- new clubs established</li> <li>- greater knowledge of staff gained through training (financial management, sub-project planning and implementation,</li> <li>- winning competitions to implement public tasks</li> </ul>
Human resources development – general	<ul style="list-style-type: none"> <li>- social integration of target groups through training,</li> <li>- increased public awareness through media announcements</li> <li>- establishment of employment centre</li> <li>- programme expansion to new communities</li> </ul>
Human resources development – democracy, human rights, discrimination	<ul style="list-style-type: none"> <li>- Developed methodology for engagement of civil society in monitoring of performance of public bodies</li> <li>- Developed cooperation with other organisations</li> <li>- Adoption of new legislation (School Act, migrants codex, Anti-discrimination Act, etc.), manuals on anticorruption</li> <li>- Expansion of services to other areas,</li> <li>- Prevention of discrimination in specific areas, especially in labour market</li> <li>- Increased public awareness through books dissemination, conferences, brochures, public forums, round tables,</li> <li>- Strengthened capacity through provided services, enhanced legal awareness, professionalisation of NGOs, training, consultation meetings with communities,</li> </ul>
Human resources development – inclusion of disadvantaged groups	<ul style="list-style-type: none"> <li>- Developed new centres</li> <li>- Social integration of excluded groups through supporting the multi-cultural environment, informal education, introduction of social field work,</li> <li>- Strengthened capacity through established methodology for work with vulnerable groups, networking, education activities for employees,</li> </ul>
Human resources development – mainstream gender equality	<ul style="list-style-type: none"> <li>- Business plans and business activity started by women</li> <li>- Introduced family mediation</li> </ul>
Protection of the environment – general	<ul style="list-style-type: none"> <li>- Census of buildings,</li> <li>- Developed methodology for restorations of habitats</li> <li>- Developed eco-tourist opportunities</li> <li>- Developed waste management plans</li> <li>- Cooperation with the city to support environmentally friendly transport</li> <li>- Rebuilt public places</li> <li>- Published analyses on environmental protection</li> <li>- Achieved inter-sectoral cooperation</li> <li>- Increased public awareness through online databases, portals, promotion of activities, counselling, nature trails, brochures, information campaigns, workshops, and festivals;</li> <li>- Strengthened capacity through expansion of geographical scope of services,</li> </ul>
Protection of the Environment – Biodiversity	<ul style="list-style-type: none"> <li>- New species protected</li> <li>- Increased public awareness through information campaigns, workshops, festivals, counselling</li> </ul>

Protection of the environment - education	<ul style="list-style-type: none"> <li>- Developed methodological material as supplement to school curricula</li> <li>- Increased public awareness achieved through dissemination of CDs, publications, web-sites, counselling, organising exhibitions, training of teachers.</li> </ul>
Protection of the environment – sustainable development	<ul style="list-style-type: none"> <li>- Published new concepts for sustainable development of specific areas</li> <li>- Prepared management plans for protected sites</li> <li>- Prepared heat maps of buildings</li> <li>- Implemented energy saving solutions in buildings (solar collectors, use of rain water)</li> <li>- Established new cooperation between NGOs</li> <li>- Created cycling infrastructure</li> <li>- Developed new tourist opportunities</li> <li>- Created didactic paths</li> <li>- Published feasibility studies</li> <li>- Increased public awareness achieved through exhibitions, information campaigns, developed web-sites, distribution of publications, games, festivals, and education of teachers,</li> <li>- Strengthened capacity through training, new employment, and new volunteers,</li> </ul>

Further analysis of these sub-project reported results would be useful and it is to be hoped that this could be undertaken with country level evaluations.

All of these results, aggregated from different countries, provide some sound achievements and also learning within countries which it is hoped can be further disseminated and built upon. It can be suggested that many of these results would not have been achieved without the support of the NGO Funds.

### 3.5.4 Visibility of the NGO Funds

The capacity of NGO Fund Intermediaries to target many different NGOs and end beneficiaries with direct support was important and visible, and as we will see the Funds were seen as making a really significant contribution to the NGO sectors in all the countries. For example, stakeholders at national level, representatives of the Norwegian embassies, and end beneficiaries in Poland believed that the visibility and recognition of NGO Funds was quite high, across the country. The reason for this was widely available grants, both in terms of the size of NGOs and in terms of the sub-sectors. However, some embassies and Intermediaries in other countries, reported that it was difficult to interest the media in the NGO sector. In the countries where the administrative requirements of the Funds were very demanding, the Funds are thought to be bringing less positive recognition of the donor.

The beneficiary states have respected the visibility rules. All Intermediaries set up web sites as a promotion and information tool.<sup>63</sup> The extent to which the information was provided in the English language varied. Some provided basic information about the NGO Fund and its objectives, the lists of approved sub-projects, while others offered texts of the calls for proposals, sub-project summaries, news, etc.

In Latvia for example, a major promotional event is planned to present sub-project results. As sub-projects in all countries are demonstrating learning and results, Intermediaries should be encouraged and supported to undertake promotional events to disseminate and share learning and to profile the contribution of the NGO Funds.

## 3.6 INCLUSION OF CROSS-CUTTING PRIORITIES

Cross-cutting issues are a range of horizontal themes, and sub-project applicants were expected to demonstrate in their proposals how they would include these issues in their sub-project activities. They included gender, sustainable development, equal opportunities, good governance, and did vary from country to country within broad guidelines. However,

<sup>63</sup> The Czech Republic developed a strong web site with Norwegian Embassy funding.

the understanding of the relevance or importance of cross-cutting issues is very limited in most beneficiary states. This lack of understanding is general, and seen in other programmes, such as the EU Structural Funds, and amongst a wide range of end beneficiaries of funding programmes. Vertical objectives and results are easier for applicants both to understand and to include in their proposals, as they are likely to be clear about the ideas that they want to realise or the problems that they want to resolve with a sub-project. Horizontal or cross-cutting issues are frequently seen as something imposed and artificial.

This lack of understanding as to why cross-cutting issues should be addressed in funding proposals is due in part to the insufficient attention being given to this topic in workshops held for applicants at the pre-application stage. Whilst written materials, such as the criteria for applicants, can note the importance of cross-cutting issues, workshop discussions and the opportunity for applicants to explore and ask questions to increase their understanding of these issues, can more fully ensure that attention is paid to them in proposals for the sub-projects. However, this also requires that the Intermediaries themselves are fully conversant with, and understand, the cross-cutting issues, and this may not be the case for all Intermediaries. Further clarity from the FMO about what is to be achieved or targeted through the cross-cutting priorities may be needed.

In Poland, for example, cross-cutting priorities (sustainable development, gender equality and good governance) were at the same time the main target of the Equal Opportunities and Social Integration Fund. Although the cross-cutting section was scored with 10 additional points, its relevance was even less understood by applicants than in other two Polish NGO Funds. The Intermediary in the Czech Republic reported that cross-cutting issues were real topics only in sub-projects that addressed them directly; otherwise they were considered as formalities. There is also some misunderstanding of cross-cutting issues such as gender on the part of key stakeholders in the NGO Funds: The Focal Point in Cyprus commented that *"a substantial number of people engaged in NGOs and sub-projects were women and thus the gender equality aspect in respect of equal representation and participation of men and women in civil life and decision making is promoted"*.<sup>64</sup> In Lithuania, the Secretariat is planning to carry out an assessment of the extent to which NGO Fund has addressed the EEA and Norway Grants' cross-cutting issues.

As one of the Intermediaries noted:

*Cross-cutting issues are certainly difficult to tackle. In our experience it is probably of little use to include extra questions/boxes about them in the application forms as we get mostly very formal answers with little content. The aspects of sustainability, good governance etc. should in my opinion rather be reflected in the general attitudes and approaches of the NGO and the sub-project. I think our evaluators managed to take these into account - since they themselves valued these highly, (and) sub-projects which didn't show these principles had little chance to gain support.*

What is critical is that understanding of, and application of, cross-cutting issues should be **evident**, both in the approaches of the NGO and in the proposal. As well as questions in the application form, the accompanying documentation for applicants needs to stress that evidence of the ways in which the cross-cutting issues will be taken into account in the assessment process.

The specific case of bilateral relations as a cross-cutting issue is dealt with in Section 3.7 and Chapter 4.

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<sup>64</sup> This could represent a misunderstanding of the key issues of gender equality on the part of the NFP.



### 3.7 DEVELOPING NGO BILATERAL RELATIONSHIPS

#### 3.7.1 Development of bilateral sub-projects

The bilateral relationship data reported in this section is that which is made available to the FMO. Table 8 shows that Slovenia was the most successful in developing and implementing large numbers of bilateral sub-projects, as 37% of all approved sub-projects involved a partner from donor states. In Cyprus 27% of sub-projects included a partner organisation from donor states. In other countries, bilateral co-operation was evident in less than 10% of sub-projects. In Hungary, there was no sub-project where partners from donor states were included, but in the course of the sub-project implementation, some contacts with Norwegian NGOs and experts were developed. Norwegians were involved in at least three sub-projects, although the partnerships were not official.

A key goal of the EEA and Norway Grants is to strengthen bilateral relations and to bring actors from beneficiary states and donor states together at the project level in areas where partnerships may be of mutual benefit by bringing added value and strengthening quality.

**Table 8 Number of bilateral sub-projects by beneficiary state**

Beneficiary state	Total number of implemented sub-projects	Number of sub-projects with partners from donor countries		% of sub-projects with a partner from a donor country
		From Intermediary	From FMO database	
BG	61	3	1	4.9
CY	33	9	0	27.3
CZ	181	5	5	2.8
EE	155	7	7	4.5
HU	236	0	0	0
LV	165	9	1	5.4
LT	106	8	0	7.5
PL	557	28	34	6.1
PT	30	8	0	2.7
RO	46	4	0	8.7
SK	87	5	2	5.7
SI	40	15	7	37.5
<b>TOTAL</b>	<b>1697</b>	<b>101</b>	<b>57</b>	

However, it should be noted that these figures are indicative only, as different data could be found at the national level, since types of partnerships vary greatly, and some partnerships may have ceased, or new partnerships may have commenced since these were notified to the FMO.

#### 3.7.2 Beneficiary state experience of bilateral partnerships

The contrasting numbers of bilateral partnerships is partly due to history, language and common culture, but it is also clear that the priority given to partnerships by the Focal Point, the Intermediary, and the Norwegian embassy in the country also strongly influenced the take up of partnerships.

In some countries, the attraction of extra points if an application had a donor country partner led to increased numbers of applications involving partnerships, not all of which were real, and some of which were not even known to the donor state partner.



The partnerships which have been successful have involved:

- sufficient time and money available in order to build an understanding of each other, a feeling of trust, and familiarity with the country situation;
- the Intermediary working closely with the National Helsinki Committee (NHC)<sup>65</sup> during proposal preparation to attract appropriate donor state NGOs, and where workshops and visits can be funded by a Norwegian Embassy (Cyprus) or through another section of the NGO Fund (Czech Republic).

Further evaluation is needed to explore in more depth the learning that has been achieved through the current bilateral partnerships.

### 3.7.3 Norwegian Helsinki Committee

Given the low level of bilateral sub-projects across the NGO Funds (just under 6% according to the Intermediaries, or just over 3% according to the NGOs), the role and views of the designated Norwegian co-ordinator for the promotion of bilateral partnerships in the NGO Funds, the NHC are seen as important.

The NHC sees its role as sharing the Nordic model, with its emphasis on democratic engagement, the NGO sector evaluating and criticising government, engaging and educating the public, valuing of local cultures, and bridge building between social groups. In Norway, 58% of the population (of 4.8 million) are involved in 115,000 NGOs. As civil society organisations are the cornerstone of modern democracies, and all countries now share the same global challenges with respect to human rights, democracy, environment, and encouraging active citizens, their view is that it is natural that the NGO Funds give support to the empowerment of civil society, democratic processes, promoting human rights and fundamental freedoms; and helping to make modern democracies work.

The NHC see the role of NGO partners either as gap filling in terms of knowledge, education and equipment; or acting as a consortium with a common exchange of experience, challenges and solutions. With some countries, it is more about revitalising old relationships, and building on existing relationships, common goals, culture and language; with others it is building new relationships.

The NHC staff confirm that there is real interest in bilateral partnerships, with many requests for partnerships and considerable unpaid time invested by Donor state NGOs. There is positive feedback as to the value of partnerships, but a real capacity challenge for the Donor state organisations.

Across all countries, the NHC, working with the Norwegian embassies, has brought more than 30 NGOs from Norway to beneficiary states for launch events. Though these events were well attended and involved good publicity, they did not give the target NGOs much opportunity to build relationships and therefore be able to involve donor state NGOs in a bid. The NHC staff feel that a direct meeting of the NGOs is important, by means of a workshop. They have used this approach for thematic workshops and are planning an event in May with the Czech Intermediary. This approach offers the best help to develop sub-projects and write applications.

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<sup>65</sup> The Norwegian Helsinki Committee has been the designated coordinator for bilateral partnerships for the NGO Funds since 2005 and runs “NGO Norway”, an information portal to facilitate the search for bilateral partnerships and cooperation within the framework of the NGO Funds. The website contains practical information about the beneficiary states’ NGO Funds, and includes a database of potential Norwegian partner organisations for NGO sub-projects. Their role involves distributing information, assisting in searches for bilateral partners; co-ordinating Norwegian NGO participation in country launches; advising the Norwegian Ministry of Foreign Affairs (NMFA) and arranging seminars. The NHC runs consultation sessions with Norwegian NGOs and is part of a new Association of NGOs in Norway to co-ordinate and promote the interests of non-state non-business actors (180 members). The NHC has 1.5 staff and its resources are therefore limited.

### 3.7.4 Key barriers to developing bilateral relationships

Because most sub-projects are not completed, it is too early to identify the benefits of bilateral partners, and so most of the feedback concerned the ease or difficulty of setting up partnerships. There are some clear barriers, some of which require attention in order for the bilateral partnerships to develop. These include:

- Lack of funds to allow workshops to bring carefully selected NGOs together to build relationships that are real;
- Limited awareness of Donor state NGOs of the scheme, and limited information in English on their websites;
- Legal barriers to partnerships - for example in the Czech Republic there were difficulties in permitting Donor state partners which were institutions not just NGOs. This would argue for involving NHC in pre MoU discussions;
- The lack of standardised application procedures;
- Staff of small NGOs do not speak English; they find it difficult to develop applications – these must be jointly agreed, without a donor state NGO taking over;
- Norway is an expensive partner. There is a view that donor state NGOs should give their time for free - but they need seed money, as with the EU Leonardo programme;
- Fatigue and over demand on the part of donor state NGOs.

Since it is clear that building bilateral partnerships is a key element in the next programme, these issues will need careful attention and additional resources if bilateral partnerships are to be developed successfully. Further initiatives will be needed to strengthen the concept and practice of bilateral partnerships; evaluation work by the Intermediaries themselves would assist in identifying the additional benefits of wider experience exchanges involving bilateral partners and appropriate mechanisms that can ensure that these could develop into real and constructive engagements.

### 3.7.5 Developing bilateral and multi-lateral partnerships between other beneficiary states and other EU countries

In all the countries that were visited, stakeholders identified that it would be helpful to support not only bilateral partnerships with the donor countries, but also transfer of knowledge and experience generally across the beneficiary states and multi-lateral partnerships. Examples are in Hungary, where there is an interest in possible cross-border partnerships with Romania, where many of the issues on which end beneficiaries are working are similar, and environmental sub-projects partnerships between environmental NGOs across N. Slovakia and S. Moravia, who are facing the same issues. However, there may be resistance to these approaches from the donor states and their embassies, as was indicated in some of the interviews.

In Poland these kinds of partnerships are already being developed under the NGO Fund:

*“Considering the optimal use of opportunities offered by NGO Fund, the supported sub-projects shall especially foster partnerships and cooperation between non-governmental organisations from various subject and geographical areas of Poland in order to increase civic involvement, promote best practices and know-how transfer between regions. An equally important issue is the cooperation of Polish NGOs with NGOs from the EEA countries which possess expertise and experience in a given area (exchange of best practices, development of contacts between NGOs, study visits, joint seminars, and meetings)”.*

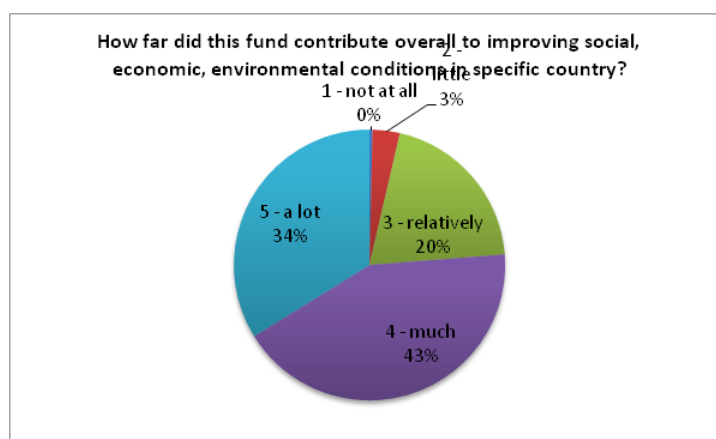
Issues for the future of bilateral partnerships will be addressed in Chapter 4.

### 3.8 THE IMPACT OF NGO FUND SUPPORT

NGO Funds supported many different sub-projects from 17 different sub-sectors with many different themes across a very wide geographical area. As with results, it is difficult to assess any aggregated impact. Without clear indicators at a programme level, discerning the impact of the NGO Funds overall, or even the impact at country level, is difficult. In addition, the majority of sub-projects are still on-going, and only 666 (around 40%) sub-projects were finished at the beginning of 2010. Where the separate NGO Fund was established late (such as Bulgaria, Hungary and Romania), the first sub-projects are only just finishing. Evidence of impact to date is therefore limited. During the evaluation, interviewees and Focus Groups in most countries reported that the evaluation is being conducted too early for significant evidence of impact to be discernable.

Much depends on what impact is being measured against, and what is meant by impact. If what is being looked for is impact in relation long-term sustainable change involving the reduction of social and economic disparities in the EEA, it can be suggested that evidence for this, and indeed a focus on this objective, will to a large extent be absent. The range of sub-projects funded, across diverse fields, does not demonstrate, even in aggregation, a coherent approach to the reduction of social and economic disparities. Questionnaire responses (see Figure 13) to a question about impact need to be treated with caution, as much depends on the interpretation of the term 'impact', which is widely misunderstood and confused with outputs or results. Many of the results reported from countries, both by Intermediaries and by the Focus Groups, are outputs, the successful achievement of activities in line with the proposals submitted. In discussing impact, we are looking for significant change that results from sub-project activities and that demonstrates the sustainability of that change and its influence beyond the scope of the sub-project itself. It is here that the evidence is lacking.<sup>66</sup>

**Figure 13 Response on impact of NGO Funds**



Source: 278 questionnaire responses

Just over one third of respondents believed that NGO Funds had significant impact on the social and economic conditions in their country. Another 43% believed the impact was very significant and additional 20% believed that it was relative. However, only 3% of respondents believed the Funds had little or no impact.

<sup>66</sup> As noted from Slovenia: "Overall, the Fund is not expected to bring much difference as it supported small sub-projects. Sub-projects are content-based and not systemic. They are also very diverse and common overall results are not expected. NGO Fund supported only soft sub-projects of smaller values. Big changes are not expected."

However, interviewees in general and participants in the key informant Focus Groups, did not believe that the NGO Funds will significantly contribute to the reduction of social and economic disparities.<sup>67</sup> It can be suggested that the scale of the grants provided for these NGO Funds would not in themselves make a significant impact in relation to social and economic disparities. However, the positive responses in relation to impact, as registered in the questionnaires, could be due to the provision of services and activities that meet specific local needs, and which are therefore seen as having a significant local impact.

#### **Box 9. Example of capacity building - Poland**

The NGO Fund Democracy and Civil Society aimed at strengthening the capacity of Polish NGOs. In the sub-project “*Strengthening the institutional capacity of the Friend Society of Koszala Community*”, 23 association members were trained in preparation of sub-project applications, and financial management. The NGO successfully applied for two new project grants and managed to plan three other sub-projects.

Similarly, under the sub-project “*Non-governmental organisations of Gniez region on their way to carry out public tasks*”, the newly created association strengthened its capacity enough to convince the municipality to open its previously closed tenders to NGOs, and then to win two tenders to implement public tasks.

In the absence of many other funding streams, the NGO Funds have contributed generally to the survival of the NGO sectors, as noted in many countries such as Poland: “*A positive effect of this assistance was that it helped many small NGOs to survive*”. The NGO Funds were also seen in part as a stepping stone and opportunity for NGOs to build skills to apply to other funds. Again, from Poland:

*“It could be considered as an exercise to built capacity and experience for bidding under EU Structural Funds. This assistance should be considered as supporting the NGO sector in its preliminary stage of development”* (see Box 9).

In some countries, where service provision was within the criteria for applications, new services have been provided, for instance in Bulgaria, Czech Republic and Slovenia. However, in Romania, a specific decision was taken not to support social services provision as such, but only to support sub-projects that would take a more strategic view of social services, for instance in research on social service policy. It is possible that this approach could lead to impact in the social policy area. NGOs in other countries have been supported with sub-projects to pilot new approaches to service provision, for instance in Hungary, where an emphasis in the NGO Fund was on innovation and new methods of solving existing problems. In Slovakia and Latvia, NGOs were able to obtain the relevant certification to be able to take over social services, mainly from municipalities.

However, given the scale of needs in relation to social and welfare service provision, it can be suggested that the likely impact of sub-projects funded in this area will be limited, except where they are able to demonstrate innovative practices that may in future be incorporated into mainstream provision. For example, in Bulgaria, with sub-projects such as “*Creating a unified model of medical and social activities, which are not included in the national policy for cancer treatment*”, or where, in taking over provision from the state, a more

#### **Box 10. Support to oncology patients in Bulgaria**

Establishment of a new model for social services for patients with oncological diseases with three consultative offices to offer psychological support, as well as home-based and on-line support. This is an area where the state is totally absent. Involvement of students in clinical psychology and patients in remission as volunteers. Development of practical training curriculum for psychology students at Sofia University. The overall aim is to convince the state to include this model as a delegated social service funded by the state budget.

<sup>67</sup> As the Intermediary in Poland noted: “*Those objectives (reducing economic and social disparities in the country) (are) too ambitious for such small grant scheme. The assistance provided for NGOs in Poland was relatively small (12,600,000 €) for approximately 120,000 operational NGOs (150,000 registered) in Poland. If the Donor wishes to achieve concrete results then more money should be allocated for the sector. You cannot expect to achieve big things with small investments.*”

responsive service is provided to end beneficiaries.<sup>68</sup>

What can be seen as an impact is the strengthening of the capacities of NGOs, including achieving the quality standards necessary to be able to take over services on contract from local authorities. This general capacity strengthening is reported from all countries to a greater or lesser extent. These capacities have been built both through specific initiatives (such as targeted support for capacity building in some countries - see Box 11) and through funding allocations added to sub-project monies, as in Romania where applications for funding could include a 30% uplift for specific capacity building and strengthening work.

**Box 11. Strengthening NGOs in Lithuania**

The main result of the NGO Fund is the organisations with strengthened institutional capacities. The NGOs became more visible, they understood on how to develop their organisations and broaden the scope of activities. A number of NGOs have received specific training addressing the needs of organisations. Through supporting their core activities the NGOs themselves would be able to operate more actively with regard to their target groups (members of the NGO itself, and members of the society). The Fund contributes to the strengthening of the overall capacity of the NGO sector by providing support to both branch and inter-branch NGOs (i.e. umbrella NGOs).

*Intermediary, Lithuania.*

Other specific issues where impact in this area are noted are in Estonia, where the skills of NGOs in advocacy work are reported as being significantly strengthened, and increased co-operation between NGOs, and NGOs and state authorities, noted in Latvia and Poland. There is evidence therefore of outcomes, of a difference made by the NGO Funds in relation to the capabilities of individual end beneficiary NGOs.

In the environmental field, activities in some countries focussed on the piloting of initiatives and in awareness raising. Again there is not yet sufficient evidence that many environmental sub-projects have been able to demonstrate impact. Many of these types of sub-projects only show impact over the period after the sub-project itself has finished, particularly in relation to changes in behaviours as a result of awareness raising, but there are also important examples of pilot initiatives. In Romania, environmental NGOs are particularly involved in attitude change sub-projects, for instance in a sub-project achieving community agreement to give up agricultural practices that would have a harmful environment impact, and getting the community to take ownership of the sub-project results. The organisation of public debates on environmental issues in Romania has resulted in improvements in public consultation processes. Although applied in one field, the transfer of such processes to other areas of civic life and decision-making would be evidence of impact, but this evidence is not currently available.

**Box 12. Raising awareness in Slovakia**

Al Nova in Slovakia implements a sub-project called "*Improvement of Legal Capacity of Public Administration in Settlement of Civil Disputes*". The aim is to increase awareness of the law and support the implementation of new directions in Slovak legislation (e.g. mediation). New legal powers have been given to mayors, following amendment of the Civil Law that enables them to decide on preliminary measures in relation to disputes between neighbours. Al Nova prepared and delivered several regional seminars to raise awareness of this legislation and methods of implementation. Participants in the seminars could discuss, exchange experience and create informal contacts between local government bodies. This can reinforce the appropriate approach to and use of the legislation.

In the human rights field, an anti-discrimination awareness sub-project, achieved a high level of interest in information materials which is hoped will have the longer-term impact of decreasing discriminatory practices as a result of increased awareness on the part of the target groups for the sub-project of their legal options (see Box 12). It is however too early to assess its longer-term impact.

<sup>68</sup> The Bulgarian Empathy Foundation developed a transport of patients and people with disabilities. It was a new social service introduced in Bulgaria. Despite the urgent need to establish it, it is still not included in the social services provided by the state.



The NGO Fund processes themselves in some countries have also contributed to building capacities, as the National Focal Point in Cyprus notes:

*“The NFP believe that this experience is a learning process for all, but especially for the beneficiaries who have positively changed the way they work. This program was more demanding and this time they have had to report and abide by specific rules and regulations for the first time. The government is trying to reform the legal framework for NGOs, which hopes to help them operate in an accountable way and strengthen their presence in the society. They believe that this will lead to building a new strategy from Cyprus for the NGO sector. They highlight that there is also one sub-project aiming at NGO sector capacity building taking part in the programme.”*

Thus here is evidence of impact beyond the specific outcomes from sub-projects, influencing government policy towards the NGO sector and likely to result in a national strategy. (See Box 13.)

One important potential impact was reported by the consortium of NGOs working as the Intermediary in Hungary, which is that their model of grant-making is being used in discussions with the National Development Agency for the reform of the various EU funding streams currently implemented through government agencies. This is significant in relation to the current challenges that NGOs face in accessing these main funding streams. If improved procedures can be adopted, based on the experience and practice of the Intermediary for the NGO Funds, the operation of the NGO Fund itself will have achieved an impact.

**Box 13. Targeted approach to sub-projects**

Cyprus supported only two thematic areas – health and childcare and empowerment of young people. Sub-projects focused on awareness raising, research and construction of care provision facilities. The sub-projects are still ongoing, so the results and impact are not known yet. However, the approach of targeting only two specific themes from different perspectives is likely to generate a measurable impact.

The most significant impact of the NGO Funds has been their contribution to the growth and development of the NGO sector in all beneficiary states. It is not only the financial support which has benefited the sector, but also the recognition of its role in supporting social justice, promoting democracy and encouraging a more sustainable approach to societal development, which are also key values framing the NGO Funds overall.

### 3.9 SUSTAINABILITY OF RESULTS OF NGO FUND SUPPORT

Sustainability in the NGO sectors in the beneficiary states depends to a great extent on how sustainability is defined. The NGO sectors in all countries face challenges in relation to the funding base, and in requirements for volunteer support, particularly to extend the resource base of NGOs where funding for staff posts is difficult to find. The funding that exists is often irregular, or short term. NGOs have not in the main been able to diversify their funding sources sufficiently, nor to achieve financial sustainability. However, capacity building and the development of processes that increase NGO engagement with public authorities or with citizens should be sustainable, by becoming embedded in the operations of individual NGOs and the sector in general. Attitude changes on the part of citizens and governmental bodies are also areas for potential sustainability of change. Thus the sustainability of investment into the NGO sectors should be monitored from a longer perspective, looking at changes in legislation, policy, or attitudes of citizens.

Important elements for sustainability are:

- Identification of learning that can be continued, or carried over into new or changed practices in other organisational activities. This can include the transfer of learning from pilots into the main activities of the implementing organisation, and/or transfer of this learning into mainstream activities carried out by other agencies, such as local authorities, and/or the wider dissemination of the learning to other NGOs;

- The embedding of processes developed during sub-project implementation into all areas of an organisation's work;
- The continuation of activities without further support from the initial funding agency, where, for example, activities can be supported through new resources that the organisation is able to access as a result of being able to demonstrate learning and outcomes from its initial sub-project activities;
- The transfer of ownership from the sub-project implementing body to a wider community or group of stakeholders who will continue with the sub-project activities.

**Box 14. Examples of one off interventions with significant effects**

**Polish** sub-project in the area of democracy, human rights and discrimination focused on a problem of low involvement of young Poles in public life in the age groups 14-17 and 18-25 years old. The main output was a social campaign carried out before the elections to the European Parliament. The campaign was professionally conducted and was awarded in "Golden Eagles 2009" in the category of "social campaigns".

In **Czech Republic**, the general public had been alerted to the problem of the deteriorating environment in Prague and a growing number of cars in the city through an extensive campaign covering four educational events for the general public, "*Great Autumn bike ride*" and "*Spring bike*" in the spring of 2008, which together influenced more than 4,000 people. The aim was to reduce energy intensity of transport and to arouse public interest in the environment city, pedestrian and cyclist traffic.

These are key tests against which sustainability of results from the NGO Funds should eventually be assessed.

At the end of April 2010, the majority of financed sub-projects (around 60%) were still being implemented, and results still to be delivered, so it is not possible to assess the stakeholders' ownership of the results. The outcomes and results delivered under the majority of implemented sub-projects are locally oriented, and thus their sustainability, where long-term financial support is required to continue and secure the results, will mostly depend on funding from local sources, whose financial resources are limited.

It should be noted, however, in discussions of sustainability that some sub-projects supported one-time actions, whose results and effects were important and needed, and impact was observed, but sustainability was not expected (see Box 14).

From 304 responses to the questionnaire, 283 respondents are continuing or plan to continue with actions initiated under sub-projects, or are actively using the knowledge received during capacity building activities. This new knowledge and expertise will continue to be used, and therefore sub-project learning can be seen as sustainable. Many sub-projects also included an investment component and these inputs are continuing to be used for the purposes identified.

As mentioned in the previous chapter, sub-project results are sub-project-unique and thus sustainability would have to be assessed for each individual sub-project. Some examples of continuity of activities that were initiated under NGO Funds are given in Box 15.

**Box 15. Examples of evident sustainability through financial security or follow up activities**

In **Poland**, from April 2008 the Marshal's Office of Mazovia began to organize consultation meetings with NGOs on co-operation with the third sector. The organisation of such meetings and the introduction of a standard consultation was advocated by the Federation Mazovia. The Board of Mazovia Province (on December 16, 2008) accepted the document on rules for granting subsidies to regional NGOs and other entities authorized to conduct charitable activities. The need to create such a document had been repeatedly signalled in 2008 and is one of the sub-project's achievements. The sustainability is seen in secured further financial support to NGOs in Mazovia Province.

In **Slovenia**, a practical model and relevant policies for resettlement of homeless people was prepared on the basis of Norwegian models. Currently the society for help and self-help to homeless people *Kings of the Street* are issuing their own publication for 1 €, where 0.5 € remains with the seller. The publication is sold on the street by homeless people. Authors of articles in the publication are mainly homeless people. The sub-project was not only innovative for the Slovene environment, but it is also financially sustainable.

What is critical is what is regarded by the end beneficiaries as sustainability, and whether sub-projects themselves should be seen as sustainable. It can be suggested that sub-project sustainability as such is less relevant than the sustainability of the outcomes from sub-projects – that is the difference that the sub-projects have made or are making. The continuation of activities themselves may not keep on making a difference. Sub-project evaluation should be focussed on the learning from the sub-projects and what needs to be derived from this learning to take into new or continuation sub-projects, or into changes in processes in the NGOs, or more widely disseminated through the NGO sectors and to other stakeholders in each beneficiary state.

### 3.10 COMPLEMENTARITY WITH OTHER FUNDING

Interviews with Focal Points, Intermediaries, and end beneficiary Focus Groups, confirm that EEA and Norway Grants were practically the only funding available specifically for NGOs in 2007. Most of the stakeholders agreed that this funding came at the right time and provided support for the most urgent needs of the NGO sector. Recently, other sources of funding have become available, e.g. Swiss Mechanism, national funding, and EU funding (Structural Funds, and specialist funds such as Daphne II and Support NGOs in 10 New Member States).<sup>69,70</sup>

Although donor forums exist in many of the beneficiary states to coordinate support to the civil society sector, they only involve Foundations and not government-to-government aid such as the EEA and Norway Grants. The support from different government-to-government sources is usually managed by different Government bodies/ministries and no joint meetings of these organisations are organised whereby the assistance could be discussed and co-ordinated.

In Slovenia, for example, the EEA and Norway Grants and the Swiss Mechanism are managed by the Government Office for European Affairs and Development, while horizontal issues related to NGOs (e.g. legislation) are managed by the Sector for NGOs within the Ministry for Public Administration. The latter also manages ESF support and national funding aimed at increasing the capacity of NGOs and social partners. With the appointment of a new Government in 2008, a State Secretary within the office of the Prime Minister was appointed specifically for NGOs, but up to now, there is little evidence of an effect of this role. NGOs meet monthly, but representatives of the different donors do not participate at those meetings. The Focus Group for key informants carried out under this evaluation was the first time that representatives from different ministries and some bigger and smaller NGOs could meet and learn what the other party was doing and how they were overcoming different problems. All the representatives recognised that this co-ordination was missing and should be thought about for the future.

Similarly to Slovenia, in Poland, the Swiss Mechanism and the EEA and Norway Grants are managed by the Ministry of Regional Development, while responsibility for public utilities at horizontal level belongs to the Ministry of Labour and Social Policy, where there is a department for NGOs. The difference with Poland is that the Council for NGOs, consisting of bigger, strategic NGOs, is consulted on the needs and priorities to be covered by external assistance and there are attempts to reach some complementarity amongst the available funding mechanisms.

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<sup>69</sup> Supporting actions of NGOs and multi-sectoral organisations against all forms of violence from sexual abuse to domestic violence, violence against migrants, vulnerable people, minorities, etc.). Daphne III programme (2007-2013 has been launched - see [http://ec.europa.eu/justice\\_home/funding/2004\\_2007/daphne/funding\\_daphne\\_en.htm](http://ec.europa.eu/justice_home/funding/2004_2007/daphne/funding_daphne_en.htm).

<sup>70</sup> 2006: The programme aimed at supporting NGOs in the area of the rule of law, democracy, fundamental rights, media pluralism and the fight against corruption. See [http://ec.europa.eu/justice\\_home/funding/2004\\_2007/support\\_ngo/funding\\_support\\_en.htm](http://ec.europa.eu/justice_home/funding/2004_2007/support_ngo/funding_support_en.htm).



In countries where there is limited understanding of the NGO sector, NGOs are not recognised as a partner during the priority identification process for funding mechanisms. Priorities are usually determined by donors and Government organisations, and even where these funds will be accessible to or focussed on NGOs, there is frequently no consultation with NGOs themselves about their most urgent needs. Due to the lack of coordination meetings, there is therefore no mechanism for ensuring complementarity. In countries where there are different sources of funding available to support NGOs, regular co-ordinating meetings, with participation of representatives of all Government bodies dealing with the different sources and potential applicants would be of a benefit, both to ensure effective targeting of NGO needs, and complementarity. Up to now this has not functioned effectively in most of the countries.

## **3.11 CONCLUSIONS**

This final section of this chapter draws together some conclusions from the evidence collected during the evaluation, which has been used to inform the overall programme learning points in Chapter 4 and the possible future direction for any further NGO Funds provided by the Donors. The evidence has also enabled responses to be given to the specific questions posed for the evaluation, and these questions have been set against the conclusions below.

### **3.11.1 Targeting of NGO Funds and achievement of objectives**

*To what extent and how have the NGO Funds responded to the EEA and Norway Grants overall objectives of reducing economic and social disparities? To what extent and how have they contributed to responding to strategic priorities and needs as well as to the development of the NGO sector at national level?*

Overall, the evidence suggests that the objectives of all of the evaluated Funds were relevant, even if not all were specifically focused on the overall objectives of the EEA and Norway Grants. The most appropriate needs of NGOs in that period were targeted, and this was confirmed by the views of the end beneficiaries and interviewees. One of the weaknesses in the overall programme development process was that consultations with NGOs on the priorities to be financed in each beneficiary state were not required or implemented in all countries. This suggests that even more effective targeting could have been achieved if such consultations had been held.

In relating the targeting of the Funds to the achievement of the overall objectives of the EEA and Norway Grants, where the NGO Funds were aimed at the same objectives these may well have been too ambitious for small grants. Particularly in Poland, where the complexity of themes available for financing was, apart from Slovenia, the largest, the diversification of sub-projects was huge. The key informants (Focal Point, Norwegian embassy and both Intermediaries) agreed that such an approach does not necessarily lead to good, visible results, but rather diversifies assistance to the extent that is difficult to see the overall benefits. Therefore, in a future Fund they would support narrowed thematic areas and more focused targeting of support.<sup>71</sup> This is an issue that is picked up further in Chapter 4.

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<sup>71</sup> Other suggestions from evaluation informants as to the targeting of future programmes are covered in Chapter 4.

### 3.11.2 NGO Fund Results

*To what extent have the NGO Funds' overall objectives been met at Fund and sub-project level?*

There is a huge range of sub-projects, supported under 36 thematic areas over 12 beneficiary states. Despite the fact that a majority of sub-projects (60%) were still to be completed at the time of the evaluation, there was good evidence of some significant results from the sub-projects. NGO Funds effectively tackled areas of strengthening the capacity of the NGO sector, advocacy and awareness raising activities, good governance and legislative initiatives, as well as service provision (especially in areas such as social and health care) and environmental initiatives. The NGO funding was effective in addressing needs of local communities by supporting local grass-root organisations in addressing local problems. This suggests that in the main, the application and assessment processes had successfully identified sub-projects that would produce results, and thereby meet the NGO Funds' overall objectives at Fund and sub-project level.

### 3.11.3 Impact and Sustainability

*What has been the planned and unplanned impact, including on the institutional capacity of the sector, and on the targeted areas/groups at sub-project level?*

*To what extent has ownership by stakeholders and the institutionalisation of supported activities been sustained after funding has ceased?*

At this stage, as the evaluation was conducted with many sub-projects still being implemented or only just completed, it is not possible to provide conclusive evidence about impact or sustainability. However, there are some examples of impact already being apparent from some sub-projects. As yet the potential for impact cannot be identified, either at an individual country level, or aggregated across the entire programme. Impact at a more strategic level may be limited, as most sub-projects are meeting local needs, and the wide range of thematic areas across the beneficiary states makes aggregation of these local impacts difficult. The national work in the fields of advocacy and public awareness is also difficult to aggregate.

Similarly sustainability cannot yet be assessed, and much depends on the definition of sustainability against the kinds of funded activities and what of these funded activities can therefore be regarded as sustainable. For instance, it is to be hoped that any activities that were focussed on increasing the capacity of the end beneficiary would indeed be sustainable. What may be less sustainable may be specific sub-projects which require funding to continue, such as staffing in a service provision. It will be important for Intermediaries to undertake in-country evaluations, to identify learning from the sub-projects that could be more widely disseminated. This would contribute to both the sustainability of new processes and innovative practices, and also to the impact of the sub-projects and the overall NGO Funds in each beneficiary state, by encouraging and enabling the spread of the learning from the sub-projects.

### 3.11.4 Intermediary performance

*How efficient was the management set up and how could it be improved to increase efficiency of the grant system?*

The evidence suggests that the performance of the different Intermediaries varied in terms of their responsiveness to end beneficiaries, in administrative and reporting capabilities, and in their understanding of the NGO sector and its needs, both between countries and

between Intermediaries in the same country. It must, however, be highlighted that achieving efficiency and effectiveness was sometimes inhibited due to (i) the national frameworks in which NGO Funds had to operate (e.g. national procurement laws or requirement for harmonisation of procedures with those applied under EU Structural Funds), (ii) misinterpretation of FMO rules and procedures between different implementation bodies (Intermediary, Focal Point, and Paying Authority), (iii) complex implementation systems set up before the Intermediaries were selected, or (iv) lack of direct communication with the FMO. **The FMO guidelines** relating to implementation systems are considered very general and there is scope for the provision of more detailed explanation of certain issues, such as reporting, auditing and monitoring.

Overall, **application processes** were well-conducted, with good application packs and wide access to information about the grants, which resulted in a high number of applications. The guidelines provided clear instructions to the potential applicants on the preparation of applications and sufficient information was requested in application forms and in required documentation, which enabled objective assessment, as well as efficient monitoring of the sub-projects during their implementation. In some countries however (like Romania and Poland) the requested administrative documentation was extensive and the required administrative checks took a long time. Simplification was implemented in Romania for the second call for proposals, but there is still room to simplify application processes further, especially if grants are of a smaller size. There is a need to consider how smaller and less experienced NGOs can access the Funds, particularly if application processes remain complex.

**Assessment processes** were seen as transparent and despite problems in one country, were found to be efficient and well-conducted. Quality assessment and selection criteria in general were appropriately set and applied, but differed in the complexity or development of scoring systems and the scope and clarity of the assessment criteria. The interpretation of conflict of interest of members of the evaluation and selection committees differed in the absence of prior guidance from the FMO. Decision making and the selection of sub-projects were carried out transparently and within the planned time frames (with the exception of Lithuania and the Hungarian Environmental Fund). All applicants were appropriately informed about the results of the assessment and selection process. In some cases, applicants were provided with detailed information on the assessment of their sub-project proposals, which was considered as a part of a learning process.

One key issue, however, is the definition of what are **eligible organisations** for the NGO Funds. Due to the different legal definitions of NGOs, there were disparities in relation to the types of organisations that could apply for the NGO Funds across the different countries, and some concerns were expressed about the inclusion of certain types of organisations as eligible.

In the main, **contractual negotiations and monitoring and reporting** from the sub-projects was conducted well. However, there were issues in some countries in relation to payments to end beneficiaries. The **speed of processing payments** to end beneficiaries greatly depended on the complexity of the implementation system established. Where both Focal Point and Paying Authority were involved, payment delays were longer due to increased and duplicated controls being carried out. The most efficient systems turned out to be where the Intermediary had a direct contract with the FMO or, as in Estonia, the Czech Republic and Poland, where payment claims from end beneficiaries were only checked by Intermediaries and not rechecked by the Focal Point and the Paying Authority.

From the evidence, therefore, it is concluded that to ensure efficient and effective management of NGO Funds, **flexible and non-bureaucratic systems**, with clear and simple application, administration and financial requirements, and processes that enable

short payment flows, are essential. Intermediaries need to be trusted by their clients to carry out their work professionally and efficiently. They should be independent from any governmental pressure, and widely accepted by potential applicants. Finally, an efficient Intermediary needs to be able to show understanding of the NGO sector (preferably with past working relationships with NGOs), and act supportively, with tolerance and understanding of the problems facing NGOs. The opportunities the Intermediaries have to operate flexible and non-bureaucratic systems are highly dependent on the country situation and their relationships with the FP and PAs.

The evidence suggests that the **capacity building support** given to applicants, both through workshops and consultations, contributed to the skills of applicant NGOs in relation to sub-project development, and that implementing a sub-project has also contributed to NGOs being able to access funds from other donor sources. Feedback to unsuccessful applicants also helped these organisations to learn, with the result that where more than one round of calls for proposals were held, unsuccessful applicants in previous rounds were often able to secure funding on a subsequent occasion. Capacity building was also enabled through other workshops for end beneficiaries and within sub-projects themselves. Some of the country programmes included capacity building specifically as a theme, or in others, applicants could apply for funds for capacity building activities in their sub-projects. Capacity building and learning is a key part of grant schemes, as skills and understanding developed with the support of a donor can be sustainable and enable NGOs to incorporate good practice processes in their organisations and sub-project implementation.

*What is the visibility of the contributions at different levels?*

Although the visibility of the contributions was not an explicit NGO Fund objective, it can be evidenced that the donor states achieved a high level of visibility through the activities of the Intermediaries, Focal Points and Norwegian embassies in the beneficiary states. By supporting NGOs at local levels, the NGO Funds are visible across the beneficiary states.

*To what extent have cross-cutting priorities of gender, bilateral relations and sustainable development been addressed?*

The cross-cutting issues, which focus on good practice processes and understanding, were not well-incorporated into sub-projects and, as these issues are important in relation to good practice development, further attention needs to be paid to developing more understanding of why and how they should be included as part of sub-project delivery processes.

Overall, bilateral partnerships have not been taken up extensively in the beneficiary states. The reasons for this have been identified and recommendations can be made to improve the effectiveness of this component of the programme. In particular, launching conferences with the participation of NGO representatives from the donor states, to enable “matchmaking” and the establishment of first contacts was seen as a good way of initiating bilateral partnerships.

The next chapter will discuss how a future programme could be designed, drawing on the issues identified in this chapter.

## **4. LEARNING AND CHALLENGES, LEADING TO NEW APPROACHES**

Although the programme to date does not provide sufficient evidence about the impact of the NGO Funds, due to the majority of sub-projects across the twelve beneficiary states not yet being completed or only recently finished, it is possible to draw out some significant learning from the NGO Funds to date from the evidence provided in Chapter 3. In addition, the views of participants in the Focus Groups about specific country issues and directions for the future are included in this Chapter. This overall learning includes areas that demonstrate challenges, and also point towards new approaches and thinking which are relevant in terms of potential future NGO Funds. This Chapter will therefore aim to draw together this learning.

### **4.1 KNOWING AND UNDERSTANDING THE NGO SECTOR**

This section discusses some generic issues relating to the understanding of the NGO sectors in the beneficiary states.

#### **4.1.1 Understanding the sector's diversity and needs**

To achieve successful investment outcomes in terms of sub-project funding, knowledge and understanding of the specific sector and potential range of sub-project interventions is essential. This is particularly true of the NGO sector, which exhibits wide diversity in all of the beneficiary states. Intermediaries across the twelve countries were NGOs or not-for-profit organisations, Government ministries or quasi-governmental institutions, and two private sector companies (in Cyprus and in Poland). There was therefore variance in the experience and knowledge of the Intermediary about the NGO sector, and its support needs in applying for funding.

“Understanding the sector” requires wide interpretation, as it needs to include understanding the diversity of the sector in each beneficiary state and its regions; and also the typology of the sector, both in relation to the legal definitions of what constitutes an NGO, and what types of organisations it may or may not be appropriate to include as eligible for funding. It includes an understanding of the absorptive capacity of both the sector as a whole and of its variety of organisations in relation to the scale and size of grants on offer. It also includes understanding the range of support that may be required at all stages, from pre-application support through to support during sub-project implementation. This needs to include an understanding of the flexibility required to enable end beneficiaries to respond to changes in the external environment, or in their own operational circumstances that may require adjustment to funding allocations or to proposed sub-project activities. End beneficiaries in the Focus Groups appreciated the support given by the Intermediaries during sub-project implementation, but in the main, NGO or not-for-profit organisation Intermediaries were seen as having more understanding of the issues that affected NGOs during implementation and were more able to provide appropriate support from their own experiences as NGOs or as grant makers. This issue will be discussed at more length below.

#### **4.1.2 Establishing a baseline**

One of the problems for the NGO Funds overall was also the lack of baseline information, against which change resulting from the intervention of the NGO Funds and the sub-projects could be measured. Indicators that can be used for overall Fund evaluation and which can be adapted for specific country funds were also lacking. As part of the evaluation, a template was produced, with which local experts collected details about the

current position of the NGO sectors in 10 beneficiary states. These templates, including full references to all sources of data, are contained in country side papers for the FMO. Some of these studies contain significantly updated data on each beneficiary state, whilst for some countries there are gaps in very recent information. Baseline studies were not completed for Latvia and Lithuania, and information in the side papers has been drawn from other sources. It is suggested that these baseline studies provide information which can aid the understanding of the NGO sector in each beneficiary state, and also provide a baseline at 2010 against which future changes could be measured. The format of the template has also been used in the identification of possible indicators for a programme approach for future funding (see Chapter 5). Some studies have apparently been carried out in preparation for the Swiss Funds and could be used to update the templates. It is also recommended that support is in future given to Intermediaries to update this baseline information, as this would provide evaluative information against the indicators, as well as continuing to provide an ongoing understanding of changes taking place in the NGO sector in each beneficiary state.

### 4.1.3 Definitions of NGO sectors

As noted in Section 3.3.5, the legal definitions of what constitutes an NGO or civil society organisation (CSO) differs from country to country and this is an issue in relation to the eligibility for funding. Some information about the different legal position of NGOs in each beneficiary state is given in Annex 3.

Whilst the definition set in the guidelines for NGO Funds states that supported organisations should be voluntary, self-governing organisations not subject to direction by public authorities, independent of political control and established under the legal systems of the beneficiary state (e.g. foundations, associations, charities, societies, trusts etc), the legal provisions in some states do not clarify NGOs in a way which enables this definition to be easily applied. So for example until 2010, foundations in some countries were not legally eligible for funding under the NGO Funds.

#### Box 16. Definition of the NGO

Legal framework had some impact (in) defining the eligible applicants, because there is no clear and uniform definition of the NGO within national legislation. The eligibility of applicants was determined according to the national laws in force, therefore a wide range of potential applicants in terms of their legal status were able to apply for the grant support.

*End beneficiaries' Focus Group, Lithuania*

In some countries, state organisations have established quasi-NGOs, which have a legal status, and there is an issue that governmental bodies would regard these entities as eligible for the NGO Funds. The key concern here is how far some of these foundations are truly independent of the state in terms of their governance and their freedom of activity. Where they have been set up, as in Hungary, to provide a mechanism for financial support of provision in schools or hospitals, it can be suggested that they are not fully independent entities, unless they are raising and disbursing funds across a variety of different organisations and sub-projects and not into one state institution. As a result of the existence of these para-statal NGOs, in some countries, such as Romania and Hungary, civil society is being defined as more “grass roots” organisations. A further issue is the development of NGOs by companies or individuals, with assertions made that these are not “genuine” NGOs, but set up for tax purposes. This is an issue of particular concern in Poland and Slovenia.

Again, in some countries, there is no adequate definition in law of an “NGO” - for instance in Lithuania, where the end beneficiaries' Focus Group suggested that the distribution of the funds demonstrated this, or in Portugal, where there is no overall NGO law, and only environmental and development NGOs are specifically identified through registration mechanisms. However, the Intermediaries here and in Cyprus, have taken a broad definition of NGOs to enable a wide range of organisations to apply. As well as lack of clarity in the law as to what is an NGO is, there are issues in some countries, such as

Bulgaria, that although certain types of organisations, such as the Bulgarian Red Cross are registered under the Non-Profit Legal Bodies Act along with other NGOs, they should not be considered eligible as “they are not considered as indigenous NGOs.” However, the NGO Fund guidelines do not specify “indigenous” NGOs as the only potential recipients of Fund support.

This range of issues about the eligibility of different types of organisations has led to recommendations from some end beneficiary Focus Groups for more clarity in the definition of what is and what is not an eligible organisation. It is clear that despite the definition in the NGO Fund guidelines, further clarification is needed that is appropriate for each beneficiary state. This could include a widening of the definition of eligible bodies in some cases. Additionally, in Hungary, Romania, Bulgaria, the Czech Republic and Slovakia there is an interest in how the funding could be extended to non-registered community-based organisations, which do not have a legal status, but are seen as a key part of civil society in both countries, particularly at the local level. There are however problems in making grants available to non-registered organisations in terms of accountability and legal liability. These problems could be overcome through enabling partnership applications from registered NGOs, working with community-based, unregistered, “grass roots” organisations. Such arrangements could also contribute significantly to building capacity in these smaller and non-registered organisations.

**Box 17. Targeting grass roots groups**

The donors should target more grassroots and support them constantly on the field. From the experience of the local donors, the most interesting ideas come from the civic groups which are not even legally registered.

*End beneficiary Focus Group, Bulgaria*

#### **4.1.4 Diverse countries and diverse NGO sectors - a “one size fits all” approach is not appropriate**

Not only in relation to the legal definition of NGOs, but more widely the NGO sectors in all of the beneficiary states are diverse, as are the countries themselves. There are, however, some commonalities that can suggest a baseline for an overall NGO Fund and thereby some key priorities, which will be discussed later in this report. Most countries demonstrate capital city/urban areas/rural area diversities in relation to the number of active NGOs and their relative strength or weakness, and some of the potential priority areas for further NGO development are similar. However, the specific combination of issues such as the legal position of NGOs, relationships with government and within the NGO sector, as well as the needs in relation to specific issues, produce particular circumstances which need to be taken into account.

Thus specific country contexts are all important – as all have very different needs. This suggests that a “one size fits all” approach for any future Funds would not be successful. Whilst an overall goal for the NGO Funds as a whole can be set, a clear lesson from the operation of the NGO Funds to date is that a flexibility at the country level is important in both meeting the needs of the NGO sector and in responding to the local environment in an appropriate way. This is one of the most keenly valued features of the NGO Funds, as evidenced in both end beneficiary and country key informants’ Focus Groups.

Knowing and understanding the NGO environment and being responsive to it, therefore has significant implications for the ways in which the NGO Funds are administered, depending on the outcomes required from the Funds.



## 4.2 ISSUES IDENTIFIED THROUGH THE EVALUATION THAT ARE COMMON TO ALL COUNTRIES

The previous section has identified some general issues about the nature of the NGO sectors and the need for understanding in each beneficiary state of the sector's particularities. However, despite the differences between the beneficiary states, there are also some commonalities or frequently occurring issues, which can be drawn from the evidence in Chapter 3.

### 4.2.1 Fund contribution to reducing social and economic disparities

There is general recognition that whilst it is likely that none of these NGOs Funds *per se* can make a "major contribution" to meeting social and economic disparities in any country, appropriate sub-projects funded with regard to local circumstances can:

- Demonstrate innovation, particularly in services or initiatives where the state is weak or has withdrawn, where NGOs are important in developing pilots to show new ways of dealing with old problems. Partnerships with Donor state NGOs and other bilateral partnerships can be an important means of thinking and learning about innovative practice.
- Provide sub-projects that can be complementary to state policy and strategic initiatives.
- Address inequalities, for instance between regions in a country or for specifically marginalised or disadvantaged groups.

It is particularly in relation to innovation that funds such as the EEA and Norway Grants can be valuable.

### 4.2.2 Access to Funding

Civil society is fragile in most of the countries covered by the EEA and Norway Grants, and to an extent this fragility has increased since accession to the EU and the loss of many funding streams that provided for civil society development – many of these lost funds were seen as easy to access, providing core and capacity building support as well as sub-project support for NGO activities. All of the end beneficiaries' Focus Groups note the loss of previous funding streams and that in many cases they have not been

#### **Box 18. End beneficiaries' view of the significance of the NGO Fund**

The NGO fund is very important as there aren't many active donors in the country and over the last 3 – 4 years it has been very difficult for NGOs to find support for their activities. Moreover, the state has no policy and clear rules to support NGOs or to establish a fund for providing the necessary co-financing under different projects.

##### *Bulgaria end beneficiaries' Focus Group*

... the NGO fund has been a welcome opportunity after the departure of traditional donors and in the context of the economic crisis, which has reduced funds available from private donors, taking also into consideration the difficulty in implementing projects financed through public (Structural) Funds (reimbursement of expenses instead of advance payments)

##### *Romania end beneficiaries' Focus Group*

Grants gave a unique opportunity to implement projects without budget negotiations (as opposed to when the projects are financed from the Polish budgetary source, the applicants are often forced to cut the project budget down). The applicants pointed out that in general the funds of other donors are very difficult to access for NGOs in Poland. Due to the criteria set, practically only big and experienced NGOs can afford to apply for the EU Funds (e.g. from Operational Programmes Human Resources Development 2004-2006 or now OP Human Capital 2009-2013), EU being the main source of funding in the country. As a result many organisations seek financial support from local or central government.

##### *Polish end beneficiaries' Focus Group, Warsaw*

NGOs have very limited access to contracts from the EU Structural Funds as they have to compete with commercial companies and governmental institutions. Only a limited number of NGOs is active and successful in receiving financing from EU Structural Funds. Among NGOs there is general opinion that EU Structural Funds have very heavy administrative requirements, and NGOs have difficulties in finding partners. Opportunities for NGOs to participate in the tenders are interpreted as support to NGO sector by the governmental institutions. ... NGO sector lacks access to small-scale grants with quick selection procedure and simple administration rules to address local problems. Continuity of projects and financing of long-term projects is also an important issue.

##### *Lithuania end beneficiaries' Focus Group*



replaced by state originated funds. EU Structural Funds are in particular seen as difficult for NGOs to access (see Box 18).

Funds that are easy to access, with appropriate application procedures and which allow for advance payments and not reimbursement or payment by results are therefore important if they are to be able to be accessed by the widest range of civil society organisations.

### 4.2.3 Fragility of Civil Society

One of the risks of the “fragility” of civil society, and linked to the lack of availability of appropriate funding sources, is that the diversity of the NGO sector will be lost in some countries, with a consequent polarisation between large NGOs that can access funds such as the EU Structural Funds, and grass-roots organisations at the very local level which rely on small funds raised from local community resources. Financial support from local government budgets is patchy and especially vulnerable to cuts at times of economic crisis. A healthy and broadly based civil society and NGO sector is critical for many reasons, including the protection of citizens’ rights, building of social capital and innovation in community and societal responses to a wider range of social and economic needs.

#### Box 19. Need for NGO capacity building

There is a gap between big and small NGOs which is increasing; both types of NGOs are important, both need capacity building.

*Interview with Intermediary, Estonia*

### 4.2.4 Connecting with communities and the citizen

In many countries, NGOs attending Focus Groups commented that there are still not high levels of public trust of NGOs, and that their role is not well understood by the wider citizenry. Support for promotional activities is seen as required, as in a number of countries, NGOs are seen as not reaching out and engaging with the wider community, but are seen as being remote and disconnected. This “disconnection” limits the engagement of volunteers and the development of volunteerism. A number of the Focus Groups noted that there is no legal basis for volunteer activity in their countries. This perceived disconnection also affects the ways in which NGOs can influence wider societal attitudes, and engage citizens in discussions on key societal issues. NGOs have a major role to play in engaging citizens in civil society activities, and in changing attitudes towards minorities and marginalised groups, and in raising issues about governance and what democracy means in practice.

### 4.2.5 Political environment

Political changes in some countries potentially have an adverse effect on civil society and on the relationships between government and the civil society/NGO sector, whilst in other countries the opportunities for partnership working across the sectors are increasing. Where tensions exist between the NGO sector and government, NGOs that receive or depend on funding from public sources may be limited in their advocacy and watch-dog roles. Additionally, there is evidence that some funding sources may be used for “political” purposes. Concerns were also expressed in Focus Groups and interviews in some countries that there is politicisation of NGOs.

#### Box 20. NGOs and government

‘Some key system shifts have not taken place - government is still suspicious of the NGO sector and there is a lack of trust and dialogue; NGOs are still shy, insecure and do not want to challenge government...; and whilst there is a Government-NGO Council, membership is selected by the government and its role is unclear.’

*Interview with Intermediary, Czech Republic*

#### 4.2.6 The importance of civil society/NGOs in reinforcing democracy and good governance, and in advocacy/watchdog roles

The importance of civil society/NGOs in reinforcing democracy and good governance and in advocacy/watchdog roles was emphasised in a number of countries. Anti-corruption work by NGOs is seen as an important part of this work; additionally, maintaining the independence and transparency of NGOs was seen as important in relation to advocacy activities. The need for further skill development for advocacy work was noted in a number of countries. Programmes which are nationally determined by governments or under direct ministry control or direction may not be willing to fund sub-projects or issues that may directly or indirectly challenge government at either local or national level. Conversely, NGOs may themselves limit their advocacy role, where they are recipients of funding from governmental sources and concerned that any engagement in such activities may jeopardise this funding.

##### Box 21. Advocacy

**Poland.** All participants unanimously stated that they see the advocacy as the main subject activity of NGOs and the core issue underlying the operations of NGOs in Poland. Most efforts of NGOs are devoted to advocacy work and this should be continued

There is an issue of dependency on funds accessible from local or regional budgetary sources, thus it is self-explanatory that the NGOs do not often exercise their right to criticize the activities of public administration. The participants reported that even if national debates are taking place (e.g. on issues such as anti-discrimination) the voice of NGOs is not always taken into account even though they are formally invited to participate in the discussions. As a result of various consultations the documents worked out with the participation of NGOs often do not finally reflect their position.

*End beneficiaries Focus Group, Poland*

**Slovakia.** "Advocacy used to be very strong in Slovakia in response to a previous regime, and the current government is again mobilising NGO's advocacy,"

*End beneficiaries interview, Slovakia*

#### 4.2.7 The role of NGOs in promoting new ways of thinking about issues

The Intermediary in Hungary specifically mentioned the role of NGOs in promoting attitude changes in what are still transition societies. Whilst this was more indirectly reflected in other interviews and Focus Groups, the role of NGOs in promoting new ways of thinking about issues, in piloting new initiatives and in challenging poor practice is clearly important. Both the activities during sub-project implementation, and the learning from the sub-projects, demonstrate how important the approaches and flexibility of NGOs are in enabling re-thinking and attitude change on the part of both authorities and also the general public. This is an area where the NGO Funds can be of importance, particularly if they are used to encourage innovation and new approaches to old problems. This issue is also reflected above in the roles that NGOs can play in connecting more widely with communities and citizens, to challenge attitudes which are hostile to minority and disadvantaged groups. This is an important role in relation to the promotion of human rights.

#### 4.2.8 Convergence with European norms

NGOs have a key role in bringing European norms to the forefront in their societies, for example Council of Europe Guidelines on civil society participation in decision-making,<sup>72</sup> and practices and approaches drawn from partnerships within the EEA. Whilst much of this work is funded under the main EEA and Norway Grants, for instance implementation of the Schengen *acquis* and work needed to strengthen the judiciary (of particular importance in Slovakia), involvement of NGOs in highlighting where there is divergence from European practices and norms is important.

<sup>72</sup> Code of Good Practice for Civil Participation in the Decision-Making Process, Council of Europe, approved by all member states meeting in Council, November 2009.

#### 4.2.9 Improving links with national and local administrations

Working with government is still an area where there are varied results. It is not clear how far NGOs involved in the NGO Funds have had a systemic impact in relation to NGO/governmental relations, and it may still be too early to judge how the links made through the sub-projects in different countries can be sustained and built on in the longer term. There is however evidence of improved links with local administrations at different levels in a number of countries, for example with child protection staff in Ministries (see Box 22). The main barriers are political – the willingness of government at both national and local levels to see NGOs as partners and to engage with them, to understand what NGOs and civil society is about and not to see advocacy and challenge as oppositional in a political sense.

However, in all countries where Focus Groups were conducted, increasing partnership with governmental bodies was seen as important, particularly in processes that involve dialogue and consultation. In most countries, the contracting out of services by local government to NGOs is seen as premature – however for example in Latvia, NGOs would like the opportunity to be seen as potential service providers. Estonia is unique amongst this group of countries, in having a Compact concluded between the NGO sector, government and parliament. Whilst open to criticism by some in the NGO community, it is a model which sets out clear guidelines for the relationship between the state and civil society as represented by NGOs. Implementation of the Council of Europe guidelines (noted above in 4.2.8) could significantly improve the relationship between NGOs and state institutions at both local and national levels.

##### Box 22. Links with government administrations

**Poland** - Although the thematic areas like social inclusion, culture, tourism or environmental protection are covered by the statutory activities of an NGO sector in Poland, there is a clear need for closer co-operation between NGOs and self-governments to validate these activities. NGOs would welcome the creation of a platform for co-operation with public administration. There are areas of co-operation although there are also areas neglected by the local administration, where NGOs play a major role (promoting equal opportunities, fight against discrimination) – these areas are unlikely to be supported by self-governments for various political reasons thus the donors can fill the gap in this respect.

*End beneficiaries Focus Group, Poland*

**Slovakia** The **Hope under One Roof** project of the association **Help for children at risk** is developing new methods and procedures in work with victims of domestic violence, working with victims, perpetrators, and the general public. Based on their long-term experience and working with other NGOs associated in the League against Violence the sub-project refurbished two small flats donated by the municipality into protected emergency accommodation for the victims. The project team works intensively with the victims, but also trains and works with all those involved including public administration staff and the police. As well as starting the League against Violence, which creates networks and contacts among all organisations of similar nature all over the country, they also focus on identification activities and prevention.

However, there are also stumbling blocks to effective interaction, as noted from Bulgaria, where the end beneficiaries' Focus Group noted that more support is needed to facilitate dialogue with public authorities, and to increase the range of organisations that can participate more actively in partnership working and dialogue with the state.

#### 4.2.10 Networking and partnership working between NGOs

Cooperation between NGOs and the development of networks and representation structures were seen by many of the Focus Groups to be important for the continuing development and strengthening of NGOs and civil society. However there is clearly a need for further work and support in this area to sustain these developments. Environmental NGOs are clearly well networked, and other sub-sectors are developing networks as well. Tensions can arise in leadership of networks due to personality issues and the competitive nature of the NGO sector which can hamper effective network developments such as wider experience and learning dissemination. These tensions are

unfortunately often due to the competitive nature of the funding available, which leads to NGOs being unwilling to share experience, lest other NGOs seize a competitive advantage on them. This was noted in interviews in the Czech Republic and other countries.

Cross-sectoral networking within NGO sectors is still an issue in most countries; for example the Gremium in Slovakia, which previously brought together all NGOs at both regional and national levels, has closed, and although there has been the development of a variety of new platforms, co-ordinated working across the various sectors has to some extent been lost. This can lead to separate development, so that the Intermediary in Slovakia with a strong background in rights work was not able to work with the Intermediary working with child protection NGOs.

**Box 23. Slovenian good practice support to networking NGOs**

Under the European Social Fund 2007-2013, Slovenia is supporting capacity building of NGOs from a strategic perspective. It supports creation of so-called horizontal, regional and sectoral networks. The task of the beneficiary, acting as a horizontal network, is to look after issues that affect all NGOs. The beneficiary, acting as regional network, focuses on capacity building of NGOs in their region, as well as identifying how local/regional NGOs can support and carry out an active role in regional development. Sectoral networks (such as environment, health, voluntarism, spatial policy, drugs, and sport) support NGOs operating in their sector. Each project applicant needs to identify NGOs that are to be included in the network, identify their needs and weaknesses, and on that basis carry out workshops and training for them. Funds are also available to support dialogue with the government and relevant sectoral ministries.

Partnerships and networks will succeed where participants see and receive direct benefits from network involvement (see Box 23). There is clearly good practice and modelling in those three countries where the Intermediaries have been consortia of NGOs - Hungary, Romania and Bulgaria. Encouraging partnership working between NGOs within the specific criteria for the NGO Funds could also enable more established NGOs to partner with smaller, weaker or un-registered NGOs. Such partnerships can contribute to capacity building and to general strengthening of the NGO sector, particularly at local levels and for grass-roots organisations.

#### 4.2.11 Competition between capital and regions

There are a range of issues which relate to the comparative strength of NGOs in capital and major cities and those elsewhere in most countries. In Lithuania, there were suspicions on the part of NGOs that much of the funding had been allocated to Vilnius-based NGOs, and in Cyprus a focus on Nicosia was inevitable as the place where both Greek and Turkish NGOs could most easily gain access.<sup>73</sup> In Romania, the inclusion of two regionally-based NGOs in the Intermediary consortium enabled a wider regional reach for the NGO Funds and also more knowledge about local issues and potentialities. The Czech Intermediary had a long history of regional grant making as did the Intermediaries in Slovakia. The quota system for regional grants, as operated in Latvia and the Czech Republic, could be a possible approach to address imbalances in distribution of funding between main cities and other area. Suggestions were made in several countries about ways in which local NGOs could be more involved in sub-projects, such as through partnerships with national or stronger NGOs. This could also be a mechanism whereby unregistered locally-based organisations could also benefit from support from the Fund. In Hungary, Romania and Bulgaria, support to rural areas was specifically mentioned as being a priority.

**Box 24. Linking local and regional NGOs**

The beneficiaries pointed out that there are stronger NGO organisations operating on a regional level whose experience should be linked with the knowledge of a local organisation to implement joint initiatives – the local NGOs, often smaller and not experienced enough, have limited access to Funds promoting human rights, democracy or environmental protection – if these efforts could be combined, local NGOs could do more for the local benefit thus contributing to the development of regions.

*End beneficiaries Focus Group, Poland*

<sup>73</sup> The NGO Fund covers sub-projects in all regions of the island with varied types of activities.



## 4.3 USING APPROPRIATE FUNDING PROCESSES

In terms of the mechanisms for the NGO Funds, much depends on what the Funds are intended to achieve. There is a distinction between Funds that are intended to support the activities of the NGO sector, and through these activities to support the development of its capacities; and Funds which are intended to tackle social, economic and environmental issues, which may have NGOs as primary end beneficiaries, or as only one of a wider range of end beneficiaries. This distinction will affect the appropriateness of mechanisms that are deployed for applications, assessment and implementation of sub-projects.

### 4.3.1 Use of mechanisms from other funding programmes – a need for balance

#### *Application and payment processes*

As the evidence in Chapter 3 shows, where Intermediaries have been required to adopt procedures that are directly taken from other funding programmes, such as EU Structural Funds or the main EEA and Norway Grants, there is a risk that a lack of appropriate capacity in the NGO sector can lead to sub-projects which have significant potential being rejected - often as non-compliant. These procedures have application requirements, such as the provision of extensive documentation, and require skills to develop sub-projects which meet the stringent tests of these funds, and to write up high quality proposals, which skills are still weak within the NGO sector in many countries. This is particularly true for smaller or less-experienced NGOs and can result in the same few NGOs being able to benefit from available funding schemes at a time when they are few accessible NGO funding schemes in the beneficiary states.

It is however recognised that in some countries, legislation or regulations required the conformity of these NGO Funds with:

- the processes and compliance requirements of the main EEA and Norway Grants (for instance in Latvia, where specific legal provisions have been adopted for the overall programme);
- or with other funding programmes such as the EU Structural Funds.

However, in other countries, there was significantly more flexibility, as in Hungary, Romania and Bulgaria. Thus, there is a continuum along which the mechanisms of the NGO Funds lie:

- from the less bureaucratic, but still rigorous approaches found in Bulgaria, Hungary and Romania, linked to the FMO;
- through a range of countries where, for instance, NGOs are exempted from state procurement rules, and where though the funding comes into the state budget it is treated separately as funding from a foreign donor - a ring-fenced National Programme;
- to the position in Slovakia, where the strict application of bureaucratic procedures and accounting rules has led to major problems (see Annex 3).

One of the benefits of the NGO Funds for NGOs has been payment in advance, rather than on results or in arrears as is the case with many EU funds. However, as has been noted from Portugal, the payment authority for the NGO Funds is the same payment authority that manages EU European Social Funds (ESF), uses a reporting system that is close to that used to manage ESF, and it has demonstrated difficulties in incorporating the advance payment system into its processes.<sup>74</sup> Additionally the interpretation of FMO requirements against the current standard procedures of the payment authority has increased complexities. This has caused particular difficulties for end beneficiaries.

However, there is a counter view. As noted in the comment from the Norwegian Embassy in Lithuania above, it could be suggested that requiring NGOs to go through an application and subsequent implementation process that parallels the main state and EU funds processes builds skills and can increase the possibilities of NGOs successfully applying to main EEA and Norway Grants and to EU Structural Funds. This point has some validity and certainly in a number of countries (e.g. Slovenia), the learning benefits have been identified. However, if applied without appropriate

support being provided for applicants for sub-projects, it risks the exclusion from funding of possibly innovative sub-projects which could have valuable outcomes. It also excludes smaller, weaker (and newer) NGOs from having the learning opportunity of implementing sub-projects within the framework of the NGO Funds and thereby increasing their capacities for the future. There is also a concern that adopting these procedures mean that only '*larger, mature and experienced NGOs*' (Slovakia) will be encouraged to apply, as for the others accessing the grants would be beyond their capacity. This can mean, for example, the exclusion of sub-projects that are developed by and focus on the specific needs of marginalised or disadvantaged groups; for example in Slovakia, where no Roma NGOs have achieved funding under the Slovak NGO Funds.

Thus, whilst it is important that there are appropriate measures in place to ensure that NGO Funds are not misused or used corruptly, and that appropriate controls over financial disbursements and assurance of sub-project outcomes, it can be suggested that the

#### **Box 25. Demanding administrative burdens for sub-project beneficiaries**

NGOs are concerned with the administration burden of the NGO Fund. In some cases administrative requirements entail difficulties for project implementation. Lack of flexibility was mentioned as negative aspect of the implementation of the grant scheme. However certain measures to simplify administrative aspects of sub-project implementation also have been taken

*Lithuania Key Informants Focus Group*

"...much detailed and complicated administration; compared to the other funders it is much more time consuming, and the rules applied for the state budget Funds and other public sources used by the public administration are not so strict. Some requirements are exceeding standard local legislation and are illogical, and the introduced changes required retrospective revision of reporting.

*Individual grantee, Slovakia*

'Some NGOs criticize heavy burden for administration of the sub-projects. However the Embassy is of the opinion that procedures set in the national legislation must be followed and NGOs should use the opportunity to learn. Some of the sub-project applicants would prefer to have a higher degree of involvement of the donor in the set-up and operation of the NGO Fund, and some believe that the Intermediary should be an NGO. The end beneficiaries find the management of sub-projects very demanding (public procurement, project administration and reporting). On the initiative of one NGO, 19 beneficiaries wrote a letter to the Focal Point explaining the difficulties they faced in implementation, such as unclear definition of some costs, heavy administrative burden, and duplicate controls by the auditors and the Secretariat.'

*Interview with Norwegian Embassy, Lithuania*

<sup>74</sup> The MoA states that the Intermediary is responsible to demonstrate and report, with valid documents, their expenditures to the FP for analysis and validation by the FP and Paying Authority. The FP and particularly the Paying Authority, interprets that 'expenditure' refers to all expenditure directly made by the Intermediary (within their own budget) and their end beneficiaries. The Intermediary has a different view. They consider that 'expenditure' refers to their direct management expenses, according to budget and the advance payments to end beneficiaries. The Intermediary considers that it is their role as Intermediary to review, analyse and validate the expenses of end beneficiaries (as stated in the MoA with the FP) and the interpretation of the FP/Paying Authority represents a de-legitimization of their role as Intermediary, a lack of trust to their control capacity and the introduction of a new unnecessary filter that will only bring delays to the process.

burden of bureaucratic procedures on the NGOs, both in applying for grants and in implementing sub-projects, has been excessive in some countries. It would be more appropriate if participating governments could be encouraged to relax over-onerous procedures for the NGO grants. Any such process would need to be closely linked to the development of clear criteria as to what types of organisations would be eligible for such grants, under a more “relaxed” regime.

Simplified and flexible processes can enable wider reach of the NGO Funds. Relaxing procedures (such as state aid and procurement regulations<sup>75</sup> and the extensive administrative requirements associated with other funds) can ensure that smaller NGOs are not overburdened with an internal bureaucracy that will either prevent them from applying for grants for sub-projects, or hinder the effective implementation of their sub-projects if they become end beneficiaries.

### 4.3.2 Ensuring clarity of overall rules and procedures

The FMO guidelines and procedures were quite general and not detailed. As the evidence shows, in some countries this led to difficulties of interpretation, not just for the Focal Point but also for the Intermediary. Where the Intermediary does not relate directly to the FMO this can leave the Intermediary in serious difficulties, as it can be open to unreasonable requirements in the name of fulfilling FMO rules. There is a need for more detailed rules for future funding streams, but these need to be a framework which can allow for flexibility for each country Fund. However, this framework also needs to take account of the issues raised throughout this section about appropriate criteria for sub-projects, assessment processes, and mechanisms for the disbursement of the NGO Funds. Where procedures are over-cumbersome, or where they lead to delays in transfers of grants to end beneficiaries, they can impede the achievement of sub-project objectives. Expectations of the structure of the Fund, its terms of reference and the responsibilities of each actor also need to be clarified. MoUs need to be clear and not subject to different interpretations which can lead to institutional tensions and operational delays.<sup>76</sup>

Changes in processes, as a result of learning from monitoring and feedback from applicants and end beneficiaries (as was the case in Hungary) should also be part of the process reviews between the Intermediary and the FMO. However, as the example in Box 26 shows, this was not the case in Bulgaria; and where the Intermediary has no direct relationship with the FMO, any flexibility has been difficult to achieve. Where NGO Funds have been the most flexible, they have been viewed in a very positive light.

#### **Box 26. Example of limitations on flexibility**

At the stage of their application to be an Intermediary, the two organisations have presented in great detail all procedures and steps to be followed during the application and selection process. To some extent that was limiting since they had to follow the initially set framework and sometimes it was not the best possible choice. Their opinion is that these steps and procedures should be only broadly defined at the stage when the offer is presented and then they can be further specified together with the FMO according to the changes in the dynamic situation.

*Interview with Intermediary, Bulgaria*

The diversity of systems has led to very different experiences in the beneficiary states. Whilst it is still suggested that “one size does not fit all”, in relation to recommendations on procedures, it can be suggested that negotiations to achieve less bureaucratic mechanisms for the Funds in all countries need to build on the experiences of those

<sup>75</sup> To be addressed more fully in Section 4.3.2.

<sup>76</sup> Particularly commented on from Portugal, where the MoU is seen to be ambiguous, and where unclear “*de facto*” leadership between the Payment Authority and the Focal Point has led to tensions and the existence of multiple verification filters imposed by the Payment Authority.

countries where exemption from the more exacting requirements of the main EEA and Norway Grants has been achieved.

The following sections will cover in more detail some specific areas which have caused problems and where some simplification and clear FMO guidelines would be valuable.

### **State aid and procurement rules**

The use of State Aid rules and procurement requirements in the NGO Funds has been difficult for NGOs in countries where these have applied. In the three countries where the Intermediary was directly contracted by the FMO, they have not been applied; in Poland, state procurement rules do not apply to NGOs, nor did they apply in Estonia or the Czech Republic for this Fund. In Estonia, end beneficiaries were advised to get several offers, money for investment was limited to 20% and market prices are mainly known (e.g. for computers). Issues related to the risks of conflict of interest are incorporated in the contract. It was also recognised that small NGOs in some rural areas would have difficulties in going out to competitive tender, because there are not many appropriate service providers in these areas. In the Czech Republic, the Focal Point came to an agreement in 2005 with the Ministry of Finance and the Tax Office over state aid rules and public procurement, where end beneficiaries up to a maximum of €50,000 would be exempt from these regulations. Where requirements such as the use of state procurement processes are contractually required, NGOs will need support from the Intermediary, through guidance and training, to ensure that they achieve compliance with these procedures. This increases the scope of the Intermediary in relation to support of sub-projects during their implementation, beyond a supervisory and monitoring role.

In Poland, the state aid rules were applied with a *De Minimis* provision, and were exempted from public procurement regulations:

*“The Beneficiaries of NGO Fund shall be released from the application of the public procurement procedures relating to tasks carried out within sub-projects financed from the Norwegian Financial Mechanism and EEA Financial Mechanism, unless the Beneficiaries or Partner/s are obliged legally to apply the Public Procurement Law. Beneficiaries, who are not bound by public contract award procedures defined in the Public Procurement Law, shall be obliged to spend the Funds granted in a way ensuring its optimal use, according to the best economic practices and enabling full and fair competition between potential contractors”*

This appears to be a fair and reasonable compromise, requiring “optimal use” of NGO Funds, whilst freeing the end beneficiaries from the burden of public procurement procedures. However in Latvia, procurement procedures were required even where small grants were awarded (see Box 27).

#### **Box 27. Procurement**

A special regulation by the Cabinet of Ministers is valid for NGOs; for procurement below 50,000 Ls (€75,000) procurement procedure is not prescribed, however the Intermediary introduced simplified procedures from 3,000 Ls to ensure transparent procedures and value for money: tender must be published on web site/newspaper, offers received, minutes of selection (justification of decision), declaration regarding conflict of interest signed. They usually check the names within NGOs with the names of sub-contractors (e.g. one person is involved in company and NGO). It was their intention to increase transparency of operations and to make NGOs think of possible conflicts of interest.

*Intermediary Interview, Latvia*

### **“De Minimus” rules**

As noted above, in Poland the State Aid rules were applied with a *De Minimis* provision, i.e. at assumed minimal value. *De Minimis* can also be applied where an end beneficiary may be producing goods or services as an integral part of their sub-project activity, which may then be sold wholly for public benefit. However, the *De Minimis* rule should be further clarified in the future, as there is a discrepancy between the understanding of the Ministry of Finance in Bulgaria and that of the FMO. The Intermediary has chosen to apply the FMO position – e.g. if there are products from the sub-projects which are sold then the



funding is to be declared as *De Minimis*. The Ministry of Finance is querying this interpretation. In all countries, this understanding needs to be clarified, as the application or not of *De Minimis* could have a significant effect where NGOs are developing activities which could be seen as social enterprises, and thereby “trading” but for wholly public (rather than private) benefit. In terms of longer-term sustainability of NGOs in these countries, the encouragement of social enterprise could be critical, but in terms of the issues raised by state aid rules and *De Minimis* provisions, current arrangements in some countries could undermine this type of development.

### Overhead/core/management costs

The issue of contribution to core or sub-project management costs has been raised in most countries and the limit of 10% which was set by the FMO has been considered to be too low.<sup>77</sup> From Bulgaria and Slovakia, it was noted that applicants were “hiding” these expenses within the expenses for sub-project activities. In Slovakia there was also a real lack of clarity about what could count as core or sub-project management costs, as opposed to any staffing costs, in part reflecting a lack of clarity in the FMO guidelines. In all of the beneficiary states there are short-falls of funding available for general support for core costs so it is not surprising that NGOs will see sub-projects funded under the NGO Funds as assisting with their core costs. Whilst it is important that NGOs do not come to see these Funds as the main way of funding their core costs, as this raises issues of sustainability, there needs to be recognition that implementing sub-projects does incur core management costs for an organisation. Some examples were given in Focus Groups in some countries of sub-projects being refused funding for staff costs, even where staff were necessary to ensure the delivery of a sub-project’s activities. The core costs issue, however, is clearly one that the FMO can clarify.

#### Box 28. Funding management/core costs

All the participants were unanimous that the percentage of the expenses for the management of the projects was too low (up to 10% from the overall eligible expenditures). They were definite that it is not always possible to count only on the voluntarism of the people working in NGOs. Different examples were given: project manager with only 6 days approved to work within a 12 month sub-project; a sub-project which was implemented in 3 towns simultaneously where rent had to be paid and it was not approved; in one sub-project the position of the sub-project coordinator was removed altogether, another sub-project budget was reduced by 40%.

*End beneficiaries’ Focus Group, Bulgaria*

### Co-financing through ‘in-kind’ contributions

Co-financing through ‘in-kind’ contributions also caused problems in some countries. In the original proposal from the Intermediary in the Czech Republic, it was envisaged that up to 50% of co-financing could be ‘in-kind’. When the Civil Society Development Foundation, NROS, discovered the complexity of the requirements for this type of arrangement, it was agreed no ‘in-kind’ contributions would be offered.

Latvia however introduced ‘in-kind’ contributions. This was their first experience of using this mechanism and whilst there were many initial issues, now this will also be introduced in Structural Fund systems. NGOs need to provide documents to prove the contribution and there must be some reports, and evidence in accountancy registers (income and expenses ‘in-kind’). This mechanism can be used to cover up to 5% of the total eligible sub-project costs in the NGO Fund or 50% of the NGO’s own contribution in Society Integration Fund. Demonstrating co-financing is a real difficulty in Slovakia as end beneficiaries have to show co-financing not as a sum across a year but for every month of the year.<sup>78</sup>

<sup>77</sup> In Romania, only 7 % was available for administrative expenses.

<sup>78</sup> A well known Human Rights organisation was not able to show that their co financing was available for every month of the year so has completely given up claiming their management fee.

Clarity and guidance would be helpful in relation to all of these issues. Whilst it is recognised that the ‘in-kind’ contribution allowance may depend on the overall mechanisms adopted by each beneficiary state, a general recommendation that this should be adopted would be welcome. It would also assist in developing concepts of volunteering and voluntary contributions of skills to NGO sub-projects, an issue (the promotion of more voluntarism) that has been raised in every beneficiary state.

### 4.3.3 Application procedures

Application processes were expected to elicit sufficient detail from the applicants as to the activities of the sub-projects and their expected outcomes. However, in some countries application forms were seen as over-complex. Again, such bureaucratic procedures can also disadvantage smaller less experienced NGOs from the regions, where the evidence suggests that NGOs are likely to be weaker, but where it is also important that the distribution of funds is not seen as favouring only those NGOs which are more experienced and located in capital cities. And one of the key issues here is how far less-experienced and weaker NGOs are able to present their proposals adequately in the required written format. As a report from the Norwegian Helsinki Committee on Cyprus noted:<sup>79</sup>

*“The government recognises the sector as a key partner in achieving many of its goals, and would like to move closer towards the EU model of government-NGO partnership in service delivery. However, the government retains doubts over the NGO sectors’ ability to fulfil that role. The government’s doubts are not without merit, and a number of respondents stated that many NGOs lack the skills and capacity to meet expected standards for proposal writing, reporting and project management. A result is that the same small number of known and trusted NGOs benefit from government funding.”*

“Proposal writing” to conform to a donor’s requirements has become a required and acquired skill on the part of some NGOs. Understanding of sub-project design and sub-project management has often taken second place to the skills of putting on paper what the NGO thinks the donor wants to hear. As a result, much innovation and the potential for the funding of sub-projects which could have a significant outcome have been lost where an NGO may lack the skills in “proposal writing”, as demonstrated by the example in Box 29 from Cyprus.<sup>80</sup>

#### **Box 29. Badly written proposals for good projects**

“One of the major problems with the application process was that NGOs had difficulty in writing (proposals), which meant that some sub-projects were good but were poorly written and thus due to lack of clarity were not approved. This was the case with one approved sub-project which had very good potential as a project, but due to weak (proposal) writing skills many aspects of the sub-project were not emphasized leading to a cut of around 60% of their budget. Unfortunately it came out to be a very good sub-project with very low budget as a consequence, thereby also influencing the development and impact of the sub-project and its target groups.”

*Interview with Intermediary, Cyprus*

There are two linked issues here – the ability of NGOs to design good sub-projects and the skills of NGOs in presenting their ideas for sub-projects in the form required for the application. The ability to think about and to design a sub-project which can achieve significant outcomes is not necessarily linked to the ability to express the sub-project appropriately. This is where both support for applicants through workshops and assessment processes which can “look behind the words on the page” are important.

In Hungary, following a feedback process from successful and unsuccessful applicants on procedures after the first round, changes were made in the processes which enabled less experienced NGOs to apply successfully. The Intermediary now works more closely with

<sup>79</sup> Norwegian Helsinki Committee Report “Civil Society and Legal Framework. Cyprus”, undated.

<sup>80</sup> In the notes of the interview with the Intermediary, the term “reports” is used, but refers to proposals rather than reports written for monitoring purposes.

less-experienced NGOs to develop good sub-project ideas that might not have passed through assessment based solely on what was presented on paper as the proposal.

It therefore appears from the evidence that there is a need to balance effective procedures, which are appropriate for NGOs with a range of skills and experience in applying for funds, whilst ensuring that there is no risk of corrupt practice in relation to the use of the NGO Funds by the end beneficiaries. This means designing application forms that can steer a less experienced applicant through the thinking and the narrative that is required to enable a fair assessment to be made of their sub-project idea. Experienced grant makers provide training and support during the application process through web sites, workshops and on the phone and by e mail. Again it is the NGO or not-for-profit sector Intermediaries with extensive experience of helping NGOs apply for EU Phare and Transition funding whose practice is strongest in this area.

#### **4.3.4 Two-stage process for applications**

Hungary has tried a two-stage process for applications under its third call for proposals.<sup>81</sup> Latvia has planned a two-stage application process for the Swiss contribution, and was interested in introducing such a process for future NGO Funds. The first submission would be of an outline idea for a sub-project. These can then be assessed against a number of criteria, such as compliance with the criteria for the Fund, possibility that the sub-project will contribute to the overall achievement of Fund objectives, innovation, piloting of new methodologies, reaching out to marginalised or disadvantaged groups etc. Following the first-stage assessment, more extensive support could then be provided to applicants to develop their sub-project ideas, which would be particularly valuable for less-experienced NGOs and would contribute to their capacity building through this process.

#### **4.3.5 Size of grants**

Maximum and minimum grants have varied from country to country. It can be argued that fewer and larger grants can cut down on administration costs, and that larger sub-projects can potentially demonstrate more impact. However, this view can be challenged. It is not the size of grants that determines impact, but innovation, creativity and effective use of funds to make a difference – to secure outcomes. What can be suggested is that the minimum and maximum for any individual country need to be determined by knowledge of the absorptive capacity of the NGO sector, how far the grants should reach to smaller NGOs with less capacity to manage large grants and sub-projects, and the criteria set for the NGO Funds in each beneficiary state (e.g. partnership working, innovative practice etc.). Clearly the capacity of an Intermediary body to manage a large number of small grants would need to be taken into account in the selection process, if smaller grants are to be made available in the beneficiary states. Poland has successfully implemented a micro-grants scheme and it can be suggested that differentiation of funding schemes, with small-grant schemes, with less extensive but still accountable application processes, could be helpful in increasing the range of the grants.

#### **4.3.6 Assessment and selection of sub-projects**

In all countries, assessment procedures were developed that aimed at utilising the experience of qualified assessors and panels of experts and others. It was not surprising that there were challenges in some countries over the impartiality of assessors, particularly where assessors are being drawn from a comparatively small “pool”, as they were expected to have knowledge of NGOs and also of specific thematic areas. It is fully appreciated that in most, if not all, circumstances in these countries, there is a need for confidentiality over the identity of assessors, and it should be noted that this is usual

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<sup>81</sup> Romania has used a two-stage administrative compliance and eligibility check, but not a real two-stage process as discussed here.

practice. However, in Latvia, the failure to identify the assessors led to some issues over whether appropriate public procurement procedures had been used during the recruitment process. There is however no significant evidence emerging from any of the countries that there was corruption of processes. The use of scoring mechanisms and also of dual assessment is critical in ensuring that all eligible applications are reviewed fairly.

Much depends in any assessment process as to the criteria that are used, how far these criteria are drawn up to reflect the outcomes that the overall programme wishes to achieve and whether weighting is used to reflect specific issues in a beneficiary state, such as a wish to achieve regional balance, or to ensure that smaller NGOs, or NGOs working with particularly marginalised groups are recognised in the final portfolio of sub-projects. This issue will be explored further in Chapter 5 of this report; however it can be suggested here that assessment criteria should be published with the application procedures, so that applicants are made aware of the criteria on which they will be assessed. If these guidelines and the assessment criteria are drawn up in appropriate ways, this can ensure that key issues that may be deemed beneficial in relation to the overall programme outcomes, such as the involvement of end beneficiaries in the design and implementation of sub-projects, involvement or partnership with state authorities, or coalitions of NGOs, etc, can be fully considered by applicants in the design of their sub-projects. It would be useful for the FMO to provide detailed advice and guidance on this for any future programme.

#### 4.3.7 Results-based systems

As the subject of results-based systems has been raised by the NFP in Slovakia (see Box 30), it is important to deal with it in this section of the report. As is very clear from other parts of this report, the payment in advance to NGOs is of great importance. As most NGOs do not have reserves or other resources from which they can cover any problems in cash flow, any system which was payment in arrears or against results would severely disadvantage, if not prove impossible, for NGOs. Results-based systems can also suggest that the focus of a programme is on outputs or activities, and as noted above, the key issues are in fact those of process and outcomes, rather than straight deliverables. The evaluation team would strongly urge the rejection of any output-based or payments in arrears systems.

##### Box 30. Payment by results

**The FP in Slovakia is considering moving all NGO funds** into the individual project model with single NGOs running programmes that involve a small number of partner NGOs in order to reduce the management costs of many small NGOs and, with fewer NGOs, to identify the impact more effectively. They would like to move to a results-oriented approach by which they mean payment in arrears against outputs.

#### 4.3.8 Conclusions about appropriate funding processes

As the evidence and the above analysis have shown, there are significant differences in each beneficiary state, with no single model of Fund delivery. Whilst some processes are governed under specific regulations enacted to enable the NGO Fund to be implemented in the country, in other cases (in particular the three countries where the Intermediary is directly contracted to the FMO) there has been considerably more flexibility and the NGO Funds have been regarded by the NGO sectors there as easy to access, responsive and flexible. With this flexibility there has been an awareness of the need for rigorous assessment and monitoring during implementation, to ensure that risks are appropriately managed. However, these NGO Funds have also been able to break down more of the barriers of access to grants for smaller and less-experienced NGOs and to encourage innovation.

If it is seen as important that access to the NGO Funds is as wide as possible, within the overall objectives set for any future Funds, then funding process mechanisms may need to

be considered which ensure that it is not the same small number of stronger NGOs that can access and benefit from the NGO Funds.

The key challenges that arise from the above issues are:

- How far procedures that apply to both national budget funds and the NGO Funds rely on NGOs having well-developed skills in proposal writing and reporting, and whether good sub-project ideas are being rejected as a result of some types of NGOs lacking these skills;
- How far alternative mechanisms (for applications and for implementation support) can be used to build skills and capacities within NGOs, whereby the processes of the NGO Funds themselves contribute to overall capacity building within the NGO sector within a country;<sup>82</sup>
- How assurance in relation to risks – sub-project failures, corrupt practice etc. – can be built in if state funding mechanisms, such as standardised application and assessment procedures, procurement requirements and procedures for financial reporting and disbursements, are not followed by the NGO Funds.

Thus there are a number of issues that need to be considered:

- How far processes for application and for contractual compliance during implementation should diverge from those used for national budget funding, and if they do not diverge, the implications for the reach of the Funds;
- If processes are to be adapted specifically to ensure the widest possible reach of the Funds, what are these appropriate processes;
- What the management, and therefore the resource implications, are of providing a flexible and supportive sub-project application and implementation process;
- or, where there is no or less divergence from processes used for national budget funds, what support is needed to build the capacities of participating NGOs to access the NGO Funds.

There is therefore a need to find appropriate processes which overcome a dependency on NGOs having the skills in proposal writing and which discriminate against smaller or less skilled and experienced NGOs. Whilst it can be suggested that skills can be developed through applications to Funds where a clearly expressed proposal is required, and where detailed feedback is given to unsuccessful applicants,<sup>83</sup> which can enable them to improve their application skills,<sup>84</sup> what also needs to be considered are:

- Appropriate application forms which can guide a less experienced applicant through the requirements of a sub-project proposal, with guidelines for applicants that are clear and indicate clearly what is required in each section of an application form;
- Workshops or other kinds of support at the pre-application stage, to provide detailed guidance on what will be looked for in the proposal for funding;<sup>85</sup>
- Transparent assessment criteria, published with the application details, so that applicants know and understand the basis on which their proposals will be assessed;
- Transparent assessment processes: it is not clear in all countries whether all applications were assessed by two independent assessors nor whether representatives from the Focal Point, the Donor States and the FMO participated in the Selection Committee as observers;

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<sup>82</sup> Supplementary to, or instead of, specific funds used for capacity building within the overall NGO Fund.

<sup>83</sup> This feedback is given by most but not all Intermediaries.

<sup>84</sup> This was found in Hungary, Estonia and the Czech Republic, where applicants that applied in each of the three rounds were seen to have significantly improved their applications each time, as a result of the feedback given by the evaluators.

<sup>85</sup> This workshop help is given by most but not all Intermediaries.



- Possible two-stage processes, with an initial sub-project outline, and with applicants selected after Stage 1 being offered further support to develop their full proposals.<sup>86</sup>

## 4.4 THE ROLE OF INTERMEDIARIES – COMMUNICATION AND SUPPORT

Intermediaries had two important functions – the communication of information about the NGO Funds, and providing support to both applicant and end beneficiaries during the implementation process.

### 4.4.1 Communication and information about the NGO Funds

In all countries a range of means of communication about the NGO Funds took place, including workshops and information sessions in regions. The use of electronic communications, including websites, was very important. It is clear that the visibility of the NGO Funds, to the appropriate sectors, was achieved in all countries.

What is critical from the Estonian example (see Box 31) is not just the information, but also the seminars on best practice and the inputs from previous end beneficiaries. Clearly, if the aim of the NGO Funds is to enable NGOs to achieve outcomes in line with the key objectives of the NGO Funds, the provision of support which enables NGOs to provide good applications is important.

This issue has also been highlighted in the example from Cyprus noted in Box 29 about the need to enhance the skills of NGOs to write good proposals.

#### Box 31. Promotion of the Funds

Pre-announcements made on the website; announcements of the calls were made in one Estonian and one Russian speaking national newspaper, press release, NGO mailing lists were used, web site information; 15 min radio show that takes place every week was used.

Umbrella organisation network of Estonian NGOs prepares newsletter and includes this information. Information seminars take place in all 15 regions;

In addition, seminars aiming at discussion on appropriate projects / best practice shared by previous end beneficiaries were organised and received good feedback; participation was high - 2 seminars organised in Tallinn;

Five days before deadline a seminar with consultancy for completion of applications takes place in Tallinn; for the last call also one was organised in Tartu;

There was a separate seminar organised also in Russian language – several applications supported.

*Interview with Estonian Intermediary*

### 4.4.2 Ongoing support

Whatever the mechanism adopted, the Intermediary in every country has needed to provide help and support with application processes and with ongoing support during the implementation of sub-projects, especially in relation to financial accounting. The use of workshops to provide training to NGOs, both at the application stage and post contract, is clearly of importance and valuable. In particular, workshops for end beneficiaries, to ensure that they understood the financial accounting and other reporting requirements were critical. Again this was an area of good practice adopted by experienced NGO grant makers, despite limited resources where, in a number of countries, capacity building by the Intermediaries was not permitted.

If the aim of the Funds is to reach as

#### Box 32. Workshops for successful applicants

All successful end beneficiaries participated in one-day training dedicated to the requirements for the management and reporting of the sub-projects. They are also encouraged to contact Intermediary team whenever they have questions or encounter problems during the project implementation. The Intermediary team has constant contact with the end beneficiaries. Most of the requests were related to transfers between the budget items even when they are within the 10% about which they need not ask permission.

*Interview with Intermediary, Bulgaria*

<sup>86</sup> An adaptation of this process was used in Hungary for the third round of applications, with selected NGOs attending a workshop which provided support with the development of final sub-project proposals.

widely as possible, including smaller, newer and less-experienced NGOs, then the issue of ongoing support from the Intermediary becomes even more important. As noted above in this section, the processes of application and implementation of sub-projects can contribute significantly to capacity building and skills development in participating NGOs, but this development will only occur where resources are deployed to assist the NGOs in this respect. It can therefore be suggested that this type of capacity building is and should be integral to the Fund processes themselves, and not solely an additional activity funded from the sub-project (grants) budget. This would suggest increasing the resources available to Intermediaries specifically for this type of support and capacity building, including workshops for experience exchange between sub-projects, enabling the sharing of learning and good practice, as well as challenges and difficulties.

## **4.5 TYPES OF INTERMEDIARIES AND CONTRACTUAL ARRANGEMENTS**

If, as noted in the first section of this Chapter, understanding of the NGO sector is important in successful Fund delivery, so the selection of Intermediaries is of crucial importance, as are the contractual relationships that are entered into. This section will comment on these issues.

### **4.5.1 Diversity of Intermediaries**

There was variance in the experience and knowledge of the Intermediaries about the NGO sector and its support needs in applying for funding and implementing sub-projects. Whilst end beneficiaries in the Focus Groups appreciated the support given by all of the Intermediaries during sub-project implementation, where NGOs and not-for-profit organisations, rather than government departments or agencies, were contracted to manage the NGO Funds, this was seen by end beneficiaries as more successful. This success is partly due to competence in grant making and management and partly to a good understanding of the sector.

It may be significant that in all the three countries where the Intermediary was directly contracted by the FMO, the Intermediary in fact was composed of a consortium of NGOs. Whilst NGOs and not-for-profit organisations were the Intermediaries in other countries as well (Czech Republic, Estonia, Poland, Slovakia and Slovenia), a number of points arise from the contracting of consortia:

- It demonstrated to the NGO sector, partnership working and the benefits of creating consortia/coalitions to deliver sub-projects;
- It provided for the pooling of a wider range of knowledge and experience of the diversity of the NGO sector – and in Romania, enabled a wider regional reach as two of the partners were regionally-based NGOs;
- It enabled the pooling of wide experience in effective grant-making;
- It ensured that the NGO sector itself felt a confidence that there was significant understanding of their needs and issues.

Whilst the most flexible of the NGO Funds could be seen to be the Hungary NGO Fund, there have clearly been benefits in all of the three FMO directly-contracted Funds, particularly in relation to the reductions in administration between the different involved institutions. The most difficulties appear to have arisen where the Intermediary was a governmental body. Where, additionally, a separate Payment Authority has been involved, external to the National Focal Point, this has additionally increased the bureaucracy (e.g. Portugal and Slovakia); however the presence of a third agency need not be a difficulty if all parties communicate well and avoid duplicating work (e.g. the Czech Republic). Mechanisms which require any double and triple checking of reports and payments, particularly by different agencies, can lead to delays in payments – as has been seen in

Portugal (or even, in some instances, non-payment). Whilst not examined for this evaluation, it could be suggested that such extensive bureaucratic procedures can increase the overall costs of administration of the NGO Funds, even if these costs are not directly accounted for or attributed overall to the NGO Funds.

It can also be suggested that where procedures are overly bureaucratic, some of the benefits of the NGO Funds may well be lost. Effective Intermediaries will ensure that procedures aim to add value to the NGO Funds themselves, rather than diminish their worth in the view of prospective and actual end beneficiaries. If the intention is to ensure as wide a reach as possible of the available NGO Funds - to fund with complementarity to other donor and state programmes, and to fund into the “spaces” that state funds in particular either do not reach or where the state has withdrawn or would not fund (such as for advocacy sub-projects which it might consider challenging to its position) - it can be suggested that Intermediaries need to be able:

- To work flexibly to take account of the sub-project idea (including in the training of assessors), rather than the skill of an NGO in submitting a well-worded proposal.
- To fully understand the needs of the sector and to respond to these needs.
- To demonstrate independence from excessive state bureaucracy, to ensure that funds are allocated according to the priorities of the Fund itself rather than any direct or indirect ‘political’ considerations.
- To ensure that smaller NGOs without access to additional resources are not disadvantaged by slow payment mechanisms.
- To be ‘trusted’ by the NGOs as not being seen as an instrument of state funding.
- Have experience/understanding in running grant programmes and understanding of national laws, rules and procedures that apply to the management of public money.

It is clear from the countries where NGOs and not-for-profit organisations were contracted to manage the NGO Funds that this was seen as successful. As the Hungarian Focus Group for end beneficiaries noted. *“NGO funds should not be channelled through state institutions as they do not know NGOs well, and are very slow and bureaucratic”*. This view is also reflected in the end beneficiaries’ Focus Groups from countries where the Intermediary was not an NGO; for instance in Lithuania, where comments from the end beneficiaries’ Focus Group included: *“Administration of the projects supported by the NGO Fund is very difficult. The main focus of the Secretariat is on administrative procedures and not on contents of the project. There is no flexibility and it is extremely difficult and time consuming to get approval even on small changes to the sub-project application”*. In Latvia, the Focus Group reported as a negative aspect of the Intermediary that there is not always sufficient understanding of NGO particularities, but on the positive side, the Intermediary was seen as supportive, flexible, understanding, and easy in communication.<sup>87</sup> The situation with private sector companies is not so clear cut especially where they are already involved with the NGO sector. In Poland, both the NGO and the private company Intermediaries were seen by most stakeholders (Focal Point, Norwegian embassy and two Focus Groups) as performing equally well, though there were a few end beneficiaries who did not feel that the private company had a sufficient understanding of the needs of the NGO sector. It is in this context interesting that the private sector Intermediary in Cyprus is now considering setting up a division for specific work on civil society, as a result of its learning from its role as the Intermediary.

#### **4.5.2 Profile of a strong Intermediary**

Therefore, what does a good Intermediary look like? The following points have been derived from the Focus Groups and interviews:

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<sup>87</sup> Half the end beneficiaries present at the Focus Group assessed the competence of the Intermediary as average to good, and the other half said low to average. The Focal Point and Norwegian Embassy expressed satisfaction with the Intermediary’s performance.



- Active and trusting relationships with and detailed knowledge of all parts of NGO sector including grass roots and regional groups;
- Organisation seeks clear evidence of need in developing an NGO Fund proposal, engaging the NGO sector in the process;
- Experience of developing manuals and accounting systems that reflect size of block grants and yet protect small NGOs from unreasonable demands;
- Experience of running grant programmes that involve detailed proposals with targets and outcomes;
- Systems for good publicity and experience of running information events etc.;
- Support during application and implementation processes to end beneficiaries;
- Clear transparent assessment process for grants;
- Efficient payment and financial monitoring systems;
- Monitoring and evaluation procedures that focus on outcomes not just targets and outputs and encourage self evaluation in end beneficiaries;
- A partnership approach to working with NGOs and government.

This would suggest that large NGOs or not-for-profit organisations would be most suitable as Intermediaries, although experienced private sector companies that can demonstrate sufficient experience and understanding of the NGO sector and its needs could also fit this profile. There is a clear advantage of employing a consortium as the Intermediary, which would provide a range of skills and experience in both grant-making and in thematic areas.

#### **4.5.3 Direct contracting with the FMO**

Should all Intermediaries be directly contracted by the FMO? Although this has clearly worked well in the three countries where this arrangement is currently in place, it can be suggested that this by-passing of the National Focal Point can reduce government “ownership”<sup>88</sup> of a programme that is focussed on civil society and NGOs and thereby risk marginalising the Funds. The contribution that civil society should be bringing both to the development of policies and strategies, and also in relation to new approaches to the practical solution of societal issues, may also be lost. The separation of the NGO Funds in this way also loses the national co-financing contribution, which may be a significant indicator of governmental commitment to the role of the NGO sector.<sup>89</sup> It is also recognised that direct contracting of the Intermediary through the FMO would not be acceptable to some governments, for a range of reasons. Thus direct contracting of Intermediaries by the FMO has disadvantages in relation to what the EEA and Norway Grants seek to achieve with the ownership of Funds by the relevant governments and the implications of this for the relationship that can be encouraged between governments and the NGO sector.

The evidence does however suggest that direct contracting by the FMO has worked well, to the benefit of both the Intermediaries in three countries, and the sub-projects, particularly in relation to the reduction in bureaucracy. It is a model that requires further consideration, particularly as this could unify the rules and conditions for Fund implementation (e.g. declaration of costs, what percentage of the budget can be spent on administration; how management costs are defined, and the sharing of good practice for application and assessment procedures).

#### **4.5.4 All Intermediaries should be able to have direct contact with the FMO.**

Where the Intermediaries have experience of working directly with the FMO, the experience is seen as positive. Where, however, direct contracting of Intermediaries by

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<sup>88</sup> It is debatable how real the ownership is when the FP and PAs are not usually based in ministries which relate to NGOs.

<sup>89</sup> The Czech Republic does not make this contribution

the FMO may not be possible or appropriate, it does appear clear that there needs to be a direct channel of communication between the Intermediary and the FMO. This means that any clarification on guidelines etc. provided by the FMO or issues arising during programme implementation can be directly raised with the Intermediary, rather than channelled through, and possibly interpreted by, the National Focal Point.

**Intermediaries' meetings have been greatly valued.** Annual meetings should be continued with more opportunities for Intermediaries to meet and exchange information. There would be value in also creating opportunities for National Focal Points to meet and exchange information.

## 4.6 DEVELOPING BILATERAL PARTNERSHIPS

Experience of the bilateral partnerships is varied across the countries, as Section 3.7 of this report shows, and the detail in this section will not be repeated here. There is interest in many of the countries in the possibilities of the extension of cross country working to other countries in the EU, and in particular to other beneficiary states. In Hungary, there is for instance an interest in possible cross-border partnerships with Romania, where many of the issues that NGOs benefiting from the sub-projects are working on are similar, or environmental sub-projects across the Czech/ Slovak border. It can be suggested that there may be a need to enable two types of cross country partnerships – those with Donor state NGOs and those within the beneficiary states.

One of the frequent comments that is heard about learning from other countries is that it is “not directly relevant” as structures and institutional arrangements are different. The commonality of this view is because there is often a misunderstanding of what can be learned from trans-national partnerships and experience – the key focus of this type of learning transfer through partnerships needs to be on good practice and process. And this learning transfer can also be two-way, where NGOs from the “contributing” country also use the experience to reflect on their own practices and find that they also learn in the process.

However, whatever types of partnerships with NGOs from other countries are supported by the Fund, the views of the Norwegian Helsinki Committee on the key attributes of a successful partnership are critical:

- common understanding of content and strategy;
- good sub-project planning;
- building good sustainable relations;
- common understanding about culture - similarities and differences;
- agreement on financial framework;
- a long term perspective – which may need longer term funding – for instance over 2-3 to 5 years, if the real benefits of learning are to be achieved.

Again, as noted in Section 3.7, these issues are borne out by other evaluations of NGO partnership programmes between different countries. A study of a long-term partnership programme in 2008 found that partnership working was effective where it resulted in and from.<sup>90</sup>

- The creation of real and effective partnerships, through which all participants shared in the learning from activities (an equitable partnership and not consultancy inputs only).
- A focus on process – not just on achieving an output, but recognising that the ways in which an activity is carried out, and understanding why the processes are

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<sup>90</sup> *Doing it Differently and Making a Difference – the History of Charity Know How and Allavida*, July 2008, Christine Forester.

important, can make a real difference in building confidence in individuals, involvement in wider issues and more effective participation, particularly amongst those who are marginalised or disadvantaged.

- That effective partnership and participation required listening, developing understanding, being flexible in responses to the expressed needs of those involved, enabling local ownership of resources and decision-making.<sup>91</sup>

‘Lesson learning’ emphasised the role of needs’ assessment in successful sub-projects, good partnership groundwork and communication, clear target groups and realistic objectives. Again the value of good project management, and the role of local administration support were identified as key, along with the need for activities to be locally appropriate and take into account cultural and language issues.

What is clearly important is being clear about the reasons for any type of bilateral partnerships, and also the time that can be allowed for an effective partnership, which will result in longer-term benefits, to develop. “Partnerships” that are based solely or primarily on the need to meet the criteria for funding, or to secure additional scores in an assessment process, are unlikely to be productive and can result in resource wastage. This suggests that more evaluation of needs and gaps in learning and skills in NGOs in the beneficiary states would be beneficial in assisting in appropriate twinning, and a longer time frame for partnership development needs to be given. This could suggest the establishment of a seed fund, specifically for the development of bilateral partnerships with donor state NGOs, for the exploration of possible sub-projects which could then be more effectively developed in line with the good practice points made above and in Section 3.7.

If bilateral partnerships with donor state NGOs are to be more actively promoted in future programmes, work will also need to be undertaken with the donor state NGO sectors, to demonstrate to them the benefits of engaging in this type of trans-national working.

Additionally, whilst specific cross-border partnerships between NGOs in the beneficiary states may not be feasible, experience sharing workshops between sub-projects in the beneficiary states could be of value in sharing learning and in enabling links to be made. It is suggested that NGO Funds could be allocated for this specific purpose, with such workshops being organised through the Intermediaries themselves working in cross-border partnership.

## **4.7 PERCEPTIONS OF THE ROLE OF THE NGO FUND IN THE COUNTRIES AND WHAT THE FUND HAS ACHIEVED**

The most significant impact of the NGO Funds has been their contribution to the growth and development of the NGO sector in all beneficiary states. It is not only the financial support which has benefited the sector, but also the recognition of the sector’s role in supporting social justice, promoting democracy and encouraging a more sustainable approach to societal development, which are also key values framing the EEA and Norway Grants overall. It is, however, difficult to assess the exact overall impact and results of the Fund at this stage, as in all countries, particularly those where the separate NGO Fund

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<sup>91</sup> In the evaluation of the DFID Partnerships in the Non-Profit Sector funding scheme in 2004, Russian organisations were asked what they saw as the main benefits to their organisation of this partnership, and whether the requirement to have an International partner to work with provided an opportunity for new developments within their organisation. All organisations listed benefits from this partnership, ranging from a strong emphasis on awareness of the British experience and getting acquainted with new methods/models; to seeing the broader context and expanding the spectrum of their sub-projects. Other benefits included image improvement, access to new information, their own development as international experts, ability to participate in new competitions and apply for new grants, and the opportunity to present new experience to the Russian governmental bodies. For many organisations there has been a considerable growth in their local image by having an international partner, raising their status with both local government officials and also with the public at large.

was only established late (such as Bulgaria, Hungary and Romania) as the first sub-projects are only just finishing. But some general conclusions can be drawn:

- Whilst there is some criticism from some countries (notably Lithuania, see Box 33) that the funds have in the main been disbursed to narrow-interest groups or to larger NGOs, the NGO Funds have also benefited smaller and grass-roots organisations, building confidence and further developing and increasing their activities. The Funds have also in some countries increased legitimacy for some NGOs, and more recognition of their role.
- The Funds have addressed a **gap in funding**. One example is that for the first time, in Portugal, two gay-lesbian organisations received institutional funds for sub-projects.
- The NGO Funds have in some countries focused on the gap in funding of **capacity building**. Whilst it can be suggested that in most of these countries, there has over the years been a significant amount of training and capacity building funded by many donors, there are still capacity gaps and needs, particularly for smaller and newer NGOs. Capacity building and learning should be seen as an ongoing process, as NGOs are faced with new challenges in the changing country context and EU environment. Issues such as contracting out of services by governmental authorities, increasing the diversity of funding resources, developing more effective advocacy, citizen engagement and developing volunteerism are all challenges facing the NGO sector in all countries and resources for capacity building can assist in dealing with these and other NGO infrastructure challenges. In addition, the turnover of staff in NGOs is considerable given the fragility of the sector. These capacity-building needs have been addressed in different ways – from Estonia where the Fund primarily focused on this issue, to Romania, where NGOs were able to apply for an additional 30% grant specifically to support capacity building.
- **Advocacy** and awareness raising activities often suffer from similar lack of support, and are encouraged in the Funds, with sub-projects developing such activities in the field of discrimination, human rights, domestic violence, and trafficking.
- **Good governance and legislative initiatives** have been promoted. Good governance is still a critical issue in many of these countries and increasing transparency and accountability of government, through watchdog activities, is important.
- The Funds have addressed key **concerns**, and particular some areas that are not funded by other donors, and not eligible under EU funding. Human rights and democracy often fall within this category but so too does environmental protection.
- NGOs have also been supported in their key role as providers of social, educational and care **services** that are accessible, affordable, non-profit and benefit particularly 'at risk' groups. They were either mandated to provide such services by the state or fill a gap in service provision that was no longer provided by the state. They have also been encouraged in some countries to pilot new methodologies or provide innovative services. In Romania, where the decision was taken not to support social services in general, sub-projects in this area have looked at strategic needs and recommended policy changes.

**Box 33. Dilemmas around identifying outcomes**

NGOs question the outcome/ results of the Fund. The NGO Fund was distributed without clear vision/ priorities. In some cases support was provided to organisations representing narrow interest groups. No assessment was made on how the sub-project/ organisation contributes to development of democracy/ civil society. More focused distribution of the fund may have resulted in more visible changes in society. The financing of the Fund was rather limited and large changes should not be expected. The Fund was mainly used for internal capacity building. There are no clear signs that the sub-projects addressed gender, bilateral relations, sustainable development issues. It is also difficult to assess the benefits of the Fund to the whole NGO sector.

*End Beneficiary Focus group, Lithuania*

It can also be suggested that in some countries the actual involvement of the state, through the MoU with government, can be seen as the instance of state (or quasi-state) funding being allocated to the NGO sector, setting thereby an important indicator for the Norwegian paradigm and the application of other state funds to the sector outside of these financial mechanisms in the future.

However, there are some criticisms of the Fund from some countries (see Box 33). This criticism suggests that many of the points made above in this section of the report need to be considered by the FMO – clear guidelines for the establishment of the Funds, including criteria, application and assessment processes, linked to the development of an overall goal for the Funds, with specific country objectives based on needs determined with the NGO sectors.

## 4.8 ENABLING INNOVATION AND SHARING LEARNING

Whilst not a specific aim of the NGO Funds, it is clear that in a number of countries, either specifically or incidentally, innovation in practice has been developed in the sub-projects (see Box 34).

The fact that in countries such as Portugal and Lithuania, sub-projects have been supported which have focussed on gay rights' issues is significant. These types of sub-projects have broken through taboos and are therefore innovatory in these countries. In other countries, such as Hungary and Romania, innovation and creativity, "*encouraging new ways of dealing with old problems*" have been actively encouraged in the NGO Funds. Whilst not suggesting that a key focus of the NGO Funds in future programmes should be on innovation, encouraging new ways of thinking on the part of NGOs and supporting this through capacity building initiatives should be considered. Where innovation is occurring, it is also important that the learning from this innovation is captured and disseminated. This relates the need to include support for sub-project evaluation processes. It also suggests that dissemination workshops should be supported, to showcased new thinking and to enable the spread of new thinking and ideas. As was suggested in an evaluation carried out for a British government department last year:<sup>92</sup>

### Box 34. Examples of innovative projects

In **Poland**, under sub-sector '*Inclusion of disadvantaged groups*', a specialist stationary centre for pregnant and post-natal women was created. It aimed to improve the access to the medical service and enabling pregnant and post-natal women infected with the HIV virus and ill from AIDS to perform the role of the mother, to return to full participation in social and professional life. It is the first systemic programme in Poland creating medical, legal, social, and therapeutic services for this social group.

In **Slovakia**, one sub-project resulted in new approach to the management of protected meadows (area of 40 hectares). The processed biomass was provided to a heating plant. The pilot tests burning biomass proved to be better than straw, which is usually used. The processed biomass provided for use at the heating plant replaced the traditional meadow management. Apart from the renewable energy source it offered the new way of conservation and improvement of conditions favourable for species and their biotopes at the locality.

In **Slovenia**, under the environmental protection sub-sector, under one sub-project, a census of 300 households that implemented solutions for energy saving was carried out. All these households are publicly accessible for visits of people who would like to implement similar solutions in their homes (these households are marked on the web-portal and marked with a special sign).

In the **Czech Republic**, under sub-sector '*Democracy, human rights and discriminations*', a sub-project focused on strengthening ties between convicted parents and their children. The sub-project recognised that to work with the children alone would not be sufficient, and so the sub-project was further focused on the parents in prison, the Prison Service staff and providing alternative family care.

<sup>92</sup> Evaluation of Innovation Fund, Ministry of Justice, UK, 2009 (Christine Forrester and Sarah del Tufo).

*“Good practice funders will seek to maximise learning from their investment. This will include looking at synergies from the learning, and where relevant, enabling sub-projects to learn from each other, to build on each other’s experience, and to link with other agencies and organisations where the contacts and learning can be valuable for sub-project progress, wider dissemination and for future activities.*

*Where the sub-projects funded are innovative, it is essential that there is a significant learning element, both for the sub-projects individually and also for the fund as a whole. This learning helps to identify what types of interventions /activities can enable change/difference, and also to identify what may not have worked well, and why. This learning approach requires both evaluation and also wider dissemination of sub-project results, to enable other practitioners to use innovative practices and processes that have been piloted, to enable possible scalability /replication in different environments, to enable wider dissemination of the learning.*

*Using an independent website and blogs in a creative and interactive way both to promote a funding programme and also to encourage collaboration, information sharing and exchange is a valuable if time demanding approach. To be useful, it clearly must not stand alone, but link into other more active networks and be well promoted.*

*Considering annual showcasing events to exchange experience and promote the pilots to other government departments and funders is important as part of aiding sustainability as well as demonstrating how far the grant investment has yielded benefits, in relation to change and the difference that the investment has made.”*

Approaches such as these to learning, dissemination, and showcasing could add significant value to the NGO Funds, and also enable a changed environment in the NGO sectors in the beneficiary states, contributing to capacity development and also to the encouragement of new thinking and innovation.

## **4.9 EVALUATION - LEARNING AND DISSEMINATING**

Chapter 3 has noted that it is currently too early to identify impact in most countries and that whilst there are some significant results from sub-projects, it has not been possible to draw conclusions at this stage from these results. Country level evaluation has not been undertaken by most of the Intermediaries (with the exception of Poland, Latvia, the Czech Republic and Hungary) and this would be valuable in identifying the key learning from the sub-projects and to enable wider dissemination of this learning, where appropriate.

It is also valuable for end beneficiaries themselves to engage in reflective and evaluative processes, and to include in these participatory approaches, particularly where they have been working with groups of end beneficiaries. Capacity building in evaluation methodologies would be valuable, as would specific budgets within sub-projects to undertake evaluations.

There is clearly some important learning that has been gained in each beneficiary state and it would undermine the investment of these NGO Funds if the detail of this learning is not appropriately captured. If there are changes in Intermediaries within a new programme, there is a risk that such learning could be lost. Workshops and networking activities can be used to disseminate the learning, involving both end beneficiaries and wider groups of stakeholders. As well as printed reports, the use of the internet should be considered.

## 4.10 CLARIFYING WHAT IS AN NGO FUND

One final issue that has arisen during the evaluation is what constitutes an NGO Fund. This is a complex issue. In several countries, there is more than one NGO Fund, with the separate Funds having specific themes. In Hungary, the original Fund that was established was an Environmental Fund for NGOs where the Intermediary was a government ministry, which ran into some significant problems, including a failure to identify many sub-projects for funding, delays in payments and criticisms from NGOs as to the difficulties of accessing the Fund. As a result of these problems, a separate NGO Fund was set up in Hungary, which covered the whole range of themes within the overall programme. Additionally, however, there were other Funds to which NGOs could apply, some sectoral (such as Environmental Fund for NGOs and a Disability Fund) as well as this one general NGO Fund – and this caused some confusion. NGOs also had a possibility to submit applications in response to calls for individual project proposals. These were open to wide competition, but were not designated as NGO Funds. These grants can be difficult for NGOs to access, as they are similar to the EU Structural Funds.

Although specific confusions appear only to have been articulated in one country, it could be helpful to define what a specific NGO Fund is in the context of this programme. This depends on the distinction, noted at the outset of this Chapter, between wanting to see the strengthening of civil society *per se*, through the disbursement of funds which may or may not have a specific set of themes, or having a set of themes within which civil society/NGOs can apply for sub-projects. The Hungarian confusion points this up in a clear way, with a separate NGO Fund being set up, with very different criteria and a much simpler, but still rigorous application and assessment process, to overcome the difficulties of access to a Fund with a specific theme, targeted at NGOs, but working within the parameters of the main EEA and Norway Grants.

The issue is in part as to whether a separate NGO Fund, specifically defined as such, could more easily gain exemption from certain requirements of the main EEA and Norway Grants, such as state aid rules, state procurement procedures etc. In some countries this has been the case. It can also be suggested that where the “NGO Funds” have had separate “themes”, these could have been streams within one overall NGO Fund. Whilst in Latvia, the different funding streams have been managed by the same Intermediary, in Portugal, Slovakia and Poland these different thematic Funds are managed by different Intermediaries, which could add to the overall costs of administration without necessarily leading to greater efficiency or effectiveness. Therefore to suggest one single NGO Fund for each beneficiary state, (with different themes or not, as the case may be), would therefore suggest cost savings in terms of administration as well as greater clarity. This would also therefore suggest that consortia of NGOs as Intermediaries, bringing different expertise (as in Hungary, Romania and Bulgaria), would be most appropriate approach to ensure that knowledge of different sectors and themes can be covered.

## 4.11 SUCCESS FACTORS

Overall, the question needs to be posed as to what would constitute success factors for successful investment of the donor funds in the beneficiary states. The FMO staff have themselves identified their views of the success factors for the NGO Funds. These included:

- Responsiveness to country need/ needs driven/ must involve stakeholders
- Institutional strengthening and capacity building;
- Strengthening and developing a mature civil society;
- Stronger NGO role in contributing to priority areas;
- Fund delivered with no problems/ good grant making models;
- Fund seen positively;



- Complementarity to other funding.

From the evaluation, learning from the sub-projects and the dissemination of the learning can also be added to the list of factors.

These success factors have been confirmed by the evaluation, and we would suggest that consideration of the issues raised in this chapter would assist in developing a future Fund that can demonstrate efficiency, effectiveness and success.

## **4.12 CONCLUSIONS**

This section of the report has aimed to demonstrate that there are a wide range of issues that have been identified by the evaluation that need to be considered in the design of any future programme. These issues go beyond the effectiveness of the management of the Funds in each beneficiary state and what the NGO Funds have achieved to date. The next Chapter will build on this analysis to suggest the shape of a future programme approach.

## 5. LOOKING TO THE FUTURE

The previous chapter of this report has identified learning from the NGO Funds and issues that could influence the design of a future Fund. This chapter will develop further some of these themes, and also suggest a possible future Fund framework and indicators.

### 5.1 WHAT SHOULD THE FUTURE PRIORITIES BE?

In each beneficiary state, stakeholders in the evaluation were asked about future priorities. A table of the most frequently occurring priorities is given in Annex 9. Whilst there is an element of the “shopping list” in all countries, there are also some underlying trends. However, as noted in the preceding sections of this report, there is a clear need for flexibility to respond to specific country needs, rather than an approach which imposes, across all of the countries, a uniform list of priorities.

The Norwegian Helsinki Committee suggests that civil society globally shares the same challenges: human rights, democracy, developing active citizens, environmental concerns and underlying this, the need to develop a strong civil society. In some beneficiary states, the relationships between NGOs/civil society and governmental institutions is not one of partnership. Some governments do not accept the NGO role of challenge and advocacy for policy change and adherence to human rights principles as one in which NGOs should be engaged, and the wider role of civil society in promoting and sustaining democracy.

In many countries there is a lack of understanding and unwillingness to see the critical role of civil society in promoting and sustaining **democracy and human rights**. Interviews in some of these countries elicited the view that democracy in the transition countries is still fragile. Twenty years has not been enough to embed a full understanding of the role of civil society, nor of what democratic accountabilities entail. Attitude change is still necessary on the part of many in the political class and in wider society. The threat of extreme right-wing nationalist groups and parties achieving credibility and electoral gains, with the risk of increased human rights abuses, is significant, particularly in the light of the economic crisis facing many of these countries. The role of civil society organisations in countering extremism of all kinds is critical.

The NHC particularly noted its willingness to support the NGO sector in the beneficiary states to prepare reports for the UNHCR Council Universal Periodic Review (UPR), a unique process which involves a review of the human rights records of all 192 UN Member States once every four years, and which has an active role for civil society organisations to contribute to the preparation of country reports.<sup>93</sup> These reports are due from Bulgaria and Slovenia in 2010, and Lithuania in 2011.

In addition to human rights, other key themes that can be identified are:

- Cross-sectoral partnership working between NGOs and government bodies, to increase understanding between NGOs and government and to look for common approaches to solutions for societal problems (social, economic, environmental);

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<sup>93</sup> The UPR is a State-driven process, under the auspices of the Human Rights Council, which provides the opportunity for each State to declare what actions it has taken to improve the human rights situation and to fulfil its human rights obligations. As one of the main features of the Council, the UPR is designed to ensure equal treatment for every country when their human rights situations are assessed. The ultimate aim of this new mechanism is to improve the human rights situation in all countries and address human rights violations wherever they occur.

- Increased coalition building and partnership working between NGOs (including skills and experience transfer from larger, stronger NGOs to smaller, newer and regional/local NGOs);
- Increased focus on advocacy and watchdog roles of NGOs, particularly in relation to the transparency and accountability of state institutions;
- Increasing citizen engagement, in relation to both advocacy (citizen engagement in decision-making) and developing volunteerism.

**Box 35. Definition of needs - Bulgaria**

Support projects which are out of the scope of the state and the activities supported by it. Support civic activism directed at improving the life in the country. If the area is broadly defined, the donor will get ideas which correspond to the local needs. The areas should be defined more like values and impacts rather than expected results – e.g. voluntarism, participation, activism, philanthropy

*End beneficiaries Focus Group, Bulgaria*

These themes suggest a focus on changes in **processes** and **on issues** which could be used in relation to a range of sub-sectors, such as environment, social services, and cultural heritage. The term “process”, which is used by DFID and other organisations, means the methodologies and approaches that are used in sub-projects towards the achievement of the aims or results. The processes are the means by which the activities are carried out and the results are achieved, and are seen as being as important as the actual activities themselves. It is from the processes, as well as the activities, that outcomes – the difference and change - are achieved.

A focus on themes and processes could provide a commonality of approach across all the beneficiary states, whilst enabling the NGO Funds in each beneficiary state to have specific criteria which respond to needs and priorities at the country level.

## 5.2 AREAS WHERE NGOS COULD PLAY AN IMPORTANT ROLE – ISSUES AND PROCESSES

If the aim of the NGO Funds is to contribute to the overall strengthening of the role of NGOs and civil society in the beneficiary states, then it is the **ways** in which NGOs address these issues (the ‘how’, rather than just the ‘what’), regardless of their “sector” within civil society, that are important. Themes, or issues (processes), such as increasing civic engagement through the sub-projects, could widen the range of target groups, for instance. An issue such as working in partnership with local authorities could be addressed through alternative social services provision, or through work on a local environmental issue.

Engaging civil society organisations in thinking more about processes, and in adapting their methodologies to engage with changed processes, can both increase their role in promoting appropriate democratic responses to societal issues, and demonstrate how new approaches can bring wider societal benefits – such as increases in social capital, new initiatives to address social and economic disparities, and raise awareness of environmental issues. NGOs on their own cannot address the wider issues of reducing social and economic disparities, which is a key objective of the EEA and Norway Grants; but they can contribute towards:

- changed thinking, through methodologies and processes, which demonstrate different ways of engaging citizens in responses to the needs in their communities;
- opening up space for wider discourse on responses to the needs of marginalised groups and communities;
- demonstrating how services can be provided more effectively, how local economies can be developed, and issues of climate change addressed.

There is a particularly vexed issue in relation social services provision – which in many beneficiary states is seen as priority because of the huge level of need as the state withdraws, faced with budget crises. Should NGO Funds support existing social services (an issue particularly in Hungary, for state-initiated NGOs); or should it only support, for instance, strategic initiatives such as policy research and advocacy (as was implemented in Romania); or support the piloting of new approaches; or just work in areas that the state and other funds do not support e.g. self-help groups, community level initiatives etc.? It can be suggested that in this area of social services, using an issue approach as noted above, NGO Funds could appropriately be allocated, where, for instance, a sub-project aimed to increase the advocacy of service users for more responsive services, or increase the engagement of a disadvantaged or marginalised group in the provision of services to meet their needs, or where NGOs work with local government to explore whether contracted out services could be delivered more effectively and efficiently.

It is therefore suggested that rather than the setting of specific programmatic areas, such as environment, social services etc, a series of key issues or criteria to be addressed through sub-projects is developed. These could be common across all countries, and would also allow for flexibility in each beneficiary state to determine the allocation of Funds to sub-projects in specific areas appropriate to country needs.

Extrapolating from the themes identified above and from the evidence from the evaluation, these issues/ criteria could be:

- Community and citizen empowerment - including end beneficiary involvement in the design and delivery of sub-projects and their activities;
- Promotion of human rights;
- Advocacy and watch-dog role of NGOs;
- Cross-sectoral partnerships, particularly with governmental organisations at both local and national levels;
- Moving towards sustainability (e.g. philanthropy, income generation, social enterprise etc.);
- Developing networks and coalitions of NGOs/NGOs working in partnership;
- Cross-community initiatives;
- Engaging citizens in civil society activities (volunteering, awareness raising of civil society, work with the media etc.);
- Demonstration of capacity building with smaller/grassroots organisations.

Additionally, criteria should include innovation, developing new ways of solving old problems, pilots of strategic importance, replication and dissemination of previously funded sub-projects (from other funds as well as from the NGO Funds).

Wider dissemination of learning from the sub-projects should also be undertaken, to add value to the work undertaken by the sub-projects by enabling other NGOs to learn from and possibly replicate processes and activities.

In different countries, criteria for assessment of applications may also need to include a regional dimension (in-country regions), to tackle local problems (including engaging smaller local NGOs, in partnership with larger and perhaps national NGOs) - possibly with quotas for sub-projects outside capital cities; and weighting for sub-projects involving priority groups in the design and implementation of sub-projects.

This approach would obviate the need for specific sectoral focuses (see Box 36), and would also enable indicators to be set, which would focus on **change** in relation to the issues identified above, which are fundamental issues both for civil society

**Box 36. 'One size does not fit all'**

No limitations to sub-sectors as local needs are different and it is difficult to say which area is more important than the other

*Recommendation from Slovenia*

development, for the strengthening of democratic processes and to increase opportunities for social and economic betterment.

This approach would also strengthen **sustainability**, as it would be the change in processes and the embedding of this change that would be important, not primarily the sub-projects and their deliverables in terms of activities. As stakeholders in Slovenia in particular noted, the problem with activity-focussed sub-projects is that at the end of funding, there is often the termination of activities and no sustainability.

Therefore, if what is being looked for through the sub-projects is sustainability of outcomes and impact, it can be suggested that this difference is achieved more through changed attitudes, and changed processes and approaches to issues, with the specific activities themselves being the medium through which these changed approaches are explored and delivered. This is not to suggest that sub-project activities do not bring benefits in themselves, but that these activities are only part of the story.

### 5.3 EVIDENCING OUTCOMES, IMPACT AND INDICATORS

It has proved difficult during this evaluation to evidence outcomes and longer-term sustainable impact from the programme at country level, not least because of the paucity of indicators against which the results of individual projects could be measured, as well as the fact that in many countries, sub-projects are still being implemented. Views from some countries suggest that indicators should only be **goals** for the overall programme, as indicators themselves need to be country specific. It is clear that any country-based indicators should be set against a baseline (see 4.1.2) and an understanding of the country, as well as against overall strategic goals for the programme.

The question of results-based systems is relevant here. These should be outcome-based, and not output-based. The latter would not necessarily increase the effectiveness of projects, nor enable a reflection of the effect and outcomes of many of the types of projects that could be supported through these Funds - Intermediaries from both Hungary and Romania noted that most NGO sub-projects are at base very qualitative and about attitude change through sub-project activities. As noted in Section 4, achieving attitude change is a key issue not only in these two countries, but across all the beneficiary states.

The indicators set in the PIPs, which are developed by the Intermediaries in their proposals and commented on by FMO staff, have to date emphasised outputs/activities/numbers of beneficiaries, legislative proposals submitted, publications written or new quality standards achieved. Whilst these targets are useful they do not show how the sub-projects or the Fund overall is achieving wider change. The outcomes - the difference made, the changes at all levels (individual clients, the NGO itself, the locality or region and changes in the issue or need itself) - need to be identified for each sub-project as well as the Fund overall (from a review of the final reports and also interviewing/visits by Intermediary team or external evaluator). In the next Fund, serious attention needs to be given to outcomes and impact, by the FMO and the Intermediaries, rather than just setting activity targets with little evidence as to their benefits (or otherwise). It is clear that some, but not all, Intermediaries understand this and are, as a consequence, planning evaluations to look at both outcomes and impact.

Evaluation by sub-projects by the Intermediaries, as

#### Box 37. Exchanging information

The recommendation is to have a mechanism for exchanging information among funded NGOs throughout the countries where the Fund operates. This would also provoke new ideas among NGOs as according to the Intermediary there were quite few innovative and interesting ideas among the applications which were received so far.

*Recommendation from end beneficiaries' Focus Group, Bulgaria*

well as self evaluation at sub-project level, should be built into budgets. Resultant evaluations should also feed into lesson-learning exchanges and networking events within countries and between countries. Evaluation is important as a learning tool, and experience from other programmes suggests that encouraging projects to build evaluation (using appropriate and where possible participative models) into their projects from the outset can both enable outcomes to be measured, and also provide a learning tool which enables changes in programme activities to be developed on the basis of evaluated evidence, as noted in Section 4.9. This would require both a framework with appropriate and agreed indicators and also processes which make evaluation a continuous and integrated process. This is not to suggest that every sub-project needs to build in external evaluation, but to use internal evaluation processes. This can be a very useful tool in capacity building within NGOs.

In relation to the current programme, we recommend developing country evaluation reports, focusing on outcomes and impact, and that the Intermediaries for each country organise a closure conference in 2011 looking at results and needs for the future, linked to the Donor embassies. It needs to involve a wide range of NGOs and be open to all who would like to participate so as to ensure future fairness in choice of Intermediary. The Norwegian Technical Assistance Fund where it exists, or the Donor Embassy should help with costs. This approach should also become standard for any future NGO Funds.

Clearly, evidencing outcomes and impact will be related to the design of a future programme, and in the next section of this chapter, we look at how a programme approach could be developed.

## 5.4 DEVELOPING A PROGRAMME-BASED APPROACH

The Programme-Based Approach is an approach based on the principle of co-ordinated support for a locally-owned programme of development, a sector programme, a thematic programme or a programme of a specific organisation. According to the OECD/DAC guidelines "*Harmonizing Donor Practices for Effective Aid Delivery*", a programme-based approach has the following features:

- (a) leadership by the host country;
- (b) a single comprehensive programme and budget framework;
- (c) a formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement;
- (d) Efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation.

Most donors use some form of **goal-oriented programming**, and 'Managing For Results' is one of the five dimensions of the Paris Declaration on Aid Effectiveness, under which partner countries and donors jointly commit to work together in a participatory approach to strengthen country capacities and demand for results-based management. Improving management for results was one of the actions agreed at the most recent 3<sup>rd</sup> High Level Forum on Aid Effectiveness.<sup>94</sup>

Results-based management (RBM), used for many years by key bilateral and multilateral agencies,<sup>95</sup> and the Project Cycle Management and Logical Framework adopted by many

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<sup>94</sup> The High Level Forum held in September 2008 in Accra, Ghana, ended with an 'Accra Agenda for Action' to accelerate and deepen the Paris Declaration, with a focus on ownership, inclusive partnerships, and delivering results – see <http://www.oecd.org/dataoecd/58/16/41202012.pdf>.

<sup>95</sup> USAID (United States); DFID (United Kingdom); AusAID (Australia); CIDA (Canada); Danida (Denmark); the UN; and the World Bank - see 'Results Based Management in the Development Co-Operation Agencies: A Review of Experience', OECD-DAC, and 'Results-Based Programming, Management and Monitoring (RBM) at UNESCO - Guiding Principles', January 2008.

European agencies,<sup>96</sup> including the European Commission, are participatory and team-based approaches to programme planning, and focus on achieving defined and measurable results and impact. These approaches are based on clear definition of strategic aims/ objectives, the results or change required to achieve the strategic aim/ objective, and indicators to enable the results and achievement of strategic aims/ objectives to be measured. However it is important to be clear that we are talking about outcomes, the difference the sub-projects and the programme make, not the achievement of outputs, the numbers of activities, people involved, pamphlets written etc.<sup>97</sup>

In reviewing the results from this evaluation, it is clear that an overall programme-based approach for the funding allocated for NGOs, across all of the beneficiary states would be valuable. Strategic programme frameworks for each beneficiary state could also be established, in line with the overall framework and linked with country strategies for the NGO sector (see Section 5.6).

Analysis of literature as part of this evaluation, and responses to the interviews and questionnaires indicate that only Estonia has in place a joint NGO/ government strategy,<sup>98</sup> and no countries to our knowledge are planning to develop one. Strategies for the NGO sector, linked to overall government strategies and priorities, need to be developed, with, as noted above, the engagement of the NGO sector with other stakeholders in each beneficiary state.

Such country strategies could help inform the focus of the EEA and Norway Grants for NGOs for a future programme. However, the evaluation has demonstrated a range of key issues which are common to the NGO sectors in all countries and the recommended need to focus on process (noted in section 5.2 above) which could provide a base for an overall programme approach, which could be common to all countries, but would allow for local variance, in line with the objectives and strategies identified for each beneficiary state.

Indicators that relate to these common process areas can be developed, but it should be borne in mind that there have been several groups working on indicators for several years,<sup>99</sup> and there is not yet general agreement on what works and what works well - in fact the whole subject is highly contested. There are a number of different approaches, two of which are included in Annex 10.<sup>100</sup>

#### **5.4.1 Funding to help end beneficiaries prepare strategies**

It is often the case that beneficiary governments do not have strategic plans and action plans that would be suitable for the programme-based approach, and particularly in the case of the civil society sector, this is difficult because there is usually no single 'non-government' voice. However, in a number of the beneficiary states there are co-ordinating bodies, or initiatives, developing for the NGO sector (for instance in Poland, Romania, Latvia, Cyprus, Estonia). An initiative through these Funds, before a programme-based approach can be implemented, to assist the beneficiary government and the civil society sector to prepare a single comprehensive programme, action plan and budget framework,

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<sup>96</sup> See for example, 'The Use and Abuse of the Logical Framework Approach - A Review of International Development NGOs' Experiences', a report for Sida, November 2005.

<sup>97</sup> There are some misunderstandings of Results Based Management, as it can be seen as a system which is financially focused, requiring the achievement of certain activities before payments are made. It should be noted that any systems which aim to pay NGOs on results, as a result of this misunderstanding of what RBM is, would seriously impact in an adverse way on NGOs in all countries.

<sup>98</sup> Estonia is the only country covered by the NGO Funds where there is a Compact agreement between the NGO sector, government and the parliament.

<sup>99</sup> UN, John Hopkins Centre for Civil Society Studies, World Bank, Civicus.

<sup>100</sup> ARVIN, developed by The Participation and Civic Engagement Group of the World Bank; and 'The Global Civil Society Index', originally developed through the Johns Hopkins Centre for Civil Society Studies and now being undertaken by Civicus.



could be valuable. It should be recognised, however, that in some countries, where the relationship between government and NGO sector is less beneficial, the NGO Funds may need to be specifically used to address the problem areas, as noted above where the agreement of government may not be achieved.

An alternative approach would be for the overall programme for the Funds to be set, in line with the outline approach in Section 5.2, but for the country strategies for the future to be developed through networking meetings etc., which can be undertaken as part of the implementation of the Funds. In this case, one of the overall objectives of the NGO Funds would be the development of a strategy for future development and strengthening of civil society, and the identification of future roles for NGOs in wider national social, economic and environmental development. The donors and the FMO could play useful roles in legitimising the contribution of the NGO sector to the strategies.

#### **5.4.2 Should there be an overall programme-based approach for the NGO Funds?**

The distinct characteristics and nature of the need in each of the beneficiary states, as evidenced in this report, suggests that maintaining a flexible approach to meet needs in each country is important. Any specific priority areas need to be defined after the selection of the Intermediary in the respective country, and after consultations with the NGO sector, so that these correspond best to the dynamic changes in the environment.

This is not, however, to suggest that an overall programme framework cannot be developed. One of the advantages of an overarching programme framework, as demonstrated in the preceding section, is to define more clearly what the ultimate goal is that is expected to be worked towards, as a result of the continuing investment of these Funds in the NGO sector in each beneficiary state. Without prescribing a Log Frame approach, it is suggested identifying goals, aims and broad indicators for a future programme, within which each country can be assisted to develop its own frameworks and indicators, would be valuable for future cross-country evaluative assessments to examine the effectiveness of the Funds in each country, and to examine the overall success of the programme. This approach combines an overall programme framework with the necessary flexibility that this evaluation has found that each country would prefer, given the differing needs in each country that can be met by the NGO Funds. The suggested goal and objectives are discussed further in Section 5.4.5.

#### **5.4.3 Complementarity with other financial resources**

Any programme should also take account of other financial resources that may be available for interventions that aim at the same, or similar, goals and objectives. Where an international donor is engaged in funding, it is generally important for the beneficiary state to have a commitment to direct its own resources, and international assistance in a planned and prioritised way, ensuring that its strategic objectives are tackled. Because no single donor can be responsible for funding all the required programmes and sub-projects, it is important that the beneficiary state co-ordinates under one action plan or road map the different sources of funding, including donors, the EU, and the national budget.

However, there is a proviso where in any particular country, some accepted European norms may not be adhered to, and the international donor may wish to support activities which enable compliance with European norms, whilst ensuring that there is no engagement with activities which could be seen as undermining the government of that country. In such countries, for instance, funding support for human rights and advocacy issues may be missing, and thus important issues that relate to EU and Council of Europe requirements may be marginalised. These may be areas where an international donor would not wish to accede to any co-ordinated action plan defined by that country

government for the disbursement of financial resources. This is not to suggest that this is what any future EEA and Norway Grants would do, but it may be considered appropriate to treat the Funds allocated for the support of NGOs and civil society as ring-fenced from any main co-ordinating mechanisms, precisely so that issues which might not be prioritised by a country government can be funded.

As we have seen in most of the countries, other financial resources for NGOs are limited:

- Because of the demanding bureaucratic demands, neither EU Structural Funds nor EEA and Norway Grants are open to other than larger NGOs;
- EU Structural Funds conditions are set across the EU, and do not take account of the needs of NGOs, for instance in relation to advance payments and compliance criteria;
- Few national governments make funds available to NGOs and open up competitive tenders to them;
- Local authorities are making severe cuts in the current economic situation;
- Few international donors are active in the beneficiary states;
- Indigenous Foundations are very limited, and some like Community Foundations are being closed;<sup>101</sup>
- Business philanthropy is also being cut during the economic crisis;
- In some countries tax incentives do not exist or are threatened.

Most independent external funders have already withdrawn from Central and Eastern Europe and of those few remaining, some, such as the CEE Trust, will be winding down their activities towards cessation by 2012. Whilst in some countries, there are new developments, such as the Estonian National NGO Fund, or the Romanian/American Foundation, the availability of funds that are not wholly determined by national political priorities is increasingly limited. Whilst previously NGOs were starting to diversify their funds base, through private sector donations as well as support from governmental sources, the economic crisis has interrupted this. Whilst there are significant funding resources in the EU Structural Funds for social enterprise development, which could assist NGOs towards sustainability, these Funds are difficult to access, particularly for smaller NGOs.

An interview with the CEE Trust Director in Romania suggested that funds need to develop the longer-term capacity of NGOs, and not just focus on immediate and short-term problem solving. Few of the available funds have this focus, nor funds specifically for what is seen as the other major priority, as far as CEE Trust is concerned, which is the development of the advocacy/watchdog role of NGOs. This in particular is one area where funds from local governmental sources are unlikely to be made available. Where available funds are focused on tackling immediate problems, or infrastructure improvements, the range of processes referred to in the previous paragraphs of this section are likely to be ignored or marginalised, due to the time constraints for sub-project implementation, and an emphasis on deliverable activities, rather than the processes used to achieve the results. The implementation of good process also suggests that longer time frames are needed for sub-projects, to ensure that these processes are embedded and can be sustainable. Many of the other funding sources available are relatively short term.

This suggests that general funds, focussed on NGOs, with flexibility in the funding mechanisms and criteria, would be complementary to other sources of funding, as well as meeting needs and filling gaps that other funding does not, or cannot, meet.

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<sup>101</sup> e.g. Trechin in Slovakia.

#### 5.4.4 Proposed focus for NGO Funds

Whilst NGOs can make a contribution towards the lessening of social and economic disparities (the overall aim of the EEA and Norway NGO Funds), it is suggested that the potential major impact of NGOs is through raising and promoting processes and methodologies which increase democracy etc., rather than necessarily through the specific sub-project activities for which they may be funded. This is in part a reflection of the absorptive capacity of the NGO sector to be able to deliver larger-scale infrastructure or developmental sub-projects that are likely to contribute more significantly towards the meeting of wider and more strategic level objectives. However, this does not preclude stronger NGOs being applicants for the main EEA and Norway NGO Funds.

**To ensure that issues that are fundamental to the development of an effective civil society are reflected appropriately in the EEA and Norway Grants, it can be suggested that the MoUs for each beneficiary state ring-fence a separate NGO Fund, not specified by sectoral areas, but broadly with an overall objective to create a healthy civil society that can ensure the sustainability of democratic values.**

Thus in this approach, there is a ring-fenced Fund, with high-level strategic objectives. In the instructions for the calls for proposals, selection criteria would not only include **relevance** but also **significance towards the achievement of strategic objectives**.

The following Table 9 identifies key issues for the achievement of stronger civil society that could be achieved through the programme:

**Table 9 Civil Society Issues**

<b>Structure:</b>
<ul style="list-style-type: none"> <li>• Cross-sectoral partnerships, particularly with governmental organisations at both local and national levels.</li> <li>• Moving towards sustainability and resource diversification (e.g. philanthropy, income generation, social enterprise etc.).</li> <li>• Developing networks and coalitions of NGOs/NGOs working in partnership.</li> <li>• Institutional strengthening.</li> <li>• Demonstration of capacity building with smaller/grassroots organisations.</li> </ul>
<b>External Environment:</b>
<ul style="list-style-type: none"> <li>• Legal and enabling environment for NGOs.</li> <li>• Promotion of good governance (transparency and accountability; anti-corruption initiatives).</li> <li>• Advocacy and watch-dog role of NGOs.</li> <li>• Cross-community initiatives.</li> </ul>
<b>Values:</b>
<ul style="list-style-type: none"> <li>• Promotion of human rights.</li> <li>• Community and citizen empowerment - including end beneficiary involvement in the design and delivery of sub-projects and their activities.</li> <li>• Increased citizen activism and engagement, including volunteering.</li> <li>• Social and economic inclusion (with particular emphasis on the needs of marginalised and disadvantaged individuals and communities).</li> <li>• Sustainable development.</li> <li>• Respect for democratic principles, including citizen participation in decision-making.</li> </ul>

These key issues would therefore provide the basis for the development of criteria for the overall programme and would also be incorporated into the criteria for specific country programmes. Specific country programmes may have a focus that would be determined by the processes outlined in Section 5.2 above.

General criteria for applications should be set (with guidance from the FMO) that encourage applicants to demonstrate how the key issues that relate to the strategic objectives will be met. Applications can be taken under specific thematic areas, or more generally requested under any theme identified in the criteria. Applications can then be clustered under the theme headings, to enable a more strategic overview of the progress of the overall programme towards meeting its strategic objectives, in relation to applications received. Assessment and selection of projects for funding can be undertaken against criteria that can either prioritise specific themes, or seek a balanced “portfolio” of projects, ensuring that all themes are represented in the final selection of projects for funding. Review after each round can then lead to re-prioritisation for any further funding rounds.

Additionally, cross-cutting projects can be encouraged, which cover more than one theme. Again, this could be reflected in the criteria set for a funding round, with more points awarded to projects that covered multiple themes.

This approach does not remove specific sectors, such as environment, social protection etc. as specific focus areas for the funds overall, but it is recognised that some sectoral focus could be included in the criteria in individual countries. However, where possible, a more open approach whereby projects from any sector can be applied for could be encouraged, as the key assessment tests would be against the key issues as noted earlier in Table 9.

This approach could therefore more effectively enable evaluation of country programmes towards the achievement of the overall programme goal, but also identify where there are weaknesses in the NGO sector against any of these themes, where further interventions may be required.

This would also suggest that in each country, sub-projects are funded which contain a number of elements (drawn from a “menu”) that assist towards the meeting of the overall programme goal. This “menu” can be standard across all countries, as noted above. The baseline country information, which has been developed as part of this evaluation, can be used to identify specific country level indicators, within the overall framework, recognising the different levels of NGO sector development. The cumulative results from the country level indicators will assist in identifying how far the overall programme is proving effective in supporting change in key areas, such as governance, democracy and human rights, citizen participation and activism, social inclusion, environmental awareness etc. The specific mechanisms by which these changes are achieved (types of projects or particular thematic areas) are of a lesser order than the higher level “values” which would be expected to be seen in funded sub-projects. This approach suggests that it is the level of change that is important (both outcomes and longer-term impact) at both country and programme levels, rather than the specific type of activities that may be supported in each beneficiary state. This approach would allow for the specific needs and priorities in each country to be reflected in the sub-projects for each country. However, basic criteria would also be set for the overall programme, which would be reflected in the application guidelines, and assessment procedures for all countries.

#### **5.4.5 Suggested approach to setting goals, aims and indicators**

It is clear that the NGO Funds are missing a strong reporting system from Intermediaries to the FMO which makes it clear what is achieved by the NGO Funds. This is because the current Funds lack a clear strategic focus.

Building on the donor's apparent current thinking about the next programme as focusing on participation and giving priority to vulnerable groups, we have identified the following super goal, goal and aims:<sup>102</sup>

**SUPER GOAL:** To enhance and strengthen the role of civil society

**GOAL:** To strengthen the contribution that civil society makes to governance, democratic processes, the protection of human rights and environmental sustainability, through support for projects that involve citizens, increase social cohesion and social capital development, address economic disparities, and increase environmental awareness.

**AIMS:** The **development of grants** that enable innovative, creative and effective NGO interventions in:

- **Institutional strengthening;** including partnership working, networking and building stronger relationships with public institutions and creating an enabling environment for NGOs;
- **Social cohesion development;** including provision of effective local services which are responsive to local needs;
- **Promotion of democratic values;** including human rights;
- **Environmental protection and improvement;** including responses to climate change and food security;
- **Policy and strategy development;** including advocacy and watch dog activities.

### CRITERIA/ ISSUE FOCUS

In line with the issues discussed in Section 5.2 above, projects for any theme, or in any country, would be expected to demonstrate one or more of the following, as appropriate:

- Community and citizen empowerment - including end beneficiary involvement in the design and delivery of sub-projects and their activities;
- Promotion of human rights;
- Advocacy and watch-dog role of NGOs, including the promotion of good governance and more active participation of citizens in decision-making;
- Cross-sectoral partnerships, particularly with governmental organisations at both local and national levels;
- Moving towards sustainability (e.g. Resource diversification, philanthropy, income generation, social enterprise etc);
- Developing networks and coalitions of NGOs/NGOs working in partnership;
- Institutional strengthening within NGOs and the sector, including the creation of a more effective enabling environment for civil society;
- Cross-community initiatives;
- Engaging citizens in civil society activities (citizen activism, volunteering, awareness raising of CS, work with the media etc);
- Demonstration of capacity building with smaller/grassroots organisations
- Sustainable development (at community level).

This list has been enhanced to reflect both the issues identified during the evaluation and the discussion on the programme-based approach outlined above. Other criteria that can be added include innovation, developing new ways of solving old problems, pilots of strategic importance, replication and dissemination of previously funded sub-projects (and not just from NGO Funds) where these sub-projects have demonstrated that they can

<sup>102</sup> **Super goals** are sometimes called strategic objectives. **Goals** relate to the longer term impact that is sought. **Aims** relate to the outcomes or difference that is sought.

contribute towards the overall goal of the programme. Other specific criteria can be added, as appropriate to individual countries such quotas for sub-projects outside capital cities (as done in Latvia and the Czech Republic).

As a result of adopting this approach, an overall programme can be applied to all countries, with the flexibility to allow theming to identified national priorities, if required, or to operate a flexible and open fund, which may encourage as wide a range of applications for sub-projects across all of the sectoral interests of the NGO sector.

#### 5.4.6 INDICATORS

Indicators can then be developed by stakeholders, which reflect the overall themes, and can be applied to all countries. Specific country level indicators, both within these and for any local additions to criteria and themes, can also be added. Country baselines can be used to determine these local indicators, as well as the direction of change expected in relation to the thematic indicators. Some examples of possible indicators for each theme are suggested in Table 10.

**Table 10 Examples of possible indicators**

Themes		Indicators
STRUCTURE:	Cross-sectoral partnerships, particularly with governmental organisations both locally and nationally	<ul style="list-style-type: none"> <li>• Number of sub-projects which involve cross-sectoral partnerships with governmental organisations at both local and national levels.</li> <li>• % NGOs engaged in activities in partnership with local authorities and state institutions.</li> <li>• % of sub-projects which result in protocols for on-going co-operation with state authorities.</li> <li>• Changes in attitudes on the part of local authorities to NGOs (increased understanding, willingness to work more closely with them etc.).</li> <li>• Increased involvement of NGOs in decision-making processes with local and national governments (in line with Council of Europe guidelines on participation in decision-making of NGOs).</li> </ul>
	Moving towards sustainability and resource diversification	<ul style="list-style-type: none"> <li>• Number of NGOs with sustainability plans as a result of sub-project activities.</li> <li>• Number of NGOs able to submit proposals for funding to other funding institutions/increase funding from range of local sources (number of proposals; success rates etc.).</li> <li>• Number of NGOs developing income generation activities (as allowed by law), including delivering services on behalf of public institutions.</li> </ul>
	Developing networks and coalitions of NGOs/NGOs	<ul style="list-style-type: none"> <li>• % NGOs involved in partnership working and coalitions with other NGOs.</li> <li>• Number of sub-projects involving national and local NGOs in coalitions or partnerships.</li> <li>• Changes in attitudes in NGO sector towards co-operation, the development and sustainability of platforms etc.</li> </ul>
	Institutional strengthening	<ul style="list-style-type: none"> <li>• Number of sub-projects reporting improved management capacity and operational expertise.</li> <li>• Changes in the reported professionalism of NGOs.</li> </ul>
	Demonstration of capacity building with smaller/grass-roots organisations	<ul style="list-style-type: none"> <li>• Number of sub-projects which engage smaller/grassroots organisations.</li> <li>• Number of sub-projects which engage smaller/grassroots organisations working in partnership with larger NGOs.</li> <li>• Number of smaller/grass roots organisations demonstrating increased capabilities in relation to sustainability, extension of activities.</li> <li>• Increased development of smaller/grassroots organisations (number, spread across country etc.).</li> </ul>

Themes		Indicators
	Learning and development transfer	<ul style="list-style-type: none"> <li>• Number of workshops for good practice and learning transfer trans-regional workshops for learning transfer.</li> <li>• Number of evaluation reports highlighting good practice and learning.</li> <li>• Number of above activities involving partners from state sector.</li> <li>• Evidence of transfer of good practice and learning to the wider NGO sector.</li> <li>• Evidence of changed practices in NGO and government sectors as a result of learning from the programme.</li> <li>• % of organisations undertaking self evaluation, collecting outcome evidence, and becoming more reflective about what they are doing and achieving.</li> </ul>
EXTERNAL ENVIRONMENT	Legal and enabling environment for NGOs	<ul style="list-style-type: none"> <li>• Changes in regulations and legal provisions for NGOs (definition of NGOs; tax regime changes to enable social enterprise; legislation to promote/enable volunteering etc.).</li> </ul>
	Promotion of good governance	<ul style="list-style-type: none"> <li>• Number of sub-projects increasing transparency and accountability of NGOs.</li> <li>• Number of sub-projects increasing transparency and accountability of government bodies.</li> <li>• Increased media attention to the activities of NGOs in relation to good governance.</li> </ul>
VALUES	Promotion of human rights	<ul style="list-style-type: none"> <li>• Number of sub-projects identifying human rights as a fundamental issue which underpins NGO activity.</li> <li>• Changes in attitudes on the part of government towards human rights.</li> </ul>
	Community and citizen empowerment	<ul style="list-style-type: none"> <li>• % increase in citizen engagement in NGO activities (volunteering, involvement in public facing activities such as campaigns etc.).</li> <li>• Number of sub-projects demonstrating user/ participant involvement in the organisation in feedback or planning.</li> <li>• Evidence of increased citizen engagement with NGOs (increase in number of members, activities aimed at engaging public in NGO activities).</li> <li>• Increase in number of citizens engaged on a regular basis in volunteering with NGOs or in communities.</li> </ul>
	Increased citizen activism and engagement, including volunteering	
	Social and economic inclusion	<ul style="list-style-type: none"> <li>• Number of sub-projects where users/ participants from end beneficiary communities actively engaged in sub-project design/implementation/evaluation.</li> <li>• Number of communities reporting increased access to welfare/social services that are responsive to their needs (health, education, social services).</li> <li>• % of sub-projects that increase engagement of citizens in rural areas in sub-projects aimed at providing increased access to basic services/access to improved services.</li> <li>• % coverage of NGOs/sub-projects which secure access to citizens rights/redress.</li> <li>• % sub-projects which reach "hard to reach" areas e.g. rural communities.</li> <li>• % sub-projects which reach hard to reach/marginalised communities (e.g. Roma, people with disabilities; disadvantaged youth etc.).</li> </ul>
	Sustainable development	<ul style="list-style-type: none"> <li>• Number of communities with sustainability plans as result of sub-project activities relating to climate change/peak oil.</li> <li>• Number of demonstration sub-projects in relation to climate change/ peak oil/ food security.</li> <li>• Evidence of increased citizen awareness of sustainability issues.</li> </ul>
	Respect for democratic principles	<ul style="list-style-type: none"> <li>• Number of sub-projects involving citizens in activities that increase their engagement in decision-making.</li> <li>• Evidence of changed processes in governmental institutions (national and local) that engage citizens in decision-making.</li> </ul>



Themes		Indicators
	Advocacy and watch-dog role of NGOs	<ul style="list-style-type: none"> <li>• Number of NGOs evidencing increased institutional capacity to engage more effectively with public authorities.</li> <li>• % NGOs engaged in advocacy activities (with local authorities; with state institutions; public campaigns, watchdog activities).</li> <li>• % NGO policy/strategy campaigns that can be demonstrated to have had an influence on public policy/provision of improved services.</li> <li>• Evidence of changes in laws.</li> </ul>

These indicators are only indicative at this stage. They need refining and further discussion, and to reflect evidence from the baselines, as to what direction and magnitude of change would be expected to be seen from the aggregation of results from sub-projects at country level, and therefore from the overall programme. At individual country level, indicators of this type should also be relevant, augmented by other lower-level indicators, which should be developed for each country within the overall programme approach. They need to be supplemented by qualitative evidence about outcomes at sub-project and Fund levels.

This approach to indicators allows for the recognition of the differences between countries, whilst enabling a more thorough assessment of the outcomes of future programmes.

## 5.5 BUILDING THE APPROACH INTO THE NGO FUND PROCESSES

Criteria based on these indicators would therefore be integrated into the application and assessment processes. It is not suggested that all projects will meet all of these criteria, but forms will need to ask questions about which of the criteria they are including in their sub-projects. This will make the application process more complex, but if forms are designed to guide applicants through the process, and workshops are provided by the Intermediaries which give full information about these criteria and what is expected in applications, this will enable applicants to think about the incorporation of these values and practices in their applications. This should also encourage different thinking on the part of NGOs about changed practice, which will in itself contribute towards change and in building capacities in NGOs for this changed practice.

This may well require additional resources to be allocated to Intermediaries, as enhanced support for applicants and an increased number of workshops may be required in each beneficiary state. This also suggests that Intermediaries themselves should understand the importance of these values and issues. Assessment processes would be expected to include points for projects that can demonstrate that they meet the criteria above. What can then be looked for, in the country approved sub-projects, will be a portfolio in which the range of projects supported contribute in aggregate to the achievement of the goals and aims of the programme as a whole.

If the recommendation is accepted that there should be smaller grants available as well as larger grants, it can be suggested that for larger grant applications, a two-stage process is adopted. In the second developmental stage for the larger grant applications, a greater emphasis can be placed on achieving a wider range of these objectives in the resultant sub-project. Applicants for small grants would be required to demonstrate how they would achieve a more limited number of these criteria.

Not only in the selection of projects, but also in monitoring and evaluation, the approach should keep the overall action plan in mind, and each individual sub-project should be monitored in relation to the parallel projects, and higher level projects that will all contribute to the achievement of a significant effect. It is important to use an evaluative approach,

which will look at the outcomes and difference that is being made by each sub-project, rather than results-based monitoring, which merely looks quantitatively at activities, rather than the difference that the activities are making in relation to the required overall aims. This overall monitoring and evaluation obligation should be built into the MoU.

## **5.6 OTHER KEY ISSUES FOR THE FUTURE**

In addition to the development of an overall programme framework, other key issues were identified during the evaluation which should be considered for future programmes, and which link into the suggested strategic programme framework. These include:

1. The need for longer-term sub-project funding, particularly where pilots/innovation are being developed. Projects which are focussed on changed processes can take longer to achieve project results, as trust and appropriate methodologies need to be built. Longer-term funding is also needed for larger-scale projects.
2. A lower maximum size of grants coupled with simplified procedures for smaller grants. Part of this approach could be to set up a mechanism for funding of small and newly established NGOs, therefore having two types of support: 1) small grants for newly established NGOs; 2) bigger grants for more experienced NGOs.
3. The introduction of two-stage application processes, with an outline proposal and support for full proposal development for outlines passing initial stage assessment. This would also support the development of innovative ideas, which may need support for appropriate development for effective implementation, and ensure that the themes/processes outlined in the strategic framework will be appropriately incorporated into projects.
4. Support for capacity building to be built into projects, as in Romania, where applicants can add 30% of sub-project costs specifically for capacity building. Whilst there is an interest in a specific capacity building component to the Funds in some countries, it is suggested that the addition of funds for capacity building would sit more appropriately as part of overall sub-project proposals. This capacity building could also be linked to the future development of bilateral partnerships, particularly in the transfer of learning about good practice processes in relation to the themes outlined in the suggested programme strategic framework.
5. Intermediaries to provide on-going mentoring and support, not just monitoring, and opportunities for experience sharing between funded sub-projects. Resources should be allocated to Intermediaries to enable the expansion of these support activities. This will be particularly important in encouraging learning transfer in connection with the themes identified in the strategic programme framework.
6. Enable wide access, as appropriate for each country, and use assessment processes with weighting where specific types of projects are underrepresented e.g. rural projects, Roma organisations etc. This will not distort the “level playing field” for applicants if used as part of a transparent process e.g. publication of assessment criteria, and will link across to the suggestions above in relation to “portfolio” development within a more strategic approach in the programmes at country levels.

Drawing on the evidence from the evaluation, suggestions have been made for a programme approach, which would give an overall strategic framework for the NGO Funds for NGOs/civil society development and support, but also allow for the flexibility needed and noted by the beneficiary states. The development of an overall strategic framework would also enable the use of indicators, as developed in this Chapter, which could be measured and provide some aggregation of results for future evaluations of programme achievements. Coupled with baselines, this would provide some measure of individual country progress in achieving and sustaining civil society and NGOs.

## 6. CONCLUSIONS AND RECOMMENDATIONS

This section provides conclusions on the implementation of the NGO Funds 2004-2009 from the perspective of the five DAC criteria, and looking forward to how future NGO Funds might operate.

### 6.1 CONCLUSIONS

There were large differences between the beneficiary states, the needs of the NGO sectors, the regimes under which the NGO Funds operated (some helpful, some inhibiting), and the operation of the NGO Funds. There were large differences in the size, capabilities, and location of end beneficiaries, and the size and thematic areas covered by the sub-projects (60% of which had not been completed). Each NGO Fund evaluated was different. Nevertheless it is possible to conclude that the overall performance of the NGO Funds 2004-2009 has been satisfactory to date, and the immediate objectives of the Funds are likely to be at least partially or substantially achieved.

In almost all of the beneficiary states, the focus of the NGO Funds on identified needs is seen as one of its key positive features. In many, but not all countries, the NGO sector was actively involved in the identification of needs in order to set the priorities of the NGO Funds. Individual NGO Fund objectives directly or indirectly addressed the EEA and Norway Financial Mechanism objectives /goals, although they were in some cases over ambitious.

NGO Funds were practically the only funding available specifically for NGOs in 2007 so there was little risk of double financing. Most of the stakeholders agreed that this funding came at the right time and provided support for the most urgent needs of the NGO sector. Currently there are more sources of funding available in beneficiary states, and issues of complementarity and avoidance of double financing will become more important.

The efficiency of the set up of NGO Funds varied amongst the countries or even amongst the different NGO Funds operating in the same country, and was primarily affected by the legislative and budgetary framework provisions in which the NGO Fund was operating. Some implementation systems were less efficient, being more bureaucratic and administratively demanding. This posed a huge burden on NGOs that are usually understaffed, and lacking experience in preparation of attractive sub-project proposals, submission of extensive tenders or extensive reporting demands. In some countries, requirements for submission of supporting documents were excessively demanding, and it is questionable if all the requirements were justified. In some countries the financial reporting was very demanding of both NGOs and end beneficiaries, and it is questionable if all the requirements were justified.

It is not expected that a single form of the implementation could be used in all countries, because of the different national frameworks, and because EEA and Norway consider beneficiary states as real partners during the bilateral negotiation process, and respect their national characteristics and limitations (see Recommendation 3). However, the lessons learned during the 2004-2009 implementation period point to the need for additional thinking and rationalisation to establish more user friendly implementation systems for end beneficiaries. During the evaluation, it became evident that there was a need for common guidelines or standards applied to all NGO Funds, to be provided by the FMO, which would improve the clarity and efficiency of the NGO Funds as well as provide equal conditions for NGOs in all beneficiary states. The general rules and procedures of the Financial Mechanism were considered as too general in some areas, and not

sufficiently defining important issues such as conditions for application of State aid rules, procurement regulations, definitions of eligible applicants, or some areas of the assessment process. Where such agreements cannot be obtained, the donors should consider not allocating NGO Funds to the country as there is a risk that the continuation of some current practices could impact adversely on the reputation of the donors. (Recommendations 5, 6, 7, and 8).

The efficiency of Intermediaries was largely determined by the legislative, procedural and budgetary frameworks in which they had to operate. However, another key factor affecting the efficiency of Intermediaries was a good understanding of the NGO sector (preferably with past working relationships with NGOs), with a track record of grant making, and a flexible, supportive and co-operative approach to end beneficiaries, taking into account their capacity and financial limitations. The more efficient Intermediaries supported the capacity building of NGOs through training, workshops or even personal consultations with applicants or end beneficiaries on sub-project management issues. Trust in the independence of Intermediaries from direct or indirect political pressure was higher with those that were not seen as an instrument of state funding (Recommendation 4 and 9).

Monitoring of sub-projects appeared to be strongly related to financial reporting. Whilst the financial reporting requirements in some countries are so extreme that this focus is inevitable, limiting monitoring to these requirements reduces the evaluative learning for the end beneficiary and the Intermediary. It also encourages a focus on quantitative outputs rather than identifying how the sub-projects or the NGO Fund overall is achieving wider change. The outcomes - the difference made, the changes at all levels (individual clients, the NGO itself, the locality or region and changes in the issue or need itself) - need to be identified for each sub-project as well as the NGO Fund overall (Recommendation 10).

The outcomes of bilateral co-operation were not clear yet at this stage. However there are indications that bilateral partnerships have not worked well in all cases. Some partnerships were based solely or primarily on the need to meet the criteria for funding, or to secure additional scores in an assessment process, and are thus unlikely to be productive and can result in resource wastage. There is some concern that partnerships are not always real, active and driven by common interests. Bilateral co-operation is also affected by provision of accessible information about the NGO Funds, such as what is being funded, and under what conditions. Publicity of such relevant information in English on the web pages of Intermediaries varied among countries, but was in the majority of cases weak rather than strong (Recommendations 11 and 12).

The understanding by end beneficiaries of what was supposed to be achieved under cross-cutting issues was extremely limited, as insufficient attention was given to these during the preparations of calls for proposals. Clear guidelines on this subject from the FMO and joint workshops for Intermediaries and Focal Points would ensure a common understanding (Recommendation 13).

By mid-April 2010, approximately 40% of the 1697 sub-projects financed under the 19 NGO Funds were completed. However, the results are extremely diversified in terms of significance, thematic content, and geographical area, so that straightforward aggregation is not possible. Some good and visible results were delivered in the areas of strengthened capacity of the NGO sector; advocacy and awareness raising activities; good governance and legislative initiatives; as well as service provision (especially in areas such as social and health care). NGO Funds were effective in addressing needs of local communities by supporting local grass-root organisations to address local problems. The positive effect of regional diversification of sub-projects is seen in the good visibility of the NGO Funds.

The strategic level objective of the EEA and Norway Grants, to reduce social and economic disparities, could not be expected to be achieved through the NGO Funds in each beneficiary state, as NGO sectors by their very nature cannot be prime instigators of strategies and initiatives that will lead to this reduction. NGOs can be part of the solution only, and the strengthening of NGO capacities can in the longer term serve to highlight and contribute towards the solution of societal problems.

Although the very open nature of the NGO Funds is welcomed by end beneficiaries and positively contributes to the strong profile of EEA and Norway Grants, it has made any impact very diffuse. It has also created considerable wasted work for large numbers of unsuccessful applicants, and made the grant selection process difficult. Whilst all stakeholders in the countries are concerned that the donor should not set a narrow and rigid set of 'all country' priorities for the next NGO Funds, which take no account of the contrasting states of development of the NGO sectors in the countries and the varying country needs, it is generally accepted that identifying clear impact of NGO Funds will require defined goals, clear criteria for sub-projects and possible targeting (Recommendations 2 and 14).

The report provides the main conclusions in relation to the evaluation questions, discusses the learning from these questions and findings, and builds on the learning to propose a possible strategic framework for the future, together with indicators against which the performance of sub-projects, country-level NGO Funds and the EEA and Norway Grants allocated for NGO support can be measured in the future.

## 6.2 RECOMMENDATIONS

### *Recommendation 1: Learning from the evaluation*

There is a need to **draw from the learning** and experience of the current experience of the NGO Funds, for the future set-up of the NGO Funds.

Appropriate **stakeholder consultations** at a national level, as well as consultations at a European level, should be held. These consultations should be informed by the findings and conclusions of this evaluation, as well as the in-country evaluations.

### *Recommendation 2 – Future targeting of NGO Funds*

Within the donor's overall priorities, the **country needs and priorities should be agreed in consultation with the NGO sector**, both before drawing up the tender documents for the appointment of the Intermediary, and after the appointment in developing the detailed funding programmes, taking into account complementarity with other donors and national funds.

Building on the need to target funding so that it can have clear impact, and taking into account our understanding of the Donors' current thinking about the next programme as focusing on participation and democratisation, and giving priority to vulnerable groups, we recommend **consideration of the framework outlined in Sections 5.3 and 5.4** of this Executive Summary, focussing on strengthening the contribution that civil society makes to governance, democratic processes, the protection of human rights and environmental sustainability, through support for projects that involve citizens, increase social cohesion and social capital development, address economic disparities, and increase environmental awareness; and introducing themes and issues as criteria that would be common across all beneficiary states.

It is also recommended that **support is in future given to Intermediaries to update the country baseline information**, as this would provide evaluative information against the

indicators, as well as continuing to provide an ongoing understanding of changes taking place in the NGO sector in each beneficiary state.

### ***Recommendation 3 –Appropriate implementation systems for the NGO Funds***

The wide diversity of beneficiary states and their NGO sectors suggests that a “one size fits all” approach for any future NGO Fund would not be successful. The FMO should discuss with beneficiary states the **establishment of implementation systems that would allow flexibility and efficiency**. MoU negotiations should aim to achieve less bureaucratic mechanisms for NGO Funds in all beneficiary states, using the experiences of those countries where exemption has been achieved from the more exacting requirements, including procurement rules and state aid regulations. This could enable wider access to NGO Funds, and encourage sub-projects that would deliver significant outcomes. Direct communication of Intermediaries with FMO should be made possible. However, the system should be **flexible to take into account the specifics in each beneficiary state**.

Implementation systems should avoid the complex administration of the EU Structural Funds and main EEA and Norway Grants, and should include:

- provision of advance payments, and easy systems to evidence ‘in-kind’ co-financing;
- simplified reporting for small sub-projects;
- clearly defined responsibilities regarding checking of sub-project reports, to maintain a reasonable level of control.

### ***Recommendation 4 - Types of Intermediaries***

**Intermediaries should be trusted by, and knowledgeable about, the NGO sector, and experienced grant makers.** The evaluation evidence suggests this role should be with an organisation independent of the government.

It appears that, with FMO support and the engagement of other key country and donor stakeholders through local steering committees, all the open Intermediary tender processes were undertaken in a transparent and professional manner. However, in some countries, the Intermediary tender process was closed. Tender processes for Intermediaries need to be open using each country’s public procurement procedures, respecting relevant national laws. The selection body needs to be a FMO-appointed Steering Committee.

**Coalitions of NGOs as Intermediaries**, as in Bulgaria, Hungary and Romania, were seen to be very successful, as they combined wide and different experience and knowledge. This and a single NGO Fund for each beneficiary state should be strongly encouraged for future NGO Funds.

### ***Recommendation 5 - Clarifying NGO eligibility***

The FMO should consider developing **tighter definitions of the eligibility** of different types of organisations for NGO Funds, to avoid both the inclusion of quasi-NGOs, and the unjustified rejection of appropriate NGOs. This needs to be considered in line with the recommendations on the framework for a new programme.

### ***Recommendation 6 - Clarity and consistency in rules and procedures***

The FMO should produce **clear and detailed rules for future funding streams**, within a framework which allows for flexibility for each country NGO Fund, harmonising existing good practice. The rules need to cover all aspects of programme implementation - publicity, applications, assessment, contracting, capacity building support, and monitoring



and evaluation, whilst allowing for country flexibility. There needs to be clarity about the definition of management, administration or core costs, advance payments to Intermediaries and end beneficiaries, the evidencing of ‘in-kind’ co-financing contributions, and the use of the *State aid* rules etc.

The **annual meetings of Intermediaries** organised by the FMO and the Norwegian Helsinki Committee should be continued, with more opportunities for Intermediaries to meet and exchange information and identify topics of common interest and good practice. It would also be useful to create opportunities for National Focal Points to meet and exchange information.

### **Recommendation 7 - Application processes**

Application, assessment and implementation processes are very important, and **good practice from a number of beneficiary states should be included in the guidelines** from the FMO for future NGO Funds. Specific recommendations are:

- The number of calls for proposals should be appropriately planned. Countries that have so far carried out more than one call per year should consider reducing that number in favour of preserving more time for pro-active development support for sub-projects. A good practice would be to make pre-announcement of the calls, to stimulate applicants to prepare themselves more thoroughly for the coming call for proposals.
- Appropriate application forms that can guide a less experienced applicant through the requirements of a sub-project proposal, with guidelines for applicants that are clear and indicate clearly what is required in each section of an application form;
- For small sub-projects, the application forms should be simplified, so that the process can be carried out in one phase.
- A two-stage application process for larger sub-projects should be introduced if time allows. In the first stage, the sub-project concept would be evaluated and only those approved would continue developing full proposals, possibly being offered further support to develop them. In the second phase, full proposals would be assessed according to the selection criteria.
- Definitions of “large” and “small” grants need to be negotiated with each country, taking account of the scale and diversity of the NGO sector.
- Workshops or other kinds of support at the pre-application stage, to provide detailed guidance on what will be looked for in the proposal for funding.<sup>103</sup>
- To widen access to NGO Funds, assessment processes should use weighting where specific types of sub-projects are under-represented e.g. rural sub-projects, Roma organisations etc. This would not distort the “level playing field” for applicants if used as part of a transparent process e.g. publication of assessment criteria.
- Encourage partnership/coalition applications, particularly where the NGO sector is very competitive, and also encourage applications where “strong” NGOs partner with “weaker” NGOs (or unregistered organisations), where direct or indirect capacity building can be achieved through the “stronger” partner.

### **Recommendation 8 - Assessment/selection processes**

There is scope for the sharing of good practice, and a set of FMO generated minimum requirements for transparent assessment processes. The FMO should clearly stipulate the **basic requirements for assessors**, including expertise in the field supported by the NGO Fund, experience in assessment, and independence (particularly having no links with the applicant organisations or their partners). The FMO should define in which situations an assessor would be deemed to have a conflict of interest, and how this should be tackled.

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<sup>103</sup> This workshop help is given by most but not all Intermediaries.



Potential conflict of interest should be checked as a standard procedure. Transparent assessment criteria need to be published with the application details, so that applicants know and understand the basis on which their proposals will be assessed. There needs to be flexibility to take into account the specifics in each beneficiary state.

In addition, **staff of the Intermediary should not be involved in quality assessment**, especially if a more active role in development of a sub-project is planned.

**Grant selection committees should be independently chaired**, with the staff of the Intermediary acting as officers. The National Focal Point, the donor Embassy and the FMO should only attend as observers.

### ***Recommendation 9 - Support to applicants and end beneficiaries***

The experienced Intermediaries provided training and support during the application process through web sites, workshops and by telephone and e-mail, despite limited resources (in a number of beneficiary states, extra funding for capacity building of end beneficiaries by the Intermediaries was not permitted by the Focal Point). There is scope for sharing of good practice, and the FMO should develop minimum requirements so that **all Intermediaries provide ongoing mentoring and support, and not just monitoring**. Resources should be allocated to Intermediaries to enable the expansion of support activities.

### ***Recommendation 10 - Monitoring processes and evaluation processes***

**Country evaluation reports** should be completed, focusing on outcomes and impact, and the Intermediaries for each country should organise a **closure conference** in 2011 looking at results and needs for the future, linked to the donor embassy. It needs to involve wide range of NGOs and be open to all who would like to participate so as to ensure future fairness in choice of Intermediary. The EEA and Norway Grants' Technical Assistance Fund where it exists, or a donor state embassy should help with costs. This approach should also become standard for any future NGO Funds.

A mechanism should be developed for **exchanging information among funded NGOs**, including both general and thematic areas, both through thematic country meetings and via electronic means throughout the beneficiary states. This would provoke new ideas among NGOs, answering the need reported by some Intermediaries, to encourage more innovative thinking about sub-projects.

As well as the target outputs, the outcomes - the difference made, and the changes at all levels, need to be identified for each sub-project as well as the NGO Fund overall. **Evaluation of sub-projects** should be built into budgets, and in the next NGO Funds, serious attention should be given to outcomes and impact by the FMO and the Intermediaries.

### ***Recommendation 11 – Bilateral partnerships***

**Support to developing bilateral partnerships should be strengthened.** In particular, the following is recommended:

- More evaluation of needs and gaps in learning and skills in NGOs in the beneficiary states, encourage applicants to seek bilateral partners that would help action the new approach to NGO Funds
- Promotion of the bilateral partnerships in donor states, emphasising the benefits to NGOs in the EEA EFTA States in engaging in bilateral partnerships, ensuring information in English is on donor country NGO websites;
- Attention to supporting inclusion of partners from EEA EFTA States to ensure real partnerships - partnerships should be driven by common interests, and not by

attempts to achieve high assessment scores – therefore extra scores for the inclusion of bilateral partners should not be used;

- A longer time frame for partnership development;
- Seed money is needed to support the development of partnerships including funds to allow workshops to bring carefully selected NGOs together to build relationships that are real; allocation of funding to Intermediaries to organise end-beneficiary-based country seminars, focus groups or workshops, with the participation of relevant NGOs in the EEA;
- Identification of legal barriers to partnerships and exploration of how to overcome these during the country/Donor negotiations;
- Standardised application procedures to be developed by the Norwegian Helsinki Committee in collaboration with FMO ensuring that both partners are fully engaged in the application development
- Sharing good practice on partnership development at the annual meetings of the Intermediaries;
- The possibility of the extension of bilateral working to other countries in the EU, and in particular to other beneficiary states.

### ***Recommendation 12 – Visibility of the NGO Funds and sharing information***

**There is scope for the sharing of good practice around information about the NGO Funds**, and the FMO should develop minimum requirements for communication about the work of each Fund.

With regard to visibility and publicity about the NGO Funds on Intermediary web sites, the FMO should:

- Provide the basic outline of the web page;
- Provide a list of information that must be published on the web site;
- Provide a list of documentation that should be available in the English language, such as: rules of the NGO Fund (including basic information on themes of support), application forms, evaluation criteria, texts of the call for proposals, lists of sub-projects that received funding, and a short presentation of the sub-projects that received funding;
- Provide a deadline for completion of tasks (e.g. timing of publication of information).

Provision of the most important information about the call for proposals is important to promote bilateral/international cooperation.

### ***Recommendation 13 – Cross-cutting issues in future NGO Funds***

**Focus on cross-cutting issues should be increased** during both programming of an NGO Fund and the application process. The relevance of cross-cutting issues, and targeted results or impacts should be discussed with all Focal Points and Intermediaries at joint meetings, workshops or seminars. Special attention should be given to underline the rationale of cross-cutting issues in NGO Funds that include overlapping themes, such as environment, with the FMO identifying clear expectations.

More focus should be given to increase awareness and understanding on cross-cutting issues among potential applicants at workshops. Understanding would be improved if practical examples of good planning and delivery of results could be demonstrated in workshops and NGO Fund guidelines.

**Recommendation 14 - Grant size and length of sub-projects in future NGO Funds**

There was a need identified in all beneficiary states for:

- **Longer-term sub-project funding**, particularly where pilots/innovation are being developed. Longer-term funding is also needed for larger-scale sub-projects, and bilateral partnerships.
- **A lower maximum size of grants** coupled with **simplified procedures for smaller grants for small and newly established NGOs**.

## List of Abbreviations

Abbreviation	Description
BCSS	Civil Society Sociological Survey 2004 (BCSS Survey 2004) from Civicus Report for Bulgaria, 2005
CAL	Civic Alliance Latvia
CB	Capacity Building
CEE	Central and Eastern Europe
CIG	<i>Comissão para a Cidadania e Igualdade de Género</i> (Commission for Citizenship and Gender Equality) Portugal
CoE	Council of Europe
CS	Civil Society
CSDF	Civil Society Development Foundation
CSI	Civil Society Index (Civicus)
CSO	Civil Society Organisation
CZ	Czech Republic
Donors	The donors of the EEA Grants and Norway Grants: Norway, Iceland and Liechtenstein
DAR	Detailed Appraisal Report
DFID	Department for International Development UK
DG	Directorate General (European Commission)
DNGO	Development Non-Governmental organisation
EC	European Commission
EEA	European Economic Area
EEZ	Exclusive Economic Zone (Estonia)
EFTA	European Free Trade Association
ENGO	Environmental Non-Governmental organisation
ENV	Environmental
ERDF	European Regional Development Fund
ESF	European Social Fund
EQ	Evaluation Question
EU	European Union
FAQ	Frequently Asked Question
FG	Focus Group
FM	Financial Mechanism
FMO	Financial Mechanism Office
FP	Focal Point
GDP	Gross Domestic Product
GGAPPI	Guide on Grants and Public Procurement under Pre-Accession Instruments
GONGOs	Government Operated Non-Governmental Organisations
GRI	Global reporting initiative
IBA	Important Bird Areas
IFDR	<i>Instituto Financeiro para o Desenvolvimento Regional</i> (Portuguese Paying Authority within the Ministry of Economy)
INTERREG	EU programmes which support cross-border co-operation between adjacent regions to develop cross-border social and economic centres through common development strategies
IPAD	Portuguese Institute for Development Assistance
IR	Inception Report
ISO	Intermediary Support Organisation
MoU	Memorandum of Understanding
NENO	Network of Estonian Non-profit Organisation

NDA	National Development Agency (Hungary)
NFCS	National Fund for Civil Society (Estonia)
NFP	National Focal Point
NGO	Non-Governmental Organisation
NHC	Norwegian Helsinki Committee
NMFA	Norwegian Ministry of Foreign Affairs
NPO	Non-profit organisation
NROS	Civic Society Development Foundation (the Czech Republic)
OECD-DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
OFOP	Federation of Polish Non-Governmental Organisations
PA	Paying Authority
PBA	Programme-based approach
PIR	Project Interim Report
PHARE	Pre-accession instruments financed by the EU to assist the applicant countries of Central and Eastern Europe in their preparations for joining the EU
PR	Public Relations
PRAG	Practical Guide to contract procedures for EC external actions
PYI	Portuguese Youth Institute
RBM	Results-based management
RNNO	Government Board for Non-profit organisations (Czech Republic)
SGS	Small Grant Schemes
SF	Structural Funds
SIDA	Swedish International Development Cooperation Agency
SOAR	Institute of Research and Cyprus Studies (Cyprus)
TA	Technical Assistance
ToR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNHCR	United Nations High Commissioner for Refugees
UPR	Universal Periodic Review
USAID	United States Agency for International Development
WD	Work Day

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## Annex 1. Terms of Reference

*[These terms of reference were approved on 10 February 2010, and circumstances may have altered since that time]*

### 1. Background and Overview

#### 1.1 Background

For the beneficiary countries of the EEA Grants and the Norway Grants, the funding of the non-governmental organisation (NGO) sector has been crucial, as the previous support from the European Commission (EC) and bilateral donors largely dried up at the time of their accession to the EU. In the period 2004-2009, the EEA and Norway Grants have provided major support to the NGO sector. At the end of this round of funding, it is logical that the donor states – Norway, Iceland and Liechtenstein – and the Financial Mechanism Office (FMO) wish to evaluate how well the 2004-2009 NGO Funds performed and whether there are lessons that can be learned that will assist in the future. The FMO has therefore commissioned an evaluation of NGO Funds under the EEA Grants and Norway Grants 2004-2009.

#### 1.2 Civil society in beneficiary states

The civil society sector, its history and development have been different in each of the twelve beneficiary states. However, it can be noted that the candidate countries in Central and Eastern Europe received significant funding in the pre-accession period from the EC and bilateral donors for the development of civil society. Efforts were made to create legislation that supported civil society, to strengthen capacity of NGOs, and to create networks, so that an overall strategy for civil society could be developed. Much progress was made, and in some countries there are strong national NGOs which maintain national briefs on specific issues, such as environmental protection or child protection, and have good lobby structures, influencing the implementation of legislation. In other countries civil society has remained weak and adversely influenced by vested interests, or been weakened by continuous changes in legislation. However, in all the new accession countries, the withdrawal of the EC and bilateral donors has proved a real block on NGO development and sustainability, especially since developing in-country sources of funding has been really challenging. Many smaller NGOs have collapsed and some of the large national organisations have been focussed on their own survival rather than raising funds to build internal capacity and advocacy and campaigning skills in other, especially regional, organisations. There are often strongly competitive climates that inhibit partnership and coalition building. In general it has been difficult to develop national strategies based on clearly identified needs. This makes it difficult to target donor funds at priority areas.

#### 1.3 Overview of NGO Funds

The EEA and Norway Grants, established to support social and economic cohesion in the twelve new Member States of the EU, as well as three southern European countries, have focused from the outset on supporting civil society development in the region, with non-governmental organisations eligible to apply for both large and small scale funding. Nineteen NGO Funds have been established in twelve beneficiary states (Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, and Slovenia). An approximate breakdown of the funds and number of sub-projects by beneficiary country is given in Table 1, based on information provided by the FMO as of 21 January 2010, (there are still some calls for proposals open, and additional sub-projects are likely to be contracted).

**Table 1. Overview NGO Funds and sub-projects by beneficiary state to date**

Country	NGO Fund	Number of calls for selected sub-projects	Number of sub-projects	EEA and Norway grant (M€)
Poland	NGO Fund – Equal opportunities and social integration	3	557	37.3
	NGO Fund – Democracy and civil society	5		
	NGO Fund – Environmental protection and sustainable development	3		
Czech Republic	NGO Fund	3	181	9.5
Hungary	NGO Fund	2	236	6.5
	Environmental NGO Fund	1		
Latvia	NGO Fund	4	165	5.2
	NGO Fund - Society integration Fund	1		
Lithuania	NGO Fund	1	106	5.0
Slovakia	NGO Fund – social inclusion	2	87	4.8
	NGO Fund – human rights	2		
	NGO Fund – sustainable development	3		
Portugal	NGO Fund – Citizenship and human rights	1	30	2.2
	National Environmental NGO Fund	1		
Estonia	NGO Fund	5	155	2.0
Bulgaria	NGO Fund	2	61	1.9
Romania	NGO Fund	1	46	1.8
Slovenia	NGO Fund	2	40	1.7
Cyprus	NGO Fund	1	33	1.5
<b>Total</b>		<b>43</b>	<b>1697</b>	<b>79.4</b>

Source: FMO database, 9 February 2010

The NGO Funds support activities mainly in the areas of environment, democracy, human rights, social inclusion and anti-discrimination, and promote advocacy, awareness raising and service provision by NGOs as well as capacity-building of the sector itself. An indication of the priorities addressed by the funds in each country is given in 0

**Table 2. Thematic areas covered by NGO Funds, number of sub-projects by country**

Sub-sectors	No. of sub-projects												
	Total	BG	CY	CZ	EE	HU	LT	LV	PL	PT	RO	SI	SK
Protection of the environment	518	15		66	36	110	62	40	117	16	15	12	29
Biodiversity	9									9			
Education	20					13				2			5
Protection of environment	223			66	36	24			51		15	12	19
Renewable energy, energy efficiency and reduction of greenhouse gases	5												5
Sustainable development	261	15				73	62	40	66	5			
Human resources development	959	22		61	119	84	44	125	408	14	18	11	53
Capacity building	217							51	166				
Democracy, human rights, discrimination	466	22		61	71	45	44	32	139	14	4		34
Human resource development	11											11	
Inclusion of disadvantaged groups	161					39			89		14		19
Mainstream gender equality	14								14				
Regional policy	90				48			42					
Health and childcare	144	24	33						21			7	5
Childcare	8		8										
Health and childcare	12											7	5
Health promotion	7		7										
Prevention and fight against addictions	1		1										
Social / family issues	116	24	17	54					21				
European cultural heritage	76					42			11		13	10	
European cultural heritage	76					42			11		13	10	
<b>Total</b>	<b>1697</b>	<b>61</b>	<b>33</b>	<b>181</b>	<b>155</b>	<b>236</b>	<b>106</b>	<b>165</b>	<b>557</b>	<b>30</b>	<b>46</b>	<b>40</b>	<b>87</b>

Source: FMO database, 9 February 2010

## 2. Purpose

The purpose is to provide an expert independent evaluation of the contribution of the EEA and Norway Grants 2004-2009 to the NGO sector in the beneficiary states operating NGO Funds. The evaluation shall identify lessons learnt at strategic and operational level from the current funding. It shall also provide national, transnational and overall recommendations on the sector's future needs and suggest priorities for the NGO support within the future EEA and Norway Grants 2009-2014.

## 3. Scope of Work

### 3.1 Development of the Key Questions

A number of evaluation questions were proposed by the FMO in their invitation to tender. The contractor added a number of subsidiary evaluation questions and evaluation criteria,

which were discussed at the kick-off meeting on 23 January 2010, and will be further developed in the Inception Report. The key evaluation issues are divided into six separate areas, following the logic of DAC evaluation criteria: relevance, efficiency, effectiveness, impact, sustainability and visibility.

7. Relevance: To what extent and how have the NGO Funds responded to the EEA and Norway Grants overall objectives of reducing economic and social disparities? To what extent and how have they contributed to responding to strategic priorities and needs as well as to the development of the NGO sector at national level? How would a programme-based approach look for the civil society sector, and what sort of indicators should be used to make sure that funds can make a valuable impact?
8. Efficiency: How efficient was the management set up and how could it be improved to increase efficiency of the grant system?
9. Effectiveness: To what extent have the NGO Funds' overall objectives been met at Fund and sub-project level? To what extent have cross-cutting priorities of gender, bilateral relations and sustainable development been addressed?
10. Impact: What has been the planned and unplanned impact, including on the institutional capacity of the sector, and on the targeted areas/groups at sub-project level?
11. Sustainability: To what extent has ownership by stakeholders and the institutionalisation of supported activities been sustained after funding has ceased?
12. Visibility: What is the visibility of the contributions at different levels?

Following discussion with the Reference Group, these key evaluation questions will be confirmed and further developed in the Inception Report.

The analysis shall include background information at national level on the sector and provide some examples of good practice within the EEA and Norway Grants NGO Funds.

Key evaluation questions will be focussed at different levels:

- overall Financial Mechanism level and transnational level
- national/country and NGO Fund level
- sub-project level

Outcomes and results will be analysed from a horizontal perspective of sectors/subsectors (see Table 2) as well as types of activities and target groups (NGOs and end beneficiaries).

The analysis will focus on strategic issues as well as on operational issues (such as implementation set-up). Positive and negative lessons learnt will be identified from the present 2004-2009 period and recommendations for improvements provided for the future Financial Mechanism 2009-2014. On the basis of individual in-country needs' assessment for the civil society sector and identification of critical areas where civil society plays, or could play, an important role in the beneficiary states, areas of importance for further financing will be identified.

### **3.2 Coverage**

All actual beneficiary countries will be covered by the evaluation, but more interviews/focus groups will be undertaken in the countries with the largest take up of NGO Funds and where there is the largest potential for learning (Poland, the Czech Republic, Hungary, Slovakia, Latvia, Romania, Estonia.).

## **4. Methodology**

### **4.1.1 Data collection and analysis**

### **Documentary sources**

The limited time available means that the maximum use will be made of existing documentary sources, which include national strategic documents, and other key research and sector reports, and Fund documentation.

The Core Team will develop a template for reviewing the key documents to identify current situation and future needs, so that evaluation is consistent between evaluators, and work on documents can be done by in-country staff in local languages.

### **Central Interviews**

Interviews (face-to-face or telephone) will be made with key stakeholders, including FMO staff, representatives of the EEA EFTA States' Ministries of Foreign Affairs, and the Norwegian Helsinki Committee.

### **Questionnaires, focus groups and interviews in country**

Within the resources and time scale of this evaluation, it is not possible to evaluate all sub-projects or to interview all end beneficiaries. The approach is therefore to base the collection of data from the end beneficiaries on a questionnaire, supplemented by telephone interviews and, where applicable and practicable, focus groups.

The Core Team will develop a self-assessment form in English to be sent to local experts who will translate it to local languages and send it to end beneficiaries. Our experience indicates that most end beneficiaries will not take the trouble to reply, but if encouraged by telephone contact from local experts, we expect that we will be able to achieve a 15-20% response rate, which we judge to be an indicative sample.

Focus groups could form a powerful tool in the collection of the required information, especially about future needs. The Core Team will assess for each country whether the required information can be collected most effectively by direct interviews with five NGOs or with focus groups with 10-15 NGOs. Focus groups are more efficient than individual interviews for obtaining a consensus view from a group about a small number of broad questions, while the individual interview is better for exploration or investigating specific details.

We propose to use two types of focus group, where appropriate, and for these the Core Team will develop topic guides:

- **End beneficiaries:** Select 10-15 NGO recipients and run a half day focus group looking at the fund mechanisms and the outcomes of the grants; end beneficiaries would be encouraged to bring outcome evidence. In large countries, such as Poland, it may be possible to organise focus groups in different geographical areas.
- **Key informants:** select 10-15 key informants on the current situation and needs, and issues for the future. Participants would include the Intermediaries, key NGOs, government informants from different sectors and the Focal Point, embassy staff from EEA/EFTA countries and other donors.

Success of focus groups depends on having the right participants, and these will be selected by the Core Team in combination with local experts, based on its own experience and on advice from the Intermediaries and where available, embassy staff from the EEA.

In addition to the above collection of data by Pitija's local experts in all countries (interviews and/or focus groups), it is proposed that the Core Team carry out visits to an indicative sample of countries to undertake:

- Semi-structured interviews with Intermediaries based on pre-prepared questionnaires

- contacts with other donors and other key informants
- examination of evidence and discussion with in-country team.

Selection of countries for higher level interviews will be made by the Core Team, in consultation with the FMO and key stakeholders, including the Reference Group. It is expected that the selected countries would include the largest Fund recipients, Poland, the Czech Republic, Hungary, Slovakia, Latvia, Estonia and Romania.

A tentative plan for focus groups, questionnaires and interviews is given in Table 3.

**Table 3. Tentative plan for focus groups, questionnaires and interviews**

Country	Focus Groups	Questionnaires	Interviews	Visits
<b>Poland</b>	Two for end beneficiaries-east and west One for Key informants	Send to all sub-projects and seek 10%sample response in total (59)	Random sample of 15 across all grant categories > € 10,000	Two Intermediaries
<b>Czech Republic</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 10%sample response in total (19)	Random sample of 10 across all grant categories > € 10,000	One Intermediary body
<b>Hungary</b>	two for end beneficiaries One for Key informants	Send to all sub-projects and seek 10%sample response in total (24)	Random sample of 10 interviews across all grant categories > € 10,000	Two Intermediaries
<b>Slovakia</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 10%sample response in total (10)	Random sample of 10 interviews across all grant categories > € 10,000	yes- Intermediaries 3
<b>Lithuania</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 10%sample response in total (10)	Random sample of 10 interviews across all grant categories > € 10,000	
<b>Latvia</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 15%sample response in total (25)	Random sample of 8 interviews across all grant categories > € 10,000 +Intermediary	Yes- Intermediary body
<b>Romania</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 15%sample response in total (9)	Random sample of 5 interviews across all grant categories > € 10,000 + 1 Intermediary body	Yes- Intermediary body
<b>Estonia</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 15%sample response in total (19)	Random sample of 3-5 (telephone) interviews across all grant categories > € 10,000 plus one Intermediary body	Yes- Intermediary body
<b>Portugal</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 20%sample response in total (6)	Random sample of 3-5 (telephone) interviews across all grant categories > € 10,000 + Intermediaries	
<b>Bulgaria</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 20%sample response in total (12)	Random sample of 6-8 (telephone) interviews across all grant categories > € 10,000 + Intermediary body	
<b>Slovenia</b>	One for end beneficiaries One for key informants	Send to all sub-projects and seek 20%sample response in total (8)	Random sample of 3-5 (telephone) across all grant categories > € 10,000 + Intermediary body	

<b>Cyprus</b>		Send to all sub-projects and seek 20% sample response in total (6)	Random sample of 3-5 (telephone) across all grant categories > € 10,000 + Intermediary body	
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## 4.2 Data Analysis

The Core Team will analyse the collected data, and use the evaluation indicators and evaluation criteria to answer the evaluation questions, draw conclusions, identify lessons learned and make recommendations.

## 4.3 Reference Group

While the key stakeholders, including the Focal Points and Intermediaries, will be fully informed and consulted throughout this evaluation, there will be a formal Reference Group, consisting of representatives of the FMO and the Norwegian Ministry of Foreign Affairs, which will advise the contractor on the execution of the evaluation, and will formally approve the ToR and other outputs.

## 4.4 Reporting

An Inception Report will be prepared following the kick-off meeting, discussion with the Reference Group, and the finalisation of the ToR. A proposal for the structure of the draft evaluation report will be discussed at the first meeting of the Reference Group and will be finalised in the Inception Report. A draft of the evaluation report will first be prepared for discussion with the FMO, the Reference Group, and if required circulation to Intermediaries for comment. All comments will be taken into account in a final version of the report. The proposed structures for the Evaluation Inception Report, is given below.

### *Structure of the Inception Report*

1	<b>Introduction</b>
2	<b>Actions taken in the inception period</b>
2.1	Kick-off arrangements
2.2	Mobilisation of staff
2.3	Preliminary data collection
2.4	Comment from the Reference Group
3	<b>Discussion of risks, constraints, methodologies</b>
4	<b>Evaluation Plan</b>
4.1	Key questions and criteria
4.2	Discussion of indicators (also for programme-based funding)
4.3	Sources of evidence and data collection
4.4	Fieldwork plan
5	<b>Proposed Structure of Evaluation Report</b>
6	<b>Conclusions</b>
7	<b>Evaluation tools (Questionnaires, outline topic guides for interviews)</b>

## 4.5 Project Milestones

The planned milestones are set out in Table 4 below.

**Table 4. Project Milestones**

<b>Project milestones</b>	<b>Indicative target dates</b>
1. Submission of first draft ToR (Start )	18 January 2010
2. Kick-off meeting	22 January 2010
3. Submission of Inception Report to FMO	19 February 2010
4. Submission of draft Report to FMO	23 April 2010
5. Submission of draft final report	14 May 2010



#### **4.6 Confidentiality**

All information collected, whether from documents, questionnaires, or interviews will be kept strictly confidential. Sources of comment will not be disclosed, and questionnaires will not be attributed and will remain confidential to the team.

#### **4.7 Quality**

The Team Leader will oversee each step in the sequence of tasks, particularly the preparation of the evaluation plan, the inception report, and the draft and final interim and final reports. As a pre-cursor, the Deputy Team Leader will first check quality of written outputs from the local experts. The Quality Control Manager will carry out an independent review of each of the steps.

As part of its quality control function, Pitija will take all necessary measures to prevent or end any situation that could compromise the impartial and objective evaluation. Pitija will ensure that its staff, including its management, is not placed in a situation which could give rise to any perceived conflict of interest. In many cases we will be relying on staff from end beneficiaries or Intermediaries to provide essential information, but Pitija will always use independent staff where evaluation of end beneficiaries or Intermediaries is concerned. Any potential conflict of interest that might arise during performance of an assignment will be notified in writing to the FMO. Pitija will ensure that all the data collected by the independent local or international experts is available for inspection by the FMO.

## Annex 2. Details of NGO Funds

This Annex contains a list of the NGO Funds with financial data for July 2010, and details of Intermediaries (Table 11), an overview of the sectors, themes and priorities covered by the NGO Funds (Table 12), and a table illustrating the alignment of objectives and donor priorities (Table 13).

**Table 11 List of NGO Funds as of July 2010.**

BS	Case Number	Title	Total Fund cost	Grant committed to fund (EEA + Norway)	Grant Rate	Number of supported projects	Intermediary Name	Intermediary web-page
<b>Bulgaria</b>			<b>€ 2,064,000</b>	<b>€ 2,064,000</b>		<b>61</b>		
	BG0010	National - NGO Fund	€ 2,064,000	€ 2,064,000	100.00%		Foundation for Local Government Reform	www.flgr.bg
<b>Cyprus</b>			<b>€ 1,667,000</b>	<b>€ 1,499,967</b>		<b>33</b>		
	CY0017	National - NGO Fund - Health and Childcare and Empowerment of Youth	€ 1,667,000	€ 1,499,967	89.98%		First Elements Euroconsultants Ltd	www.eeangofund.org.cy/
<b>Czech Republic</b>			<b>€ 10,000,000</b>	<b>€ 10,000,000</b>		<b>181</b>		
	CZ0004	Czech NGO Fund	€ 10,000,000	€ 10,000,000	100.00%		Civil Society Development Foundation (NROS)	www.blokovygrant.cz
<b>Estonia</b>			<b>€ 2,472,637</b>	<b>€ 2,260,485</b>		<b>190</b>		
	EE0014	National - NGO Fund	€ 2,472,637	€ 2,260,485	91.42%		Open Estonia Foundation	www.oef.org.ee
<b>Hungary</b>			<b>€ 8,077,433</b>	<b>€ 7,900,963</b>		<b>299</b>		
	HU0010	National - Environmental NGO Fund	€ 1,176,470	€ 1,000,000	85.00%		Ministry of Environment and Water (Környezetvédelmi és Vízügyi Minisztérium)	www.kvvm.hu
	HU0068	National - NGO Fund	€ 6,900,963	€ 6,900,963	100.00%		Hungarian Environmental Partnership Foundation - Ökotárs Alapítvány	www.okotars.hu
<b>Lithuania</b>			<b>€ 5,555,400</b>	<b>€ 4,999,860</b>		<b>105</b>		
	LT0008	National - NGO Fund	€ 5,555,400	€ 4,999,860	90.00%		Ministry of Finance of the Republic of Lithuania	www.eeagrants.lt
<b>Latvia</b>			<b>€ 6,663,850</b>	<b>€ 5,677,251</b>		<b>165</b>		
	LV0008	National - NGO Fund	€ 5,899,144	€ 5,027,251	85.22%		Society Integration Foundation	www.lsif.lv
	LV0061	National - Society	€ 764,706	€ 650,000	85.00%		Society Integration	www.lsif.lv

integration Fund					Foundation	
<b>Poland</b>		<b>€ 41,499,999</b>	<b>€ 37,350,000</b>		<b>613</b>	
PL0168	NGO Fund - Democracy and Civil Society	€ 13,833,333	€ 12,450,000	90.00%	Co-operation Fund Foundation	www.cofund.org.pl
PL0169	NGO Fund - Environmental Protection and Sustainable development	€ 13,833,333	€ 12,450,000	90.00%	ECORYS Polska Sp. z o. o.	www.ecorys.pl
PL0170	NGO Fund - Equal Opportunities and Social Inclusion	€ 13,833,333	€ 12,450,000	90.00%	ECORYS Polska Sp. z o. o.	www.ecorys.pl
<b>Portugal</b>		<b>€ 2,398,742</b>	<b>€ 2,038,930</b>		<b>30</b>	
PT0032	NGO Fund - citizenship and human rights	€ 1,199,371	€ 1,019,465	85.00%	Comissão para a Cidadania e Igualdade de Género / Commission for Citizenship and Gender Equality	www.cidm.pt
PT0033	National Environmental NGO Fund	€ 1,199,371	€ 1,019,465	85.00%	Agência Portuguesa do Ambiente	www.apambiente.pt
<b>Romania</b>		<b>€ 5,098,189</b>	<b>€ 5,098,189</b>		<b>115</b>	
RO0010	National - NGO Fund	€ 5,098,189	€ 5,098,189	100.00%	Civil Society Development Foundation (CSDF)	www.fdsc.ro
<b>Slovenia</b>		<b>€ 1,885,353</b>	<b>€ 1,458,050</b>		<b>40</b>	
SI0024	National - NGO Fund	€ 1,885,353	€ 1,458,050	85.00%	The Regional Environmental Center for Central and Eastern Europe, Country Office Slovenia	www.rec-lj.si
<b>Slovakia</b>		<b>€ 5,882,353</b>	<b>€ 5,000,000</b>		<b>87</b>	
SK0008	NGO Fund - human rights	€ 1,764,706	€ 1,500,000	85.00%	Nadácia otvorenej spoločnosti - Open Society Foundation (NOS-OSF)	www.osf.sk
SK0009	NGO Fund - Support for Social Inclusion	€ 1,764,706	€ 1,500,000	85.00%	SOCIA - Social Reform Foundation	www.socia.sk
SK0011	NGO Fund - sustainable development	€ 2,352,941	€ 2,000,000	85.00%	Nadacia Ekopolis	www.ekopolis.sk
<b>GRAND TOTAL</b>		<b>€ 93,264,956</b>	<b>€ 85,347,695</b>		<b>1919</b>	

**Table 12 Overview of sectors/themes/priorities covered by NGO Funds**

<b>Country and NGO Fund</b>		<b>Priorities/themes supported by the NGO Fund</b>
PL	PL0168 – Democracy and Civil Society	<ul style="list-style-type: none"> <li>- Respect for democratic principles</li> <li>- Improving knowledge on civil society and democratic processes</li> <li>- Expansion of institutional capacities of NGOs and development of the non-governmental sector.</li> </ul>
	PL0169 – Environmental Protection and Sustainable Development	<ul style="list-style-type: none"> <li>- Education on environment protection</li> <li>- Conservation of natural heritage</li> <li>- Enforcement of environmental protection law</li> <li>- Actions for partnerships for ecological efficiency</li> <li>- Activities for improvement of social awareness</li> <li>- Financial and institutional aspects of sustainable development</li> <li>- Restructuring the tourism market in Poland with special focus on ecology</li> <li>- Development of conditions for continued and sustainable development of rural areas.</li> </ul>
	PL0170 – Equal Opportunities and Social Integration	<ul style="list-style-type: none"> <li>- Help and reinforcement of position of victims and discriminated</li> <li>- Support of sustainable regional and local development</li> <li>- Combining cultural heritage protection with local communities development</li> <li>- Vocational activation of socially excluded groups</li> <li>- Actions focused on improving social awareness</li> </ul>
CZ	CZ0004	<ul style="list-style-type: none"> <li>- Multicultural Environment in Communities</li> <li>- Strengthening of Human Rights and Fight against Discrimination and Racism.</li> <li>- Children and Young People with Specific Problems</li> <li>- Environmental Protection.</li> </ul>
HU	HU0068 – NGO Fund	<ul style="list-style-type: none"> <li>- Environmental protection and sustainable development</li> <li>- Civil liberties and capacity building</li> <li>- Social cohesion, and health and childcare</li> <li>- Cultural heritage.</li> </ul>
	HU0010 – Environmental NGO Fund	<ul style="list-style-type: none"> <li>- Promotion of sustainable development</li> <li>- Strengthening of social participation in environmental decision making process</li> <li>- Shaping environmental friendly consumer patterns</li> <li>- Raising environmental awareness</li> </ul>
LV	LV0008 – NGO Fund –	<ul style="list-style-type: none"> <li>- Support for regular NGO activities (measure 1)</li> <li>- Support for new organisations of those starting activity in a new field (measure 2)</li> <li>- Support in implementation of sub-project in priority fields of the EEA Financial Mechanism and Norwegian Financial Mechanism (measure 3)</li> </ul>
	LV0061 – Society Integration Fund	<ul style="list-style-type: none"> <li>- Strengthening operational capacity of ethnic minority NGOs, support of the cultural activities of ethnic minority groups, informing of society at large about culture, traditions and religion of ethnic minority groups, support to translation of literature form languages of ethnic minority groups into Latvian and from Latvian into languages of ethnic minority groups, informing of society at large about ethnic integration issues, extra curricula activities of schools aimed at promoting cooperation of pupils of different ethnic origin.</li> </ul>
LT	LT0008 – NGO Fund	<ul style="list-style-type: none"> <li>- Sustainable development</li> <li>- Strengthening of democracy and civil society</li> <li>- Social integration and local development</li> </ul>

SK	SK0008 – NGO Fund	<ul style="list-style-type: none"> <li>- Protection of human rights</li> <li>- Antidiscrimination</li> <li>- Strengthening the judiciary</li> <li>- Strengthening the multicultural environment</li> </ul>
	SK0009 – NGO Fund	<ul style="list-style-type: none"> <li>- Helping families and children in situation of crisis,</li> <li>- Assisting young people and older children who lack sufficient stimulation of personal growth development</li> <li>- Institutional development of NGOs supplying social and community services for children, youth and families in danger</li> </ul>
	SK0010 – NGO Fund	<ul style="list-style-type: none"> <li>- Protection of the environment</li> <li>- Sustainable energy</li> <li>- Food security</li> <li>- Environmental education</li> </ul>
PT	PT0032 – NGO Fund Citizenship and Civil Society	<ul style="list-style-type: none"> <li>- Protection of human rights and strengthening of citizenship</li> <li>- Enhancing skills of youngsters in social responsibility and promoting civic and cultural participation in the community</li> <li>- Promotion of entrepreneurship and employment opportunities of individuals belonging to especially vulnerable social groups</li> </ul>
	PT0033 – National Environmental NGO Fund	<ul style="list-style-type: none"> <li>- Protection of environment</li> <li>- Promotion of sustainable development through improved resource use and management</li> </ul>
EE	EE0014 – NGO Fund	<ul style="list-style-type: none"> <li>- Democracy and civil society development (50%)</li> <li>- Environment and sustainable development (25%)</li> <li>- Social integration and local development (25%)</li> </ul>
BG	BG0010 – NGO Fund	<ul style="list-style-type: none"> <li>- Protection of environment and promotion of sustainable development</li> <li>- Provision and development of social services, such as health and childcare</li> <li>- Development of civil society and protection of human rights</li> </ul>
RO	RO0010 – NGO Fund	<ul style="list-style-type: none"> <li>- Protection of human rights, anti-discrimination and social inclusion</li> <li>- Support to children and youth with specific problems</li> <li>- Social services</li> <li>- Environment</li> <li>- Conservation of cultural heritage</li> <li>- Small grants scheme – environment</li> <li>- Small grants scheme – conservation of cultural heritage</li> </ul>
SI	SI0024 – NGO Fund	<ul style="list-style-type: none"> <li>- Protection of environment and sustainable development</li> <li>- Development of human resources through promotion of democratic and civil society process</li> <li>- Cultural heritage conservation</li> <li>- Health and child care</li> </ul>
CY	CY0017 – NGO Fund	<ul style="list-style-type: none"> <li>- Health and childcare services</li> <li>- Empowerment of young people in the civil society</li> </ul>

Source: NGO Fund set-up documents (Annex III)

**Table 13 Alignment of objectives and donor priorities**

EEA and Norway Financial Mechanisms									
Priority	Protection of the environment	Promotion of sustainable development	Conservation of European cultural heritage	Human resource dev. (incl. civil liberties, democracy & human rights)	Health and childcare	Academic research and development	Implementation of Schengen <i>acquis</i> and strengthening the judiciary	Regional policy and cross-border activities	Technical assistance relating to implementation of <i>acquis</i>
Country <sup>104</sup>									
Bulgaria									
Cyprus									
Czech Rep.									
Estonia									
Hungary 1									
Hungary 2									
Lithuania									
Latvia 1									
Latvia 2									
Poland 1									
Poland 2									
Poland 3									
Portugal 1									
Portugal 2									
Romania									
Slovakia 1									
Slovakia 2									
Slovakia 3									
Slovenia									

= Priority sectors in each country, defined in the Memorandums of Understanding, Annex B;

= Priority sector supported under the NGO Fund, as defined in the NGO Fund set up.

<sup>104</sup> Hungary 1 – NGO Fund; Hungary 2 – Environmental NGO Fund; Latvia 1 – NGO Fund; Latvia 2 – Society Integration NGO Fund; Poland 1 – Democracy and Civil Society NGO Fund; Poland 2 – Environmental Protection and Sustainable Development NGO Fund; Poland 3 – Equal Opportunities and Social Integration NGO Fund; Portugal 1 – NGO Fund Citizenship and Human Rights; Portugal 2 – National Environmental NGO Fund; Slovakia 1 – Human Rights NGO Fund; Slovakia 2 – Social Inclusion NGO Fund; Slovakia 3 – Sustainable Development NGO Fund.

## Annex 3. Country Summaries

### Bulgaria

#### THE CIVIL SOCIETY SECTOR

- Currently data for Bulgaria is being updated using the CIVICUS framework and should result in a report later this year.<sup>105</sup>
- Of the registered NGOs in Bulgaria, around 3000 are considered active, according to the research for this new report. In 2005, NGOs were seen to be concentrated in large cities (46%) or urban areas (38%). The weakness of NGOs in rural areas was noted during the evaluation.
- Updating of the legal framework for NGOs was carried out in 2001, but less than half of NGOs see the legal environment as enabling for NGOs. Tax concessions are available to NGOs, but the tax treatment of the various types of income for the not-for-profit legal entity is reviewed depending on whether they result from business or non-profit activity. There is a further distinction of NGOs with some ascribed status as Public Benefit Organisations, who benefit from greater tax concessions and access to funds from governmental sources.
- Even though state funding for NGOs is increasing to a certain extent, such support is still minimal. There is no mechanism for distributing funds to NGOs at the local level, nor do the EU Operational Programmes under Structural Funds reach the local level. A serious issue is the fact that most NGO funding provided through EU mechanisms is distributed by the state. This leads to political dependence of NGOs and seriously affects advocacy organisations that might then be less eager to criticize their donor. It also creates potential corruption opportunities, such as channelling funds to organisations in which state officials are involved.
- The general political framework has worsened, with allegations of political corruption and strong business lobbies behind major policy decisions. This has reduced the effectiveness of NGO campaigns that confront business interests, such as the coalition of green NGOs fighting against the construction of hotels and resorts in nature parks and reserves. In addition, there is no law on lobbying even though two draft laws have been introduced in Parliament. It is unclear whether, if adopted, these laws will take into consideration the role of NGOs or will create obstacles for their work.
- NGOs traditionally receive 'in-kind' support such as office space from local authorities. In the last few years Bulgaria has seen some increase in private and corporate philanthropy, as well as in volunteers. Diversification of funding is still underdeveloped.
- Citizen engagement and activism is still underdeveloped. According to the BCSS survey in 2004, only one-quarter of citizens took part in any civil society organisation (CSO) action during a 12 months period, and less than 25% of citizens are members of a CSO. Some community level activity is reported, involving no more than 25% of citizens. Often, these activities are undertaken under the umbrella of tenant councils, which are informal citizen organisations that address problems, make decisions, and organise collective actions. However, in most communities, a lack self-initiative or recognised local leaders prevents effective citizen involvement. Destructive individualism and paternalistic stereotypes often prevail. There is also a lack of mechanisms and sufficiently high interest on the part of local authorities to mobilize local communities for public benefit.
- There is no current NGO strategy. Practically no Intermediary support organisations (ISOs) exist, though expertise and training are available to the NGO sector, usually for a fee.
- A Union of Bulgarian Foundations and Associations exists only on paper; it has long ceased to be a working and adequate umbrella organisation.

<sup>105</sup> Currently under preparation by the Open Society Fund.



- The structure of the NGO sector in Bulgaria is very fluid. Not many stable networks operate and no organisation represents the sector as a whole. There is no centralized place where people can get information on the NGO sector, such as an NGO portal. The portals that were created in past years are not updated. There are some umbrella organisations, such as the Bulgarian Association of Regional Development Agencies, interest-based coalitions, and informal groups of NGOs operating in different sectors such as social issues, human rights, and local development. Formation of coalitions is not a priority for NGOs, who are not willing to support them financially over the long term.
- The latest ethical code initiative that started in 2007 did not succeed, so NGOs in Bulgaria do not have a working ethical code.
- The partnership between civil society and government as a whole are mainly based on sub-project principles to utilize the resources provided by donors. The partnership initiatives between NGOs and local authorities are very often due mainly to personal contacts. Civil society in Bulgaria does not effectively participate in the consultation process preceding decision-making processes on either the local or national level.
- Overall, Bulgarian civil society's watchdog role towards the state is only moderately developed. According to a survey carried out in the South Central Planning Region, only 46% of the respondents indicate a need for developing their skills for monitoring of the local policies, indicating a lack of understanding of the role of NGOs as watchdogs.

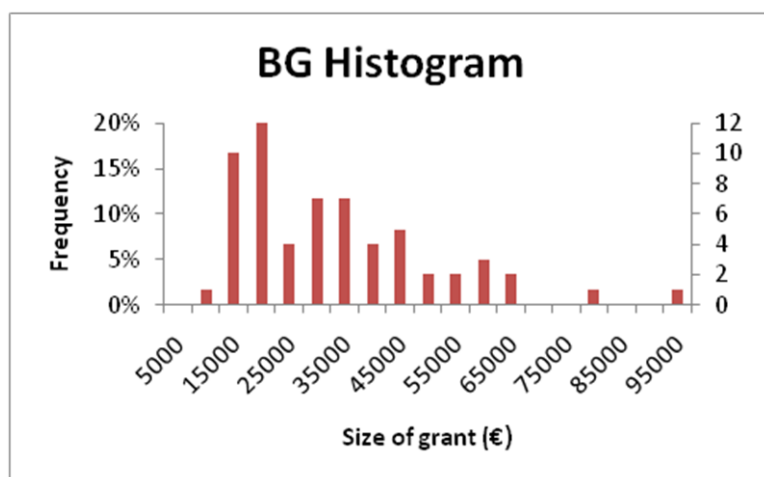
### **OVERVIEW OF NGO FUNDS**

One NGO Fund was set up, with an overall aim to strengthen civil society by supporting sub-projects to strengthen civil society in Bulgaria and support activities within the following thematic areas:

- Protection of the environment and promotion of sustainable development;
- Provision and development of social services, such as in health and childcare;
- Development of civil society and protection of human rights.

The two open calls were launched in 2008 and in 2009. The financial range of the sub-projects eligible for application ranged from €10,000 to €100,000 under the first call (all priority areas) and from €10,000 to €75,000 (Priority Area 1) and from €10,000 to €50,000 (Priority Areas 2 and 3) under the second call. The maximum duration of the sub-projects for co-financing was set at 18 months from 1<sup>st</sup> open call and 15 months from the second open call, so that all of the sub-projects are expected to be completed in 2010.

The Intermediary for the NGO Fund was contracted directly by the Financial Mechanism Office and was a consortium of two foundations: the Bulgarian Environmental Partnership Foundation and the Foundation for Local Government Reform.



Source: FMO data from 9 February 2010

## ACHIEVEMENT OF OBJECTIVES

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.

### BULGARIA NGO Fund<sup>106</sup>

The main result observed in Bulgaria, according to the Intermediary, is strengthened capacity and development of skills in the thematic areas of NGO work. This statement is supported by the respondents to the questionnaires, where they reported capacity strengthening in all but one sub-sector.<sup>107</sup>

NGOs have expanded their geographical coverage of services, trained their employees for work with specific target groups (e.g. visually impaired), worked in their thematic area (biodiversity, parenting skills) established models for civil participation in monitoring of state bodies (energy and water regulation, anti-discrimination, and waste management), and involved more volunteers. However, these results are spread thinly across the different sectors, as individual efforts in local environments.<sup>108</sup>

#### Example of successful sub-project

##### **Sub-sector: Provision and development of social services, such as in health and childcare.**

Association of patients with oncological diseases studied changes of legislation from 2006 to present and analysed deficiencies in the legislation. On this basis, they prepared a unified model of medical and social activities, which were not included in the national policy for cancer treatment. In the light of specific needs of patients with cancer a uniform standard of social services for cancer patients was prepared.

Raising public awareness on different topics is a common objective, appearing in all but one sub-sector in Bulgaria. Many dissemination events have been organised.<sup>109</sup> Again, these activities are dispersed and not targeted, and it will be difficult to measure any impact (this has not been attempted yet).

<sup>106</sup> In Bulgaria, four sub-projects were completed (6% of all sub-projects). Two of the end beneficiaries filled in the questionnaire.

<sup>107</sup> Health - general, where the focus was on awareness raising.

<sup>108</sup> For example, establishment of an association for anti-discrimination policy of the consumers of water supply services on the territory of waste management system in Yambol.

<sup>109</sup> Information meetings and leaflets on family / social issues, press conferences and information campaigns on democracy and civil society, public debates on problems of children with disorders, books and web sites on sustainable development and environmental protection, seminars on psychic health, on-line data on state of Bulgarian forest.

Some social services have been developed in the areas of social and family issues and health and childcare. Other results are specific to individual sub-projects and cannot be aggregated.

30 end beneficiaries who returned the questionnaire believed that they were, or would be, successful in reaching their objectives (around 6.7% relatively successful, 87% successful, and 6.7% very successful).

The above results indicate that the purpose of the NGO Fund to strengthen civil society in the supported thematic fields and provide social services is likely to be achieved.

### ***Bilateral relations between the donors and the beneficiaries***

Only two of the supported sub-projects have partners from Norway and one from Iceland. For Bulgaria it was not a priority of the Fund to support bilateral partnerships and the agreed partnerships were not considered as very successful or vital for the sub-project success. The Intermediaries considered that more time is necessary to establish viable partnerships and not formal ones. The Norwegian Embassy consider that it is not always an advantage to have a Norwegian partner; it depends very much on the expertise field of the NGO, on the knowledge about the recipient NGO – and sufficient time and money is needed in order to get acquainted with the situation and establish feeling of trust. The price of such partnerships should also be considered – they are much more expensive than building local partnerships. It has to be carefully assessed what added value the Norwegian partner will bring to the respective sub-project. Sub-projects with Norwegian partners should not be given extra bonus; rather the assessment should be based on the quality of the sub-projects.

## Cyprus

### THE CIVIL SOCIETY SECTOR

The situation in Cyprus is complex. The republic of Cyprus is an internationally recognised independent country, member of the United Nations, the Council of Europe and the Commonwealth and since 2004, a full member of the European Union, with the sovereignty of the Republic of Cyprus over the whole of its territory. However, since the Turkish invasion in 1974, the Government of the Republic of Cyprus does not exercise effective control on the occupied part of Cyprus.

In the areas of the Republic of Cyprus in which the Government of the Republic of Cyprus exercises effective control

- An enabling environment exists for NGOs, with relatively simple registration procedures. Tax benefits for NGOs exist. There is minimal transparency in NGO funding allocations as the state is ineffective in the monitoring of NGO finances. There are no efficient regulatory bodies to monitor NGO finances.
- The general environment provides safeguards for political rights and civil liberties; there is a clear separation of powers, a well-respected judiciary and a comprehensive legal framework against fraud and corruption providing sufficient capacity to engage in advocacy and criticize government. CSOs operate in high levels of freedom in their advocacy activities. The Republic of Cyprus has a constitutional and legal framework that enables citizens to assemble, organise, advocate and criticize freely.
- However, NGO authority and autonomy is very limited due to their close affiliations to political parties; CSO-state relations are dependent on these affiliations. Clientalism is noted as a feature of links and influence.<sup>110</sup>
- The Government is currently in the process of drafting an NGO strategy
- NGOs have access to limited resources, and diversity of resourcing has not been achieved.
- Citizen involvement is higher in the urban areas than in rural areas, and mostly in the capital Nicosia, and activities do not actively involve rural areas and communities. According to the CSI Report on Cyprus, the active participation of citizens in NGO activities was below 50%, even though their population survey had shown that a large percentage had donated to charity on a regular basis.
- Cooperation and communication between different sectors of civil society is limited. Communication between NGOs is influenced by their relative affiliations to political parties, yet when they do have common concern, there seems to be a good effort to cooperate with each other.
- Umbrella or representative organisations are not necessarily seen as effective. One national level organisation that is seeking to mobilise the sector as a whole is the Pan-Cyprian Volunteerism Coordinative Council.

In the areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control:

- All citizens may establish an association and form a trade union without prior notice or permission. Associations are not-for-profit and members are volunteers. Establishing an association is fairly easy and inexpensive. Foundations can also be established. These NGOs are not registered in the Republic of Cyprus.

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<sup>110</sup> The Intermediary feels that the vast majority of NGOs in Cyprus are not politically affiliated. A very limited number of NGOs have political affiliations.

- However, there is a small civil society, with limited civic participation and low participation in bi-communal initiatives. Membership in trade/labour unions, cooperative organisations or groups, as well as education groups (such as parent-teacher associations) is greater than for other types of CSOs.
- There are constraints on the establishment of more formal umbrella organisations, since specific legal provisions for their establishment do not exist.
- Although CSOs are prohibited from engaging in politics, the right to criticize 'government' and freedom of expression is safeguarded by relevant directives.
- Despite the presence of Turkish troops and heavy reliance on Turkey for economic needs, civil society seems to operate in a relatively politically free way and with respected civil liberties. The socio-economic environment is largely favourable despite the 'irrational public administration'.
- The regulatory framework is however comprised by patronage and state centralization, creating lack of transparency and accountability within the public administration. Relationships between NGOs are influenced by political affiliations, and competition for funds.
- Low levels of volunteerism are recorded; however in a study conducted by the Institute of Research and Cyprus Studies (SOAR) in 2002, it was reported that 31% of CSOs relied on salaried staff and 69% on volunteers. The report found that 118 CSOs relied on 1795 volunteers. 21% of citizens were recorded in 2004-5 as undertaking voluntary work within an organisation. Membership in human rights organisations is low (2%).

## OVERVIEW OF NGO FUNDS

One NGO Fund was set up with the aim to strengthen civil society in Cyprus and support activities within the following thematic areas:

- Health and childcare;
- Empowerment of young people.

The Intermediary for the NGO Fund for Cyprus was First Elements Euroconsultants, a private company with limited liability. It was contracted by the National Focal Point.

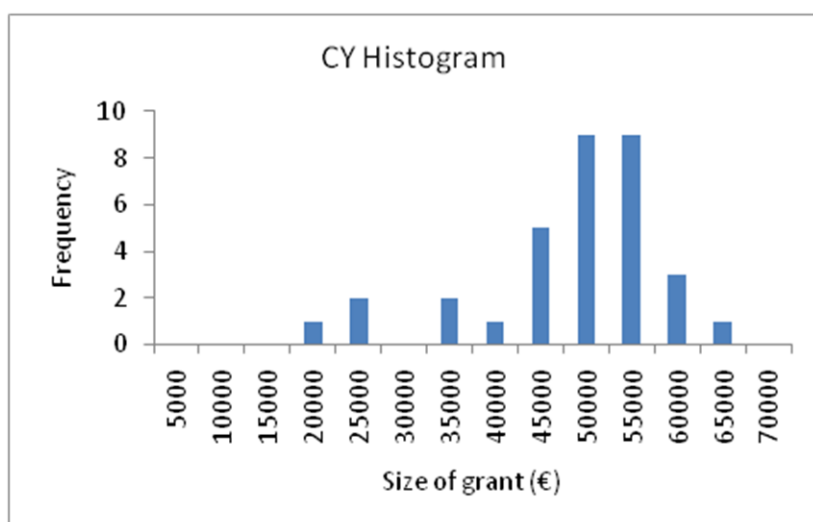
An open call was launched in 2008. The financial range of the sub-projects eligible for application was between €15,000 and €70,000. The maximum duration of the sub-projects was set at 12 months, and all of the sub-projects are expected to be completed in 2010.

49% of the sub-projects are bi-communal projects are being implemented by NGOs registered in the Republic of Cyprus and their partners (mainly Turkish Cypriot NGOs which are not registered in the Republic of Cyprus). However, when implementing projects of bi-communal character, it was agreed that,

*"In the implementation of actions in the framework of bi-communal NGO-projects financed under the NGO Fund, the contracting parties being the NGO Fund Intermediary and the NGO-project end-recipient, shall ensure that:*

- (i) The rights of natural or legal persons including the rights to possessions and property shall be respected. In this context, the contracting parties shall act in accordance with the case law of the European Court of Human Rights.*
- (ii) For any actions financed under the NGO Fund involving travelling abroad, the legal points of entry and exit of the Republic of Cyprus shall be used.*
- (iii) Payments to beneficiaries shall only be made through legally operating banking institutions in the Republic of Cyprus."*

33 sub-projects were awarded with a total value of €1,520,750.



Source: FMO data from 9 February 2010

### **CYPRUS NGO Fund**

None of the sub-projects in Cyprus have been completed so far, and it is too early to comment on the likelihood of delivering the planned results or achieving the NGO Fund objectives.

### **Bilateral relations between the donors and the beneficiaries**

Six bilateral partnerships exist (27% of the grants). The Intermediary explained that during the proposal preparation, it had worked closely with the NHC to attract Norwegian NGOs for partnering with local NGOs for joint proposal preparation.

However, with regards to Norwegian partners and Cypriot NGOs, Norwegian Embassy representatives explained that unfortunately in a few cases, Norwegian partners were not aware that they were partners, and found out they were partners by accident. The Cypriot NGOs had proposed partnerships and named Norwegian partners without their knowledge, probably to gain good will. Although the Norwegian partners were surprised, they were also very supportive. They explained that the Norwegian Embassy was not instrumental in bringing the partners together, but they were able to reinforce the ties between them by financially facilitating the visits of the Norwegian partners. Generally however, there has been development in strengthening of ties and knowledge exchange between Norway and Cyprus.<sup>111</sup>

<sup>111</sup> The intermediary notes that "The application form required that for an organisation or organized grouping to become partner in a proposal required the Letter of Intent template to be duly completed and signed by the legal representative of the partner organisation. This prerequisite was also checked during contracting with successful end beneficiaries whereby it is impossible that an organisation is partner in a sub-project without its prior knowledge. The same applies for bilateral sub-projects of the NGO Fund'. This should preclude such problems."



## Czech Republic

### THE CIVIL SOCIETY SECTOR

- The registered number of NGOs in 2009 was 107,028, of which around 83% were registered in the regions. There are no legal obligations in place for civic associations for the cancellation of registration; therefore statistical data is unreliable, as many organisations are thought to have ceased to function whilst still remaining registered. It is estimated that about one third of civic associations ceased their activities, or are dormant.
- The term NGO, even though frequently used, is not as such defined by any legal regulation. Generally they are considered to be organisations established as mutually beneficial or publicly beneficial. There is no single public registry of all NGOs, as they are registered with particular registration entities. A registry of NGOs was created and launched by the Ministry of Informatics in 2006, which is currently operated by Ministry of Interior. However registration is not mandatory for NGOs.
- Economic activity of NGOs is problematical, as it is not exactly defined in the legislation.
- There is a governmental strategy - Assessment of Conception for Promotion of NGO Sector Development for the Years 2009-2013, Government Board for NGOs (2007, Revised 2008)
- Citizen volunteering is increasing, but in certain specific sectors only, such as sports clubs, volunteer fire brigades, religious and spiritual organisations etc., and often involving young people. 47% of citizens donated in 2004 in cash or kind.
- The tax regime allows for tax exempt donations from companies to NGOs.
- NGO membership in coalitions is limited, and those coalitions that exist do not generally represent the entire sector. Some specialized and regional coalitions exist. The government and the public administration have been calling for an integrated representation of the whole sector. The RNNO (Government Board of NGOs - *Rada vlády pro NNO*), which helps to promote NGO interests, has increased communication with existing umbrella organisations and NGO coalitions in order to keep them more informed. There are about 80 umbrella organisations that bring together NGOs with the same or similar field of operation (association of children and youth, environmental, social, individual sports, etc.). Despite several attempts, universal association of non-profit organisations, which would bring together all kinds of NGOs, whether national or regional level, have not been successful. Competition in the NGO sector is seen as a stumbling block for increased umbrella and coalition building.
- The advent of EU Structural Funds and programmes has led to an increase in the development of inter-sectoral partnerships; however, these partnerships have been formed primarily to fulfil EU obligations rather than to address specific needs or situations. At the local level in some regions, inter-sectoral partnerships work efficiently.
- For social service NGOs, a 2008 call for proposals for the provision of public services appeared to demonstrate state preference for Government Operated Non-Governmental Organisations (GONGOs) in awarding contracts. As a result, NGOs are seen to be receiving less funding. Combined with having to adapt to a new Law on Social Services, the situation has become difficult, and it is reported that some organisations are on the verge of closing.
- The Czech Government approves Main Areas of State Subsidy Policy for NGOs on a yearly basis. The main areas of state subsidy policy are derived from the plan announced by the programmes of individual ministries. State subsidies have some problems, including the undefined notion of non-governmental organisations, and what is and what is not considered a public utility, and to whom and for what to provide subsidies. There are also difficulties with the allocation and schedule of subsidies with late grant decisions and a requirement that funds have to be spent by the end of a year.



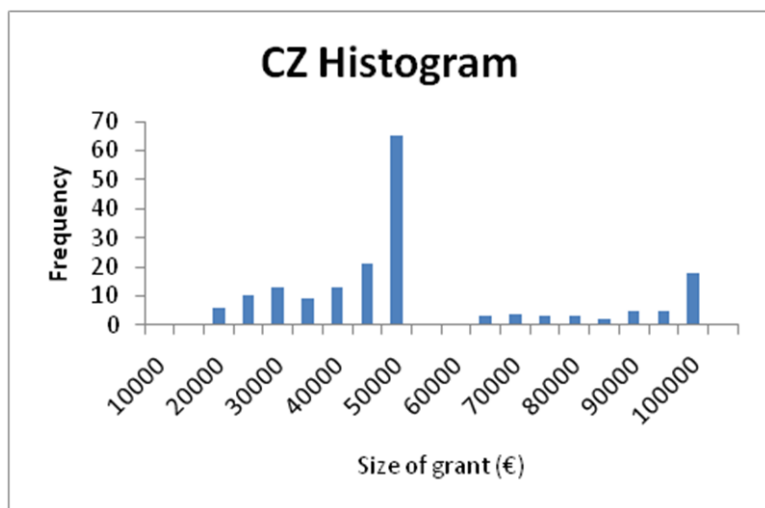
- Communication between the government and NGOs is relatively effective at the central level. NGOs have representatives in ministerial advisory bodies and in the RNNO, but membership is by government invitation not NGO sector choice. The legislative and financial committee started to work intensively in 2008; it focused on new legal drafts concerning the organisational forms of NGOs and participated in the preparation of the Civil Code and the Law on Public Benefit Organisations.
- At the regional level, the government relies on NGOs for community planning and creating regional development strategies, but this does not apply in all regions. Generally, regions have grant strategies and rules for NGO support, while smaller towns and villages do not work as systematically, and their support is random and improvised.
- Advocacy work is growing.

## OVERVIEW OF NGO FUNDS

One NGO Fund was set up with the aim of improving the life in communities through NGOs' activities and services provision, and strengthening civil society at local and regional level. The priorities were to improve multicultural environment in communities, to strengthen human rights and fight against discrimination and racism, to support children and youth with specific problems, and environmental protection.

Three open calls were launched in 2006, 2007 and 2008. The financial range of the sub-projects eligible for application ranged from €10,000 to €50,000 in the first call, €20,000 to €100,000 in the second call, and €20,000 to €50,000 in the third call. The maximum duration of sub-projects for co-financing was set 12 months in the first and the third calls, and between 12 and 24 months in the second call. 79 sub-projects should have ended in 2008, another 12 in 2009, and 121 sub-projects are expected to be completed in the year 2010.

The Intermediary for the NGO Fund was the Civic Society Development Foundation (NROS), an NGO contracted by the National Focal Point.



Source: FMO data from 9 February 2010

## ACHIEVEMENT OF OBJECTIVES

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment

of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.

### **CZECH REPUBLIC NGO Fund<sup>112</sup>**

Strengthened capacity is the result most often reported, though few sub-projects are yet completed. In NGOs dealing with health, staff and new trainers were trained, and services were expanded. Educational workers, NGOs, professionals and students developed a network.

Increased public awareness was often reported as a result. Many dissemination events have been organised.<sup>113</sup> Other results are specific to individual sub-projects and cannot be aggregated under a general objective.<sup>114</sup>

More than half (approximately 57%) of the 44 end beneficiaries who filled in the questionnaire believed that they were relatively successful in reaching the objectives, around 39% believed that they were successful and only around 5% believed that they were very successful.

The above results indicate that the purpose of the NGO Fund to improve the multi-cultural environment and minority human rights protection, quality of life of children and youth with specific problems and environmental protection was addressed, particularly through increased public awareness of these issues, and individual sub-project results. A more in-depth investigation would be required to establish if the NGO Fund objectives will be achieved.

#### **Example of successful sub-project Sub-sector: Protection of the environment – General.**

Nesehnutí Brno implemented a sub-project “Focus on hypermarkets – public participation in decision-making on environmental impact”. The project team analyzed and published a study Environmental impact of planned spatial expansion of large-scale retail sector in Czech Republic in 2007. Different angles were taken into account – geography of retailing, shopping behaviour, planning and landscape ecology, workers’ rights and the interaction with local community. Good conditions for promoting systemic change have been created. Sub-project outputs included designing of planning document for lobbying activities. Significant success was recorded in the public courses and information seminars. Among outputs were various side events, people carrying shopping bags of organic cotton and linen, notepads from recycled paper, recycled plastic pens and badges with signs “Person is not a puppet of the hypermarket.”

### **Bilateral relations between the donors and the beneficiaries**

Partnership is not a condition for sub-project applicants. There were five bilateral partnerships created in the third call. In the first two calls there were the same rules applied for partners as for applicants. In the third call, the Intermediary changed the rules for partner eligibility according to Norwegian law, and this resulted in bilateral partnerships (i.e. could involve foundations, research and academic institutions). The Norwegian Helsinki Committee verified that the Norwegian partners complied with the law.

The Intermediary felt that there was unwillingness amongst NGOs to share and communicate and this was a reason for not maintaining partnerships. Another reason was that NGOs did not act in time - it was too late to start searching for a partner once a call for proposals had been launched (confirmed by the Norwegian Embassy who had also tried to help link partners).

<sup>112</sup> In the Czech Republic 91 sub-projects were completed (43% of all sub-projects). 16 of the end beneficiaries (7% of completed sub-projects and 5% of all sub-projects) filled in the questionnaire.

<sup>113</sup> Web sites, CDs, publications, advisory services, exhibitions, awareness raising events on environmental protection, social inclusion, democracy, childcare, and addiction.

<sup>114</sup> These included protection of barn owls, conservation of green areas in certain cities, renovated natural trail, waste management plan, locally improved integration of minorities, and prevention of discrimination in specific cases.

Both Focus Groups appreciated effort of the Intermediary in developing partner database and helping in partner searches. The key barriers are seen as:

- Information is often not in English on the Norwegian NGO website
- For some topics there are no Norwegian NGO partners as the system is organised completely different from the Czech one (social field).
- Some negative experiences from bilateral cooperation in the past
- They have tried to contact NGOs on the database who know nothing of the scheme (confirmed by the Norwegian Embassy).

The Intermediary has only recently started a sub-project (funded from the Norwegian Programme Technical Assistance) focusing on support of bilateral partnerships. They organised the first workshop in February 2010 - there were about 100 participants registered. They will continue with creating a partner database, and other supporting activities (e.g. contact point for Czech NGOs, and study tour to Norway for about 20 organisations). The problem is that they cannot pay salary costs from the programme, only services.

The Intermediary was worried that a gap in funding would undermine bilateral partnerships.

## Estonia

### THE CIVIL SOCIETY SECTOR

- Just over 29,000 NGOs were recorded as registered in 2009.
- In general, the legal environment is favourable for NGOs. Organisations operate freely, and the government provides for the freedom of assembly and civic activism. Registration of an NGO, reporting and other communications with authorities can be done online. After years of delay, the Parliament finally adopted amendments to the law that will make non-profit associations' annual reports public from 2010. Associations are currently the only legal bodies in Estonia who do not present their annual reports to the public registry, but to the Tax and Customs Board, where the public has no access to them. This long-needed change will make the sector more transparent and will help to remove defunct organisations from the public registry. NGOs receive tax concessions.
- Volunteers are utilized by many organisations. However, the status of volunteers and the actual content of the term still need to be clarified. To successfully involve volunteers, organisations need a legal framework. Some non-profit organisations are working to increase the capacity of organisations to involve and manage volunteers as well as reward them, but broader national vision, action plan and resources are needed to really enhance volunteering.
- Regional development centres, financed from the state budget, exist in every county, providing consulting and basic training for NGOs free of charge. In 2008, increased funding allowed the centres to increase the number and quality of training. Funding for organising training and conferences is relatively easy to find;
- The system of sectoral umbrella organisations is well established. These organisations serve as development and advocacy bodies on behalf of their sectors. Although good examples of regional umbrella bodies exist, cooperation between NGOs could be better at the regional level. To encourage this cooperation, NFCS (National Fund for Civil Society) put out a special call for applications for new regional umbrella organisations to receive start-up funding and for existing umbrella organisations to receive support funding. At the national level, Network of Estonian Non-profit Organisations (NENO) serves as the umbrella and advocacy organisation for public benefit NGOs, dealing with issues common to all organisations.
- The advocacy initiatives of NGOs have become more professional, and many of them are successful. Many advocacy campaigns take place at a regional level. A growing trend is for NGOs to use Internet opportunities for mobilizing support, such as collecting signatures for petitions.

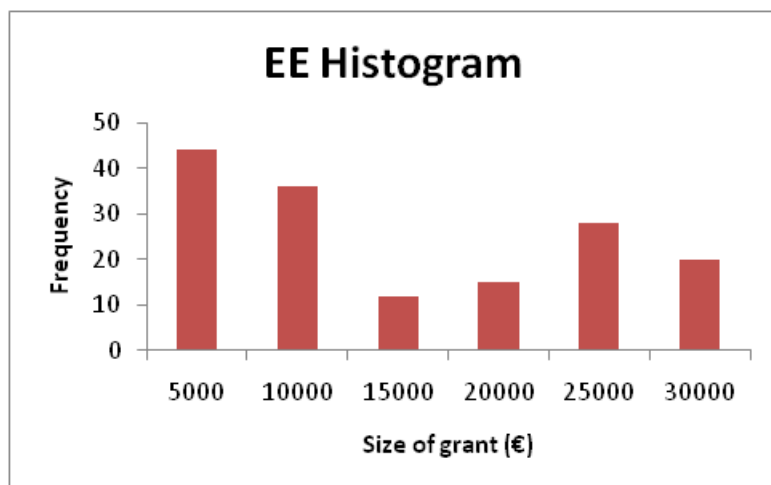
### OVERVIEW OF NGO FUNDS

One NGO Fund was set up with the purpose to improve the capacity, role and influence of Estonian civil society organisations and supported activities within the following thematic areas:

- Democracy and civil society development
- Environment and sustainable development
- Social integration and local development

Five open calls were launched, one in 2007, three in 2008, and one in 2009. The financial range of the sub-projects eligible for application was between €1,278 and €6,391 for small-scale sub-projects and between €6,392 and €31,956 for large-scale sub-projects. The maximum duration of the sub-projects was set at 12 months for small-scale sub-projects and 24 months for large-scale sub-projects, so that 8 sub-projects ended in 2008, another 71 in 2009, and 70 sub-projects are expected to be completed in the year 2010 and 6 are to be completed in 2011.

The Intermediary for the NGO Fund was Open Estonia Foundation, an NGO, contracted by the National Focal Point.



Source: FMO data from 9 February 2010

## ACHIEVEMENT OF OBJECTIVES

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.

### ESTONIA NGO Fund<sup>115</sup>

The main contribution of the NGO Fund was the support of areas not supported before. The capacity of NGOs has been strengthened, especially through networking and meetings, such as advocacy for children through a network of family clubs.

NGOs have showed possible solutions to improve the quality of life in relation to the everyday situation. NGO Fund gave opportunities to NGOs to increase awareness on social issues and network for specific themes, such as advocacy for children.

Of the 19 end beneficiary respondents, 7 (37%) believed that they were or would be successful and 12 (63%) that they were or would be very successful in reaching their objectives.

#### Example of successful sub-project Sub-sector Social integration and local development.

MTÜ Club patchwork plus prepared a sub-project "Presents to newborn babies in Narva City". The sub-project united women in Narva city, who have a talent for handicraft and are willing to do voluntary good for their own city. They used cloth pieces to design and sew presents for newborn babies. The sub-project engaged new members in society, enhanced charity, developed common activities, and initiated cooperation between women in Narva.

The purpose of the Estonian NGO Fund was to improve the capacity, role and influence of Estonian civil society organisations. The improvement in capacity is likely to be achieved, but further interventions will be required to achieve a wider role and influence.

<sup>115</sup> In Estonia 79 sub-projects were completed (51% of all sub-projects).

### ***Bilateral relations between the donors and the beneficiaries***

Whilst most sub-projects have partners, only 7 are shown in the FMO database as bilateral, but these include partners from Finland and Denmark. The Norwegian Embassy has been promoting partnership, but nevertheless this has not been taken up, compared to other parts of the NGO Funds. There are several reasons for not having a partners in the Embassy's opinion relating to NGOs not seeing the value of Norwegian NGO partners; and also because the role of bilateral and international cooperation was not acknowledged by the Fund in the first place.

## Hungary

### THE CIVIL SOCIETY SECTOR

- There are 64,925 registered NGOs in 2009, of which 58,000 are thought to be active. 25% of NGOs are registered in Budapest, and 60% of the income of NGOs is concentrated there. Half of the NGOs do not exceed 500 000 HUF (2200 €) as their annual income.
- Article 63 of the Constitution guarantees the right of association for purposes not prohibited by law. The Act on Freedom of Association allows private individuals, legal persons and organisations without legal status to create civil organisations and to operate them in accordance with the objectives of the organisation and the intentions of the founding members. However, the term 'civil organisations' was legally contained in the Act on the National Civil Fund only in 2003. In some cases, especially in connection to EU regulations and actions, trade unions are also defined as civil entities. The Civil Code regulates the formation of foundations. A Non-Profit Companies Act came into force on 1 July 2007. This act introduced the concept of a 'non-profit company' that can carry out common economic activities that do not generate a profit. A non-profit company can also have public benefit status. The Act on Public Benefit Organisations is a special legislation linking together private and public law regulations. It defines the scope of public benefit organisations (from civil society organisations to foundations to non-profit companies) and determines the fiscal conditions to which they are entitled.
- There is a law on volunteer work, which entered into force 1st October 2005. This legislation introduces compulsory registration of all volunteers working at NGOs. According to the law it is possible to account for the work of volunteers. About 4% of population are known to volunteer.
- The Government's Civil Society Strategy of 2002 was reviewed following the elections in 2006. The major conceptual change in the new document is that the government has defined five areas where it sees its primary goals for intervention: 1) improvement in methods for civil participation; 2) review and development of the legal environment; 3) strengthening the effective operation of CSOs; 4) creating an applicant-friendly tender procedure for state support; 5) promotion of the participation of CSOs in public services delivery (of state and local governments). At the governmental level there are 'guiding principles', which, among other things, require that line ministries develop their own strategies for civil society and NGOs. This document also encourages and helps local governments to establish their own relationship with civil society at the local level. Several umbrella organisations were involved in drafting the civil strategy, but they do not represent the overall civil sector, and they were not always playing advocacy roles.
- NGOs are basically not affected by political influence; nonetheless there are few civil organisations that can afford not to accept any support from the state. This affects the communication between the state and NGOs. There is also compulsory involvement of the NGOs in planning procedures, such as the National Development Plan, but real partnership has still not been established. In the state-NGO relationship most legislation regulates the responsibilities of NGOs towards the state but does not regulate the state's responsibilities towards NGO.
- The interaction between CSOs and local governments is extensive. There are several forms of cooperation, from the contracting of services to participation in local decision-making processes. The Act on Local Governments requires local governments to regulate their relationship with local CSOs but also provides for great flexibility in how to do so. Although the interaction is extensive, the quality of the co-operation is variable: local governments usually meet only the legal minimum requirement for involvement of CSOs in local decision-making processes. The influence of CSOs on local issues is not significant.



- There is no national umbrella organisation for NGOs although there have been several attempts to form one. These attempts have all failed due to the diverse political influence in NGOs, the lack of trust, and competition between NGOs for funds available. However there are good examples of partnership between NGOs within specific fields, e.g. environment. There are more and more successful local, micro region level coalitions established, as well as successful coalitions dealing with particular issues.
- There are only few NGOs which are active monitoring state performance and holding the state accountable. This is also due to the fact that most NGOs receive funding from the local or central government, and thus cannot be considered as independent. The most serious problem regarding the relationship between CSOs and the state or local government is a trend in the politicisation of the NGO sector, which has resulted in the state having direct influence in NGOs.

### **OVERVIEW OF NGO FUNDS**

Two NGO Funds were set up, the NGO Fund and the Environmental NGO Fund. The purpose of the NGO Fund was to strengthen civil society in Hungary by supporting sub-projects within the priority sectors in the EEA Financial Mechanism and the Norwegian Financial Mechanism. Simultaneously, the purpose of the Environmental NGO Fund was to increase engagement of NGOs in environmental decision-making processes with particular emphasis on involvement in the implementation of the 2<sup>nd</sup> National Environmental Programme, EU and national legislation. Funds strengthened civil society in Hungary and supported activities within the following thematic areas:

#### **NGO Fund:**

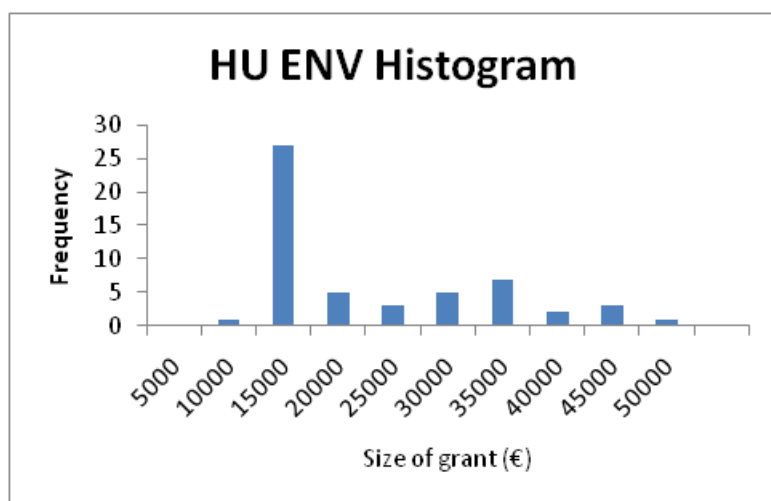
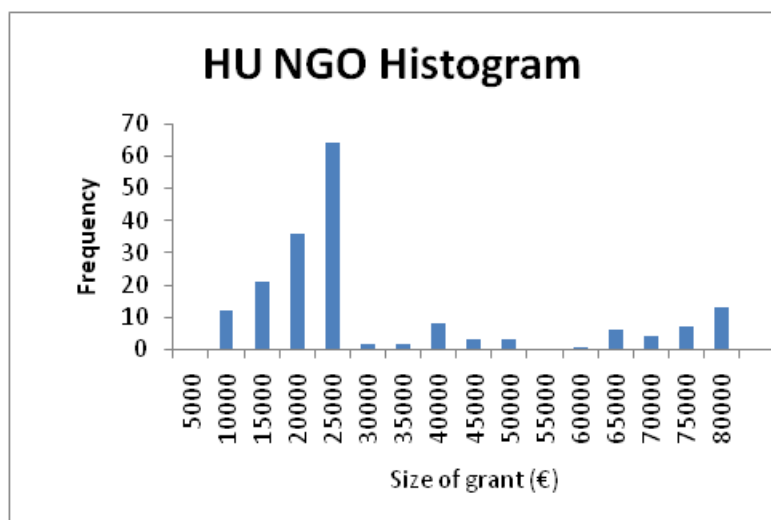
- Environmental protection and sustainable development
- Civil liberties and capacity building
- Social cohesion and health and childcare
- Cultural landscape

#### **Environmental NGO Fund:**

- Protection of environment
- Sustainable development
- education

Under the Environmental NGO Fund one open call was launched in 2007 and three were launched under NGO Fund. The first one was published in 2008 and the other two in 2009. The financial range of the sub-projects eligible for application under NGO Fund ranged between €5,000 to €25,000 for micro grants and between €25,000 and 80,000 for macro grants. Under the Environmental NGO Fund, the financial range of the sub-projects was set between €10,000 and €250,000. The distribution was as shown in the histograms below. Duration of the sub-projects for co-financing was set between 12 and 24 months for sub-projects co-financed under NGO Fund and between 4 and 36 months for sub-projects co-financed under Environmental NGO Fund. Two sub-projects ended in 2008 and another 62 in 2009, and 172 sub-projects are expected to be completed in the year 2010.

The Intermediary for the NGO Fund was a consortium of the Hungarian Environmental Partnership Foundation, the Foundation for Development of Democratic Rights, Autonomia Foundation, and Carpathian Foundation. The consortium was contracted directly by the Financial Mechanism Office. For the Environmental NGO Fund, the Intermediary was the Ministry for Environment and Water, contracted by the National Focal Point.



Source: FMO data from 9 February 2010

## **ACHIEVEMENT OF OBJECTIVES**

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.<sup>116</sup>

40% of Hungarian respondents (55) stated that they were very successful in reaching their objectives. Around 34% of them believed they were successful and a quarter thought that they were relatively successful.

### **A. HUNGARY NGO FUND**

Most sub-projects have still not been completed. The Intermediary reported only on significant increase of NGOs' capacity. The most important result was the replacement of the top-down approach for sub-project generation with a bottom-up approach. The EEA and Norway Grant have helped end beneficiaries to apply for other donor funds. New employees have been employed by NGOs and new NGOs have emerged.

Questionnaire respondents regularly cited increased public awareness through web sites, booklets, exhibition festivals and other promotional campaigns. Promotion campaigns reached over 2 million people, and were employed in all supported sub-sectors. Knowledge transfer was established in all sub-sectors as well. Under all the supported thematic areas, 16 teachers for education for convicts were trained, trainers for environmental protection measures were trained, and new tools for disseminating knowledge (web sites and books) were developed. In addition, new cooperation with municipalities has been reported. In this way, NGOs actively cooperate in policy development.

The purpose of the NGO Fund was very wide, to ensure participation of NGOs in the reduction of social and economic disparities within the EEA. Whilst completed sub-projects may not have contributed to a reduction of social and economic disparities as such, the strengthening of the NGO sector will contribute towards social and economic improvements.

### **B. HUNGARIAN ENVIRONMENTAL NGO FUND**

Under the Environmental NGO Fund, research on environmental protection was undertaken. End beneficiaries achieved increased public awareness on environmental issues through workshops for farmers, young people and children, publication of books, launching web sites, and organising festivals and PR campaigns.

The purpose of the Environmental Fund was to increase engagement of NGOs in the environmental decision-making processes. There is no evidence of the contribution of the sub-projects to the achievement of the purpose. All of the end beneficiaries, who returned the questionnaire, report on awareness raising and on strengthened capacity. They do not mention any active participation in the decision-making process.

### ***Bilateral relations between the donors and the beneficiaries***

Hungary had no bilateral partnerships.

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<sup>116</sup> In Hungary 64 sub-projects were completed (27% of all sub-projects). Nine of the end beneficiaries (14% of completed sub-projects and 4% of all sub-projects) filled in the questionnaire.

## Latvia

### THE CIVIL SOCIETY SECTOR<sup>117</sup>

- As of November 2008, there were approximately 10,167 registered NGOs, including associations, foundations, trade unions, open society foundations, sport organisations, political parties and political organisations. Of these, only 1,000 are certified and have tax-deductible status. The greatest number of NGOs is registered in Riga - the Riga region accounts for over 5,000 of these and Liepaja 600. The further the distance from Riga, the less dense the network of NGOs.
- The number of public benefit organisations, 1,246, shifts slightly from year to year, since the legal status of public benefit organisations has to be renewed annually by submitting financial and narrative reports to the Public Benefit Commission, coordinated by the Ministry of Finance. Public benefit status may also be removed in cases where authorities have discovered misuse of funding.
- Non-governmental organisations (NGOs) are regulated by the Latvian Constitution, the 1992 Law Concerning Public Organisations and their Associations, and two subsequent laws on public organisations passed in 2003 and 2004.
- Most NGOs are small groups composed of about two dozen individuals who often lack basic training in financial, legal, administrative, and public relations skills. There is a reliance on part-time volunteers who do not have the time or energy to plan and focus on long-term strategies.
- There have been various middle- and long-term national programmes outlining the duties of government in the strengthening of civil society. The development of the National Program for Strengthening Civil Society 2004–2009 has been a good mechanism for supporting NGOs across the country. The framework of the programme included earmarked funding for NGO activities and support for regional organisations working in the fields of civil society and advocacy. However, many ministries have paid only lip service to cooperation and have not taken any concrete steps to interact with relevant groups.
- The Latvian government provides funding through its tax policy. Donations to groups designated as having “public benefit status” are 85 percent tax-deductible. About 1,000 groups received this status in 2008.
- The Ministry of Special Assignment for Social Integration provided subsidies to five regional NGO resource centres, as well as legal and accountancy consultations.
- The NGO sector has achieved recognition by local municipalities, which more widely introduced calls for proposals
- The NGO networks, established when Latvia entered the EU in 2004, have started facing financial difficulties
- Since 2005, Civic Alliance–Latvia (CAL) has served as the NGO umbrella organisation and has provided information services for NGOs. The goal of CAL is to advocate on behalf of the NGO sector as well as activating civil society through information, education and cooperation.
- The Special Declaration for the Development of Civil Society in Latvia aims to strengthen the development of civil society and foster dialogue between NGOs and the Parliament. Work under this Declaration was not seen as being particularly effective up to the end of 2008. The NGO sector had high hopes in the MoU and Special Declaration, both of which were created to improve the power of NGOs to advocate for their initiatives and ideas. Unfortunately, the documents have had little effect on the ability of NGOs to advocate, and the sector must rethink its advocacy tools and methods.

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<sup>117</sup> Information derived from Juris Dreifelds, contribution on Latvia to *Nations in Transit 2009* and USAID 2008 NGO Sustainability Index for Central and Eastern Europe and Eurasia. This material was not used as a comparison for the NGO fund evaluation but a source of information along with others to inform country profile.

## OVERVIEW OF NGO FUNDS

In Latvia two NGO Funds were set up. The purpose of the NGO Fund was to provide financial support for NGO actions in democracy and civil society development fields, to strengthen capacity of NGOs and to support NGO initiated sub-projects supporting priorities in EEA and Norwegian Financial Mechanism. The purpose of the Society Integration NGO Fund was to create favourable social, cultural and information conditions for ethnic minorities living in Latvia. The NGO Funds strengthened civil society in Latvia and supported activities within the following measures:

### **NGO Fund:**

- NGO activity support measure (sub-sector Regional policy)
- NGO capacity strengthening measure (sub-sector capacity building)
- NGO project measure (sub-sector sustainable development)

### **Society Integration NGO Fund:**

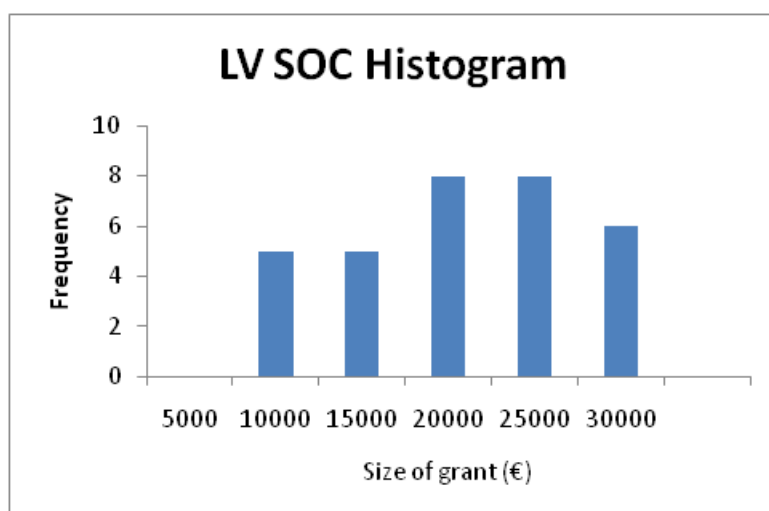
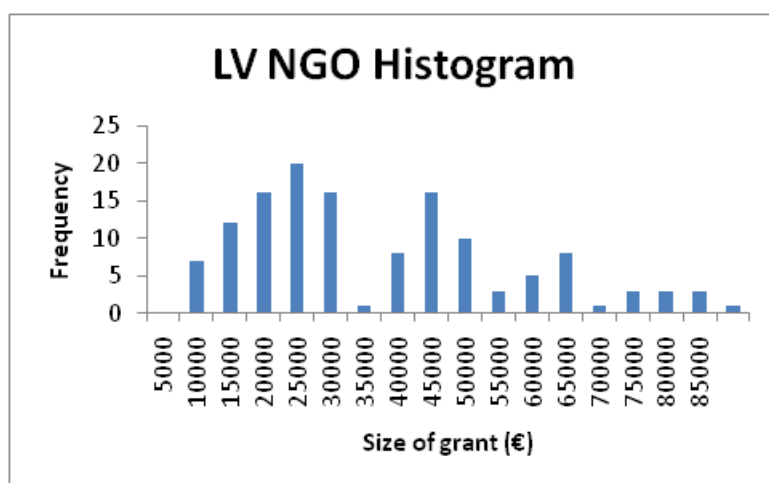
- Integration of minorities (sub-sector democracy, human rights, discrimination)

Under the NGO Fund four open calls were launched, one each year between 2007 and 2010. Under all the open calls, the supported thematic areas were aligned with the NGO Funds' set up. The financial range of the eligible sub-projects was set as is shown in the table below:

<b>Fund – measure – year</b>	<b>Minimum value</b>	<b>Maximum value</b>	<b>Minimal duration</b>	<b>Maximum duration</b>
NGO Fund – NGO activity support measure – 2007	€800 per month	€2000 Per month	1 year	3.2 years
NGO Fund – NGO activity support measure – 2008	€9,600	€24,000		
NGO Fund – NGO activity support measure – 2009	€9,600	€24,000		
NGO Fund – NGO activity support measure – 2010	€11,200	€28,000		
NGO Fund – NGO capacity strengthening	€5,000	€30,000	No limit	1.5 year
NGO Fund – NGO project measure	€8,000	€100,000	No limit	2 years
Society Integration NGO Fund	No limit	€30,000	1 year	

One sub-project ended in 2007 and another 21 in 2008 and 51 in 2009. 63 sub-projects are expected to be completed in 2010, and additional 29 in the year 2011.

The Intermediary for both Funds was the Society Integration Foundation, a public institution established by the law, which operates independently from the government, contracted by the National Focal Point.



Source: FMO data from 9 February 2010

## ACHIEVEMENT OF OBJECTIVES

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.<sup>118</sup>

### A. LATVIAN NGO FUND

According to the Intermediary, many events and activities have been organised for target groups in Latvia. Under the Activity Support Measure, 6,000 people were included and 4,750 consultations done. Together with other activities, 25 comments on resolutions / legal acts were provided, 115 proposals for different state institutions sent and other activities (workshops, lobbying, and participation in activities of other organisations) have been implemented. Project Measures included 1,500 youth and children, 24 women in prison, 20 representatives of municipalities and 28 disabled. They participated in information and

<sup>118</sup> In Latvia 73 sub-projects completed so far (44% of all sub-projects). 9 of the end beneficiaries (12% of completed sub-projects and 5,4% of all sub-projects) filled in the questionnaire.

educational meetings. NGOs supported under this Measure were involved in policy making process at municipal and state level.

Capacity strengthening was an important feature of the Latvian NGO Fund. NGOs obtained over 170 new member and over 500 persons have been trained in different areas (on themes of NGOs, on tax system, accounting, sub-project development and management, public procurement, languages, voluntary work and work with socially excluded groups. 15 organisations improved / developed their websites, three developed their strategy, and 28 bought equipment.

Fifteen end beneficiaries of the Latvian NGO Fund replied to the question, how well they achieved objectives. Around 27% of them believed they were very successful, 67% thought that they were successful and another 7% thought that they were only relatively successful.

**Example of successful sub-project**

Project “Community involvement in monitoring of important Bird Areas” was an idea that was developed previously, but only found support under the NGO Fund. In Latvia, all the Important Bird Areas (IBA) are included in the list of specially protected areas, however in practice in many of them illegal actions are carried out. Beneficiary therefore gathered a group of 40 people, who were trained to become IBA supervisors. They prepared voice recordings. The publically most recognised element of the sub-project is the developed database, of which part is publically available. In September 2009, it contained 10,000 reports on different species of birds.

## **B. LATVIAN SOCIETY INTEGRATION FUND**

Under the Society Integration Fund, promotion of tolerance, solidarity and intercultural dialogue has been tackled. Promotion has been achieved through festivals, films, thematic days and other awareness raising campaigns. Results included different informative material (such as a DVD with information about the Liiv language and community), strategies (e.g. Strategy of Slavic association Uzori) and organisations with strengthened capacity, like Moldavian Culture Centre “Dačija”, which was supported with material and technical equipment. End beneficiaries tackled the problems of ethnic minorities through capacity building of minority organisations and awareness raising campaigns. As the promotion of understanding is achieved through awareness raising and creating favourable conditions for ethnic minorities to gather freely, the evidence suggests that it is likely that the Fund’s purpose will be met.

Only two end beneficiaries of the Latvian Society Integration Fund replied to the question, how well they had achieved the objectives. One of them believed that it was very successful and the other that it was successful.

## **Bilateral relations between the donors and the beneficiaries**

There are 8 bilateral partnerships of which only 4 sub-projects have partners in Norway. The Intermediary has no involvement and the Norwegian Embassy did not take an active role in creating bilateral partnerships between NGOs. The end beneficiary Focus Group noted that the NGOs in Nordic countries have little interest in Baltic States and the proposed sub-projects are not financially attractive. This makes it difficult to find new partners for the sub-projects. Cooperation is mainly done with long-term partners.

Of the completed sub-projects, an analysis was made on achievements of several indicators; although no official international partners, trans-nationality was observed through activities:

- Capacity building: 28 sub-projects, 7 had activities with international experts / international organisation
- Project measure: 11 sub-projects – 4 with international ties
- NGO activity support: 20 (participation at international events, study visits)



## Lithuania

### THE CIVIL SOCIETY SECTOR<sup>119</sup>

- The exact number of Lithuanian NGOs is difficult to determine, as statistics are unreliable. Officially, more than 15,000 NGOs exist in the country. However, the number is constantly changing and has a tendency to be inflated. New organisations are added, but defunct organisations are not removed from the registry.
- Lack of conceptual clarity has been a serious obstacle in the sector's development. Currently, an organisation that has public benefit status is eligible to receive charitable contributions from the 2 percent tax mechanism. One of the sector's primary issues is to narrow the circle of organisations that qualify for this status. Clearly defining the legal terms surrounding each type of organisation is a crucial step.
- Despite years of receiving foreign donor support, the sector has not fully consolidated its infrastructure gains and improvements in organisational capacity, and this has left the sector unprepared for donors' departure. At the same time, the public sector did not develop an awareness of its responsibility for the viability of the NGO sector.
- The lack of organisational capacity keeps NGOs from improving the quality of their work, a necessary condition for broadening their constituencies and ensuring wider public support. NGOs need not only new sources of organisational support, but also inspiration. The government is also concerned about the issue of adequate NGO staffing.
- NGOs and the government have prepared the National Programme for Encouraging Youth Volunteering, which earmarks funds for sustaining the organisational capacities of participating NGOs. NGOs have been developing a more systematic approach to volunteer management, but in general, NGOs do not actively recruit volunteers. The use of long-term volunteers is complicated by tax and legal issues. Many NGOs have consciously decided not to recruit volunteers because they have insufficient staff to manage them, and because they fear that they cannot provide adequate insurance. The percentage of the population that volunteers remains stable at 12 percent (2008).
- Municipal funding for NGOs has grown; however, this does not always serve to strengthen the NGO sector. Local authorities, particularly outside bigger cities, give support according to political favouritism. In some regions, individuals have created new community organisations that were politically acceptable to the authorities in order to access municipal funds, denying funding opportunities to organisations led by people with political views different from the majority on municipal councils.
- In general, NGO entrepreneurship is still very weak. NGOs lack marketing skills in competing for contracts. They do not manage to make the case for providing a specific service or explain why serving a particular clientele is a public benefit. NGOs do not undertake provision of services other than those funded by the government or local authorities. As they are increasingly perceived as government service providers, it becomes more difficult for NGOs to approach traditional donors. The legal regulation of services remains unfavourable for NGOs. NGOs are frequently excluded from competitions for service provision because of requirements set by contracting agencies. Such requirements do not necessarily mean to exclude NGOs, but arise from a lack of understanding of how they will impact on NGOs.

### OVERVIEW OF NGO FUNDS

One NGO Fund was set up with the purpose to strengthen NGOs in Lithuania by developing their institutional capacity. The NGO Fund strengthened civil society in Lithuania and supported activities within the following thematic areas:

- Sustainable development
- Strengthening of democracy and civil society

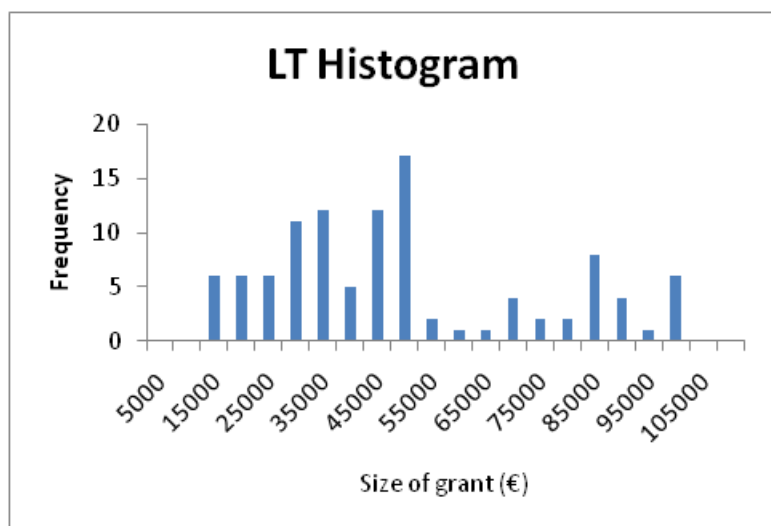
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<sup>119</sup> Information derived from Aneta Piasecka's contribution on Lithuania to *Nations in Transit 2009* and USAID 2008 NGO Sustainability Index for Central and Eastern Europe and Eurasia.

One open call was launched in 2008. The financial range of the sub-projects eligible for application ranged from €10,000 to €50,000 for small sub-projects and between €50,001 and €100,000 for large sub-projects.

Maximum duration of the sub-projects for co-financing was set at 24 months. All of the 106 sub-projects are expected to be completed in 2010.

The Intermediary for the NGO Fund for Lithuania was the Ministry of Finance of the Republic of Lithuania which was also the Focal Point.



Source: FMO data from 9 February 2010

## **ACHIEVEMENT OF OBJECTIVES**

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.

### **LITHUANIA NGO FUND**

In Lithuania no sub-projects have so far been completed. Under both of the sub-sectors, end beneficiaries have reported strengthened capacity. Workshops and training on social services, environmental protection and sustainable development, web services, cultural heritage and craftwork, drug issues, diabetes and administrative capacity building have been implemented. In addition, knowledge transfer has been achieved through establishment of internet-based databases, a knowledge centre for volunteers, studies and methodological material on drug abuse, establishment of a virtual knowledge centre for social educators and development of web pages. The Intermediary supports the statement that the most important result of the Lithuanian NGO Fund was strengthening of NGO capacity.

Under democracy, human rights and discrimination, a new web page promoting charity and public involvement and support to children with diabetes has been established to assure social inclusion of vulnerable groups. Environmental sub-projects focused on awareness raising with seminars, workshops, excursions and environmental festivals.

Of the 20 respondents who returned the questionnaire, 35% believed they were very successful in reaching their objective, another 40% believed they were successful, and a quarter thought that they were relatively successful.

The NGO sector has been strengthened and thus purpose of the NGO Fund was partly achieved. It is not possible to measure a contribution to further development of the NGO sector in Lithuania.

### ***Bilateral relations between the donors and the beneficiaries***

There are eight bilateral Partnerships off which only four sub-projects have partners in Norway. The Intermediary has no involvement, and the Norwegian Embassy did not take an active role in creating bilateral partnerships between NGOs. The end beneficiary Focus Group noted that the NGOs in Nordic countries had little interest in Baltic States, and the proposed sub-projects were not financially attractive. This makes it difficult to find new partners for sub-projects. Cooperation is mainly done with long-term partners.

## Poland

### THE CIVIL SOCIETY SECTOR

- Around 120,000 third sector organisations are registered, including community and grass roots organisations. There is good regional balance, with 14% registered in region around Warsaw, rest distributed across the country, small towns and rural areas (27%), towns with up to 50,000 inhabitants (14%), cities with more than 50,000 inhabitants (19%), *voivodeship* capitals (28%) and Warsaw (12%). However, organisations that operate in cities are larger, richer and work on a larger scale. The lack of necessity to de-register non-functioning NGOs remains a problem and makes national registry data unreliable.
- NGOs were first defined legally in April 24, 2003, when the Public Benefit and Volunteer Work Act came into effect. The Act adopts a broad definition of NGOs.
- A problem connected with registration is that, according to law, an association must be established by at least fifteen people. Many experts believed this number is too high, especially since it is much higher than in many Western European countries. Setting up a foundation does not require any members and the minimum capital required is very low. This increases the number of foundations with no capital. Some people find others who agree to support the establishment of an association provided they will not have to do anything in the future, creating masses of inactive members.
- The public administration, having heard numerous opinions from NGO sector activists, has admitted that the Act on Public Benefit Activity and Volunteer Work imposes unnecessarily complicated bureaucratic requirements. Work to amend the law is in progress.
- 20-30% of citizens claim they belong to an NGO; 18.3% of adult Poles claimed they had dedicated volunteer time to NGOs, groups, associations, or social or religious movements during 2004.
- There are at least 200 different regional and branch federations of NGOs in Poland. In the end of 2003, the Federation of Polish Non-Governmental Organisations (OFOP) was created. 34% of organisations are members of different kinds of branch, regional or nationwide federations, agreements and unions.
- The infrastructure of NGOs has slightly improved. The most noticeable improvement has been in the growth of support centres created within the framework of EU-funded projects. These centres provide training, often free of charge, to NGOs, but the quality of training is not always high. Many NGOs lacking training expertise obtained funding to conduct training. Also, many commercial firms discovered that they could make profits organising training for NGOs, sometimes with the support of EU funds.
- Examples of cooperation between different sub-sectors and cross-sectorally are still rare.
- Many local NGOs are vitally dependent on local government decisions to grant subsidies or premises. As a consequence, they are often entangled in silent networks of dependencies, that make it hard for them to maintain an independent position, and gives rise to clientalism. Considering this risk, the formation and activity of various alliances between organisations are especially important, for they are in better and safer position to defend the interests of NGOs and to speak for them.
- Protests by the NGO sector have stopped attempts to increase legal control over NGOs. However, many NGOs do not abide by the reporting requirements.

### OVERVIEW OF NGO FUNDS

In Poland three NGO Funds were set up – Democracy and Civil Society NGO Fund, Environmental Protection and Sustainable Development NGO Fund and Equal Opportunities and Social Integration NGO Fund. The purpose of the Democracy and Civil Society NGO Fund was to support NGOs aiming to increase knowledge of and respect for rule of law, developing citizenship skills and citizens' rights and responsibilities and gender equality.

The purpose of the Environmental Protection and Sustainable Development NGO Fund was to support NGOs aiming to contribute to building public understanding at local and regional levels, in both urban and rural settings, of the need for environmental sustainability and generating opportunities for citizen action and involvement. The Purpose of the NGO Fund Equal Opportunities and Social Integration was to support NGOs aiming to resolve pressing social problems faced by local communities. The Funds strengthened civil society in Poland and supported activities within the following thematic areas:

**Democracy and Civil Society NGO Fund:**

- Respect of Principles of democracy
- Improving the knowledge of civil society and democratic processes
- Expanding institutional capabilities of NGOs and developing NGO sector

**Environmental Protection and Sustainable Development NGO Fund:**

- Environmental protection
- Sustainable development

**Equal Opportunities and Social Integration NGO Fund:**

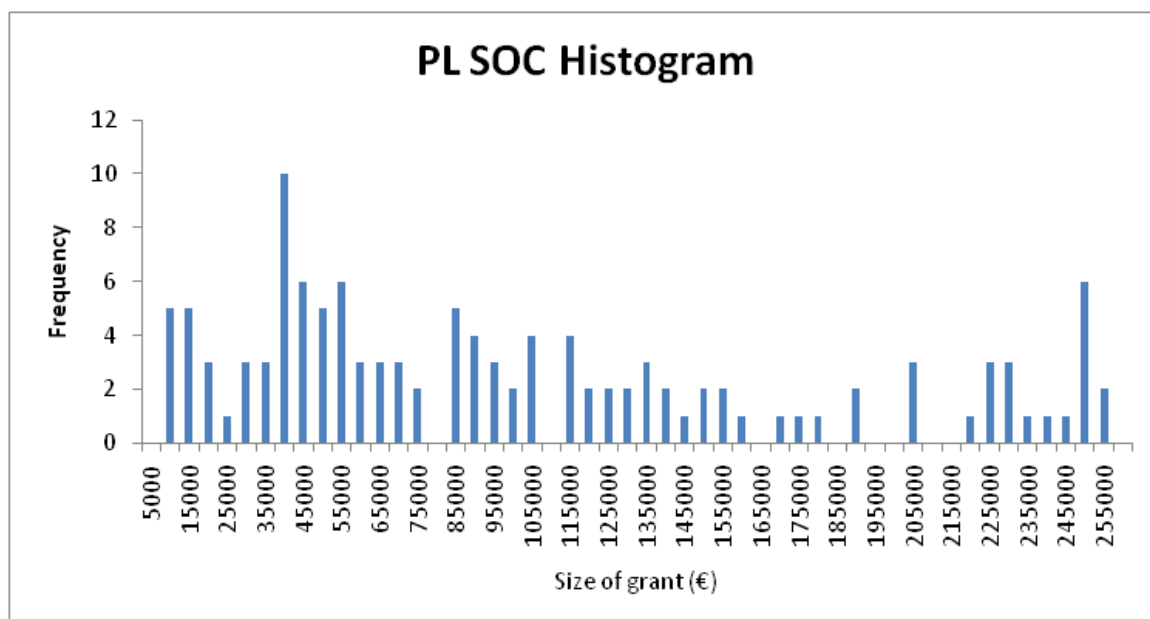
- Inclusion of disadvantaged groups
- mainstream gender equality
- Social / family issues
- European cultural heritage

Under the Fund Democracy and Civil Liberties, 5 open calls were launched between 2007 and 2009. Under each of the remaining two funds, 3 open calls were launched between 2007 and 2009.

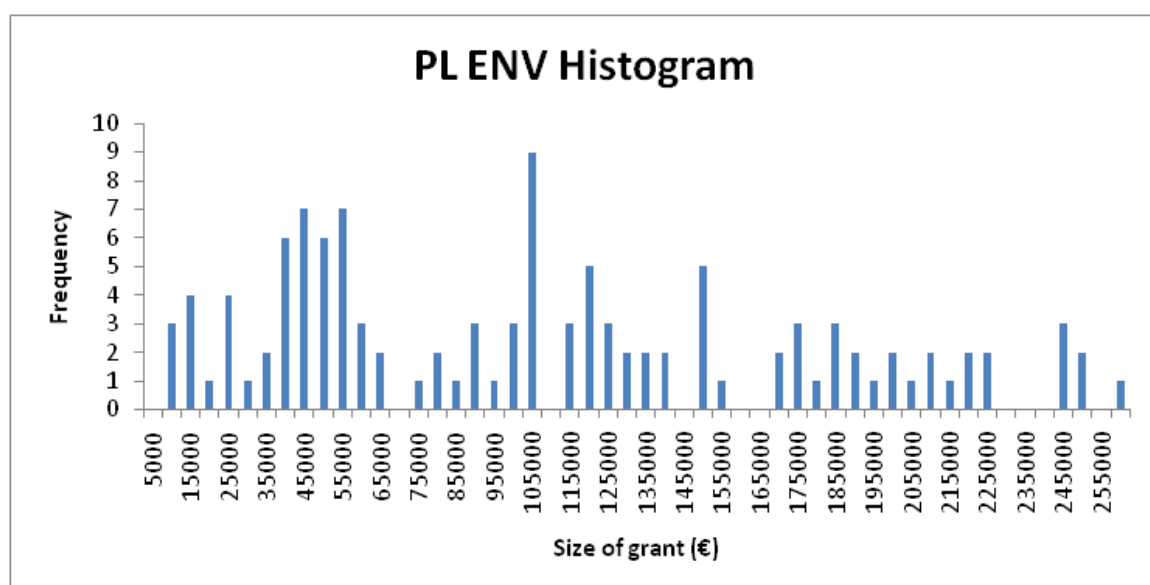
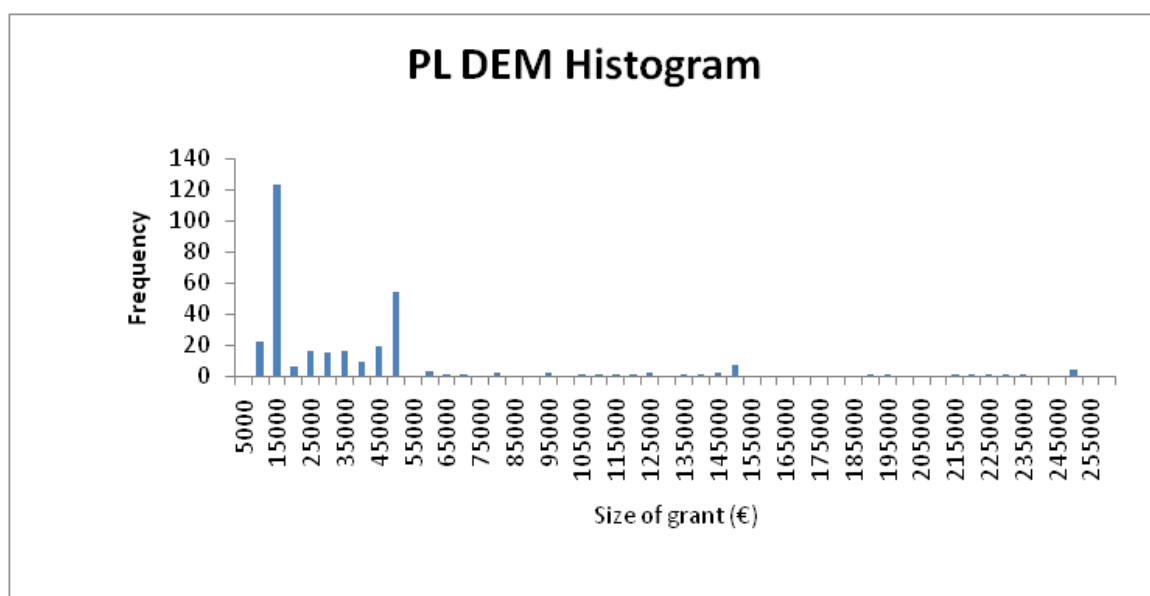
The financial range of the sub-projects eligible for applications under all the funds was between €5,000 and €250,000. Democracy and Civil Society NGO Fund had additional limitations set: €5,000 - €15,000 for micro grants, €5,000 – €50,000 for small grants, €50,001 – €150,000 for medium grants and between €150,001 and €250,000 for large grants. While the duration of the sub-project co-financed under Environmental and Sustainable Development Fund was not limited, Democracy and Civil Society NGO Fund had set maximum durations of the sub-projects. Micro and small sub-projects could last 12 months at most, medium sized sub-projects 18 months and large sized sub-projects, 24 months.

One sub-project ended in 2007 and another 159 in 2008. In 2009 169 sub-projects ended, 218 sub-projects are expected to be completed in the year 2010, and 10 sub-projects are expected to be completed in 2011.

The Intermediary for the NGO Fund Democracy and Civil Society for Poland was the Co-operation Fund Foundation, established by the Polish government in 1990 as a specialized unit, financed from various sources of foreign aid to Poland. The Intermediary for the NGO Fund Environmental Protection and Sustainable Development and NGO Fund for Equal Opportunities and Social Integration was ECORYS Polska Sp. z o.o., in a consortium with Kommunalkredit Public Consulting GmbH, which is a private limited corporation. All Intermediaries were contracted by the National Focal Point – the Ministry of Regional Development, Department for Aid Programmes and TA.



Source: FMO data from 9 February 2010



## **ACHIEVEMENT OF OBJECTIVES**

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.

### **POLAND<sup>120</sup>**

The purpose of the Polish NGO Funds was to support NGOs in the respective thematic area – increase knowledge, contribute to public understanding at local and regional level, and resolve social problems in local communities. Through capacity strengthening, NGOs were supported, and increased public awareness was achieved. The supported sub-projects have contributed to the solution of local problems. The purpose can therefore said to be achieved, even though it is spread across the whole territory of the country and across many different thematic areas.

#### **A. EQUAL OPPORTUNITIES AND SOCIAL INTEGRATION**

Under Equal Opportunities and Social Integration NGO Fund, increased awareness of the population and strengthened capacity of target groups and of the NGOs can be seen. Increased awareness of the population is the main result reported under the sub-sector “European cultural heritage”. An increased level of knowledge on culture and history was for example achieved through open meetings on the culture of the renaissance organised in seven historic buildings, and attended by 2,700 people. Publication of books, such as “Memoirs” have also increased knowledge awareness. Capacity has been strengthened through purchase of different equipment (for example high quality rehabilitation equipment), reconstruction and extension of the building of existing centres, establishment of new centres) and training of staff.

Social inclusion of excluded groups was an important result under Equal Opportunities and Social Integration Fund. Support to rehabilitation and vocational activation was achieved.

21 end beneficiaries (17%) responded to the question *How successful do you think you were in reaching objectives*. About 24% thought that they were very successful and another 67% believed that they were successful. Only two respondents reported moderate success.

#### **B. ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT NGO FUND**

Increased awareness of the population was achieved under the Environmental Protection and Sustainable Development NGO Fund. Campaigns promoting the Baltic Sea, creation of a forum for central and local administration, business, science, media and NGOs for the promotion of environmental protection and certification for educational institutions, which promote sustainable development, are just some of the results aiming to raise awareness. Sub-projects tackled the problem of green-house gas emissions and development and promoted programmes for environmentally friendlier transport systems (i.e. cycling). Environmentally friendly tourism paths and trails have been created.

End beneficiaries were asked how successful they thought that they were in reaching their objectives: 25 of them (21%) answered this question; 28% answered that they believed they were very successful in reaching or surpassing their set objectives. The majority (68%)

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<sup>120</sup> In Poland, 329 sub-projects were completed (59% of all sub-projects). 70 of the end beneficiaries (21% of completed sub-projects and 12% of all sub-projects) filled in the questionnaire.



thought that they were successful and only one respondent expressed moderate success in reaching its objective.

### C. DEMOCRACY AND CIVIL SOCIETY FUND

The most often reported result under the Democracy and Civil Society NGO Fund was strengthened capacity. Members of NGOs have been trained, equipment improved, and web sites developed,<sup>121</sup> sources of information have increased by 65% with over 1000 published items, and from April 2008, the Marshal's Office of Mazovia has begun to organise consultations with NGOs on cooperation with the third sector.

64 end beneficiaries of the Democracy and Civil Society Fund (20%) replied to the question "how successful do you think you were in achieving objectives?" One quarter of them believed they were very successful and 65% that they were successful. Only 9% stated that they were moderately successful.

#### *Bilateral relations between the donors and the beneficiaries*

There are a large number of partnerships with 10-12% of the NGO grants linked to partnership. There is good co-operation between the Norwegian Embassy and NHC where there is a dedicated member of staff. The Norwegian Embassy organised a large NGO Fund launching conference in Poland where many Norwegian NGOs were present with the purpose of potential match making with Polish NGOs. The Norwegian Embassy appreciated that the value added of the partnership had to be clearly stipulated in the sub-project (they prevented partnerships based only on paper).

Under the Funds an extra (10) points were given if applicants included an international partner in the sub-project, but only on condition that there was a clear added value of international partner involved. 'International' included (EU + EFTA) or other neighbouring countries of Poland (Russia, Belarus or Ukraine); Norwegian partners were not specially treated.

The end beneficiaries are more and more aware of the benefits of bilateral co-operation for their initiatives. The transfer of good practices was appreciated by the applicants but some end beneficiaries reported on difficulties in identifying and obtaining commitment to co-operation from a bilateral partner at the application stage. The bilateral partners are often invited to help applicants to increase their chance of a grant award, yet without getting to know the bilateral partner beforehand, the real value of partnerships is questionable. Some

#### **Box 11. Sub-projects in Poland**

1). Under the project "Enhancement of access to civic counselling in Stargard District" more than 1900 individual counselling services were delivered to the residents of the Stargard district (1500 envisaged initially). Free access to legal and social counselling helped to activate local society and raised their awareness of the rights to which they are entitled. Sub-project "Be a Small Witness. Interdisciplinary Protection of Children's Rights in Criminal Procedures" was the development of standards of interrogation rooms for children in co-operation with inter alia the Ministry of Justice as well as the commencement of the process of certification of the rooms (underway). The number of supporters of the sub-project increased gradually during its implementation (This is also an example of systemic changes in the area of protection of children - victims of crimes and – so far being of interest mainly of NGOs. Also books and promotion campaigns have been published and launched.

2). Centrum promocji Prawnej im. Haliny Nieć developed a sub-project "Countering discrimination and xenophobia towards refugees and marginalised migrants in Poland". It constituted an important contribution to broader efforts to improve the situation of foreigners and refugees in Poland and to combat discrimination, racism and xenophobia. The end beneficiary combined different forms of actions – legal aid, research and promotion campaigns. The sub-project positively influenced the potential of the centre, which expanded its competences and increased its experience in areas such as public campaigns, promotion and contacts with the media.

<sup>121</sup> More than 30 organisations cooperated on the interactive platform of communication and exchange of information ([www.hgo.pl](http://www.hgo.pl)), and the portal [www.administracja.ngo.pl](http://www.administracja.ngo.pl) promoted cooperation with the NGO sector.

participants would therefore appreciate a possibility of financing 'preparatory visits' to discuss the scope of co-operation with the bilateral partner before preparation of a final application (which could result in an obligatory preparation of a sub-project application).

## Portugal

### THE CIVIL SOCIETY SECTOR

- There were 160 development NGOs registered with the Ministry of Foreign Affairs - Portuguese Institute for Development Assistance (IPAD) in March 2009. There were 167 Environmental NGOs registered with the Ministry for Environment and Territorial Planning – Portuguese Agency for Environment in July 2009.
- There is no official data, much less a centralised register for all civil society organisations (non-profit making) and foundations, even if legally constituted. In Portugal, this collection of organisations is generally known as the “non-profit sector” or the “social and/or solidarity economy.” This is understood to include associations, foundations, mutualist associations, NGOs, and cooperatives.
- Development NGOs (DNGO): 57% in the capital city - 43% in the regions, Environmental NGOs: (ENGO) 79% in the capital city - 21% in the regions.
- The Portuguese Civil Code defines three types of organisations as being *peças colectivas* (corporations): associations, foundations and companies, the latter constituting the private for-profit sector, and the former (associations and foundations) constituting the private non-profit sector. Foundations must be public-serving, which means that private interest foundations are not permitted by law. Therefore, NGOs must be associations or foundations.
- Each citizen can donate 0,5% of their personal taxes to public benefit organisations (PBO – the government must recognise the organisation as acting in the public interest) of their choice. DNGOs and ENGOS have automatically the same tax exemption as PBOs and are also VAT exempted.
- In the 1990's, Portugal had the lowest participation in NGOs and civic associations in the EU. This tendency has remained. The percentage of volunteers in non-profit organisations is 29%. The legal basis for volunteering was established in 1998, where the State recognised voluntary work as an expression of a free, active and a solidarity citizenship which promotes and ensures its autonomy and pluralism.
- Most of the activities of non-profit organisations (48%) are based on social services and are geographically widespread. Civil society organisations provide services in a variety of fields and cover the gap in services that are not provided by the state. These organisations are quite successful in tracking needs and reaching the most needed, particularly from an assistance perspective.
- The umbrella body for DNGOs – Portuguese Platform for DNGOs has 51 members. ENGOS do not have an umbrella organisation.
- NGOs seldom work as watchdogs. DNGOs are not influential in the strategies for development cooperation and, according to DAC,<sup>122</sup> they also “*play a marginal role in Portuguese development co-operation despite recent steps to involve them more*”. Platform of Portuguese NGOs does have an AIDWATCH group, who monitors aid efficiency.
- NGOs are very dependent on the State and since there is lack of resources and funding, advocacy is seldom done in a concerted and formal way, lacking research, credibility and expertise. However, the Portuguese Institute for Development Assistance has developed a National Strategy for Education for Development (recently approved) which mentions and underlines the importance of advocacy work of NGOs.

### OVERVIEW OF NGO FUNDS

Two NGO Funds were set up – NGO Fund Citizenship and Human Rights and National Environmental NGO Fund. The purpose of the NGO Fund Citizenship and Human Rights was to provide institutional capacity building support to NGOs working in the area of non

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<sup>122</sup> 2006 - DAC Peer Review: Main Findings and Recommendations.

discrimination, gender equality and youth, aiming to strengthen citizens' participation skills and to empower vulnerable social groups. The purpose of the National Environmental NGO Fund was to reinforce the capabilities of the NGOs and ensure their active participation in the decision-making process. Funds strengthened civil society in Portugal and supported activities within the following sub-areas:

**NGO Fund Citizenship and Human**

**Rights:**

- Protection of Human rights and strengthening of Citizenship
- Enhancing the skills of youngsters in social responsibility (namely sexual and reproductive health, parental responsibility, gender stereotypes and non discrimination, multiculturalism and healthy friendships) and promoting their civic and cultural participation in the community
- Promoting the entrepreneurship and employment opportunities of individuals belonging to especially vulnerable social groups.

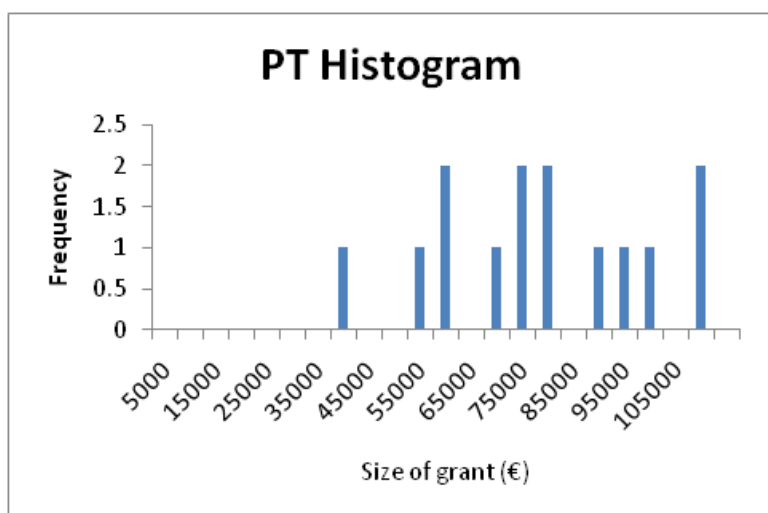
**National Environmental NGO Fund:**

- Protection of the environment, including the human environment, through, *inter alia*, reduction of pollution and promotion of renewable energies
- Promotion of sustainable development, through improved resource use and management

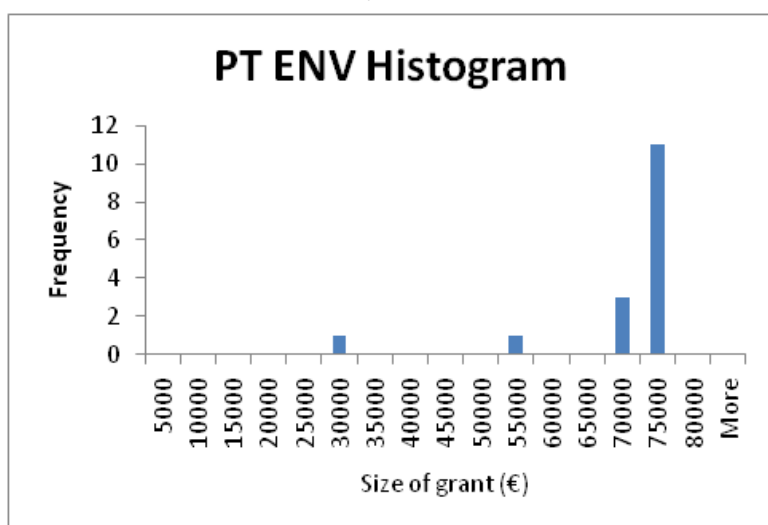
Under each of the funds, one open call was launched in 2008. The financial range of the sub-projects under NGO Fund Citizenship and Human Rights was set between €40,000 and €250,000, while it was set between €25,000 and €75,000 under the National Environmental NGO Fund. Under both of the Funds, the maximum duration of sub-projects was 24 months. The minimum duration of sub-projects was defined only under the NGO Fund Citizenship and Human Rights and it was set at 12 months.

26 of the sub-projects are expected to be completed in 2010 and another 4 in 2011.

The Intermediary for the NGO Fund Citizenship and Human Rights was the Commission for Citizenship and Gender Equality (*Comissão para a Cidadania e Igualdade de Género*), which is a public entity (Governmental body – Initially directly responsible to the Council of Ministers, and from October 2009 directly responsible to the Secretary of State of Equality, Ministry of Presidency). The Intermediary for the National Environmental NGO Fund was the Portuguese Agency for Environment (*Agência Portuguesa do Ambiente*), which is a public entity (Governmental body – directly responsible to the Ministry of Environment and Territorial Planning). Both of the Intermediaries were contracted by the Portuguese Focal Point – the Ministry of Environment, Spatial Planning and Regional Development.



Source: FMO data from 9 February 2010



## ACHIEVEMENT OF OBJECTIVES

None of the sub-projects in Portugal have been completed so far. The only result that the Intermediary reports is the reinforcement of the capacity of small NGOs through sub-project implementation. As the purpose of the Portuguese NGO Funds was to improve NGO capacity, it can be suggested that this is likely to be achieved. However, individual sub-project results should be reported before drawing a firm conclusion on the achievement of objectives.

### *Bilateral relations between the donors and the beneficiaries*

There are 8 bilateral partnerships. The Intermediary and Norwegian Embassy hosted a public seminar for Fund launching and promotion of partnerships between Norwegian and Portuguese NGOs. However, few Norwegian NGOs participated in the seminars. The Norwegian Embassy considers that it is more difficult to form partnerships amongst NGOs than in other sectors. Barriers identified by Intermediaries included the size of most of the Portuguese NGOs and language.

## Romania

### THE CIVIL SOCIETY SECTOR

- Registered number of NGOs: 61,056 (Ministry of Justice, NGO register in January 2010). Two thirds are based in the urban areas, 20% of NGOs are based in Bucharest and another 40% in Central and Western regions. In 2009, 22,000 NGOs submitted a fiscal balance and are thought to be active. There was an increase of active NGOs of 5,000 from 2004.
- NGOs are not defined as such by the law. They are frequently assimilated with non-profit organisations and traditionally refer to associations, foundations, federations and unions. The administrative law on associations and foundations is clear and simple. Despite some achieved simplifications, there still exists a need to amend tax treatment of individual contributions, corporate sponsorship and the registry of NGOs at the Ministry of Justice.
- There is no legislation on advocacy and lobbying in Romania. No legal limitation to the right to criticise government exists and organisations often do so. However, they are often ignored or face different problems – e.g. those who were criticised sued the Romanian Academy Society and Centre for Legal Resources.
- In 2006, the Prime Minister established a Council for Dialogue with Foundations and Associations under his office. 50 NGO representatives were invited to the structure. Prime Minister is asking for proposals to make this structure more active and to focus on strategies to improve the dialogue and consultation between the CSOs and the Government. However, citizen involvement in the formulation of public policy at the national or local level is rare.<sup>123</sup>
- NGOs were a driving force in processes of fulfilling the *acquis* requirements for Romania's accession into the EU in different areas, such as environment, child protection, anti-corruption, anti-discrimination, election code, civil code, free access to public information, etc.
- All CSOs are required to report their financial activities. Information on CSO financial status is not made available to the general public, but especially CSOs that raise money in local communities, understand the long-term importance of building trust in local communities and have begun to show greater openness and transparency. Publishing achievements and annual report had, however, not become the regular practice for most CSOs.
- The National NGO Forum has approved a code of ethics for CSOs, but uniform ethical practices have not yet been developed.
- There is a distinction between “direct” and “indirect” business activity. Under direct “business” activity, NGOs may sell products or services related to their non-profit purpose without setting up a company. “Indirect” business activity is done through a company. Profit in the latter case should be reinvested in the company or must be used to fulfil the NGO's purpose. NGOs are also able to compete for government contracts and procurements at local and central level.
- 2% of income / profit tax can be redirected to NGOs. Sponsorships and donations are exempt from taxation. Businesses may deduct up to 3% of their total income, but not more than 20% of their total taxes due, for donations to NGOs. To ensure financial sustainability of NGOs, the new Act was adopted in 2005 and also included the possibility for individual tax payers to allocate 2% of their income tax to the NGOs. In 2009, 17% of Romanians allocated the 2% to NGOs, which amounted to 26 million €. 52% of citizens made a donation to the church and only 19% to a NGO.
- Subsidies are the main form of support. The Act from 2005 holds public authorities and NGOs accountable for using the public funds.

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<sup>123</sup> Study by the Resource Centre for Citizen Participation.

- In NGOs there is a high degree of overlapping between executives' roles and decision roles. However, they are guided by democratic proposals.<sup>124</sup>
- Corrupt behaviour in NGOs is occasional.
- Most CSOs are properly equipped (access to internet, website, computer, etc.), however there are grass root organisations, which are lacking infrastructure.

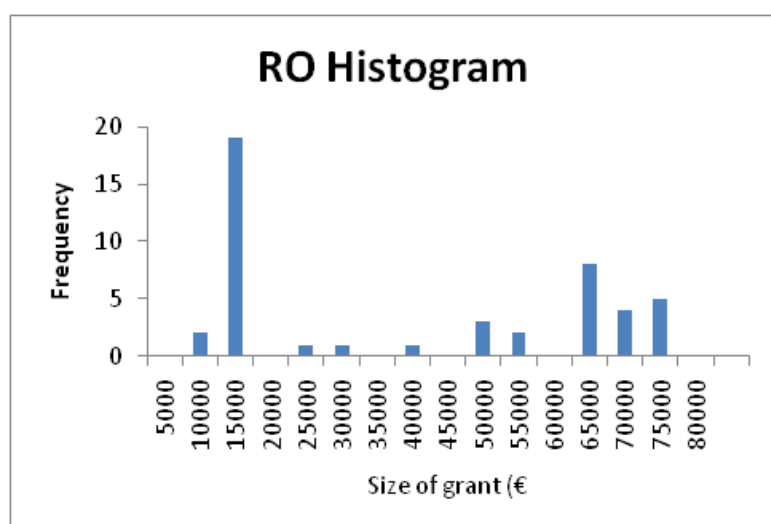
## OVERVIEW OF NGO FUNDS

One NGO Fund was set up, with the purpose to strengthen civil society in Romania by supporting sub-projects within thematic areas protection of human rights, anti-discrimination and social inclusion, support to children and youth with specific problems, social services, environment and conservation of cultural heritage.

- Social services
- Environment
- Conservation of cultural heritage

The financial range of the small grant schemes was between €5,000 and €15,000. For sub-projects under all grant schemes managed by the operator, the maximum value was €75,000, except for the sub-projects, which have regional scope and include NGOs from at least 3 different counties. In the latter case, the maximum amount is €125,000. The minimum sub-project amount under grant schemes was not set. Minimum duration of the sub-projects was not set, while small sub-projects could last 12 months at most. Other sub-projects from the grant could last up to 22 months, if co-financed under 1<sup>st</sup> open call and 12 months, if co-financed under the second open call.

All the sub-projects except one will end in 2010. The Intermediary was the Civil Society Development Foundation (CSDF), an NGO, and it was contracted directly by the FMO.



Source: FMO data from 9 February 2010

## ACHIEVEMENT OF OBJECTIVES

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.<sup>125</sup>

<sup>124</sup> CIVICUS report on Romania.

<sup>125</sup> One sub-project is completed so far in Romania (2%). The end beneficiary of this sub-project returned the questionnaire.



The sub-projects aim at achieving increased public awareness and delivering policies and programme implementation and expansion to other areas. It is too early to assess the results achieved under the NGO Fund. Although some measures aimed at strengthening capacity, the Intermediary does not believe that this will be totally achieved during the current programming period. Although some promoters have a previous record in implementing grant projects, there is still much to be done in institutional development especially in coping with the current donor environment (e.g. structural instruments, withdrawal of traditional donors or necessity to diversify sources of funding to ensure the sustainability). Following the same rationale, the institutional development is even more needed to be addressed specifically in case of small organisations or recently established ones.

It is too early to judge whether the purpose of the NGO Fund, to strengthen civil society in Romania in the thematic areas tackled by the NGO Fund, is likely to be achieved.

### ***Bilateral relations between the donors and the beneficiaries***

The Norwegian Embassy has received and followed up on two letters of complaint from unsuccessful grant applicants and has sought to assess potential issues (administrative compliance rules were applied strictly in the first call for applications, leading to the rejection of bilateral sub-projects that did not meet criteria related to the submission of statutory documents for Norwegian partners; such documents are, however, not mandatory according to Norwegian law). The Embassy recommendations in this and other regards were applied in the revised application guidelines for the second call for applications.

## Slovak Republic

### THE CIVIL SOCIETY SECTOR

- 31.698 registered NGOs in 2008.
- In 2006 the role of the state has been greatly strengthened and the relationship between the state and NGOs has deteriorated, although NGOs remain present and included in the public discourse.
- The tax system allows for personal 2% of taxes to be donated to any registered NGPO, but recent legislation will gradually reduce this contribution to 0.5%. There are no tax deductions for private companies that wish to donate to NGOs. As a result, big corporations have established their own NGOs
- There is no Act on voluntary work.
- Regional differences within Slovakia lead to uneven organisational capacity. Eastern Slovakia, which is quite rural, is the most disadvantaged. The urban/rural imbalance reflects the considerable differences between national NGOs and smaller, local NGOs. Large NGOs have better access to financial resources, such as corporate resources, EU Structural Funds, or foreign resources. Locally operating NGOs cooperate mainly with local companies and primarily use domestic resources. Their sub-projects are often local in nature and solve the problems of a given area or region.
- No central or federation bodies were created, neither a national body. Some natural coalitions were created when attempts were made to change the legislation, e.g. *ad hoc* coalition the Initiative for the Freedom of Association or long-term partnerships where thirty organisations that came together to fight against discrimination. The previous mechanism of the Gremium has been discontinued; this mechanism created alliances at local, regional and national levels. NGOs do associate in platforms; the most active platforms are Ekofórum, Sociofórum and Platform of Non-governmental Development Organisations.
- One of the tools by which NGOs can defend their interests in the state administration is the Council of the Government of the Slovak Republic for Non-governmental Non-profit Organisations. It is an advisory body of the government, consisting of government and NGO representatives. This body, however, is not very effective due to the low frequency of meetings and absence of key people.
- Voices from within the NGO sector are also calling attention to the individualism, the absence of cooperation, and mistrust among NGOs. The situation in the sector is marked by legal and financial uncertainty and the absence of the use of cooperation mechanisms between the government and NGOs.
- There have been some discouraging set-backs recently in Slovakia:
  - recent efforts to centralize state power,
  - limitation of control mechanisms,
  - attempts to cancel the 2 percent income tax donation both for legal entities and individuals,
  - efforts to amend the Act on Free Access to Information,
  - proposed adoption of the controversial Law on Associations, which proposed strict new regulations - NGOs would only be allowed to develop the activities of their members, as opposed to serving the larger population, would be prohibited from carrying out self-financing activities, would have to use double-entry bookkeeping and pay for an audit report. However, NGOs organised protests that led the government to halt this initiative.

### OVERVIEW OF NGO FUNDS

Three NGO Funds were set up – Human rights NGO Fund, Social inclusion NGO Fund and Sustainable development NGO Fund. Funds strengthened civil society in Slovak Republic and supported activities within the following focus areas:

### Human Rights NGO

#### Fund:

- Protection of human rights
- Antidiscrimination
- Strengthening the judiciary
- Strengthening the multicultural environment

### Social Inclusion NGO

#### Fund:

- Helping families and children in situation of crisis
- Assisting young people and older children
- Institutional development of NGOs supplying social and community services for children, youth and families in danger

### Sustainable

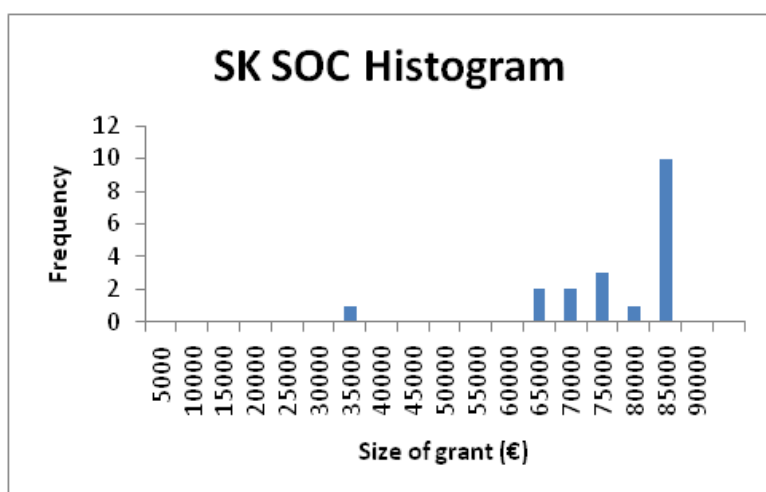
#### Development NGO

#### Fund:

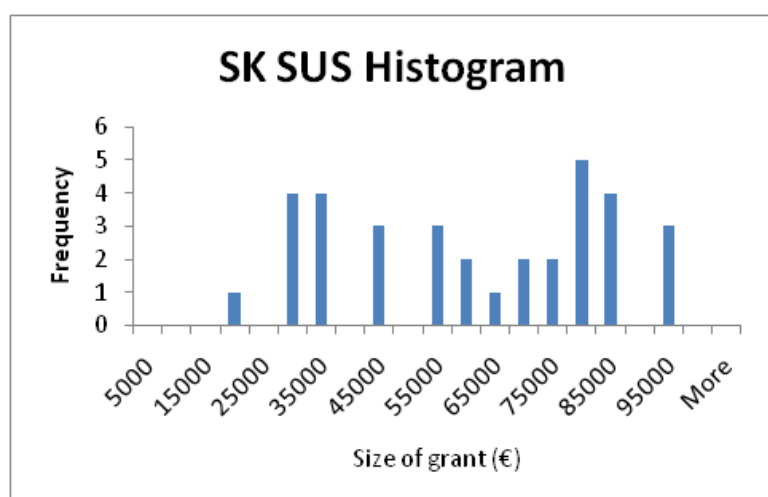
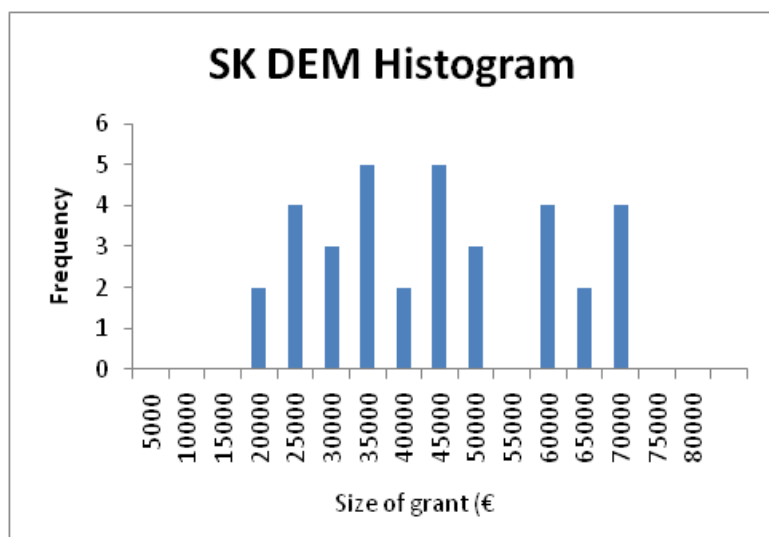
- Protection of the environment
- Sustainable energy
- Food safety
- Environmental education

Altogether, 7 open calls were launched. 3 were launched under Sustainable Development NGO Fund, in 2007, and two in 2008. Under each of the remaining two Funds, two open calls were launched in 2007 and 2008. Sub-projects under all the Funds could last 24 months at most. Only the Sustainable Development NGO Fund set also the shortest duration for eligible sub-projects – 12 months. Financial ranges differed. Under Human Rights NGO Fund sub-projects' values ranged from €20,000 to €80,000, under Social Inclusion NGO Fund from €30,000 to €100,000 and under Sustainable Development NGO Fund up to €100,000, while the minimum value in the latter Fund was not set.

Six sub-projects ended in 2009. The remaining 81 are expected to be completed in 2010. The Intermediary for the Human Rights NGO was Open Society Foundation; for Social Inclusion NGO Fund SOCIA – Social Reform Foundation; and for Sustainable Development NGO Fund Nadacia Ekopolis. All were NGOs and were contracted by the Focal Point.



Source: FMO data from 9 February 2010



## ACHIEVEMENT OF OBJECTIVES

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.<sup>126</sup>

### A. NGO FUND SOCIAL INCLUSION

Social integration of excluded groups was a commonly reported result. The sub-projects focused specifically on developing methods for preventing social exclusion, for example, crisis accommodation flats for those experiencing domestic violence were refurbished and NGO cooperation networks created. The encouragement of children returning to their families was also included in sub-projects.

#### Example of successful sub-project

##### **Sub-sector: Sustainable development – food safety.**

Centre for the environmental activities implemented the sub-project “Organic Food to schools”. They managed to eliminate barriers to procurement of bio-food by school canteens. The website [www.biodoskol.sk](http://www.biodoskol.sk) was launched and a network for suppliers and their potential clients created. During the sub-project, officially approved recipes for school canteens were prepared.

<sup>126</sup> In Slovakia 6 sub-projects were completed (7% of all sub-projects). One end beneficiary filled in the questionnaire.

Five (26%) of end beneficiaries of the Social Inclusion NGO Fund replied to the question “How successful do you think you were in achieving your objectives”. Three of them thought that they were successful. One believed it was very successful and one that it was moderately successful.

The purpose of the NGO Fund was to increase the innovation potential of NGOs to provide protection of children and youth from social exclusion. There is insufficient concrete evidence that NGOs have increased their innovation potential, so it is not possible to say at this time whether the objective will be achieved.

#### **B. NGO FUND HUMAN RIGHTS**

Different results have been achieved under the Human Rights NGO Fund. Initiation of legal changes has been delivered and tolerance to minorities stimulated through public-awareness activities. NGOs also offered legal advice and issued an anti-corruption manual.

Five (about 15%) end beneficiaries offered an answer on how they thought that they achieved their results. Three thought that they were very successful and two that they were successful.

The purpose of the Fund was to improve the ability of disadvantaged groups to enjoy their rights. Improvement of abilities of disadvantaged groups was reported, but it would need further evidence to conclude conclusively that the purpose was achieved.

#### **C. NGO FUND SUSTAINABLE DEVELOPMENT**

Common results of the Sustainable Development NGO Fund mainly include increased public awareness on environmental issues and sustainable development, and strengthened capacity of NGOs. Awareness of the population was raised particularly through educational activities. In addition, a network of suppliers and schools was established, legal changes were initiated and a feasibility study on the supply of renewable energy sources for energy production was prepared.

Ten end beneficiaries (29%) responded to a question about achievement of results, of which 70% believed that they were successful. Two thought that they were very successful in reaching the set objectives, and one reported moderate fulfilment of results.

The purpose of the Fund was to improving the capacity of Slovak NGOs to enter public discussions. As strengthened capacity was reported, it is likely that the purpose of the NGO Fund Sustainable Development will be achieved.

#### ***Extreme application of government regulations has led to major problems***

The management of the Fund, as well as for the whole EEA and Norway Grants was set up from scratch and therefore its establishment was a rather lengthy and painful process. Although the donor's initial intention was to set up a user friendly and non bureaucratic system, the FP's and PA's understanding of the FMO requirements, and the local perception and interpretation of the legal framework, introduced a system which has proved to be time and resource demanding for the Intermediaries and the NGO end beneficiaries.

As with all countries, the funding comes into the state budget, but unlike many other countries it is not then treated separately as funding from a foreign donor - setting up for example a ring-fenced National Fund in Euros to deal with this and other Funds. The PA (in the Ministry of Finance) has rich experience of dealing with foreign assistance in a positive way allowing flexibility and less onerous regimes, but this experience and precedents did not seem to be used. In March 2007, the Slovak government made a decision to harmonise procedures for all financial mechanisms, which has resulted in the obligation to apply the same mechanisms for NGO Funds as for EU Structural Funds.

In addition, because of the lack of clarity in the FMO rules, what the NFP require of the Intermediaries in terms of financial accountability and checking, they felt was a requirement of

the FMO. The contract between FMO and NFP states that all expenses must be certified, therefore the NFP insist on detailed control of every single Intermediary management expense, a control that is replicated by the PA for all PIRs and a selection of sub-projects. Thus if an Intermediary wishes to post a letter under the Fund, both the FP and the PA need to see a copy of the letter and a certificate of posting and a certificate of expenditure. (So if 20 letters are sent out, the same bank statement has to be copied 20 times because each has to be accompanied by the copy of the bank statement separately.) This means that the Intermediaries and sometimes end beneficiaries often do not claim legitimate expenses as they are not worth the amount of time involved. Thus there are at least three levels of detailed financial control - at the level of the Intermediary, the level of the FP and at the level of the PA. As a recent audit from Norway has identified, there are now three different detailed checks taking place on all Intermediary management invoices, payments and financial records, and all documentation for some PIRs,<sup>127</sup> which are selected for an the spot certification, which is costly and inappropriate.

The NFP claims that so far nobody has told them officially that the administration is too demanding but a 2008 evaluation as well as the 2009 monitoring report clearly stated the problems: *“Prevailing feeling is that the rules of the program are excessively detailed and complicated and could be simplified. Some Intermediaries indicated that there is low trust among stakeholders and focus is given more on procedures than substance.....Specialized non-hierarchical task forces consisting of selected, experienced individuals from NFP, PA and Intermediaries could be created to improve the system. More emphasis should be put on simplifying this grant scheme and diluting complaints about its bureaucratic character. One can easily imagine that the task forces for: 1) improving procedures, 2) internal communication, 3) media outreach, could be created at this stage.”*<sup>128</sup>

The feeling is that this evaluation has in no way been acted upon and that the Norwegian government and FMO need to be very firm in the new negotiations. All key stakeholders acknowledge that the Director of the FP has brought stability and strength to the FP team, but the system in place is simply inappropriate for an NGO Fund. Some of the Intermediaries struggle to understand the exact definition of eligible expenses, management costs, etc. In November 2009, the new Guideline was issued, which some Intermediaries confirmed was of much better quality than the previous one, but a new format of reporting was required.

Whilst NGOs and the Intermediaries feel that the grant came at a crucial stage for NGOs in Slovakia, and has prevented some from closing and ending their work on important issues and with vulnerable groups, the level of unhappiness about the Fund is extreme. For a scheme designed by the donor to be NGO friendly, flexible and responsive, this is a counter-productive state of affairs and needs to be changed.

The NFP and PA would like it noted that:

*“The national authorities NFP and PA also admit that the implementation system is quite complex. They also stress that all involved subjects have been partially contributing to the actual time-demanding system of reporting funds: FMO (system of PIR and inflexibility), NFP (reporting of 100 % of incurred expenditures), PA (strict rules concerning pre-financing and certification), and Intermediaries (delays in reporting of eligible expenditures).*

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<sup>127</sup> The certification is carried out by the Paying Authority based on a risk analysis, i.e. only a sample of incurred expenses is checked. Moreover, all invoices, payments and financial records on sub-projects level are archived by Intermediary and all invoices, payments and financial records on management costs of Intermediary are archived at the NFP. Those documents are not submitted to the PA. The PA approves only reimbursement requests and PIRs which represent maximum 5 % of the whole documentation submitted by the Intermediaries to the NFP. Only in those cases where, based on risk analysis, a particular PIR is selected to be certified on the spot is 100 % of the documentation checked by the PA.

<sup>128</sup> Implementation Progress of the European Economic Area (EEA) and Norwegian Financial Mechanisms in Slovakia Evaluation report prepared by Pavol DEMES, February 2008.



*On the other hand it should be taken into account that under conditions of meeting Maastricht criteria and later on strict focusing on public debt (public finance deficit) Intermediaries/Final Beneficiaries in Slovakia do not need to wait for funds granted from donor states till the PIR is approved by the FMO. I.e. each and every € which is being committed as grant from donor state (approximately 9.649mil. EUR for all Intermediaries which are NGOs) has already been/will be pre-financed from Slovak state budget in advance in order to make cash flow management at the level of Intermediary/Final Beneficiary easier. Since the reporting system which has been set up by FMO does not work flexible, at the level of PA there is visible a time lag between the moment of paying funds to Intermediaries/Final Beneficiaries and the moment of receiving reimbursed funds from the FMO. This time lag fluctuates based on analyzes elaborated by the PA between 5 and 15 months. Furthermore all Intermediaries and Final Beneficiaries except those who are private entities receive also national co-financing from the state budget which is equal to 15 % of the non-reimbursable contribution (national co-financing of all block grants implemented by NGOs is equal to approximately 1.703 mil. EUR) Pre-financing from state budget (e.g. advance payments) facilitate to higher disbursement to NGOs in a position of Intermediary/Final Beneficiary. As to block grants implemented by NGOs the actual amount of pre-financing represents 7.550 mil. €. On the other hand funds which were reimbursed by the FMO based on approved PIRs to PA are equal to approximately 3.250 mil. €. Thus, currently only 43.05 % of funds pre-financed by PA to NGOs being Intermediaries were already reimbursed by the FMO.*

*It is possible to conclude that a complex system which has been working in the Slovak Republic is caused by giving state money in advance to Intermediaries/Final Beneficiaries. Thus, at the national level additional time demand is a bit of cost caused by the pre-financing system.*

*Finally, it should be also borne in mind that the Slovak Republic earmarked additional funds of 0.897 mil. € in order to cover exchange rate differences for Intermediaries – NGOs who are implementing block grants due to fact that Slovakia joined to the EMU (European Monetary Union) on 1.1.2009.”*

However, the reduction of irregularities at any price is not a good solution, there must be certain balance. It would be interesting to compare the cost of such a control system and the identified irregularities, with the less strict system and irregularities occurred. The present situation is not seen as appropriate and reasonable changes could make the system equally efficient, less labour intensive in administrative terms, less costly as regards the management and control and much friendlier to the grant recipients.

### ***Bilateral relations between the donors and the beneficiaries***

Whilst there are some historical links, bilateral partnerships have not been created for several reasons: it was not required; the financial conditions did not enable recovery of the partners' expenses; and the number of NGOs in Norway is rather limited and there is competition for partnerships with the other countries. Additionally, some of the areas e.g. social (including the assistance to the disabled, old people, youth, crises centres, and other social care facilities) in Norway, is solely dealt with the local government, and no NGOs are engaged in this field. Later on in the programme it was explained that international cooperation was part of the management costs but it was not clear at the beginning and therefore not planned.

There are currently 5 bilateral partnerships which function largely through Skype and e mail. Ekopolis linked with WWW Norway in preparing the bid. Without additional resources it is hard to envisage how they will develop a great deal since the FP is not supportive of resources leaving Slovakia for Norway.

All stakeholders would value the chance to building partnerships with NGOs in the beneficiary states as well as with Norwegian NGOs. End beneficiary noted: *“the promotion of*



*donor/Norwegian NGOs was missing, if partnerships are not feasible at least some presentation of the sector - best practice examples, common meeting, seminar etc. could be organised".*

## Slovenia

### THE CIVIL SOCIETY SECTOR

- 23,000 registered NGOs (2009).
- Under the Act on Associations, Presidents are held personally liable for operations of the associations (caused incoming presidents to hesitate to accept the position, especially if they work on a voluntary basis). This Act created additional work and bureaucracy, which is a burden particularly on small, grass root organisations, even though the Act could have positive outcomes
- There is currently no Act on voluntary work (Ministry of Public Administration announced that the Act on Voluntary Work will be submitted to parliamentary procedure in September 2010); voluntary work is not officially recognised and volunteers do not receive any general benefits. Some NGOs have developed a Code of Ethics of Volunteerism (with the intention to motivate the adoption of the Act).
- Umbrella organisations exist, and are used for common interest, information exchanges and for common sub-projects.
- There is a limited legislative framework for civil dialogue. Government bodies have different definitions of CSOs and different practices. Many organisations use personal acquaintances to achieve this type of dialogue. From a regional stakeholder survey: 53% of respondents believed that state-civil dialogue exists, but is limited; 45% believed it is moderate.

### OVERVIEW OF NGO FUNDS

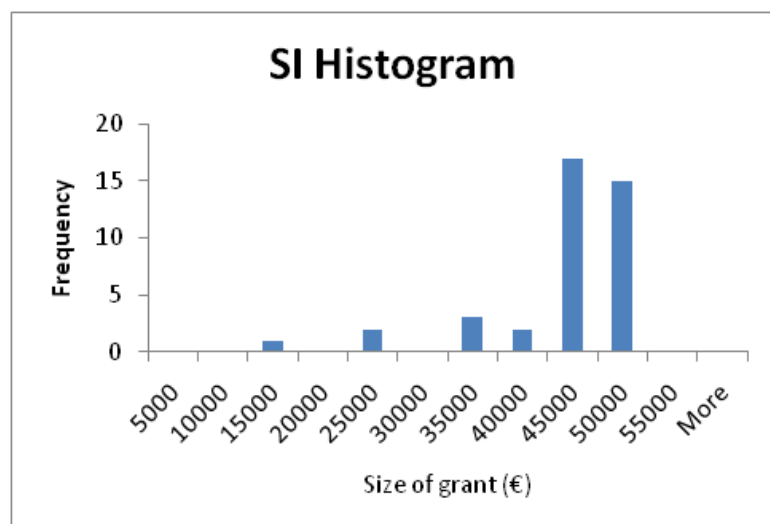
One NGO Fund was set up with the overall aim to provide additional financial sources for supporting sub-projects of Slovenian NGOs, which contribute to the achievement of the goals of the EEA Financial Mechanism and Norwegian Financial Mechanism and thus enhance solidarity, reduce social and economic disparities in the EEA, foster close international cooperation and create opportunities for new members of the EEA for their inclusion in the internal market. The NGO Fund strengthened civil society in Slovenia and supported activities within the following thematic areas:

- Protection of the environment and sustainable development
- Development of human resources, through promotion of democratic and civil society processes, including on topics such as non-discrimination, anti-racism, advocacy, awareness raising, human rights, gender equality, rights-based approaches, empowerment, monitoring, reporting, etc.
- Cultural heritage conservation
- Health and childcare

Two open calls were launched, in 2008 and in July 2009. Both supported the same thematic areas and followed the same aim. The financial range of the sub-projects was from €10,000 to €50,000.

Duration of the sub-projects for co-financing was set at 12 months. The 19 sub-projects, which were supported under the first call, ended in 2009, while are the 21 sub-projects supported under the 2<sup>nd</sup> open call are to be completed in 2010.

The Intermediary for the NGO Fund was the REC, which is a branch office of the Regional Environmental Center for Central and Eastern Europe. It has a special legal status, based on an inter-governmental co-operative agreement of a multilateral nature to establish an organisation with a special regional purpose. It was contracted by the Slovenian Focal Point.



Source: FMO data from 9 February 2010

## ACHIEVEMENT OF OBJECTIVES

The following country assessment focuses in part on outputs of the sampled sub-projects rather than outcomes, and should therefore be taken as a limited snapshot. Further evaluation is needed, after the completion of all sub-projects, to make a firmer assessment of the actual progress that has been made towards both specific country, and wider objectives, of the NGO Funds.<sup>129</sup>

Under the three thematic areas of the NGO Fund, increased public awareness was reported. Employees and the general public have been informed about diseases, research was carried out on risk behaviour and education on hepatitis C in prison for employees and convicts, 40 reports have been recorded in the media on inclusion of Roma people and 9,200 copies of a publication on reptiles have been distributed, together with 7,000 visits to the web site with the same topic. Other results are specific to individual sub-projects and cannot be aggregated.

### **Example of successful sub-project**

Sub-sector: Provision and development of social services

Society for help and self-help to homeless people Kings of the Street implemented a sub-project Development of a practical model and relevant policies of resettlement of homeless people in Slovenia. Together with Norwegian partner, they analysed different models of resettlement of homeless people. They were changed, so that they met Slovenian needs and introduced an innovative approach in the country to solve homeless problems.

Of the 9 returned questionnaires, 5 (55%) stated that the achievement of objectives was very successful, three that it was successful and one that it was relatively successful.

As strengthened capacity building is reported only in one sub-project (in the returned questionnaires), we cannot say that the purpose of the NGO Fund to provide institutional capacity building support to NGOs was more than partly achieved.

## **Bilateral relations between the donors and the beneficiaries**

15 partnership sub-projects - 40% of the sub-projects (NHC)

The Norwegian Embassy was very engaged and co-operative and has given strong support in searching partnerships.

<sup>129</sup> In Slovenia 19 sub-projects were completed (47% of all sub-projects). Seven of the end beneficiaries (37% of completed sub-projects and 17% of all sub-projects) filled in the questionnaire.

Activities undertaken to create partnerships:

- Introductory meeting, where representatives of Norwegian NGOs were present (some Slovenian NGOs found their partners during this meeting);
- Partnership was an assessment criteria (5 points);
- Webpage with the list of Norwegian NGOs (not very successful – some NGOs do not exist anymore, others do not have English speaking staff, and others do not have the time for the cooperation);
- Norwegian Helsinki Committee actively searched for appropriate NGOs in Norway, after the Intermediary submitted the desired profile of the partner organisation.

Partnership co-operation:

- Knowledge and experience exchange (looking at the solutions to the specific problem in Norway and then adapting this model to Slovenian needs) – Successful: sub-project dealing with homeless;
- Hosting Norwegian experts in Slovenia;
- Strong partnerships were achieved in the sub-projects from the subsectors Human resources development and cultural heritage;
- In some areas partnerships are not applicable (e.g. sub-projects for Roma people);
- First step taken, which enabled first contacts; further development depends on the specific organisation. However, the possibility for further fruitful co-operation was created and should be supported in the future.

End beneficiaries noted:

- They found partners through their European umbrella organisations;
- High expenses were connected with the Norwegian partners;
- Not all the sub-projects are such that partners from donor countries would bring added value (e.g. sub-project dealing with Roma – no real place for a partner from Norway, Iceland or Liechtenstein);
- Values of the sub-projects were quite low to enable real partnership – the travel expenses were high and they could not afford a lot of travelling;
- In Slovenia you need a bank guarantor.

## Annex 4. Analysis of grant size

Country	Fund	Small sub-projects (min. and max. grant amount in €)	Large sub-projects (min. and max. grant amount in €)	Other (min. and max. grant amount in €)	No differentiation (min. and max. grant amount in €)	Average size of approved grant in €
Poland	PL0168 – Democracy and civil society	5,000 – 50,000	150,001 - 250,000	Micro 5,000 – 15,000 Medium 50,001 -150,000	-	39,466 €
	PL0169 – Environmental protection and sustainable development	-	-	-	5,000 - 250,000	105,460 €
	PL0170 – Equal opportunities and social integration	-	-	-	5,000 - 250,000	87,622 €
Czech Republic	CZ0004 – Life improvement in communities through NGO activities and services	-	-	-	10,000 – 50,000 <sup>130</sup>	52,292 €
Hungary	HU0068 – NGO Fund	5,000 – 25,000	25,000 – 80,000			29,927 €
	HU0010 – Environmental NGO Fund	-	-	-	10,000 – 250,000	19,873 €
Latvia	LV0008 – NGO Fund – Measure 1	-	-	-		43,322 €
	LV0008 – NGO Fund – Measure 2	-	-	-	5,000 – 30,000	17,806 €
	LV0008 – NGO Fund – Measure 3	-	-	-	8,000 – 100,000	47,840 €
	LV0061 – Society Integration Fund	-	-	-	max. 30,000	18,281 €
Lithuania	LT0008 – NGO Fund	10,000 – 50,000	50,001 – 100,000	-	-	47,416 €
Slovakia	SK0008 – NGO Fund (human rights)	-	-	-	20,000 – 80,000	41,442 €
	SK0009 – NGO Fund (social inclusion)	-	-	-	30,000 – 100,000	75,068 €
	SK0011 – NGO Fund (sust. development)	-	-	-	Max. 100,000	58,480 €
Portugal	PT0032 – Citizenship and civil society	-	-	-	40,000 – 250,000	77,075 €
	PT0033 – Environment, sust. development	-	-	-	25,000 – 75,000	68,968 €
Estonia	EE0014 – NGO Fund	1,278 – 6,391	6,392 – 31,956	-	-	12,710 €
Bulgaria	BG0010 – NGO Fund	10,000 – 50,000	50,001 – 100,000	-	-	30,663 €
Romania	RO0010 – Operator	-	-	-	Max 75,000	38,221 €
	RO0010 – Operator - regional	-	-	-	Max 125,000	
	RO0010 – SGSs – Partner - environment	-	-	-	5,000 - 15,000	
	RO0010 – SGSs – Partner - cultural heritage	-	-	-	5,000 - 15,000	
Slovenia	SI0024 – NGO Fund	-	-	-	10,000 – 50,000	43,071 €
Cyprus	CY0017 – NGO Fund	15,000 – 70,000	-	-	15,000 – 70,000	46.076 €

<sup>130</sup> The indicated limit was used in the 1<sup>st</sup> call for proposals, for the 2<sup>nd</sup> call the limits were 20,000-100,00 € and for the 3<sup>rd</sup> call 20,000-50,000 €.

## Annex 5. Eligibility criteria

Country and Fund		Eligible applicants	Partners
PL	PL0168 – Democracy and civil society	<p>The following categories of <b>legal entities</b> are eligible as applicants:</p> <ul style="list-style-type: none"> <li>- <b>Non-governmental organisations</b> constituted as autonomous legal entities under the laws on associations and foundations in Poland and operating in the areas defined as being of public interest in article 3.2 of the Law on Public Benefit Activity and Voluntarism;</li> <li>- <b>Social partners</b> (for example: trade unions, employees' and employers' organisations);</li> <li>- <b>Faith-based organisations.</b></li> </ul>	<p>Sub-projects can involve partners from Poland and/or other EEA countries, such as NGOs, local authorities, public institutions, or commercial companies. Their participation must be justifiable as regards the aims of the sub-project, and the involvement of the partner(s) must be not-for-profit in nature.</p>
	PL0169 – Environmental protection and sustainable development		
	PL0170 – Equal opportunities and social integration		
CZ	CZ0004 – Life improvement in communities.	<b>NGOs</b> registered in the Czech Republic as <b>civic associations, public benefit companies and faith-based legal entities.</b>	
HU	HU0068 – NGO Fund	<p>Eligible applicants are <b>NGOs</b>. In respect of the financial mechanisms, the EEA EFTA states use the term NGO to include:</p> <p>a) <b>voluntary, self-governing organisations</b> not subject to direction by public authorities, independent of political control and established under the legal system of the beneficiary state (e.g. foundations, associations, charities, societies, trusts, etc.);</p> <p>b) <b>social partners</b> (employers organisations and trade unions); and</p> <p>c) <b>certain independent organisations</b> enjoying a specific legal status (e.g. the national Red Cross societies).</p> <p>The definition does not include <i>political parties or municipalities</i>. The NGOs should be organisations functioning on a not-for-profit basis.</p>	
	HU0010 – Environmental NGO Fund	<b>NGOs registered as legal entities</b> in Hungary which have listed <b>environmental protection and conservation as a goal in their statutes.</b>	
LV	LV0008 – NGO Fund	<p>Eligible applicants must be NGOs – <b>societies, foundations and social partners</b>. Applicants must be registered in the Republic of Latvia. Eligible applicants must fulfil the following conditions; voluntary organisations (established on a voluntary basis and voluntary participation); independent legal body; act in the interest for a wider societal benefit on a non-profit basis; employers organisations registered in Latvia as society or foundation; trade unions acting in Latvia in compliance with the law on trade unions.</p>	
	LV0061 – Society Integration Fund	<p><b>1. Ethnic minority NGOs</b> – only for sub-measures nr. 1.-5. (For sub-measure 6 this group is not eligible) To be regarded as "Ethnic minority NGO", an organisation should be registered in the Republic of Latvia as society or foundation and have to conform to such conditions:</p> <ul style="list-style-type: none"> <li>- be a member of National culture society association or National culture society association itself, or</li> <li>- the name of organisation contains the name of any ethnic minority group living in Latvia and at least 50% of members of organisation are persons of that ethnic group, or</li> <li>- statutes or articles of organisation explicitly refer to aims or goals such as integration of named ethnic group in Latvia society, or promoting national culture, language, traditions of</li> </ul>	<p>A partnership consists in cooperation among two or more organisations that hold common responsibility about the implementation of sub-project.</p> <p>Applicants' partners must participate in designing and implementing the action.</p> <p>Partners must be directly involved in the</p>

		<p>that group and at least 50% of members of organisation are persons of that ethnic group, or</p> <ul style="list-style-type: none"> <li>- be any association having at least 80% of its members from ethnic minority groups above.</li> </ul> <p>Ethnic minority group for the purpose of this Measure description mean a group of people living in Latvia and belonging to any other ethnic group than Latvians.</p> <p><b>2. Mass media organisations</b> - only for sub-measures nr. 3 and 5 (for sub-measures 1, 2, 4 and 6 this group is not eligible)</p> <p>To be regarded as "Mass media organisation", an organisation should be registered in the Republic of Latvia as society, foundation or capital company or be a public body and have to conform to such conditions:</p> <ul style="list-style-type: none"> <li>- field of business: TV or radio programme production and ensuring its broadcasting by organisation itself or by business partner via space, cable network or internet, or</li> <li>- field of business: issuing state wide or regional wide newspapers or magazines, or</li> <li>- field of business: maintaining internet portals specialized in news, culture, politics, civil society and having at least 20 000 readers monthly.</li> </ul> <p><b>3. Publishing house</b> - only for sub-measure nr. 4 (for other sub-measures this group is not eligible)</p> <p>To be regarded as "Publishing house", an organisation should be registered in the Republic of Latvia as society, foundation or capital company or be public body, and its field of business should be publishing.</p> <p><b>4. Primary and secondary schools</b>- only for sub-measure nr. 6 (for other sectors this group is not eligible). To be regarded as "Primary or secondary schools", an organisation should be registered in register of education institutions and be public body or be registered in the Republic of Latvia as society, foundation or capital company and have to conform to such conditions:</p> <ul style="list-style-type: none"> <li>- implement primary education programmes, or</li> <li>- implement general secondary level education programmes, or</li> <li>- implement professional secondary level educational programmes.</li> </ul>	<p>preparation and implementation of the sub-project. Each partner, including the applicant, must submit a written declaration together with the grant application (partnership declaration) which acknowledges their involvement in the sub-project.</p> <p><b>Partners can be any public and private body registered in countries of EEA including Latvia.</b> Partners must possess the relevant expertise.</p> <p>Partnership: For Capacity strengthening measure the partners can be NGOs and for the Project measure NGOs, Local and district municipalities and their institutions, Local and regional development agencies in Latvia and Central public administration bodies.</p>
LT	LT0008 – NGO Fund	<p>Eligible applicants are: <b>non-governmental organisations</b>, such as <b>associations, public institutions</b> (except the ones established by governmental institutions) and <b>charity and support funds</b>.</p> <p>The applicant must be a legal entity, registered in the Republic of Lithuania, operating in the public interest.</p>	An eligible sub-project partner must be a legal entity registered in the EEA. The applicant and the partner (s) must be closely related to the areas of activities support is applied for.
SK	SK0008 – NGO Fund (human rights)	Eligible applicants are NGOs as defined in Article 1 of the <i>NGO Grants Guideline</i> and registered in the Slovak Republic.	
	SK0009 – NGO Fund (social inclusion)	Eligible applicants are NGOs as defined in Article 1 of the <i>NGO Grants Guideline</i> .	
	SK0011 – NGO Fund (sustainable development)	Eligible applicants are NGOs as defined in Article 1 of the <i>NGO Grants Guideline</i> and registered in the Slovak Republic. They shall have a <b>minimum two years' experience</b> in the implementation of activities in at least <b>one of the four focus areas</b> of the Fund.	
PT	PT0032 – Citizenship and civil society	<b>Non-Governmental Organisations</b> (NGO), such as Local Development Association, Private Institutions of Social Solidarity, Charitable Institutions (not confessional and independent of political control), Social Partners, Foundations and Trusts or any other NGO functioning on a non-profitable basis. The applicant must be <b>a legal entity, registered in Portugal, operating in the public interest</b> .	An eligible sub-project partner must be a legal entity registered in the EEA. The applicant and the partner(s) must be closely related to the areas of activity of the focus area and/or sub-areas of the



			Fund.
	PT0033 – Environment, sustainable development	<p>Eligible applicants are <b>non-governmental organisations</b> (NGOs) which are functioning on a <b>not-for-profit basis</b>, operating in the <b>public interest</b> and constituted as <b>legal entities</b> in Portugal, namely:</p> <ul style="list-style-type: none"> <li>– Environmental NGO and/or similar organisations proved to be listed in the NGO National Registry (the Environment Institute is responsible for implementing, supervising and maintaining this Registry);</li> <li>– Environmental Protection Associations;</li> <li>– Foundations and social partners;</li> <li>– NGO Federations;</li> <li>– Other associations, carrying out activities within the scope of the environment and sustainable development.</li> </ul> <p>The applications of the above mentioned entities shall only be accepted in case they prove they have no debts vis-a-vis the Social Security and the Tax Administration.</p>	
EE	EE0014 – NGO Fund	<p>Eligible applicants are NGOs constituted as legal entities in Estonia and operating in the public interest. This shall include:</p> <ul style="list-style-type: none"> <li>– <b>voluntary, self-governing organisations</b> not subject to direction by public authorities, independent of political control and established under the Estonian legal system;</li> <li>– <b>social partners</b> (employers organisations and trade unions); and</li> <li>– <b>certain independent organisations</b> enjoying a specific legal status (e.g. the national Red Cross societies).</li> </ul> <p>The definition does not include political parties. The NGOs should be organisations functioning on a not-for-profit basis.</p>	The eligibility requirements for applicants do not apply to partners.
BG	BG0010 – NGO Fund	<p>Eligible applicants are <b>NGOs registered in Bulgaria</b>. In respect of the EEA Financial Mechanisms, the EEA EFTA states use the term NGO to include:</p> <ol style="list-style-type: none"> <li><b>voluntary, self-governing organisations</b> not subject to direction by public authorities, independent of political control and established under the legal system of the beneficiary state (e.g. foundations, associations, charities, societies, trusts, etc.);</li> <li><b>social partners</b> (employers organisations and trade unions); and</li> <li><b>certain independent organisations</b> enjoying a specific legal status (e.g. the national Red Cross societies).</li> </ol> <p>The definition does not include political parties or churches. The NGOs should be organisations functioning on a not-for-profit basis.</p>	
RO	RO0010 – NGO Fund	<p>Eligible applicants are NGOs. In respect of the EEA Financial Mechanisms, the EEA EFTA states use the term NGO to include:</p> <ol style="list-style-type: none"> <li><b>voluntary, self-governing organisations</b> not subject to direction by public authorities, independent of political control and established under the legal system of the beneficiary state (e.g. foundations, associations, charities, societies, trusts, etc.);</li> <li><b>social partners</b> (employers organisations and trade unions); and</li> <li><b>certain independent organisations</b> enjoying a specific legal status (e.g. the national Red Cross societies).</li> </ol> <p>This definition does not include political parties or churches. The NGOs should be organisations functioning on a not-for-profit basis.</p>	

SI	SI0024 – NGO Fund	Eligible applicants are non-governmental, <b>not-for-profit organisations</b> , operating in the <b>public interest</b> and constituted as <b>autonomous legal entities in Slovenia</b> (foundations, societies, associations, private institutes, charities, social partners), operating in the abovementioned thematic areas. They should be <b>self-governing organisations</b> not subject to direction by public authorities and independent of political control.	
CY	CY0017 – NGO Fund	<p>Eligible applicants are non-governmental organisations (NGOs) in accordance with the definition of Article 1 of the <i>NGO Grants Guideline</i>:</p> <ul style="list-style-type: none"> <li>– <b>voluntary, self-governing organisations</b> not subject to direction by public authorities, independent of political control and established under the legal system of the beneficiary state (e.g. foundations, associations, charities, societies, trusts, etc.);</li> <li>– <b>social partners</b> (employers organisations and trade unions); and</li> <li>– <b>certain independent organisations</b> enjoying a specific legal status (e.g. the national Red Cross societies).</li> </ul> <p>The definition does not include political parties. The NGOs should be organisations functioning on a not-for-profit basis. Furthermore, the NGOs shall be constituted as legal entities in the Republic of Cyprus and shall operate in the public interest.</p>	

## Annex 6. Scoring of selection criteria

Scoring systems for Lithuania, Poland and Romania

Lithuania NGO Fund	
Criteria	Max score
<b>1. Relevance and importance of the sub-project</b>	<b>35</b>
1.1. How clearly the problem of the sub-project is described?	5
1.2. How relevant is the problem of the sub-project? <i>(The scope of the problem. Its importance to the target groups)</i>	10
1.3. How justified is the existence and scope of the problem? <i>(The background of the existence of the problem)</i>	5
1.4. How clearly and realistic are the causes of the problem?	10
1.5. How clearly is the applicant's role described while solving the problem? <i>(Isn't the problem being solved by other organisations or using other measures?)</i>	5
<b>2. Sub-project methodology</b>	<b>20</b>
2.1. How clearly are the links between the problem of the sub-project and activities?	5
2.2. Sub-project implementation plan is clear and actually achievable	5
2.3. Correspondence between sub-project results and problem	5
2.4. How clear and justified is the cooperation of the partners within the sub-project activities (on national and international level)	5
<b>3. Sub-project's financial and economic justification</b>	<b>15</b>
3.1. How justified is the budget? <i>(Expedience and necessity of the expenditures with regard to proposed activities)</i>	5
3.2. How justified is the relation between the results, benefit and the expenditures of the sub-project?	5
3.3. How clear are the financing resources of the applicant and the partner?	5
<b>4. Sub-project management</b>	<b>10</b>
4.1. How are the administrative capacities ensured?	5
4.2. How clear is the structure of the sub-project management (decision making process, distribution of functions)?	5
<b>5. Specific requirements regarding value-for-money assessment corresponding to the nature of the open call</b>	<b>20</b>
5.1. To what extent the sub-project implementation will contribute towards the strengthening of the NGO itself within the area of the sub-project?	10
5.2. How realistic is the continuation of the benefit from the results of the sub-project for the NGO in question?	5
5.3. To what extent activities of the sub-project contribute towards the cross-cutting issues (gender equality, environmental protection etc.)?	5
<b>TOTAL SCORE</b>	<b>100</b>

Poland – Lot II – Environmental protection and sustainable development	
Description	Score
<b>Coherence with the NGO Fund's aims</b> 1. Does the sub-project fit into completion of at least one of the NGO Fund's aims within Lot II?  If less than 15 points scored, the sub-project is rejected.	<b>30-21</b> points if the sub-project fully fits into at least one of the above aims by activities within the Lots focus points, <b>20-11</b> points – if the sub-project aims are mostly coherent with the NGO Fund's focus areas but have been presented in a too general matter to state it completely, <b>10-1</b> points – if the sub-project aims only partially fit into the priority aims of the Fund and they are indicated not precisely enough, <b>0</b> Points – if the sub-project does not fit into the priority aims of the NGO Fund.
2. Are the outlays and resources adequate to the planned results?	<b>30</b> points – very clearly described adequacy of the outlays to the results and these numbers do not raise any doubts. The scope of particular activities, is strictly connected in the sub-project <b>15-10</b> points – the relations of the outlays to the effects of the sub-project has been presented however the description or the numbers given raise some doubts or are too general. <b>0</b> points – the outlays are disproportionate to the planned effects, there is no connection between particular activities planned in the sub-project.
<b>Justification for completion of the sub-project</b> 3. Has the need of sub-project realization been correctly justified?	<b>20</b> points – if the sub-project is precisely justified, defines the need or advantages coming from its completion. <b>16-10</b> points – if the justification of the sub-project has been presented at an overall level or is presented only partially <b>0</b> points – if the sub-project is not justified
4. Does the sub-project have an influence on satisfying the needs of the target groups?	<b>10</b> points – if the advantages for the target groups are presented in detail and are doubtless, <b>8-5</b> points – if the description of the sub-project's influence on the target groups is presented generally or only partially, or if the influence of the sub-project raises doubts <b>0</b> points – if the target groups have not been defined or there is no sub-project influence on them.
<b>Expected sub-project results</b> 5. Are the indicators of aims and results fulfilment created correctly?	<b>10</b> points – the indicators are precisely described and countable, the sources of their verification are clearly indicated and allow an objective assessment <b>8 – 5</b> points – the indicators have been prepared in a way which enables their general assessment, however they have been presented on a too general level, imprecisely or the quantity of the indicators raises doubts in connection with the specificity of the sub-project <b>0</b> points – the indicators are not adequate to the description of the sub-project and the activities undertaken
<b>Description of the sub-project</b> 6. Is the sub-project internally coherent (logically formed)?	<b>10</b> points – the sub-project is coherent and logical it describes in detail the way of the whole undertaking being completed <b>8 – 5</b> points – the sub-project has been described on a general level and is coherent in some fields <b>0</b> points – the sub-project is not coherent internally, it lacks logical connections with particular elements of its completion
7. Have the activities been precisely defined?	<b>10</b> points – the coherent activities have been precisely defined with consideration of all of the above elements. The activities correspond with the sub-project's specificity. <b>8 – 5</b> points – the description of the activities is presented on an overall level and does not complete the scope presented above, the activities partially correspond to the sub-project's specificity, their scope is not unequivocal <b>0</b> points – there is no activities description or they do not correspond with the sub-project's scope
<b>The Applicant's ability to complete the sub-project</b> 8. Does the organisation have experience in completing similar projects?	<b>10</b> points – the Applicant has experience in completion of similar projects and in 3 years has completed project for the amount twice as high as the amount he applies for now <b>8 – 5</b> points – the Applicant has general experience in completion of project of similar value as the amount he applies for now <b>0</b> points – the Applicant does not have experience in completing projects
9. Does the Applicant have necessary human resources?	<b>10</b> points – the Applicant completes the sub-project only by using his own or his partner's human resources <b>5</b> points – the Applicant plans subcontracting the sub-project works and it is clearly justified in the Application as well as necessary for a correct sub-project completion <b>0</b> points – the Applicant plans subcontracting works which he is able to

	run by his own means (are a subject of his statutory activities) or the necessity of subcontracting has not been justified enough
<b>Project durability</b> 10. Is it planned to continue to run the sub-project after it has ceased to be financed?	<b>10 points</b> – the sub-project will be continued after it ceases to be financed in a full range, stable financing sources have been indicated <b>8 – 5 points</b> – the sub-project is going to be continued however the description is too general and it does not indicate any solutions which will ensure the possibility of further activities. <b>0 points</b> –
11. Are the expected results going to be durable financially and institutionally (will the sub-project influence exceed the timeframe of its completion)?	<b>10 points</b> – the sub-project's results have a long-lasting result, they are precisely indicated, their effect after the end of the sub-project does not raise any doubts <b>8 – 5 points</b> – the sub-project's results are described on a general level, their durability cannot be fully assessed. <b>0 points</b> – the sub-projects results will not exceed the timeframe of its completion. They will end with the sub-project
<b>Project finance</b> 12. Is the sub-project budget designed rationally?	<b>10 points</b> – when the costs presented in the budget are coherent and rational and they logically correspond with the sub-project activities <b>8 – 5 points</b> – the sub-project costs are roughly estimated, the costs level in correspondence with the activities haven't been unequivocally described <b>0 points</b> – the costs in the sub-project's budget or the costs of activities are not rational or have not been described.
<b>Partnership</b> 13. Does the partner's participation reinforce the project's potential?	<b>20 points</b> – Participation of at least one foreign partner is expected, his role in the sub-project is clearly stated the partner brings unique knowledge, technical support, reinforces the sub-project's potential, <b>16 -10 points</b> – participation of at least one foreign partner is expected however his role is described rather generally. It influences however the increase of sub-project's potential or there is a national partner involved and his role in the sub-project is clearly described, the scope and input into the work are clearly defined and he is an added value to the sub-project activities, <b>0 points</b> – participation of a foreign or a national partner is expected however his role in the sub-project is unclear and it cannot be assessed whether it is connected to sub-project activities or he does not bring any added value to the sub-project, no technical support, it does not reinforce the sub-project's potential
<b>Horizontal policies</b> 14. Does the sub-project influence completion of horizontal policies?	<b>10 points</b> – the sub-project fully completes at least one of horizontal policies <b>8 – 5 points</b> – the sub-project generally covers the horizontal policies <b>0 points</b> – the sub-project does not complete any horizontal policies.

Romania NGO Fund				
Evaluation grid 1 <sup>st</sup> round			Evaluation grid 2 <sup>nd</sup> round	
Section and criteria	Large Grants	Small Grants	Section and criteria	Max. Score
<b>1. Organisation and partners</b>	<b>25</b>	<b>20</b>	<b>1. Relevance</b>	<b>25</b>
1.1 Applicant and its partner(s) experience on project management, including its capacity to handle the budgets	5	3	1.1 The sub-project fits the objectives of the component, as formulated in the Applicant Guide	5
1.2 Experience, professional competences and qualifications in the field approached both of the applicant and its partner(s)	10	10	1.2 The approached issue is real and identified, and sustained by convincing data and information, with specific focus on target area.	5
1.3 Partners level of involvement in the sub-project (clear description of their tasks)	5	2	1.3 The involved factors (target groups and final beneficiaries) are strategically chosen, clearly defined and quantifiable.	5
1.4 Project team (number of members, roles and responsibilities, necessity)	5	5	1.4 The problem solving strategy and the activities are well chosen, taking into account the risks, the opportunities and the needs of the target group(s)	10
<b>2. Project – relevance, situation analysis, methodology, results</b>	<b>50</b>	<b>55</b>	<b>2. Applicant and its partner(s) capacity</b>	<b>20</b>
2.1 The sub-project fits the objectives of the component, as formulated in the Applicant Guide	10	10	2.1 Applicant and its partner(s) experience on project management, including its capacity to handle the budget	5
2.2 The approached issue is real	10	10	2.2 Experience, professional competences	5

and clearly identified, and sustained by convincing data and information; the target group(s) are clearly defined and quantifiable.			and qualifications in the field approached, both of the applicant and its partner(s)	
2.3 The problem solving strategy and the activities are well chosen, taking into account the risks, the opportunities and the needs of the target group(s)	10	10	2.3 Partners level of involvement in the sub-project (clear description of their tasks) <i>Note: If there are no partners the score will be 1.</i>	5
2.4 The activities are realistic and practically designed, in relation to the sub-project resources	5	10	2.4 Project team (number of members, roles and responsibilities, necessity)	5
2.5 The activities are coherently planned (the action plan is clear and feasible)	5	5	<b>3. Activities, action plan, results and impact</b>	<b>40</b>
2.6 The logical framework contains quantifiable, measurable, quantitative and qualitative indicators	5	5	3.1 The activities are described in detail and relevant to the sub-project objectives.	5
2.7 The sub-project includes efficient activities to ensure its sustainability, valorification and integration of the results, financially and institutionally	5	5	3.2 The activities are realistic and practically designed, in relation to the sub-project resources	5
<b>3. Budget</b>	<b>25</b>	<b>25</b>	3.3 The activities are coherently planned (the action plan is clear and feasible)	5
3.1 The proposed expenditures are justified in relation to expected results	15	15	3.4 Target groups/beneficiaries level of involvement in the sub-project implementation.	5
3.2 The activities are realistically and reasonably budgeted.	10	10	3.5 The sub-project includes monitoring and evaluation activities	5
			3.6 The logical framework contains quantifiable, measurable, quantitative and qualitative indicators	5
			3.7 The sub-project will have a tangible impact on its target groups.	5
			3.8 The sub-project includes efficient activities to ensure its sustainability, valorification and integration of the results, financially and institutionally	5
			<b>4. Budget</b>	<b>15</b>
			4.1 The proposed expenditures are justified in relation to expected results	5
			4.2 The activities are realistically and reasonably budgeted.	5
			4.3 The budget is correct (including the existence of the calculation errors, costs eligibility)	5

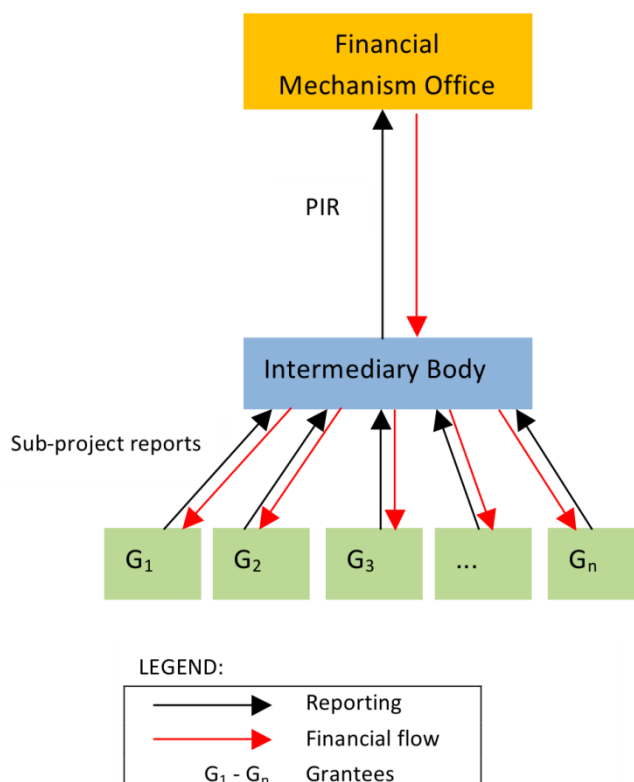
## Annex 7. Payment systems

### a) The payment to the end beneficiary is made by the Intermediary

#### Case 1

The Intermediaries of the NGO Funds in Bulgaria, Romania and Hungary received the funds directly from the FMO and made payments to the end beneficiaries (see Figure 14). In terms of time needed this system proved to be the most efficient.

**Figure 14 Direct payment from Intermediary no Paying Authority**



#### **Processing of Project Interim Reports (PIR)**

The time from submission of the PIR to FMO and receipt of payments was on average done in few days. All Intermediaries working directly with FMO assessed their relations as very positive, flexible and efficient.

#### **Bulgaria**

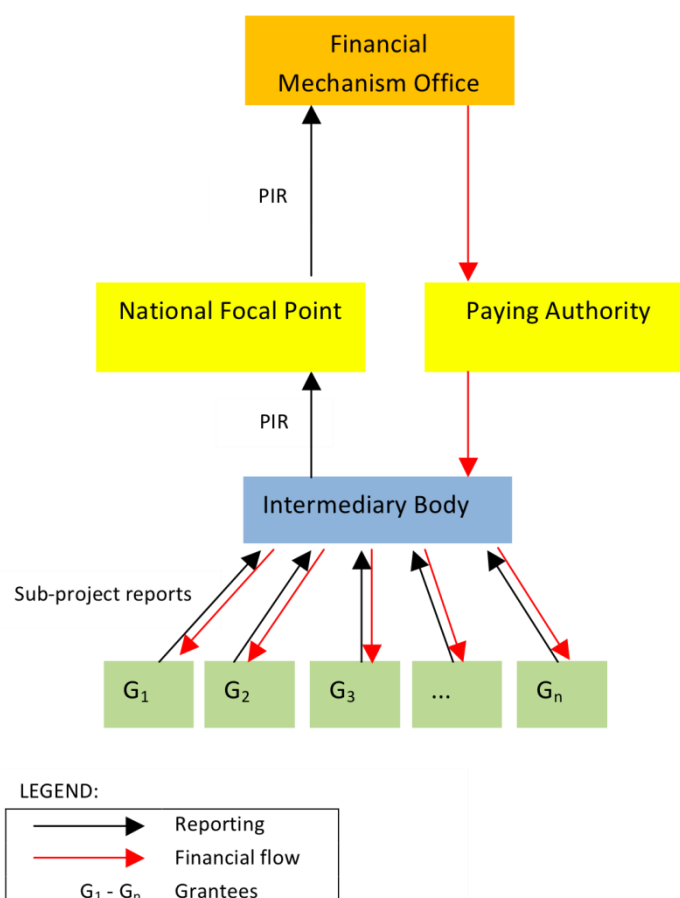
Excellent working relations, FMO is very flexible and provides prompt responses to all questions posed by the Intermediary. The payments are also made very quickly – within 5 days after the request. *“We are lucky to report directly to the FMO instead of the Bulgarian Ministry of Finance which is responsible for the overall programme. Thus, the communication was much easier.”* The Norwegian Embassy was also very helpful.

#### **Case 2**

The Intermediary receives funds for re-granting from the Paying Authority upon receipt of the money from the FMO. This system is the most common (see Figure 15).<sup>131</sup>

<sup>131</sup> Where appropriate, internal financial flows that may exist between the state treasury and ministries are not presented in detail. In the charts, these are simplified through “Paying Authority” only.



**Figure 15 Direct payment from Intermediary - source Paying Authority****Processing of PIR**

The time needed to process the PIR in country differed significantly and depended on national procedures. In most cases these depended on the level of involvement of the Focal Point and Paying Authorities in the checking of the sub-projects.

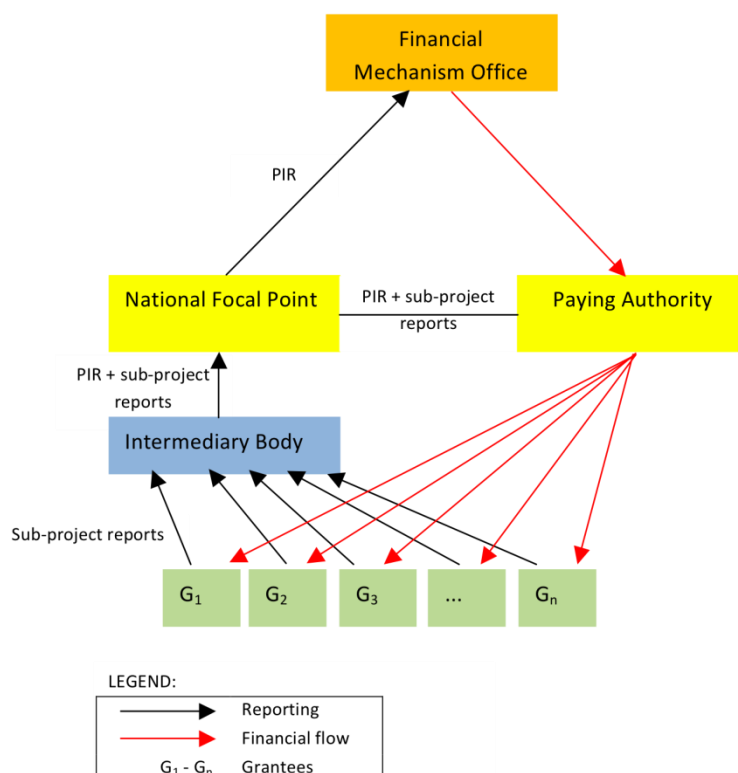
**Estonia**

The sub-projects reports are 100% checked only by the Intermediary. The PIR is prepared by the Intermediary and submitted for check to the Focal Point. The FP checks the progress and submits the PIR to the Paying Authority that checks financial part and sends it to the FMO. The process is completed in approximately 1 month. One audit was made by Ministry of Finance on a sample of 9 sub-projects. Site visits were made; accounting documents were checked as well as the Intermediary control and management system. Advice and suggestions from the auditing officers were taken into account.

**b) Payments are made by the Paying Authority**

In this case the funding is received from the FMO by the Paying Authority which deals with individual payments to the end beneficiaries (see Figure 16). This system was applied in Slovenia. A similar structure was defined in Lithuania, where the grant was pre-financed from national funds and the end beneficiaries were paid from the State treasury.

**Figure 16 Payment by Paying Authority**



## Processing of PIR

### Slovenia

Each report of the end beneficiary is checked three times: by the Intermediary, by the FP and by the Ministry of Finance. This caused delays in payments to end beneficiaries. In addition to the 3 months delays of the payment, the whole payment procedure was also prolonged because some beneficiaries had to wait for the preparation of PIRs as dates of submitting the report were not harmonized.

## Annex 8. Reporting and payment arrangements

Country	BG	CY	CZ	EE	HU	LV	LT	PL	PT	RO	SK	SI
<b>Reporting and payment arrangements at the sub-project level</b>												
Reporting arrangements	First report in 60 days, Quarterly reports + completion report	Quarterly reports (project of more than 6 months duration) + interim report (absorption based)	Interim + final report	Quarterly, completion report	ENV Fund: 6 monthly reporting  NGO f: Quarterly	Quarterly, final report	Quarterly technical reports, Reports attached to payment claims on a monthly basis or 2 monthly; final report	Quarterly, annual, completion reports	Quarterly reports, completion report	Quarterly Interim report (after spending 70% of advance), completion report	Quarterly, completion reports	Quarterly, completion report
Advance payment	<u>Small p.</u> : 40% (not more than 50.000 €), <u>Large p.</u> : 30% (not more than 50.000 €),	40%	50% for 2-year sub-projects, 80% for 1-year sub-projects	<u>Small p.</u> : 80% <u>Large p.</u> : 50%	ENV f.: 50%  NGO f. Small p: 80% Large p: 50%	25%,  80% if sub-project lasts less than 3 months	In total 80% but not more than 40.000 €,	Lot 1: medium, large 50% (not more than 50.000 €), micro, small: 80% Lot 2,3: 40% (not more than 50.000 €)	25% 30%	50%, but not more than 50.000 €	40%	50%
Interim payments/ advance instalments	After 60% of advance spent; <u>Small p.</u> : 40% <u>Large p.</u> : 30%, 20% (2 interim payments)	40%	30% for 2-year sub-projects	<u>Large p.</u> : 30% after 4 <sup>th</sup> quarterly report	ENV f: 30%  NGO f. Large p: 30%	55% - advance instalments	yes	Lot 1: When 70% of advance is used, next instalment is paid out Lot 2,3: up to 50%	None paid out yet.	30% after approval of interim report. Interim report may be submitted after 70% of adv. is spent)	55% according to cash flow forecast.	30%
Final balance	20% upon approval of completion report	20%	20% upon approval of completion report	20% upon approval of completion report	20% upon approval of completion report	20% upon approval of completion report	20% upon approval of completion report	At least 10% upon completion	20% upon approval of completion report	20% upon approval of completion report	5% upon approval of completion report	20% upon approval of completion report
The end beneficiary is paid by:	Intermediary	Intermediary	Intermediary	Intermediary	ENV f. -Paying Authority- NGO f. - Intermediary	Intermediary	Paying Authority	Intermediary	Paying Authority	Intermediary	Intermediary	Paying Authority

Average time to process payment to a end beneficiary <sup>132</sup>	/	/	15 days advance – 60 days final payment	Advance in 5 WDs, reports checked within 1 month, payment in 5 WDs	ENV f.: 60 days for advance p. NGO f.: 1 week for advance p.	15 days for quarterly reports, average 70 days to check final report + 10 WDs for payment	5-6 weeks, after simplification of procedure 2-3 weeks	2 weeks	6 months for advance payment	3-4 days (checking of a report not included)	3-4 days (checking of a report not included)	1,5 – 3 months
Grant as% of eligible costs	50 – 90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
'in-kind' contribution	Up to 50% of own contribution, but not more than 20% of total eligible costs	Up to 50% of own contribution, but in practice not used.	Up to 50% of own contribution	Up to 50% of own contribution	NGO: up to 8% of total eligible costs	Civil: Up to 50% of own contribution NGO: up to 5% of total eligible costs	Up to 2% of total eligible costs	Up to 8% of total eligible costs	Up to 7% of total eligible costs	Up to 2% of total eligible costs	Up to 5% of total eligible costs, up to 2% of total eligible costs,	Up to 80% of own contribution, but not more than 20% of the total eligible cost
On-the-spot checks done on% of sub-projects	At least 10%	Yes, more than half covered so far	100% (source: Annex III)	33%	100%	25%	Yes – not specifically defined.	10% small, micro, 100% large, medium	yes	100%	yes	18%

<sup>132</sup> The collected data is not fully comparable as the information on the time needed for checking of reports is not included in all funds.

## Annex 9. Analysis of future needs

NGO Funds		Number of occurrences of area as one of top three priorities from questionnaires									
		Strengthening NGO sector		Democracy	Environment education	Community development	Human rights		Education	Health	Culture
		Capacity building Networking	Reliable funding	Fight against corruption	Climate change	Civil society	Social	Discrimination			Multi-cultural
Country/NGO Fund											
PL	Questionnaires+	65	34	16	21	65	57	20	14	4	9
	FG EB										
	IB+FP+NE+FG KI										
CZ	Questionnaires+	17	11	3	12	2	5	9	2	1	3
	FG EB										
	IB+FP+NE+FG KI										
HU	Questionnaires	41	22	4	12	12	10	3	9	4	1
	FG EB										
	IB+FP+NE+FG KI										
LV	Questionnaires+	13	5		3	13	5	5	6		3
	FG EB										
	IB+FP+NE+FG KI										
LT	Questionnaires+	17	2		4	9	1		2		2
	FG EB										
	IB+FP+NE+FG KI										
SK	Questionnaires	15	7	1	1	6	1	1			
	FG EB										
	IB+FP+NE+FG KI										
PT	Questionnaires+	12	7		9	5	5	2	4		1
	FG EB										
	IB+FP+NE+FG KI										
EE	Questionnaires	17	9	1	1	10	3				
	FG EB										
	IB+FP+NE+FG KI										
BG	Questionnaires+	8	11	4	10	20	13	3	2	1	2
	FG EB										
	IB+FP+NE+FG KI										

RO	Questionnaires	29	14	3	1	10	3		3		3
	FG EB										
	IB+FP+NE+FG KI										
SI	Questionnaires	8	5		1	1	3	1	5		1
	FG EB										
	IB+FP+NE+FG KI										
CY	Questionnaires	8	7			1	4	1	1	1	
	FG EB										
	IB+FP+NE+FG KI										

### Weighted aggregate

NGO Funds		Number of occurrences of area as one of top three priorities from questionnaires									
		Strengthening NGO sector		Democracy	Environment education	Community development	Human rights		Education	Health	Culture
		Capacity building Networking	Reliable funding	Fight against corruption	Climate change	Civil society	Social	Discrimination			Multi-cultural
	Questionnaires	116	98	38	73	95	83	49	56	14	38
	FG EB	7	2	2	2	2	4	2	1	1	0
	IB+FP+NE+FG KI	2	0	3	2	2	2	1	2	0	1
		2	2	1	2	2	3	1	2	0	2
	IB+FP+NE+FG KI	3	0	0	2	1	1	0	0	1	1
		1	0	0	0	1	0	0	0	0	0

Weighted aggregate from questionnaires: Stated categories were marked 1 – 10 (where 10 represent the most common category). These marks were then summed up and represented the most often reported need to be co-financed. In this case, the influence of one country with its specific needs was diminished, as every country was equally treated (if this would not have been done, would for example, Polish need for social would cause it be appear second most often reply, while by country it is third).

FG EB = end beneficiary Focus Group: IB = Intermediary: NE = Norwegian Embassy: KI = Key informant

## Annex 10. Indicators

Some notes on two different approaches are given below:

### **ARVIN**

The Participation and Civic Engagement Group of the World Bank have proposed a way to assess the enabling environment for civic engagement based on five critical dimensions, with the acronym ARVIN:<sup>133</sup>

**Association(A):** the freedom of citizens to associate;

**Resources (R):** their ability to mobilize resources to fulfil the objectives of their organisations;

**Voice(V):** their ability to formulate and express opinion;

**Information(I):** their access to information (necessary for their ability to exercise voice, engage in negotiation and gain access to resources);

**Negotiation(N):** the existence of spaces and rules of engagement for negotiation, participation and public debate.

The ARVIN framework is the basis on which a full-fledged analytical tool and process are being developed and tested through country-level assessments, and the framework offers a range of indicators. For example, under Accountability and Transparency an indicator is identified as 'The extent to which the non-profit organisation laws provide for periodic reporting to the government, public disclosure of organisational information, and other accountability and transparency mechanisms'. The ARVIN framework does therefore cover many of the key issues highlighted by this evaluation.

### ***The Global Civil Society Index***

Originally developed through the Johns Hopkins Centre for Civil Society Studies and now being undertaken by Civicus, the Global Civil Society Index measures multiple dimensions of civil society to produce "a composite measure that can be easily understood and systematically analyzed." Assessments exist for some but not all of the 12 EEA and Norway beneficiaries of NGO Funds. Its dimensions and indicators cover:

#### **Capacity**

- paid employment
- volunteers
- workforce dispersion (among different fields of activity)
- private giving

#### **Sustainability**

- Government payments
- Fees
- Persons Volunteering
- Legal Environment

#### **Impact**

- Value added (% GDP)
- Non-profit service share (% total employment)
- Workforce in NGO fields (% adult population)
- Organisation membership

Civicus has also developed dimensions, indicators and tools that look at legitimacy, transparency and accountability within the NGO sector that can be used, though they have been developed to examine individual NGOs rather than sectors.

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<sup>133</sup> <http://go.worldbank.org/378AB9OH00> and <http://siteresources.worldbank.org/INTPCENG/1220276-1118059556158/20526727/Descriptors+---+final.pdf>.



## Annex 11. Questionnaire

From the key evaluation questions, a hierarchy of subsidiary questions was developed (see Table 14), and from these the questionnaire below was developed:

**Table 14 Evaluation questions and evaluation criteria**

EQs in ToR 1 February 2010		Extended evaluation questions	
<b>1. Relevance:</b>			
1.1. To what extent and how have the NGO Funds responded to the EEA and Norway Grants overall objectives of reducing economic and social disparities?		<ul style="list-style-type: none"><li>To what extent can the socio-economic impacts be separated and measured?</li></ul>	
1.2. To what extent and how have NGO Funds contributed to responding to strategic priorities and needs as well as to the development of the NGO sector at national level?		<p><b>1.2.1. Definition of needs</b></p> <ul style="list-style-type: none"><li>Are the needs in each country defined – for the current period and for the future?</li><li>What are the future specific and most pressing needs for support to the sector in these countries?</li><li>Do the needs include both NGO needs (individual NGOs (capacity building, advocacy/service provision, regional, and sector) and national or global needs, such as mitigation of climate change, reduction in loss of biodiversity, democracy, fight against corruption, etc.</li></ul> <p><b>1.2.2. Adequacy of strategies</b></p> <ul style="list-style-type: none"><li>Is there an agreed national civil society strategy to respond to these needs?</li><li>Are the needs prioritised, including the regional needs?</li><li>Does the civil society strategy identify/match sources of funding to needs?</li></ul> <p><b>1.2.3. Alignment and relevance</b></p> <ul style="list-style-type: none"><li>Is there an alignment between the national civil society strategy and the EEA and Norway objectives?</li><li>To what extent are the EEA and Norway Grants covering the needs of the NGO sector in the countries?</li><li>How significant are the EEA and Norway Grants in the context of other support to the civil society sector?</li><li>To what extent are there potential gaps in types of NGO/target group beneficiaries?</li><li>To what extent are implemented projects relevant?</li></ul> <p><b>1.2.4. Context</b></p> <ul style="list-style-type: none"><li>Is the legal framework for civil society supportive and stable, or restrictive or unstable?</li><li>How significant are the bilateral relations between the donors and the beneficiaries within the context of the NGO Funds?</li></ul>	
1.3. How would a programme-based approach look for the civil society sector, and what sort of indicators should be used to make sure that funds can make a valuable impact?			
<b>2. Efficiency:</b>			
2.1. How efficient was the management set up and how could it be improved to increase efficiency of the grant system?		<p><b>2.1.1. Targeting</b></p> <ul style="list-style-type: none"><li>Has the application process reflected local and international good practice?</li><li>Have the calls for proposals been sufficiently focused and clear?</li><li>Have they been targeted in response to known needs, both civil society needs (local and regional) and national and global needs)?</li><li>What types and sizes of NGOs have been targeted?</li><li>Has targeting taken into account the need for complementarity compared to other sources of funding/interventions?</li><li>Have second and further calls been refined in the light of experience with the response to the first call?</li><li>What is average size of application?</li></ul> <p><b>2.1.2. Selection of projects</b></p> <ul style="list-style-type: none"><li>Has the selection process/ranking system been influenced by known needs and known priorities?</li><li>Has the selection process taken into account the likely impact and sustainability of projects?</li></ul>	

	<ul style="list-style-type: none"> <li>Has the selection process tried to maintain a balance between service provision and advocacy?</li> <li>Has the selection process taken into account the availability of other sources of funding, and the need to ensure complementarity?</li> <li>What happens to acceptable projects that are outside the available grant funds? Which other funding programmes are operating and with what focus?</li> <li>Are there unexplained national differences in the selection, take-up, type of project, characteristics of selected NGOs, bilateral partnerships, etc?</li> </ul> <p><b>2.1.3. Management</b></p> <ul style="list-style-type: none"> <li>How well have the Intermediaries performed? How is this performance viewed by the donors, by the Focal Point (where applicable) and by the grant beneficiaries?</li> <li>Where the Focal Point has contracted the Intermediary, how efficient and effective has contracting, reporting and financial control been carried out?</li> <li>To what extent is the grant system efficient and effective?</li> <li>To what extent are implemented and completed projects efficient?</li> <li>How well have grant recipients performed?</li> <li>Is there a difference depending on the type and size of NGO and the fund priorities?</li> </ul>
<b>3. Effectiveness:</b>	
3.1. To what extent have the NGO Funds' overall objectives been met at Fund and sub-project level?	<ul style="list-style-type: none"> <li>To what extent are Funds effective in terms of achieving their planned results?</li> <li>To what extent are implemented and completed sub-projects effective in terms of achieving their planned results?</li> </ul>
3.2. To what extent have cross-cutting priorities of gender, bilateral relations and sustainable development been addressed?	
<b>4. Impact:</b>	
4.1. What has been the planned and unplanned impact, including on the institutional capacity of the sector, and on the targeted areas/groups at sub-project level?	<ul style="list-style-type: none"> <li>What is the potential and/or actual impact and results of the NGO support?</li> <li>To what extent have the implemented and completed sub-projects achieved the planned impact?</li> </ul>
<b>5. Sustainability:</b>	
5.1. To what extent has ownership by stakeholders and the institutionalisation of supported activities been sustained after funding has ceased?	<ul style="list-style-type: none"> <li>To what extent are the achieved results and impact of implemented and completed projects sustainable?</li> </ul>
<b>6. Visibility:</b>	
6.1. What is the visibility of the contributions at different levels (local, sectoral and general public)?	

## QUESTIONNAIRE

### NORWEGIAN AND EEA FUNDS EVALUATION

ALL INFORMATION PROVIDED IN THIS QUESTIONNAIRE WILL BE CONFIDENTIAL TO THE EVALUATION TEAM. Please provide as much detail as possible in your answers.

NAME OF ORGANISATION:

TITLE OF SUB-PROJECT:

#### 1. YOUR GRANT:

1.1 Which fund did you receive funding from?

1.2 What was the amount of grant that you received?

1.3 What was the length of your sub-project? When did it end?  
Length of sub-project:

Completion date:

#### 2. YOUR SUB-PROJECT:

2.1 Brief description of your sub-project (no more than 50 words):

2.2 What was your target issue?

2.2 What were the key aims/ objectives of your sub-project – what was your sub-project intended to achieve?

2.3 How successful do you think you were in achieving these aims/ objectives?

2.4 Who were the target beneficiaries of your sub-project? How many beneficiaries did you aim to reach?  
How successful do you think you were in reaching your target beneficiaries?

2.5 What were the main activities of your sub-project?

2.6 What do you consider your main achievements to have been?

2.7 What do you see as the difference that your sub-project made?  
For your organisation:

For your beneficiaries:

On the issue that was the target of your sub-project:

On wider society:

2.8 Have you continued with work in this sub-project area since the completion of your sub-project?  
YES/NO

If yes, please briefly describe what you are continuing to do:

2.9 Did this sub-project enable you to lever extra funds from:  
Governmental sources (local and/or national): YES/NO  
If YES, what kind of funding?

External donors (e.g. EU funds): YES/NO  
If YES, what kind of funding?

External donors – foundations: YES/NO  
If YES, what kind of funding?

Internal donors – foundations etc: YES/NO  
If YES, what kind of funding?

2.10 How far do you think that your work on the issue carried out by your sub-project is sustainable for the future?

2.11 Have you carried out evaluation of your sub-project?  
Internal only: YES/NO

External only: YES/NO

Both internal and external: YES/NO

### **3. ABOUT THE GRANTS PROCESS:**

#### **3.1 FINDING OUT ABOUT THE GRANTS**

3.1.1 How easy was it to find out about the grants from the EEA and Norway NGO Fund?  
Please score the following scale of 1 – 5, where  
1 = Difficult; publicity about the grants hard to find  
2 = Fairly difficult; some publicity about the grants  
3 = Relatively easy  
4 = Easy to find out about the grants  
5 = Very easy to find out about the grants; lot of publicity

#### **SCORE:**

3.1.2 Do you think that these grants were widely known about by the NGO sector?

YES/NO

If No, what could have been done to improve the publicity for the grants?

#### **3.2 THE APPLICATION PROCESS**

3.2.1 How would you rate the application process?  
Please give a score 1 – 5, where 1 is very difficult and 5 is very easy for each of the following:

(a) Clarity of the information provided about the criteria for the grants (how easy was it to understand if your organisation, proposed sub-project, size of grant needed etc. would be eligible?)

#### **SCORE:**

(b) Clarity of other information about the grants (was the process of assessment, timescales for decisions etc easily understandable?)

How easy was it to complete the application form?

#### **SCORE:**

3.2.2 How much supporting information was provided to enable you to complete the application form?  
Please score on a scale of 1 – 5, where 1 is very little and 5 is a lot of information and guidance for form completion

**SCORE:**

3.3 HELP AND SUPPORT

3.3.1 During the sub-project, if you experienced any problems, how easy was it to get help and guidance? Please score on a scale from 1 – 5 where 1 is very difficult and 5 is very easy.

SCORE:

3.3.2 Were you able to access any help or support from the Intermediary?

YES/NO

If YES, What kind of help and support were you provided with?

How would you rate the help and support given to you? Please give a score on the scale from 1 – 5, where 1 is not at all helpful and 5 is very helpful.

SCORE:

If NO, would you have liked help and support from the Intermediary?

YES/NO

If YES, what kind of support would you have liked?

3.3.3 Were information meetings about the grants held by the Intermediary in your area of the country?

YES/NO

Did you attend any information meetings held by the Intermediary? (If appropriate for the specific country scheme).

YES/NO

How easy was it for your organisation to attend an information meeting? Please give details if you had any problems in attending such a meeting.

If your organisation attended an information meeting, how valuable would you rate this meeting?

Please score on a scale from 1 – 5, where 1 is not at all useful to 5, very useful.

SCORE:

Did it provide you with all of the information you needed about the grants process? YES/NO

If No, what further information would you have liked at the meeting?

3.3.4 Did your organisation receive any capacity building support from the funding organisation?

YES/NO

If yes, what kind of support did you receive?

If Yes, how useful was this capacity building support? Please score on a scale from 1 – 5 where 1 is not at all useful and 5 is very useful.

SCORE:

3.3.5 How far do you think that the process of applying for, and receiving this grant, has helped to build your capacity in regard to other similar grant processes and in relation to other funders' programmes?

3.4 THE ASSESSMENT PROCESS

3.4.1 Was information provided to you as to how your application would be assessed? (e.g. the scoring for proposals, the use of external assessors etc)

YES/NO

How transparent do you think the assessment process was?

Please score on a scale from 1 – 5, where 1 is not transparent at all and 5 is very transparent.

SCORE:

3.4.2 The time between the application being submitted and hearing results was:

As expected

Quicker than expected

Longer than expected  
(Please put a "x" against the appropriate time scale)

### 3.5 THE OVERALL PROCESS

3.5.1 How did the overall grants application process compare to that of other funders that you have experienced?

### 3.6 PROJECT IMPLEMENTATION

3.6.1 Grant Conditions  
How easy was it to undertake some of the requirements of the grant?

For each of the following, please score on the following scale:

1 = very difficult and complex; hard for my organisation

2 = difficult and complex

3 = some difficulty

4 = did not present too many problems

5 = easy to do

(a) Procurement

**SCORE:**

(b) Development of any policies and procedures required as a condition of the grant

**SCORE:**

(c) Compliance with general grant conditions

**SCORE:**

#### 3.6.2 FINANCES

How easy was the financial accounting process?

Please score on a scale from 1 – 5 where 1 is very difficult and 5 is very easy

**SCORE:**

Were you able to access support to enable you to meet the financial reporting requirements?

YES/NO

If NO, would support and advice have been helpful? YES/NO

3.6.3 Were there any delays or problems in receiving grant instalments?

YES/NO

If YES, please give details

#### 3.6.3 MONITORING AND EVALUATION

Monitoring process:

How easy was it to undertake the sub-project monitoring process?

Please score on a scale from 1 – 5 where 1 is very difficult and 5 is very easy.

**SCORE:**

Were you able to access support to enable you to carry out effective monitoring – e.g. with sub-project reporting etc?

YES/NO

If NO, would this have been helpful to you? YES/NO

Evaluation:

Were you required to carry out any evaluation of your sub-project work?

YES/NO

If Yes, were you provided with any support for this process? YES/NO

### 4. **BILATERAL COOPERATION**

Did your sub-project involve a bilateral partnership with a donor organisation?

YES/NO

If Yes, were you provided with any support for this process? YES/NO

If Yes, what was the nature of this support?

If No, why did your sub-project not involve bilateral partnership?

How easy was it to find a partner?

Please score on a scale from 1 – 5 where 1 is very difficult and 5 is very easy.

SCORE:

How valuable was the partnership to your sub-project? Please describe the benefits.

Please score on a scale from 1 – 5 where 1 is not significant and 5 is very valuable.

SCORE:

Benefits:

Is there a lesson learned from the partnership? How might setting up a bilateral partnership be improved in the future?

Will the partnership continue after the end of the Grant?

YES/NO

## **5. A WIDER PERSPECTIVE ON THE NGO FUND**

5.1 How far do you think that this fund has contributed overall to improving social, economic, environmental conditions in your country?

5.2 How far do you think that the priorities for this fund reflected the priorities for the NGO sector in your country?

AND FINALLY....

5.3 What do you see as being the current 3 key priorities for the NGO sector and its development in your country?

Thank you for your assistance.



## Annex 12. List of documents

Source	Title (year)
<b>General</b>	
	Doing it Differently and Making a Difference – the History of Charity Know How and Allavida, July 2008, Christine Forester.
AusAID	Guidance on M&E for Civil Society Programs, December 2008
Asian Development Bank	An introduction to results management, 2006
Bulgaria, Ministry of State Administration and Administrative Reform	Operational Programme Administrative Capacity 2007-2013, September 2007
Canadian International Development Agency	CIDA Primer on Program-Based Approaches, August 5, 2003
CoE	Toolkit of Local Government Capacity-Building Programmes, September 2005
DFID	Joint Evaluation of Citizens' Voice and Accountability - Evaluation Report EV692, November 2008
EC	Draft Conclusions Civil Society Conference, Brussels, 17/18 April 2008
EEA and Norway Grants	Evaluation Manual 2008 – 2012, January 2009
EEA and Norway Grants	Task Manager's Guide for Scoring of Project for Reporting Purpose, January 2009
EEA and Norway Financial Mechanism	Programmes (groups of sub-projects), January 2006
EEA and Norway Financial Mechanism	FMO - Appraisal Manual, Version 3, January 2007
EEA and Norway Financial Mechanism	NGO Grants Guideline, 29 August 2007
OECD	Accra Agenda for Action, August 2008
OECD	Results based Management in the Development Co-Operation Agencies: A Review of Experience, February 2000
OECD	Aid Management Guidelines Glossary. 2nd edition, February 2006
Norad	Mid-term Evaluation of the EEA grants, August 2008
Nordic Consulting Group	A evaluation of the selection process and dialogue in the implementation of the EEA Grants with special focus on Hungary, Latvia and Slovakia, April 2008
The Sasakawa Peace Foundation	"We and they" - NGOs' Influence on Decision-Making Processes in the Visegrad Group Countries, 2008
ScanTeam	Norwegian Bilateral Relations in the Implementation of the EEA Financial, March 2008 Mechanisms
SIDA	Sida's support to civil society, May 16 2007
SIDA	Guidance on Programme-Based Approaches, September 2008
SIDA	The Use and Abuse of the Logical Framework Approach - A Review of International Development NGOs' Experiences, November 2005
SIDA	Policy Guidance and Results-Based Management of Sida's Educational Support, February 2008
UNESCO	Results-Based Programming, Management and Monitoring (RBM) at UNESCO - Guiding Principles, January 2008.
USAID	2008 NGO Sustainability Index for Central and Eastern Europe and Eurasia, June 2009
World Bank	Managing Performance - The experience of the World Bank Mauritania Country Office, July 2007.
World Bank	GRI NGO/NPO Sector Supplement Round Table, Washington, December 2008
<b>In country</b>	
EEA and Norway Financial Mechanism	Fund set up document for each NGO Fund
EEA and Norway Financial Mechanism	Project Implementation Report for each NGO Fund
Various	Open calls, Guidelines for applicants, sub-project reports

## Annex 13. List of Interviews

Date	Title	Name		Position	At
FMO Brussels (EEA and Norway Grants)					
Various	Ms	Emily	Harwit	Monitoring & Priority Sector Coordinator	FMO, Brussels
21-Sep	Ms	Kristin	Sverdrup	Head of Reporting and Evaluation	FMO, Brussels
Donors – Iceland, Liechtenstein and Norway					
10-May*	Mr	Bjarni	Vestmann	Minister-Counsellor	Ministry for Foreign Affairs, Iceland
11-May**	Mr	Thomas	Bischof	Second Secretary	Liechtenstein Mission to the European Union
5-Mar	Ms	Ingrid	Schulerud	Ambassador – EEA financial mechanisms	Norwegian Ministry of Foreign Affairs
5-Mar	Mr	Torill	Johansen	Adviser	
5-Mar	Ms	Vanja	Bentsen Kleven	Project Manager	Norwegian Helsinki Committee
5-Mar	Mr	Anders	Nielsen	Information Officer	
Bulgaria					
24-Feb	Ms	Dagrfrid	Hjorthol	First Secretary	Norwegian Embassy
24-Feb	Ms	Antoaneta	Hansteen	Programme Officer	Norwegian Embassy
24-Feb	Ms	Anne	Martenson	Intern	Norwegian Embassy
	Mr	Zdravko	Sechkov		Foundation for Local Government Reform (FLGR)
	Ms	Desislava	Gencheva		
	Ms	Irena	Boneva		
	Ms	Lubomira	Kolcheva		Environmental Partnership Foundation (BEPF)
	Ms	Radostina	Marinova		
25-Feb	Ms	Anelia	Grozdanova	State expert	Monitoring of the EU Funds at the Council of Ministers Department, Council of Ministers
25-Feb	Ms	Miroslava	Pigova	State expert	
Cyprus					
3-Mar	Mr.	Pantelis	Dimitriou	Managing Director – Intermediary Body	First Elements Euroconsultants Ltd.
8-Mar	Mrs	Lorraine	Marriott	Project Manager	NGO Support Center
8-Mar	Mr	George	Filippou	Research and Development Officer	Association for the Prevention and Handling of Violence in the Family
9-Mar	Ms	Andri	Christoforou	Research Officer	Foundation of Social and Political Studies
10-Mar	Mr	Thalia	Vourkidou	Secretary	Cyprus Red Cross Society
10-Mar	Ms	Christina	Kaili	Project Administrator	Mediterranean Institute of Gender Studies
17-Mar	Ms.	Xeni	Anastasiou	Commercial Officer	Royal Norwegian Embassy, Athens
10-Mar	Ms	Voula	Stylianou	National Focal Point	Planning Bureau
10-Mar	Ms	Leda	Skordelli.		
Czech Republic					
22-Feb	Mr	Bojan	Suh	Program director	NROS (Intermediary)
22-Feb	Ms	Stepanka	Gray-Markova	Program manager	
	Ms	Ludmila	Lefnerova	Head of Foreign Assistance Unit,	Ministry of Finance
	Ms	Helena	Benyskova	, Information Officer	Norwegian Embassy

\* Telephone interview

\*\* Written response

Estonia					
16-Feb	Ms	Piret	Marvet	Programme Officer	Norwegian Embassy
16-Feb	Ms	Aveli	Ainsalu	Specialist on civil society	Ministry of Interior
	Ms	Airi	Vetemaa	Managing Director, end beneficiary	Organic products promotion
	Ms	Evelin	Urbel-Piirsalu	Project manager assistant, end beneficiary	Green procurement for local and central governments
	Mr	Priit	Adler	End beneficiary	MTÜ Ökokratt
	Ms	Kai	Klein	Project manager, end beneficiary	Baltic Environmental Forum
	Ms	Anne	Kivinukk	End beneficiary	REC Estonia
	Ms	Viire	Viss	End beneficiary	Estonian Association of Environmental Management
	Mr	Tiit	Papp	End beneficiary	MTÜ Eesti Kurtide Liit
11-Mar	Ms	Maris	Jogeva	Programme coordinator	Open Estonia Foundation (Intermediary)
11-Mar	Ms	Natalja	Loonurme	Programme coordinator	
11-Mar	Ms	Kadri	Lohe	Programme assistant	
11-Mar	Ms	Tuuli	Kull	Programme assistant	
11-Mar	Ms	Ülle	Lobjakas	Acting advisor, Structural and Foreign Assistance Department	Ministry of Finance, Estonia (National Focal Point)
12-Mar	Mr	Alari	Rammo	Policy and communication	Network of Estonian Non-profit Organisations, (NGO)
Hungary					
6-Feb	Mr	Péter	Pálvölgyi	Director	Demnet
9-Feb	Ms	Vera	Mora	Director, head of consortium	Ökotárs
12-Feb	Mrs	Edit	Köles	Project manager	Ministry of Environment
13-Feb	Mr	András	Nun	Project manager	Autonomia Foundation
16-Feb	Ms	Boglárka	Bata	Director	Karpatian Foundation
26-Mar	Ms	Mikulas	Brigitta	Head of Department	NDA
26-Mar	Mr	Polgár	Tamás		Norwegian Embassy
Latvia					
9-Mar	Ms	Diana	Atakauke	Head of division, Financial instruments coordination department, Implementation and Monitoring Division	Ministry of Finance Republic of Latvia, National Focal Point,
9-Mar	Ms	Guntra	Podniece	Deputy Head, Financial instruments coordination department, Implementation and Monitoring Division	
9-Mar	Ms	Elina	Egle	Senior desk officer, Financial instruments coordination department, Implementation and monitoring division	
9-Mar	Ms	Alda	Sebre	Head of Programme Unit	Society Integration Foundation (Intermediary)
9-Mar	Ms	Jelena	Šaicane	Head of Programmes Monitoring Unit	
9-Mar	Ms	Sandra	Rieksta	Deputy director of the Secretariat	
9-Mar	Mr	Ardis	Dumbis	Project manager, Project unit	
10-Mar	Ms	Linda	Ozola	Adviser - EEA and Norway Grants	Royal Norwegian Embassy in Riga, Latvia

10-Mar	Mr	Jan	Grevstad	Norwegian Ambassador	
	Ms	Diana	Atkauke		
Lithuania					
23-Feb	Mr.	Vytautas	Stankevičius	Project Management Center (Secretariat for NGO Fund in Lithuania)	Center for Environmental Policy, Vilnius
23-Feb	Mr.	Kasparas	Jakubėnas		Ministry of Finance (Intermediary and Focal Point)
Poland					
8-Mar	Mr.	Rafal	Szkalinis		ECORYS Polska Sp. z o.o.
9-Mar	Mr	Sidsel	Bleken	Counsellor (EEA Grants)	Royal Norwegian Embassy
9-Mar	Ms	Karina	Gradowska-Karpinska	Adviser (EEA Grants)	Royal Norwegian Embassy
10-Mar	Ms	Agnieszka	Mazur-Barańska		Co-operation Fund Foundation
10-Mar	Mr	Bartosz	Mielecki	Head of Unit Fund for Non-Governmental Organisations Unit	
11-Mar	Ms	Małgorzata	Wierzbicka	Director	Ministry of Regional Development – Department for Aid Programmes and Technical Assistance
11-Mar	Mr	Tomasz	Kołodziej		
11-Mar	Ms	Urszula	Deimidziuk	Head of programming Unit	
11-Mar	Ms	Justyna	Krawczyk	Head of Unit	
Portugal					
25-Mar	Ms	Dr. Maria	do Carmo Cunha	Coordinator	APA – Agência Portuguesa de Ambiente (Portuguese Agency for Environment), under the Ministry of Environment and Territorial Planning.
8-Mar	Mr	Dr. João	Pereira	Former Coordinator	CIG – Comissão para a Cidadania e Igualdade de Género (Commission for Citizenship and Gender Equality), under the Secretary of State for Equality, under the Ministry of the Presidency
8-Mar	Mr	Dr. João	Paiva	Coordinator	
8-Mar	Ms	Dra. Joana	Marteleira	Expert	
	Mr	Dr. António	Chaves	Coordinator	
	Ms	Dra. Ana	Resende	Expert	
Romania					
24-Feb	Mr	Ionuț	SIBIAN	Executive Director	Civil Society Development Foundation (FDSC)
24-Feb	Ms	Simona	Constantinescu	Team Leader NGO Fund	
22-Feb	Ms	Monica-Ștefana	POPA	Commercial and PR Officer	Norwegian Embassy
22-Feb	Ms	Diana	SĂCĂREA	Commercial, Cultural and Press Assistant	
Slovakia					
18-Feb	Mr	Peter	Medved'	Director	Ekopolis
18-Feb	Ms	Lívia	Haringová	Financial manager	
18-Feb	Mr	Štefan	Jančo	Project manager	
19-Feb	Ms	Helena	Woleková	Director	Socia
19-Feb	Ms	Marcela	Černá	Financial manager	
24-Feb	Ms	Alena	Pániková	Director	OSF
24-Feb	Ms	Jana	Malovičová		

25-Feb	Ms	Martina	Szabóová	Director	NCP
25-Feb	Mr	Jaroslav	Mojžiš	Project manager	
25-Feb	Ms	Jarmila	Šrámková	Financial manager	
25-Feb	Mr	Boris	Stríženec	Financial manager	
25-Feb	Ms	Natália	Đurková	Project manager	
8-Mar	Mr	Juraj	Hatrík		Paying Authority
8-Mar	Ms	Andrea	Brezanová		
8-Mar	Mr	Ján	Ridzoň		
	Ms	Trine	Skymoén	Ambassador	
	Ms	Sona	Sulikova		Norwegian Embassy
	Mr	Pavol	Demes	Evaluator and Advisor	
<b>Slovenia</b>					
22-Feb	Ms	Mateja	Šepec Jeršič	Project Manager	REC, Slovenia
22-Feb	Ms	Guro Katharina	Helwig Vikor	Ambassador	Norwegian Embassy Ljubljana
9-Mar	Mr	Peter	Ješovnik		Government Office for Development and European Affairs