

SUMMARY PROJECT FICHE

1. BASIC INFORMATION

- 1.1 Désirée Number:** BG 0104.03
- 1.2 Title:** Civil Society Development
- 1.3 Sector:** DE
- 1.4 Location:** Bulgaria

2. OBJECTIVES

2.1. Overall Objective

Strengthen the civil society sector to assist the social integration of vulnerable groups and communities in Bulgaria, promote tolerance and prevent corruption, as part of the EU accession process.

2.2. Project purpose:

The specific objectives of this project are to:

- Strengthen the capacity of local and regional NGOs, especially at community based level, for needs assessment, networking, and fund-raising, and to develop sustainable partnerships with local government and business associations, in order to support the social integration of vulnerable groups and improve socio-economic and regional development.
- Strengthen the advocacy and monitoring role of NGOs and local bodies for active citizenship in relation to prevention of discrimination, promotion of access for ethnic minorities and other marginalised groups to public services and justice.
- Enhance the capacity of NGOs to deal with corruption on behalf of vulnerable groups, promote transparency and fairness in their transactions with authorities and other civil bodies and fulfil a mediating ('ombudsman') role on their behalf.
- Active inclusion of NGOs in partnering and underpinning government efforts in the EU accession process;

2.3. Accession Partnership and NPAA priorities:

Short-term priorities in the Accession Partnership (December 1999).

Political criteria recognise the role of civil society in consolidating democracy and the rule of law. It is "a key element in the development of the democratic processes.. is getting bigger .. and in realising the values of the democracy and the responsibilities for guaranteeing them, stimulate the participation of the Bulgarian society in the processes of affirmation the rule of law and the stability of democracy." A priority is "improvement of the co-operation with the structures of the civil society and establishing additional responsibilities for public control on the activity of the state bodies, including the law enforcement body." NGOs play "an important role both at national and regional level".

The criteria also include the priority “to foster employment opportunities and increase access to education” for vulnerable groups. In employment and social affairs: “strengthen the capacity of social partners to participate actively in social dialogue” and “ensure equal opportunities between women and men through adequate structures”.

A short-term priority for Justice and Home Affairs is to “develop a national strategy to combat corruption” and implement this in the medium-term.

Medium-term political and economic criteria are to “nurture .. fledgling democratic traditions and foster social integration, with proper respect for human rights, adequate protection for vulnerable groups, and measures to combat social exclusion.” This project which aims to foster a pro-active and self-sustaining civil society and to ensure access by minority groups to public services and the labour market is in line with this objective.

The project fully reflects the medium and longer-term objectives and measures stipulated in the National Strategy for the Integration of the Republic of Bulgaria into the European Union and key aspects of the NPAA. It also corresponds to key aspects of the National Plan for Regional Development 2000-2006 (NPRD), policy of Government and the Regional Development Act. In this respect, NGOs are considered as one of the pillars, together with business and local governments, in the formulation and implementation of local and regional policies. In particular, the project will target the human resource development aspects of the NPRD and falls within measures for regional social and economic development outlined.

3. DESCRIPTION

3.1. Background and Justification

3.1.1. Vulnerability and poverty impact on the lives of a significant proportion of Bulgaria’s 8 million people. It reflects the consequences for many of the transition process to a market-oriented economy with its results in terms of restructuring of the labour market and unemployment, public services in education, health and changes in social policy and welfare. Demographic trends towards an ageing population and in its ethnic composition, regional socio-economic disparities in availability and access to services, especially in isolated regions, a decline in real wages and increased poverty are some of the factors which have contributed to marginalisation of many low-income groups. Reduced fiscal resources available to Government have constrained its ability to address societal needs. The social security and welfare system has not been able to alleviate fully the effects of poverty and target the needs of socially vulnerable groups. In particular, these are long-term unemployed; ethnic minority groups (particularly Roma); rural communities especially in isolated areas; the elderly and whose pensions lose real purchasing power; people with disabilities (an estimated 700,000); women often heading single parent households; and children at risk or orphans (an estimated 13,000). While some macroeconomic indicators show recovery, some social indicators show deterioration with regional disparities in standards of living and economic performance. According to the UNDP Human Development Report 2000, 13% of the population live in municipalities with low levels of human development. Around 25% of the population lived below the poverty line in 1998 (UNDP) and a recent estimate is 1,700,000 people under the poverty threshold, mainly unemployed people, minority representatives, single elderly people, as well as those living in peripheral and mountainous regions of the country. It is these groups, already vulnerable, on whom transition has had the most negative impact.

3.1.2. Unemployment is still at previously unknown double-digit levels with pockets of consistently above-average unemployment in certain regions and purchasing power for many vulnerable groups is lower as for many of the population. Unemployment has been growing steadily and stood at 19.7% in November 2000, continuing a year-on-year decline in employment from the mid-1990s. There is a geographical **imbalance in unemployment**. A number of regions and municipalities have levels consistently above the national average. In October 2000 the unemployment rate in 16 regions ranged up to 33.6% in Targovishte. Twenty-four municipalities had over 40% (compared to 21 in September) and 5 had 50%+ of the economically active population. The majority are in rural and ethnically mixed regions. Those most affected by unemployment are the Northwest and Northeast with concentrations of **long-term unemployed**. These are also associated with rural and mountainous areas where **minorities** from the Roma, Bulgarian Muslim and Turkish population are concentrated. It is estimated 70% of the economically active Roma population is unemployed (mainly in towns where 70% of live) with similar proportion for the other two groups, although the latter mainly live in mountainous and semi-mountainous regions where the labour market has collapsed.

As part of its national and regional planning, Government has drawn up a set of targeted action programmes for employment and support for the most disadvantaged social groups, particularly reflected in those from the Ministry of Labour and Social Policy (MLSP) and detailed in the NPAA. Government recognises that these programmes could be more effectively achieved if the NGO sector is fully involved, provided it has adequate capacity and financial support. In the NPAA, one basic principle for employment related activities of the MLSP is “partnership with NGOs in the design and conduct of labour market policy”. NGOs are involved in the social dialogue process in regional councils for design and execution of regional employment programmes.

3.1.3. School closures in small settlements in isolated localities, particularly in the NW and Southern mountainous areas, with high long-term unemployment and low services, has greatly **impeded educational access for children from poor families**. They cannot afford the costs, for example, transport to schools in larger towns. School enrolment rates have fallen in these regions and school drop-outs are increasing owing to poverty. It is a serious problem where minority communities are over-represented and girls are more likely than boys to drop-out of school at an early age.

3.1.4. Restricted access to health services for many is a negative result of health reforms. Overall health indicators have deteriorated. The impact has been especially felt by the estimated 1,700,000 people under the poverty threshold, many of whom are elderly, from minorities and 350,000 active disabled individuals, who have reduced access to services. This is not only a matter of poverty and inability to afford certain services but remoteness, population size and the viability of services in those areas.

3.1.5. A **needs assessment** in June 2000 of these vulnerable groups, using focus groups and data analysis, confirmed many of these findings. They have been validated by recent data and field visits by the study leader. The primary concern was to secure employment and improve access to basic public, administrative, and legal services. Vulnerable groups wanted their rights to access to services to be improved and advocated for. However, **active citizenship groups and local NGOs in the more isolated areas and smaller towns generally had weak and little organised capacity to do this**. Self-help groups appear but, in the long-term, advocacy is needed institutional change and sustained through monitoring of actions by local government and public services. Such groups and NGOs often lack the expertise to do this even if they understand the problem and have ideas to change the situation.

3.1.6. NGOs play an active and important role in many sectors and at national, regional and local level. There are strong think-tank NGOs that are influential in setting the agenda for civil society and encouraging initiatives to remedy some of the most acute problems facing Bulgarian society. NGOs working in the field of protection of the Roma minority have introduced good practices and success stories that became part of the Government programme. **Recent legislative amendments for the non-profit sector** provide a supportive framework for NGOs. It sets out favourable pre-conditions and opportunities for a pro-active NGO strategy, as well as to adopt new efficient practices. Such an environment provides a good opportunity for the NGO sector to realise its potential in these previously inaccessible areas. A significant part of funding of NGOs comes from donors outside Bulgaria, which has meant some NGOs are over-dependent on those donors. While changes to the legal framework to make donations more attractive will help but there is clearly a link to the difficult economic situation

3.1.7. An issue that confronts all, but particularly the vulnerable, is **transparency** in their dealings with the array of authorities at all levels, but especially at a local level. Where there is denial of services for unaccountable reasons or unless payment is made, which the marginalised can ill-afford, then this is a form of **corruption**. It is not the large-scale corruption, which has been well documented by NGOs and of which there is great public awareness. Rather this local and small -scale corruption of transaction that denies a citizen her or his rights is the fertile ground on which a 'culture of corruption' can flourish. Already disadvantaged people are even more deprived and discriminated against. This only serves to foster the environment of corrupt practices and denial of rights that is disadvantageous to all citizens. Therefore, to address this issue in relation to the accessibility of the marginalised to services and to **lobby and mediate between them and local providers and government would appear a gap** that needs to be filled. Local civic groups and NGOs that already involve themselves in lobbying for the vulnerable in different groups might take forward this role. Yet, most lack the capacity and

appropriate skills. The institution of the *Ombudsman* does not yet exist in Bulgaria, but *Ombudsman* offices have been set up in a number of municipalities on a voluntary basis. Some NGOs run pilot projects to examine the possibility of introducing the institution of *Ombudsman*, especially at local level, and its role.

3.1.8. To sustain longer-term impact and development of grass-roots initiatives, it is not a matter solely of funding to meet immediate needs for services-however deserving. This is a short-term solution. The need is to build the capacity of those citizen- based groups and NGOs rooted in the locality. They can develop a lobbying, networking, fund-raising and advocacy function in order to bring about sustained changes in attitudes and improved access in respect of the vulnerable and marginalised. This socially integrates them rather than alienates and marginalises. This might entail building partnerships with a variety of actors, especially local municipalities and business associations, to embed this change. To build these blocks of active citizenship at the grass-roots level, the capacity of those bodies and NGOs that can play such a long-term role has to be enhanced. In-country resources are scarce. Therefore, there is a need for support to establish and sustain new social practices in community development, based on citizen participation in the formulation and implementation of policies and partnerships.

3.2 Linked activities

Phare funded two Civil Society Development Programmes from 1995-98 - CSDP BG9406 for 1.2 MEURO and CSDP BG9604 for 1.5 MEURO for reviving citizens' involvement in public policies and meeting needs of emerging NGOs via 453 projects. CSDP (BG 9804) is currently implemented on a decentralised basis with intermediary NGOs involved in a re-granting mechanism from September 2000. It is oriented to priorities under the EU accession and 72 NGO projects in four programme areas have been so far selected for funding.

Other Phare Programmes

The Phare **LIEN** micro schemes in Bulgaria provided 400,000 MEURO to women and different vulnerable groups in Bulgarian society 1996-98 through NGOs. The Partnership Programme was also active. The Phare **Democracy** micro- projects scheme provided more than 500,000 Euro NGOs for democracy building projects over 3-year period. The **ACCESS** programme, which subsumes LIEN and Partnership, will start later in 2001.

Other Donor Activities

The **World Bank** has a small projects grants scheme to support NGOs who can then seek funding for activities from other sources. Its Regional Initiatives Fund supports small infrastructure projects and temporary employment and 10-12 projects have involved vulnerable groups in job creation. **UNDP** have a civil society project centred on 'chitalishtes' rather than NGOs. The **Netherlands Matra** scheme supports a number of projects in civil society. **USAID** have a number of civil society development initiatives The one that parallels the ideas for this project is the Democracy Network (**DemNet**) programme (\$ 6 million over 4 years from 1998). It has a regranting facility with 13 separate NGOs under the management for USAID by the Institute for Sustainable Communications (ISC). It became operational in 1995 and funded c.120 projects in democracy, environment, social safety net and economic development and extended for another 4 years focusing on the strengthening of the intermediary support organisations.

UK Know-How Fund has a range of projects. The most recent which is relevant is one to develop partnerships between municipal authorities and civic agencies to improve the provision of social

welfare and to diminish social exclusion. The purpose of the proposed project is to strengthen municipalities to be able to respond to the needs identified and prioritised by local communities. The Fund also funds a range of NGO related activities.

3.3. Expected Results from the Project

3.3.1. Broad results foreseen from the project include:

- Civil society organisations developed and strengthened in the least developed regions of the country where NGOs lack sustainability so that they can make a pro-active contribution to civil society development.
- Sustainability of the civil society organisations fostered in priority areas: social integration of vulnerable groups, social entrepreneurship, advocacy, promotion of tolerance and mitigation of corruption.
- Capacity of local and community based NGOs enhanced to assess local needs and mobilise local resources for co-financing

3.3.2. Specific results include:

- Capacity of 100 small and local NGOs supported and strengthened under a decentralised scheme for all six regions, including social entrepreneurship schemes and promotion of civil society and an increased level of self-help citizen initiatives.
- Enhanced capacity for NGOs will enable them to improve the social integration of vulnerable groups and socio-economic development at local and regional level. This will include creation of favourable conditions for business enterprises, entrepreneurship and self-employment among vulnerable groups, as well as their improved access to social and public services.
- Improved access to social, educational, health, legal, and other public services for vulnerable and disintegrated social groups and communities.
- Contribution of NGOs to NDEP through strategies for socio-economic development elaborated in 10-15 municipalities to serve as a powerful advocacy and policy tool for citizen participation and community advancement. This will stimulate NGO, local government, and business partnerships.
- 500 key individuals from communities in peripheral and less developed regions with competencies and motivation for community development action, coalition building and policy formulation, as a long-term input to fostering civil society development at community and decentralised levels.
- Pilot unofficial ‘ombudsman’ set up in a number of municipalities to ensure transparency and mitigate corruption in the transactions of citizens, especially vulnerable groups and minorities, in dealing with both public authorities and professional bodies through mediation and negotiation on their behalf.
- A Manual for management of Grant Mechanisms for Civil Society Development

3.4. Activities

3.4.1. Achievement of these results will be through a series of activities, which can be grouped into two main components for implementation. In practice, there are bound to be links between individual aspects of each. A requirement of the PIU will be to determine and achieve, wherever feasible, synergy between activities under each component. This will enhance project effectiveness and efficiency in delivery and outputs. The **first activity** will be the design of the Grant scheme, including criteria, procedures, applications and selection process prior to implementation in the form of an operational management manual. Full details of each component are given in Annex IV.

3.4.2. Component I-Community development for local civil society capacity building.

- Activities will be oriented to the least developed and peripheral regions, where socio-economic vulnerability and poverty are high but civil society is underdeveloped.
- There will be **core activities for groups of community NGOs and civic groups** in 30 regional based locations based on criteria on where the numbers and problems of marginalised groups and access to services are acute and the capacity of local NGOs and civic groups is weak. The approach is to build up the capacity of community bodies to address this through activities based on grass-roots realities and demands.
- **Development of skills in the key areas of advocacy, lobbying and networking, coalition building and fund-raising to demonstrate** show how they can foster social and attitudinal change, as well as improve access for vulnerable groups. Training will include how to develop support structures and groups/coalitions to promote active citizenship and the attributes of a civil society in selected communities. The emphasis will be on building a supportive environment for NGO activity as well as negate the discriminatory and corrupt practices that might be prevalent. In this respect, how to deal with authorities, **promote transparency and mitigate corrupt practices** will be an area that will be covered. Such skills have to be meaningful in the local context and support of local government will be sought.
- These **training and support activities will be specially designed to enhance the capacity of 500 key individuals in** civil society groups, community organisations and NGOs in isolated areas enhanced. They can then be a long-term resource for the development of locally based strategies for community development and mobilisation of resources and civil society development in region and sustain project outputs. Support structures and groups/coalitions developed and enhanced to promote active citizenship and the attributes of a civil society in selected communities.
- **Development and training in skills** for use by local NGOs in promoting sustained changes in **attitudes** in tolerance, as well as improve access, in respect of the marginalised groups who are their constituents in the locality. Social integration of these groups will be thus encouraged as well as empowerment of the NGOs and civic groupings. The latter might entail building partnerships with a variety of actors, especially local municipalities, to embed this change. A main activity will be to show how to do this, for example, in negotiation and mediation skills. It will cover how to build links with the local government to foster more transparency in dealing with the needs of these groups and to mitigate corrupt transactions.
- In some localities this could mean the strengthening of a NGO to function as a local and unofficial **‘ombudsman’** but will depend on co-operation from the mayor. Support structures and groups/coalitions will be developed and enhanced to promote active citizenship and the attributes of a civil society in selected communities. A model for such development tested that might be replicated in other communities

- **These activities will be undertaken by selected regionally-based NGOs** with relevant experience in the field of working with active citizenship and local government. This in itself is a strengthening measure as it enhances regional capacity.

3.4.3. Component II: Grant Facility to support Capacity Building and Institutional Strengthening for NGOs in order to promote Civil Society Development.

- **A Grant Facility will be established. It will function as a re-granting mechanism.** Grants are to support the **long-term output of strengthening NGOs to undertake activities that contribute to enhancement of the environment for the civil society**, promote tolerance, and tackle issues of transparency and corruption with local government and the business sector, including setting up a local ‘*ombudsman*’. Some broad indicators for assessment in EC grant-making schemes are given in Annex IV.
- **An initial activity will be detailed design of the Grant scheme**, its management and implementation, including criteria, procedures, process of applications and selection, and undertaken prior to its implementation. It will also initiate selection of regional partners and set criteria. An **operational management manual** for all partners in the Facility, both national and regional, will be produced as a first activity.
- **The PIU will undertake grant-making activities in three phases and which the PSC will oversee.** It will advise on their timing in the light of current circumstances.
- **The PIU will run a first grants phase in two parts.**
 - In the **first part**, projects will be from NGO networks and coalitions with nation-wide target groups, scope of activities and impact. PIU will allocate grant support on a co-financing basis to selected NGOs, which propose sound projects in the priority areas according to the agreed selection criteria. It will include up to 10-15 grants of 20,000 to 50,000 Euro (average grant of 30,000 Euro). Total budget: 450 000 Euro.
 - The **second part** will support on a co-financing basis projects of NGOs and coalitions with regional outreach of target groups and social impact and provide grants of 5,000 to 30,000 Euro Estimated number supported is 60. Total budget: 1,100,000 Euro
- **For the second grants phase the PIU will establish a decentralised network of regional NGO partners.** It will carry out a tender in consultation with CFCU and the PSC for **intermediary partner NGOs, one for each of the six planning regions.**
 - The PIU will provide the necessary training to strengthen their capacity to manage the local schemes under the Phare DIS rules and procedures.
 - Regional partner NGOs will organise regional competitions for local NGOs for small grants of up to 15,000 Euro out of a total of 75,000 Euro allocated per region. Total budget: 450 000 Euro. Funding of about 30 regional projects is envisioned.
 - The intermediary NGOs will then organise regional grants allocation rounds and identify projects according the local priorities within the objectives and priority areas of the Facility.
 - Priority will be given to accession-oriented projects focusing on advocacy, network actions, citizen participation and volunteering, resource mobilisation, inter-sector partnerships and projects.
 - Particular attention will be paid to building networks for problem solving and fund-raising.
 - The PIU (and PSC) will closely monitor the process and rigorously assess projects according to standardised evaluation criteria and procedures to ensure fairness and transparency in each competition, according to the selection criteria, principles and assessment methodology laid out by the PIU.

4. INSTITUTIONAL FRAMEWORK

4.1. A Project Steering Committee (PSC) will oversee the project as a whole and advise on the strategy in relation to the under each project. It will **set the strategy for coherent implementation of individual activities in line with the goals and purpose of the project** and foster linkages between its components. This strategy and perspective will also inform the tender and evaluation process for the proposed PIU, which will manage the project.

- The main constituents of the PSC will be drawn from representatives from the Ministry of Foreign Affairs (European Integration Directorate), EU Delegation, relevant line ministries, stakeholders and the civil society sector. A criterion for the latter will be that they have no potential conflict of interest with actions proposed under or supported under the project.
- The PSC will aim to ensure a broad **consensus between all relevant stakeholders** (including a broad representation of civil society organisations) on the actions for assistance under the components of the project, as well as provide guidance to the PIU on issues that arise.
- The PIU will also report to the PSC. Its endorsement will be required on grants or funding of activities under the project, according to criteria and an evaluation process decided prior to the commencement and in collaboration with the PIU, to ensure they are in line with strategy.

4.2. A Project Implementation Unit (PIU) will be set up to implement all of the components and responsible to the CFCU. It is likely that the PIU will be composed of a consortium of NGOs since no single NGO will have the necessary breadth of experience and expertise to cover all components. Consensus of consultations found no more than 15-20 NGOs would have the capacity for the roles of the PIU. Members will be selected through a tender organised by the CFCU, in accordance with Phare regulations and the DIS Manual.

5. DETAILED BUDGET

	Phare Support (in Euro)					
	Investment Support	Institution Building	Total Phare (I+IB)	National Co-financing	IFI	Total
I. Community development	0	400 000	400 000	0	0	400 000
II. Grant Facility to NGOs	0	2 000 000	2 000 000	0	0	2 000 000
Sub-component I	(0)	(450000)	(450 000)	(0)	(0)	(450 000)
Sub-component II	(0)	(1 100000)	(1 100000)	(0)	(0)	(1 100000)
Sub-component III	(0)	(450 000)	(450 000)	(0)	(0)	(450 000)
III. Project Management	0	100 000	100 000	0	0	100 000
Total	0	2 500 000	2 500 000	0	0	2 500 000

6. IMPLEMENTATION ARRANGEMENTS

6.1. Implementing Agency

6.1.1. The overall implementing agency will be the CFCU in the Ministry of Finance and the PAO is the Deputy Minister in the same Ministry.

6.1.2. Management responsibility will be delegated to a PIU composed of either one NGO or a number (up to 5) as a consortium with regional partners. For reasons of efficiency in management and reporting of funds one of the NGOs will have lead responsibility. This can be decided once the tender has been completed. It is a model that works successfully with the USAID funded DemNet programme which has 13 members but one supervisory NGO (US) responsible to the donor.

6.1.3. Selection of NGO (s) to form the PIU will be through a tendering process according to standard Phare procedures and organised by the CFCU.

- A main criterion is that NGOs should also be truly ‘non-governmental’ if the key advocacy and lobbying functions, especially in relation to government institutions, are to be meaningful. They will need to show that they have a track record in working with particular areas of civil society and/or vulnerable and marginalised social groups; rather than simply as contracted delivery of government services.
- Another criterion for selection will be a declared and validated disinterest in being a recipient of any assistance that might be awarded under the project. This will be apart from that to be normally expected to accrue to a project management unit in respect of agreed management costs.
- The PIU will follow all the Phare guidelines in respect of all aspects of the management of EU funded activities. It will undertake regular monitoring of all activities funded under the Grants scheme and evaluation at key stages.
- It will have a responsibility for all its actions and reporting to the CFCU who can intervene at any stage on any aspect of project management where it is deemed appropriate. It will also report to the PSC. Acceptance of this responsibility will be a condition for of any NGO (s) which might wish to be considered for the PIU.
- Given the range of components, it is unlikely that one NGO would have the experience or capacity to undertake all aspects of project implementation. It is anticipated that a consortium of NGOs would be the more likely option and, indeed, would have advantages. Different NGOs could contribute different institutional strengths and range of expertise and experience in the areas of the project.
 - A NGO might have proven experience in grant-making and re-granting mechanisms and might offer the capacity in the lead management role.
 - Some NGOs would have particular strengths in advocacy and lobbying or as a ‘think tank’ for the civil society sector.
 - Other NGOs might have direct experience at the regional level in training and capacity building for small NGOs and local government.
 - Some will have a tested track record in fostering entrepreneurship and self-employment at the local and regional level, and with minorities.

- Networking could be the strength of another potential partner.
 - All might have core capacity in assessment of needs but in different aspects.
 - Prevention of corruption is a specific purpose for some NGOs but not a core purpose of many NGOs concerned with the social integration of vulnerable groups. Most are concerned to alleviate their needs and deliver services and assistance to them.
- A requirement of a PIU will be to determine and achieve wherever feasible **synergy between all the activities** under each component. This can **contribute to enhanced project effectiveness and efficiency** in delivery and outputs. The degree to which a synergetic approach to project management and delivery is delineated in a bid will be a factor for consideration during the tender evaluation process for the PIU.
 - **Benchmarks** will be set for delivery in performance by the PIU and its partners. It will be incumbent on the PIU to reach them to release payments for its management costs. Monitoring of results will be a pre-condition for release by tranche of funds for the NGOs in their decentralised activities. A mid-term report evaluating impact and sustainability will be required in Year III. Acceptance is necessary for final payments.
 - **The PIU will closely monitor the process of selection of projects and implementation** at national and regional level of all sub-components. Support for individual projects will be made on clear criteria and which show direct support for civil society development. The process of identification and selection of projects will be transparent, accountable, reflect an objective assessment of needs and follow a standardised project evaluation process. Maximum financial accountability and control will be an integral part of activities and grants at all levels in order to ensure that funds are expended and used properly in accordance with agreed EU procedures.
 - The PIU will set conditions for release of funds in tranches linked to performance, implementation of activities and reporting. It will set up systems for this and to monitor sustainability of the projects and also make interim impact assessment.

6.1.4. Implementing arrangements for Regional partner NGOs are explained under activities for the Project components in para.3.4.3. The selection of the regional partners to handle the grants on a decentralised basis will be agreed by the PIU in consultation with the CFCU and Steering Committee. It will be based on a tender process and standardised evaluation procedures with criteria agreed in advance. Their formulation will be one of the initial tasks of the PIU.

6.1.5. The PSC will oversee the project and advise on strategy. It will be responsible to the designated government channels for EU matters as well as EC via the Delegation.

6.1.6. A priority to avoid the inclusion of NGOs as partners or beneficiaries in implementation that are in effect government NGOs (GONGOs), particularly at regional level where NGOs can be formed under municipality auspices. Apart from the criteria mentioned in paras. 6.1.2. and 3.4.3., assessment against some key attributes for potential partners could be used to exclude GONGOs such as:

- **Representativeness** which means a NGO has to have social body which owns it;
- **Authenticity** which means that the profile of the NGO and the values it stands for are distinguishable;
- **Operationality** meaning that the NGO does real, concrete social and charitable work;
- **Independence** which means the extent to which a NGO is financially dependent on government funding.

6.1.7. Monitoring of the activities funded by the each grant will be closely undertaken by the PIU throughout the duration of the project, which will report its findings regularly to the PSC, CFCU and the EU Delegation. The project as a whole will also be subject to the regular monitoring procedures of Phare for all its projects on a decentralised basis. There will be a mid-term evaluation of results and impact so far arranged by the PIU in consultation with the PSC, CFCU and EU Delegation and findings incorporated into the remaining stages of implementation. Findings will be shared with the PSC, CFCU and EU Delegation and disseminated to other stakeholders in the project.

6.1.8. Tendering, contracting, payments and all associated financial management processes will be carried out by the CFCU in accordance with standard Phare procedures in the Practical Guide to Phare, Ispa & Sapard Contract procedures. There will be a tender for the PIU. If one NGO is chosen then the matter is straightforward. If a group of NGOs are to be selected, then there might a second tender to select the partners to a consortium; unless such a grouping present itself for tender and is successful.

6.2. Twinning

It is not envisaged that twinning and its associated assistance will form part of this project, as all implementation will be drawn from sources within Bulgaria.

6.3. Non-standard aspects

The project will be managed under DIS rules. Project Components I and II will be contracted via a small-scale grant fund delivery mechanism, following regular calls for proposals. Further details on grant-awarding procedures, in compliance with the Vade-mecum on Grant Management from the EC, are in Annex V. Project Component III (Project Management costs) will be contracted following DIS Manual procedures.

6.4. Contracts

Tendering, contracting, payments and all associated financial management processes will be carried out by the Central Finance and Contracts Unit (CFCU) in accordance with the standard Phare procedures in this respect as outlined in the Practical Guide to Phare, Ispa & Sapard Contract procedures.

7. Implementation Schedule

Start of Tendering	Start of Project Activity	Completion
January 2002	March 2002	December 2004

8. Equal opportunity

The civil society organisations who might form the PIU subscribe to equal opportunities. Their ethos will be not to discriminate directly or indirectly against any individual and all employees are judged on fair and equal terms. In determining allocation of grants under the project, the Project Implementation Unit will be cognisant of the need to afford equality of consideration in respect of gender and ethnicity. Grantees will be required to provide gender-disaggregated data in terms of the beneficiaries of the funds so allocated.

9. Environment (N/A)

10. Rates of return (NA)

11. Investment criteria

12. Conditionality and sequencing

An up-dated needs analysis of the situation in which the project will start is necessary. At the time of implementation, it will have been nearly two years since the last one. An assessment before implementation could inform the PIU and inform the detailed project management design, especially at community level, and modes of grant making.

ANNEXES

- I. Logical Framework for the Project
- II. Detailed Implementation Schedule
- III. Cumulative Contracting and Disbursement Schedule for the Project (in MEUR)
- IV. Detailed Project Components and for the Grant Facility
- V. Grant-Giving Procedures

LOGICAL FRAMEWORK MATRIX

ANNEX I

LOGFRAME PLANNING MATRIX FOR Project		Programme name and number		
Civil Society Development		Contracting period expires 30 Nov.2003		Disbursement period expires 30 Nov.2004
		Total budget: 2.5 MEURO		Phare budget: 2.5 MEURO
Overall objective		Objectively Verifiable Indicators	Sources of Verification	Assumptions/ Risks
Strengthen the civil society sector to assist the social integration of vulnerable groups and communities in Bulgaria, promote tolerance and prevent corruption, as part of the EU accession process.		-NGOs essential role to civil society reflected in greater public awareness, resources, voluntary work, and philanthropy. - More social integration of vulnerable groups -Civil society criteria for EU accession fulfilled	-Surveys, research, policy papers of national NGOs, central and regional district government - Media monitoring - MLSP Reports & data	-Governmental and private sectors and public do not appreciate the potential role of NGOs/ CSOs -Latter fail meet expectations
Project Purpose		Objectively Verifiable Indicators	Sources of Verification	Assumptions/
<ol style="list-style-type: none"> Strengthen the capacity of local and regional NGOs, especially at community based level, for needs assessment, networking, advocacy and fund-raising, and to develop sustainable partnerships with local government and business associations, in order to support the social integration of vulnerable groups and improve the socio-economic and regional development. <ul style="list-style-type: none"> <i>Community based HRD and training activities for local/regional CSOs in core skills of advocacy, fund-raising roles and assessment so their capacity built to realise their goals</i> Strengthen the advocacy and monitoring role of NGOs and local bodies for active citizenship in relation to prevention of discrimination, promotion of access for ethnic minorities and other marginalised groups to public services and justice. <ul style="list-style-type: none"> <i>Training programmes in generic skills and techniques design which help to combat discrimination and promote access and run at regional and community level for NGOs</i> Enhance the capacity of NGOs to deal with corruption on behalf of vulnerable groups, promote transparency and fairness in their transactions with authorities and other civil bodies and fulfil a mediating ('ombudsman') role on their behalf. <ul style="list-style-type: none"> <i>Grants and development and support activities to assist local/regional NGO/CSOs perform mediation and negotiation role and function as local 'ombudsman'. Grant schemes supports CSOs build coalitions and networks to share experiences through links set up between regional and intermediary NGOs</i> 		-Increased civil involvement and support for non-profit sector from government, private sector, public, donors -Co-operation developed between NGOs working in similar fields -Improved public attitude towards minority groups -Increased professional skills of NGOs -Increased access to public services by vulnerable groups -Local ombudsman set up in 6-12 locations in less developed regions	-Reports on regional development, job creation, self-employment MLSP and other ministries -Research studies, special reports, analytical and comparative studies -Media coverage -Audits and annual reports by individual NGOs, project reports etc. -PIU and Phare M&E reports -Media coverage -Reports from NGO and PIU monitoring	-Co-operation between NGO, government and private sectors on national and local levels Positive legal & fiscal structures for NGOs -NGOs' human resources can be identified -Local/regional authorities accept goals NGO advocate -Media & public positive to CSO goals - Support of mayor for idea

RESULTS/OUTPUTS			
<p>1. Civil society organisations (CSOs) strengthened in least developed regions where NGOs lack sustainability so that can make a pro-active contribution to civil society development.</p> <ul style="list-style-type: none"> <i>Skills development and enhancement activities through community level programmes run to build capacity. Mentoring support from national/regional NGOs to underdeveloped CSOs in peripheral regions. Grants given at regional level to support 30 projects that will support activities of local NGOs in peripheral regions and build support networks.</i> <p>2. Sustainability of CSOs fostered in priority areas: social integration of vulnerable groups, social entrepreneurship, advocacy, promotion of tolerance and mitigation of corruption.</p> <ul style="list-style-type: none"> <i>Capacity of 500 persons developed on how to build and sustain links with funding sources, mobilise local resources and advocate for more supportive environment. Drawn from disadvantaged and minority groups to sustain results. Grant scheme supports projects and local initiatives tackling issues. Target groups involved in design and implementation to sustain outputs.</i> <p>3. Capacity of local and community based NGOs enhanced to assess local needs and mobilise local resources for co-financing</p> <ul style="list-style-type: none"> <i>Activities- training and support- from national/regional NGOs developed in techniques and skills for needs assessment in co-operation with local/regional government and private sector and how to build sustainable links with funding sources.</i> <p>4. Capacity of 100 small and local NGOs supported and strengthened under a decentralised scheme for all six regions, including social entrepreneurship schemes and promotion of civil society and increased level of self-help citizen initiatives.</p> <ul style="list-style-type: none"> <i>Grants through a decentralised scheme for regional NGOs support civic initiatives and CSO projects in these areas. Local HRD activities complement and sustain grant inputs.</i> <p>5. NGOs capacity enhanced to enable them to improve social integration of vulnerable groups and socio-economic development at local and regional level. Includes creation of favourable conditions for business enterprises, entrepreneurship and self-employment among vulnerable groups, as well as improved access to social and public services.</p> <ul style="list-style-type: none"> <i>Support under grants scheme for specific local and regional projects targeted at these areas with support from national specialised NGOs. Activities supported to build links with regional government/municipalities/business associations under NGO projects.</i> <p>6. Improved access to social, educational, health, legal, and other public services for vulnerable and disintegrated social groups and communities.</p> <ul style="list-style-type: none"> <i>Community based activities train 500 key people on how to advocate and lobby for better access. Local NGOs have their capacity enhanced to improve access.</i> 	<p>-No. of NGOs partnerships, coalitions , networks set up at local and regional levels</p> <p>-Increase in number of NGOs, amount of funds and skilled staff -Training programmes run successfully -Resources mobilised and sustained</p> <p>-100 NGOs participate in development activities -Results show increase in CSO activity /funding</p> <p>-Number of enterprises and jobs set up with vulnerable groups increased in 6 regions -Increase in people accessing services -Reduced discrimination against minorities and other vulnerable groups -Improved services and for vulnerable groups -Improved public attitude to CSOs / minorities</p>	<p>-Research, surveys, & reports by NGOs and civil society policy 'think tanks' -Reports from PIU, NGOs</p> <p>-PIU and Phare -Monitoring and evaluation reports -Field monitoring reports -Reports and survey data of policy NGOs -PIU monitoring reports -Course reports -Monitoring reports</p> <p>-MLSP and municipality reports on employment and social services -Business surveys</p> <p>-NGO field reports -PIU monitoring MLSP reports and Local government data</p> <p>-Media reports -Surveys and Public opinion polls</p>	<p>-Co-operation between NGO, government, private sectors national and local levels -NGOs with base capacity available</p> <p>-People can be identified with capacity to sustain results</p> <p>-Local resources available</p> <p>-Regional NGOs have capacity to manage grants</p> <p>-Trained NGO people able to deploy skills Local economic context facilitate more employment and set up enterprises -Cooperation from municipality private sector</p>

<p>7. Contribution of NGOs to NDEP via socio-economic development strategies elaborated in 10-15 municipalities to serve as a powerful advocacy and policy tool for citizen participation and community advancement. Stimulates NGO, local government, and business partnerships.</p> <ul style="list-style-type: none"> • <i>Grants support projects in 10-15 municipalities and to set up networks to develop regional strategies and partnerships</i> <p>8. 500 key individuals from communities in peripheral and less developed regions with competencies and motivation for community development action, coalition building and policy formulation, as a long-term input to fostering civil society development at community and decentralised levels.</p> <ul style="list-style-type: none"> • <i>Community level HRD/training activities /workshops run and tailored to local/regional situation and funded. Support available under grants scheme for projects in target areas.</i> <p>9. Pilot ‘ombudsman’ set up in a number of municipalities to ensure transparency and mitigate corruption in citizens transactions, especially vulnerable groups and minorities, with public authorities and professional bodies through mediation and negotiation on their behalf.</p> <ul style="list-style-type: none"> • <i>Support activities from lead NGOs in anti-corruption to regional/local NGOs set up that can fulfil role of mediation and advocacy with authorities as an ‘ombudsman’. Grants support projects to develop NGO initiatives to take forward ‘ombudsman’ function and concept and sustain it.</i> <p>10. A Manual for management of Grant Mechanisms for Civil Society Development</p> <ul style="list-style-type: none"> • <i>Design of operational and management manual done as first activity before implementation of capacity building activities and grants scheme set up.</i> 	<p>-Strategies put forward & NGOs contribute in regional planning & Regional Development Agencies</p> <p>-500 persons trained & involved in building capacity</p> <p>-Coalitions and networks formed</p> <p>-Increased professional skills of NGO staff & deployed in follow up activities</p> <p>-Number of ombudsman set up Target : 6-12 (1- 2 in each region)</p> <p>-Manual produced</p>	<p>-Ministry of Economy, Regional Development Agency and local government reports</p> <p>-M & E reports</p> <p>-Course and activity data</p> <p>-Monitoring reports by PIU</p> <p>-Regional NGO reports</p> <p>-Local reports</p> <p>-Phare M & E reports</p> <p>Media reports</p> <p>-Local government reports and of NGO sector</p> <p>-Manual in use by PIU and all partners in project</p>	<p>-Regional development agencies and NGO co-operation feasible</p> <p>-Key people with capacity identified</p> <p>-Long term support is forthcoming at community and local level</p> <p>-Cooperation from municipality and support for NGO and idea</p> <p>-Produced and agreed before project start up</p> <p>-Expertise available to design Grant Facility to EU standards for financial management, accountability, transparency</p>
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<p>Activities/Inputs</p> <p>1.Funding scheme set up to support community development and NGO initiatives at local level in order to strengthen capacity to foster the accepted attributes of a civil society. 500 key individuals from NGOs and community bodies supported on capacity building measures including advocacy, active citizenship, needs assessment and fundraising through partnerships to promote sustainability of the initiatives.</p> <p>2.Grant scheme managed by consortium of NGOs to support capacity building of up to 100 NGO and civil society organisations, especially at regional and local level. Grants will support them in initiatives that can make a sustainable input to fostering a civil society, combat discrimination for vulnerable and minority groups, promote their social integration and combat corruption, especially in the set up of a ‘ombudsman’. Grants and community level activities supports active partnerships between NGO sector and local and regional government and business associations.</p> <p>3. Activities designed by PIU and with regional and local partners to support initiatives and projects that can make a contribution in underpinning the efforts of government in the EU accession process, for example, in meeting the political and economic criteria and the ‘<i>acquis</i>’.</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Local government positive as to partnership and NGOs at local level and sustaining it • NGOs able to contribute sound proposals to regional and national strategies and policies for vulnerable groups, socio-economic development and civil society. • Community CSOs can achieve and sustain goals • Consortium members can be selected who can cohere as a team and implement the project • One lead NGO can be selected with capacity to provide overall management and reporting to Government and EC • Legislation supports future NGO sector and its sustainability via non-profit making activities
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DETAILED IMPLEMENTATION SCHEDULE FOR THE PROJECT

	2001			2002												2003												2004												
Detailed Project Implementation	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Needs Analysis																																								
Set up Steering Committee																																								
TOR drafted and circulated																																								
Tender for the Project																																								
Contracting for the Project																																								
Grant Scheme Manual drafted and agreed																																								
Start Project ;PIU & Grant Facility set up																																								
Selection of Region & partner NGOs																																								
Calls for Proposals 2 stages																																								
Project Consultations																																								
Deadline for Grant Applications Component I and First Part of Component II and then Second Part																																								
Project Evaluation / Selection for Component I and First Part of Component II and then Second Part																																								
Project Implementation of Components I and II																																								
Project Monitoring																																								
Analysis of Interim and Final Reports																																								

ANNEX III

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE FOR THE PROJECT (IN MEUR)

Cumulative Quarterly Contracting Schedule (M €)

Project	1Q/02	2Q/02	3Q/02	4Q/02	1Q/03	2Q/03	3Q/03	4Q/03	1Q/04	2Q/04	3Q/04	4Q/04	Total
Civil Society Development Component I	0.050			0.25				0.4					0.4
Civil Society Development Component II	0.4			1.4.				2.0					2.0
Project Management	0.03			0.06				0.10					0.10
Total	0.48			1.71				2.5					2.50

Cumulative Quarterly Disbursement Schedule (M €)

Project	1Q/02	2Q/02	3Q/02	4Q/02	1Q/03	2Q/03	3Q/03	4Q/03	1Q/04	2Q/04	3Q/04	4Q/04	Total
Civil Society Development Component I		0.025		0.050	0.10	0.15	0.25	0.30	0.325	0.35	0.375	0.4	0.4
Civil Society Development Component II		0.050	0.15	0.4	0.65	0.8	1.1	1.35	1.6	1.8	1.9	2.0	2.0
Project Management	0.02			0.03		0.05		0.06		0.08		0.10	0.10
Total	0.02	0.095	0.195	0.48	0.78	1.0	1.4	1.71	1.985	2.23	2.355	2.5	2.5

ANNEX IV

DETAILS OF THE COMPONENTS AND THE GRANT FACILITY UNDER THE PROJECT

This programme and grant mechanism is the main intervention proposed in this fiche for financing. The details of how it will operate are set out below. It substantiates the outline given in the Project Fiche.

The two components that make the programme are elaborated in terms of their aims; target groups; activities; operations; selection; monitoring; what will be financed; how they will be managed; and their main outputs. The respective costs for each sub-component and the component as a whole are explained.

COMPONENTS OF THE PROGRAMME

1.The programme will have two components. Their activities have links in that they are both oriented to achieving similar results. Component I is oriented to capacity building at community level. Component II is oriented to NGO capacity building at regional and national level. Both share the same goal of a strengthened NGO sector in order to strengthen civil society, especially in relation to the social integration of vulnerable groups, mitigate discrimination and corruption and promote active citizenship.

2.Component I- Community development for local civil society capacity building.

- **Aim** will be to build the capacity of local community based bodies in the least developed and peripheral regions to play an active role in civil society development.
- **Activities** will be oriented to the least developed and peripheral regions of Bulgaria, where the numbers and problems of marginalised groups and access to services are acute and the capacity of local NGOs and civic groups is weak. **In a nutshell, the focus is where socio-economic vulnerability and poverty are high but civil society is underdeveloped.** The approach is to build up and support the capacity of community bodies through activities based on grass-roots realities and demands.
- A long-term objective is that support can enable individuals, organisations and institutions to become animators for change and challenge socially restricting paradigms and practices in relation to vulnerable groups, discrimination, corruption and transparency. Realisation of this component will also enhance the European orientation of the public at large in the respective communities and facilitate the adoption of European standards in civic behaviour and actions.
- **Selection of these regions** will be using agreed indicators of social and economic vulnerability, as well as on the basis of the number of active organisations in the region. This will be a task of the Project Implementation body and it will consult with the Steering Committee. An aim will be to build on existing capacity within the local communities. Human resources will be identified who can be involved in the development of locally based strategies for community development and

mobilisation of resources. Key persons in the NGO/civic community will be identified who can continue in a supportive role and train others. Such a **long-term resource can sustain the initiatives supported under this project.**

- A **main objective** will be to develop **with NGOs and informal civic groupings**, which could include housing co-operative and ‘chitalishta’, the locally **based means and skills needed for them to fulfil a long-term lobbying, networking, fund-raising and advocacy function.**
- They can then use these skills to bring about sustained changes in attitudes in discrimination and tolerance, as well as improve access, in respect of the vulnerable and marginalised groups who are their constituents in the locality.
- Social integration of these groups will be thus encouraged as well as empowerment of the NGOs and civic groupings to continue this role. The latter might entail building partnerships with a variety of actors, especially local municipalities and business associations, to embed this change.
- Links with the local government will be needed to foster a more transparent way of dealing with the needs of these groups and to mitigate corrupt transactions. NGOs and associations with relevant experience could help with social entrepreneurship skills training or the start up of small business enterprises by disadvantaged groups. This would help to take them out of the cycle of poverty and deprivation.
- A **target** is some 500 individuals in NGOs and civic bodies in the selected target regions who can develop the skills to influence choices and the decision making process that impinges on the lives of the vulnerable. Implementation will use existing local capacities, local trainers, researchers and other experts.
- **Support and training will be done mainly through selected regionally based organisations (NGOs)** with relevant experience in the field of working with active citizenship, local government and marginalised groups. They will need to demonstrate a track record in working at community level and in the areas to be supported.
- Their capacity to be a support and training resource will be assessed by the project management body after an identification and evaluation process in consultation with the PSC. It is more likely to be coalitions of NGOs rather than one alone given the range of issues. This process in itself is a strengthening measure as it enhances collective capacity at a regional level.
- Selected support will be given from those centrally NGOs, which will be part of the overall implementation structure. It is envisaged that there will be core activities for groups of community NGOs and civic groups in regional locations. Follow-up support and mentoring will be given in the local environment to individual NGOs by those organisations delivering the core training.
- Training will be not be neutral delivery of technical means but value-driven, human-centred and concerned largely with capacity to support the broader sphere of civil society development and the rights and responsibilities of citizens and government.

- **Specific skills will be developed in the key areas of advocacy, lobbying and networking and coalition building.** The aim will be to show how they can foster social and attitudinal change, as well as deliver practical results in terms of access to benefit the vulnerable groups. The emphasis will be on building a supportive environment for NGO activity as well as negate the discriminatory and corrupt practices that might be prevalent.
- In this respect, negotiation and mediation skills to deal with authorities, promote transparency and mitigate corrupt practices will be an area that will be covered. Such skills need to be meaningful in the local context and hence the support of local government will need to be sought by the regional organisations.
- **An overall goal** of the activities undertaken will be ultimately empower and allow citizens to participate actively in the formulation and implementation of social policies in their community.
- **Development of skills in project design and funding** will be a key activity and practically based in relation to the local environment. This will assist community bodies attract support and resources, either locally or nationally from a variety of sources including municipalities and private sector.
- Areas that could be covered include strategic planning, project design and implementation, volunteer recruitment and development, resource mobilisation and management. In addition, topics such as human and civic rights, pluralism, tolerance and gender equality will encompass other key groups in local communities: jurists, policemen, teachers, particularly with regard to the needs of youth.
- In this process, local capacities in community development, social entrepreneurship, resource mobilisation and citizen participation and volunteering will be enhanced. This will improve needs assessment capabilities at local level, and underpin the process of building the civil society agenda at regional and national levels.
- This range of support, training and community development activities, including strategic planning, community development, resource development, advocacy, network and coalition building, will cover **10 different localities per year over 3 years**. Costs for the different elements will include participation costs, transport, fees for local and regional facilitators and trainers, and training aids.
- **500 key individuals in NGOs and civil society groups in 30 communities over 3 years will be supported.**
- **Total budget: 400, 000 Euro.**

3. Main Outputs of Component I:

- Capacity of 500 key individuals in civil society groups, community organisations and NGOs in isolated areas enhanced. They will be enabled to undertake long-term lobbying, networking, fund-raising and advocacy, in relation to building the local and regional infrastructure and supportive environment for civil society as well as increase access to services and meet the needs of vulnerable groups. They will be a long-term resource for civil society development in the community and the region.
- Capacity of community based organisations in 30 different locations enhanced in order to fulfil a mediating role with public and private authorities and bodies in respect of citizens rights, mitigate corruption and increase transparency in their transactions. In some localities this could mean the strengthening of a NGO to function as a local and unofficial ‘ombudsman’ but will depend on co-operation from the mayor.
- Support structures and groups/coalitions developed and enhanced to promote active citizenship and the attributes of a civil society in selected communities.
- A model for such development tested that might be replicated in other communities

4. Component II: Grant Facility to support Capacity Building and Institutional Strengthening for NGOs in order to promote Civil Society Development.

- **Aims of the component** will be to meet the specific project goals of :
 - Strengthening the capacity of local and regional NGOs for needs assessment, networking, advocacy and fund-raising. *To enable them to develop sustainable partnerships with local government and business associations* to support the social integration of vulnerable groups and improve socio-economic and regional development.
 - Strengthen the *advocacy and monitoring role* of NGOs and local bodies for active citizenship in relation to prevention of discrimination, promotion of access for ethnic minorities and other marginalised groups to public services and justice.
 - Enhance the capacity of NGOs to *deal with corruption on behalf of vulnerable groups, promote transparency and fairness* in their transactions with authorities and other civil bodies and fulfil a mediating role on their behalf.
- **Target groups** will be the range of NGOs nationally but preference will be given to encouraging local and regional based civil society organisations. In this respect, there is a *synergy with Component I*. It is recognised that to some extent there is potential for duplication with activities supported under the Access programme to be launched in 2001 and the DemNet programme. *The PIU will coordinate and that projects complement activities funded by other programmes* rather than duplicate.

- **Support for social integration and entrepreneurship** will be a focus. The needs assessment indicated that the NGO sector could tackle the social integration of the vulnerable groups in a most efficient way through support in the following areas:
 - Social integration and protection of vulnerable groups and communities through projects for the most vulnerable sub-groups such as: children at risk, including homeless, orphans, school drop-outs, women, durably unemployed; projects promoting tolerance and prevention of discrimination against minorities, and ensuring access to public services, health care, education, and job creation.
 - Social entrepreneurship aimed at creating and sustaining projects of a social value, setting-up favourable conditions for business enterprise with beneficiaries among vulnerable and disadvantaged groups through job creation and self-employment.
- However, the **overall purpose of the grants is not just to support social integration. Its longer-term perspective is to strengthen NGOs that undertake activities that contribute to overall enhancement of the environment for the civil society**, promote tolerance and mitigate discrimination against minorities, and tackle the issues of transparency and corruption with local government and the business sector. Therefore, activities put forward by NGOs that support these areas will be a priority. There will be *criteria for assessing proposals* from all levels and some of the broad indicators are given in Annex V. A detailed design of the Grant scheme, including criteria, procedures, process of applications and selection, will be undertaken prior to implementation once its management has been finalised. It can draw on current practice in existing grant making schemes where feasible and appropriate.
- One priority focus will be the idea of **supporting NGOs that function as a local ombudsman** with the support of the local municipality. This has already been tried successfully in six locations. Such a function would enable the NGO to reflect the concerns and needs of vulnerable groups in respect of specific concerns, for example, access to job vacancies, entitlements, access to educational and health services. It could push for more transparent and accountable transactions with local government. This would serve to not only meet the goals of social integration for such groups but also campaign for a more open government and combat local level ‘corruption’. In this way, different elements to the project could find a practical focus at the local level. It could be an area for potential grants at the local and regional level and part of the grant priorities.

5. Basic Operating Principles for management of the Grant Facility include:

- Assistance is based on priority areas as outlined in the strategy developed in collaboration with the PSC and is demand driven.
- Support for individual projects is based on clear criteria and whether they will directly support civil society development rather than just service delivery
- The process of identification and selection of projects for grant support at all levels is transparent, accountable and reflect an objective assessment of needs. It should be based on a standardised project evaluation process with objective scoring criteria.
- Maximum financial accountability and control must be an integral part of the Grant Facility at all levels and with all participating NGOs, in order to ensure that funds are expended and properly used in accordance with agreed EU and CCFU procedures.

6. The Grant Facility will be a re-granting mechanism through grant making bodies under the auspices of one PIU responsible to the PSC. This body will be either one organisation or a grouping of a few NGOs and/or civil society organisations with proven expertise and experience in different aspects covered by the Facility. One or more will need to cover and have a proven track record in managing and implementing re-granting schemes for donors in the field of civil society development. There will be a need for expertise in training, fund-raising, advocacy, policy on civil society and corruption. It is unlikely that one organisation has expertise in all these aspects. It is possible therefore that a consortium of NGOs might be selected. Whichever option emerges will be as a result of standard tendering and contracting procedures organised by the CFCU, to whom they will be responsible. If it is a consortium, then one organisation will be chosen by mutual agreement and with that of the CFCU and PSC to fulfil an essentially management and reporting role for the whole Grant Facility for both Components. The others will fill the role of support partners in receiving grant applications from civil society groups, community bodies, local and regional NGOs in the priority areas. They will assess them according to criteria and evaluation methods agreed with all actors in the management body and PSC. They will disburse funds within the budget agreed with the CFCU and the lead NGO.

7. Grant making organisations will be selected according to a number of criteria. These will be formulated by the PSC as one of its initial actions with possible advisory support from the civil society sector. These organisations should include some, which are regionally based, and working in isolated and disadvantaged areas, as well as those that are centrally based but national in scope. Examples of **criteria** would cover:

- Experience in managing grant making schemes and fund raising for civil society
- Training and technical assistance in civil society development and various aspects of project development and impact assessment
- Public policy analysis and strategic planning for civil society and EU accession
- Advocacy and lobbying for the civil society sector in relation to legislation, government, media and public awareness. Networking and information dissemination
- Collaboration and support for community, local and regional activities and organisations
- Institutional capacity in terms of management resources, funding base, material resources, training expertise and governance

8. Implementation will be through 3 phases. Grants will cover agreed operational and direct project costs. They will be standardised in a project operations manual, which will be prepared prior to implementation.

- **The first phase will have two parts.**
 - In the **first part**, the PIU will allocate grant support on a co-financing basis to selected NGOs, which propose sound projects in the priority areas according to the agreed selection criteria.
 - **Projects will be from NGO networks and coalitions with nation-wide target groups, scope of activities and impact.** It will include up to 10-15 grants of 20,000 to 50,000 Euro (average grant of 30,000 Euro).
 - **Total budget: 450 000 Euro.**
 - The **second part** is designed to provide grants of 5,000 to 30,000 Euro on a co-financing basis to projects of NGOs and coalitions with regional outreach of target groups and social impact.

Within this competition, the own contribution of the respective NGO in finance and in kind should be minimum 20% of the project cost. **Estimated number of organisations supported is 60.**

➤ **Total budget: 1,100,000 Euro**

- In the **second phase**, the PIU will carry out a tender in consultation with CCFU and the PSC for **intermediary partner NGOs, one for each of the six planning regions**. This will establish a decentralised network of regional NGO partners. They will organise regional competitions among local NGOs for small grants of up to 15,000 Euro out of 75,000 Euro allocated per region.
- *The selected intermediary NGOs will be responsible for the carrying out of regional grants allocation rounds. They will be responsible for the identification of the local priorities within the general objectives and priority areas of activities.*
- Within these areas priority will be given to accession-oriented projects focusing on advocacy, network actions, citizen participation and volunteering, resource mobilisation, inter-sector partnerships and projects. Particular attention will be paid to network approaches in problem solving and fund-raising, which will be a pre-condition for funding larger scale projects.
- The regional competitions will follow the selection criteria, principles and assessment methodology laid out by the project management body. It will closely monitor the process and rigorously assess projects according to standardised evaluation criteria and procedures to ensure fairness and transparency in each competition. The applicant NGO contribution in finance and in kind will be a minimum 10% of the project cost.
- Under the decentralised scheme, the funding of 30 NGO projects is envisioned. The intermediary NGOs will need necessary training to strengthen their capacity to manage the local schemes under the Phare DIS rules and procedures.
- **Total budget: 450 000 Euro.**

9. The PIU will monitor closely the whole process of selection and implementation at both national and decentralised level. It will set conditions such as release of funds in tranches linked to performance and implementation of activities and reporting as agreed in the individual project proposals. It will monitor the impact and sustainability of the projects and will set up systems for this purpose.

10. Main Outputs of Component II:

- An estimated 100 NGOs and civil society organisations, mainly on a decentralised basis in the regions, will be supported for activities to fulfil the project purposes, as well as strengthening and building their capacity to contribute to civil society development.

11. Monitoring of the activities funded by the different grants will be closely undertaken throughout the duration of the whole project by the project implementation unit. It will report its findings at regular intervals to the PSC, CFCU and the EU Delegation. The project as a whole will also be subject to the regular monitoring procedures of Phare for all its projects on a decentralised basis. There will be a mid-term evaluation arranged by the project implementation unit in consultation with the PSC, CFCU and EU Delegation of results and impact so far and findings incorporated into the remaining stages of project implementation. These findings will be shared with the PSC, CFCU and EU Delegation and disseminated to other stakeholders in the project.

GRANT-GIVING PROCEDURES AS A BASIS FOR THE GRANT FACILITY IN COMPONENTS I AND II OF THE PROJECT.

(In accordance with the standards outlined in the Vade-mecum on Grant Management from the European Commission)

General Principles

- Grants are awarded on the basis of an open tender.
- The grant programmes are widely publicised (e.g. on the NGOs website, in the non-profit sector press and elsewhere).
- The criteria for project evaluation are announced together with the call for proposals.
- A specified contribution must be identified from other sources by the recipient organisation.
- Details with regard to all supported projects are announced to the general public
- The CFCU and Project Steering Committee approves projects for grant support on the basis of recommendations made by the relevant evaluation committee.

Guidelines for Use by the Evaluation Committees

Evaluate sections A, B, C and D below according to a 1-10 points system (where 10 represents the highest mark possible per section) and write the subtotal per section in the column marked „total“ of the evaluation table (maximum number of points per project is 40).

A. Project Relevance

- Area of project activity and its relevance in the given field of activity.
- Importance of project activity / Relevance of project activity, method of resolving situation, expected results and impact on target group.
- Impact on the public, benefit for civil society development.

B. Content and Preparation of Project Application

- Comprehensibility, clarity, accuracy.
- Formulation of aims, definition of target group.
- Clarity of the implementation plan and its relation to personnel and timetable of activities.

C. Finances

- Relevance, economy, justification and authenticity of the budget.
- Financial contribution by other partners, confirmation of other sources of financing.

D. Anticipated Ability to Implement

- Experience, management skills, annual report.
- Professional skills required.
- Co-operation with local administration and with other partners, recommendations and opinions on project.
- Implementation of previous projects (organisations previously supported).

Points Scale for Sections A-D

Inadequate	0-2 points
Adequate	3-4 points
Good	5-6 points
Praiseworthy	7-8 points
Excellent	9-10 points

Overall Sub-Total by One Evaluator

Inadequate	0-7 points
Adequate	8-15 points
Good	16-23 points
Praiseworthy	24-31 points
Excellent	32-40 points

NB: Each project has a corresponding evaluation table showing the number of the project evaluated, the name of the organisation, a list of all projects submitted in the past together with the requested and eventually allocated amount, the area of activity in which the project was (or is being) evaluated, a commentary - if appropriate (eventually the approved budget), the amount allocated, whether the annual report was attached and for which period and a table, in which you are requested to write the marks allocated for the project in question, eventually other comments (i.e. apart from proposals to reduce the budget and other comments, thoughts that occur to you whilst reading the project). A commentary with regard to the current grant round should be completed only in the case where it is necessary to mention something; if the annexes are incomplete; or if some information is missing from the evaluation table.

If there is any type of relationship between you and the organisation in question, please do not make an evaluation (write „Involved“ in the table). Your evaluation will be calculated on the basis of the average score reached by the other evaluators.

Method of Evaluating Projects within the Framework of the Phare Programme

Approach

1. Establishment of Grant Regulations (according to the approved Phare work programme).

The following points are specified:

- the aims of the programme
- who is eligible to apply for a grant
- priorities or areas of support
- what is eligible for support
- what is not eligible for support
- conditions for grant applications (financial limits, percentage of funding to be covered by the applicant, accountancy methods for the grant awarded and payment instalments, number of copies)
- evaluation criteria for submitted applications

- implementation period
 - formal requirements
1. Preparation of a grant application form together with guidelines showing how to complete it and how to prepare a project.
 2. Announcement and publication of details regarding the programme, including the deadline.
 3. Individual consultations with project applicants, explanation of the programme, the areas of activity and the priorities. Aid in the preparing concepts for the most appropriate project formulations, the most specific data, help with budget issues.
 4. Collection and registration of all grant applications (applications are gathered according to a previously specified date within the framework of a grant round. Applications are stamped with the date they are received. Applications are checked through to see whether they are complete and are then allocated a number and sorted per area of support, or eventually transferred to a more suitable one.
- Formal control - checking through and clarification of contestable data, telephone calls to applicants in the case where further clarifications are needed.
 - Transfer of data on all projects to database.
 - Comments by grants department staff on issues, which are not clearly written into the project.
5. Preparation of project applications for evaluation by the evaluation committee (including downloading of evaluation tables from the database) as follows:
 - List of projects submitted in the past, and any grants awarded.
 - Book-keeping of grants awarded in the past.
 - Annual report.
 - Other sources of financing.
 - Recommendations and support from the local administration.
 - Respect of regulations with regard to project preparations.
 6. Establishment of evaluation system

There are different models of evaluation committee.

- A combination of external specialists and PIU staff. The evaluation committee is composed of 6 members. External specialists rotate, in order to have a different opinion of projects submitted; members of the board of directors within the evaluation committee ensure an element of continuity.
- An advisory board composed exclusively of experts in the given area. The committee is composed of 9 members.
- An evaluation committee composed of experts in the issues from the regions. Each of the 6 evaluation committees is composed of 7 members.

Applicants are requested to supply an adequate number of copies of the project application, according to the number of members of each evaluation committee.

7. Submission of grant applications to individual members of the evaluation committees. Members are acquainted with evaluation methods, criteria and priorities.

8. Return of marked projects. Preparation of evaluations into a table, preparation of applications in digressive order according to the number of points received.
9. Discussion of projects between evaluators in digressive order.
 - Funding is distributed amongst projects with marks above a certain cut-off point as agreed by the evaluation committee, or until the funding is exhausted.
10. Submission of the list of projects recommended for support.
11. Approval of proposed projects -the chairperson of the relevant evaluation committee puts forward proposed projects.
12. Information to grant applicants on the results of the evaluations, preparation of letters of notification.
 - Letters with a positive reply also contain an invitation to sign a contract with project management bodies and/or CFCU.

There are 3 possible types of support:

- full amount;
- reduced targeted amount;
- reduced amount without specified purpose.

Consultations with grant applicants with regard to the proposed budget modification if relevant.

13. Preparation of contracts for the award of grants (annexes: accountancy table, guidelines for the preparation of reports, examples of accountancy).
14. Meetings with successful grant applicants and signature of contracts (collective instructions on how to prepare interim and final reports, and how to prepare grant book-keeping).
15. Publication of supported projects.

The following activities take place as follow-up:

- Evaluation of projects. Checking through of interim and final reports, checking through of accounts of individual projects. Correspondence with regard to the grant-making process.
- Approval of modifications during the implementation of supported projects.
- Use of the database of organisations and projects.
- Monitoring visits to supported organisations and inspection of the project implementation.