

Standard Project Fiche

1. Basic Information

1.1 CRIS Number (Year 2): BG 2005/017-353.01.01

1.2 Title: Civil Society Development Programme

1.3 Sector: Political Criteria

1.4 Location: Republic of Bulgaria

1.5 Duration:

Contracting period

FM 2004 - expires 30 November 2006

FM 2005 - expires 30 November 2007

FM 2006 - expires 30 November 2008

Disbursement period

FM 2004 - expires 30 November 2008

FM 2005 - expires 30 November 2009

FM 2006 - expires 30 November 2010

2. Objectives

2.1 Overall Objective(s):

To support the civil society and strengthen the rule of law and the stability of democracy, raising the capacity of the civil society by enhancing its participation in the accession process, promoting the citizens' voice, partnership with the public bodies and ensuring access of minority groups to public services and the labour market.

2.2 Project purpose:

1. To support the NGOs' participation in the accession process and the participation of the civil society in the process of harmonization and implementation of the "acquis communautaire" through building NGO capacity for programming, monitoring and evaluation of EU projects and programmes in relevant priority areas of intervention, focusing primarily, but not exclusively on:

- Social acquis - equal opportunities, human rights, protection of minorities
- Acquis related to the regional development
- Environmental protection
- Consumer protection
- Youth issues
- Science, education, culture
- Public health campaigns

2. To improve the social integration of minorities and vulnerable groups and to promote the tolerance in the society;

3. To enhance transparency and prevention of the corruption;

4. To develop mechanisms of public-private partnership for the elaboration of national and local policies and for improvement of self-sustainable and independent civil society, via innovative approaches, such as social entrepreneurship as a form of NGO sustainability, local sustainability and decentralization and improvement of social services;

5. To provide solutions of the problem with vulnerability in the rural communities, supporting creation and development of civil society (at local level), engaged with the local development;

2.3 Accession Partnership (AP) and NPAA priority

Accession Partnership (2003)

The Project addresses the political and economic criteria, identified in the **Accession Partnership**, which include, amongst others, the following:

Political Criteria

“Further improve the quality of consultation with concerned parties (e.g. social and economic partners, **civil society**, and private sector) on preparation of new legislation”.

Economic criteria

“Developing small and medium-sized enterprises, in particular the number of start-ups” in the context of social enterprises.

The project fully meets the medium and long-term objectives and measures stipulated in the National Strategy for the Integration of the Republic of Bulgaria into the European Community and key aspects of NPAA.

2.4 Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)

The National Economic Development Plan stipulates: “The Bulgarian government is fully aware that the consensus within the framework of partnership between the government and **social partners (trade unions, employers and NGOs)** is a *sine qua non* for overcoming the long-term problems and the accomplishment of the objectives and priorities of the NEDP. Reaching political consensus on the basis of dialogue with the partners is also preconditioned by the improvement of coordination in the implementation of social and economic policies and their priorities.”

The project overall objectives correspond to second and third mid-term goals, defined in the National Economic Development Plan:

- Diminution of disparities between the various regions and social groups with a concurrent overall increase in the standard of living and contraction of unemployment;
- Harmonisation of national legislation with the EC *acquis*.

The project directly contributes to the development of procedures for regular consultation and cooperation between NGOs and public authorities as an expression of the partnership principle, which is of fundamental significance for the achievement of the political criteria for EU membership.

The project contributes to the capacity building for NGO involvement in Structural Funds operation by strongly supporting the application of the partnership principle at all levels of policy formulation and planning.

Upon completion of the programme, based on the project results and using domestic resources and technical assistance measures of Structural Funds the national authorities will continue to support the role of the national and regional NGOs, which assume the task to disseminate information on regional policy and to promote public participation in programming, management, monitoring and evaluation of Structural Funds assistance.

2.5 Cross Border Impact

Not applicable.

3. Description

3.1 Background and justification:

3.1.1. In the process of preparing for accession, the “opposition” behaviour of the third sector towards the government, political parties and administration evolved into cooperation. The attitude of the foreign grant donors from the years of post-totalitarian relapses also underwent changes in direction of unifying the efforts of the third sector and the state. Foreign grant-givers now directly support projects with the participation of the government and state administration.

The accession strategy allows and even stimulates the involvement and participation of the third sector in fields so far considered as “exclusive” state priority. These are fields such as defense and security, civil control on law-enforcement ministries and agencies. No revolutionary outbreak could be claimed in this field, but there are symptoms of changes in attitudes of senior state government. (this tendency is supported by the fact that a number of senior government executives went to work in the third sector during the last few years. This deprived the opponents of third sector interference with state management of a strong argument in the debate “pro” and “con” expert capacity dispute.

NGOs are especially important in the formulation and implementation of policy in all sectors in the EU. In view of this, assistance should be provided to Bulgarian NGOs, which have an important role to play in preparing for accession, implementing the Acquis (e.g. on environmental protection, equal opportunities, consumer protection) and ensuring the protection of democracy, the rule of law, human rights and the protection of minorities. Another important area of NGO intervention is the youth related issues as outlined in the EC policy paper “A New Impetus for European Youth”.

Grant schemes correspond, to a large extent, to the measures used in Structural Funds. Grant giving practices introduce more complicated mechanisms of selection, assessment and reporting of projects, introduction of European accounting, reporting and notional standards, Bulgarian non-governmental organizations must now adopt models for project application, schemes, questionnaires, standards and other components of improved (and often bureaucratic) procedure. A side effect of this development is the change of needs (personnel, qualification, knowledge, skills, experience) of non-governmental organizations.

Very important for the success of an organization is not only the good original idea or new approach to a certain problem but, increasingly so, the skill to present this idea properly (with well filled-out form, in compliance with multiple requirements, provision of documents, keeping of accounting and factological database and archive, legal knowledge, preparation for audit, etc.). Project management turned into a specific know-how with qualified experts, the same is valid for the fund-raising, standards for project reporting, even language and stylistic skills.

In order to overcome the above mentioned non compliance with EU requirements and standards the Bulgarian NGOs need to build their capacity in this direction.

3.1.2. Integration of vulnerable and minority groups is still a crucial area where more support and investment are needed. The political and economic reforms in Bulgaria were accompanied by falls in economic activity, employment and an increase in poverty. The reforms particularly affected minorities and vulnerable groups in the society such as children, young unemployed, long-term unemployed, women, as well as disadvantaged ethnic minorities. **Despite the accelerating development of the civil society, the non-government sector among the minorities and vulnerable groups is still underdeveloped.**

3.1.3. As stated in the EC Regular Report for the year 2003, public opinion in Bulgaria still perceives corruption as a serious problem. The adopted National Strategy for Countering Corruption is aimed at establishing a modern legal framework of administrative activities

and public services. The strategy implies managerial and organizational development and clear-cut regulation of interrelations between government authorities on the one hand, and the private sector and citizens, on the other. The strategy objectives include increasing the role of already existing institutions and a creation of new ones with controlling and monitoring functions.

In this respect the NGOs should be supported in order to be able to act as corrective and partner to the state and municipal administrations, and be able to initiate or participate in systematic consultations and co-operation in the fight against corruption.

3.1.4. NGOs continue to play an important role in socio-economic development of the community in Bulgaria. They often initiate partnerships between different stakeholders like local governments, businesses, media etc., thus influencing regional economic policies. Good examples of such a co-operation are countrywide Regional Development Agencies that apply public-private principle in their activities. Still this type of cooperation needs further development, stronger multiplication, innovative mechanisms and instruments. One of the new approaches in the sphere of public-private partnership is the social entrepreneurship. Generally social enterprises are a form of economic activity performed by NGOs as means of generating income for activities in support of the NGO target group or economic activity, which provides employment for members of the target group. There are initial minimum prerequisites for establishment of social enterprises:

(1) The Non-Profit Legal Persons Act (a.k.a The NGO Law) adopted in 2001 stipulates that NGOs can perform economic activity in support of their main activity, investing the generated income into the achievement of the objectives stated in their statute, provided they do not distribute profits/dividends;

(2) The amendments adopted to the Bulgarian Social Assistance Act in 2003 promote social assistance through the joint activity of all sectors, including the not-for-profit sector. "Social services" under the amended Act are defined as "services designed to promote and expand the potential of individuals to exercise an independent life". The amended Act broadens the scope of potential social service providers to include private legal entities, including not-for-profit organizations (NGOs). Social service providers, which, to date, have been social institutions (state-level and municipal), are encouraged under the Act to deliver social services to the community through alternative arrangements, including through NGOs. The NGOs wishing to deliver social services must seek registration with the Register at the Agency for Social Assistance at the Ministry of Labor and Social Policy.

Social enterprises are currently used by many NGOs in Central Europe. When used effectively they could serve a dual purpose:

- provide a flexible, untied financing source for sustaining and thus furthering NGO missions and build a stronger, more locally sustainable civil society;
- develop a vibrant, environmentally and social responsible local economy.

The above mentioned reasons explain the choice of **public-private partnership and social entrepreneurship as one of its forms as a priority of the current programme**.

3.1.5. According to *2002 Regular Report on Bulgaria's progress towards accession* the Accession Partnership Priorities in the area of regional policy have been met to a limited extent.

The National Human Development Index 2002 of UNDP stipulates that there are substantial regional disparities in the GDP and the unemployment rate. That reflects also on geographic differentiation of citizen participation – citizen attitudes and practices are **lower among rural residents and in smaller settlements**. There is a relationship found

in the UNDP National Human Development Report 2001 between the geographical and psychological remoteness from power.

That is a serious ground for **choosing rural communities as a project target territory in order to overcome the existing barriers for citizen participation.**

3.2 Sectoral rationale

N.A.

3.3 Results

3.3.1 Project: Civil Society Development

3.3.1.1 Purpose

1. To support the NGOs' participation in the accession process and the participation of the civil society in the process of harmonization and implementation of the acquis communautaire through building NGO capacity for programming, monitoring and evaluation of EU projects and programmes in relevant priority areas of intervention, focusing primarily, but not exclusively on:

- Social acquis - equal opportunities, human rights, protection of minorities
- Acquis related to the regional development
- Environmental protection
- Consumer protection
- Youth issues
- Science, education, culture
- Public health campaigns

2. To improve the social integration of the minorities and the vulnerable groups and to promote the tolerance in the society;

3. To enhance transparency and prevention of the corruption;

4. To develop mechanisms of public-private partnership for elaboration of national and local policies and for improvement of self-sustainable and independent civil society, via innovative approaches, such as social entrepreneurship as a form of NGO sustainability, local sustainability and decentralization and improvement of social services;

5. To provide solutions of the problem with vulnerability in the rural communities, supporting creation and development of civil society (at local level), engaged with the local development;

3.3.1.2 Results:

The project is multi-annual and consists of repetition of identical set of activities for each phase. The results and activities described below are for the current Phase 2 (FM 2005).

Result 1. Research and consultations implemented.

This result will directly contribute to the design of the rural community development supporting grant scheme and future planning of civil society development support.

Indicators: Research analysis has identified:

- (a) current situation, needs, potential and constraints for the sustainable development of the civil society;
- (b) existing situation, needs, potential and constraints for the development of 20 target communities.

Result 2. Organized and implemented national annual meeting of the non-profit organizations.

The conference will allow for debates, proposals and lobbying for the priorities and aims of the NGOs, improving the independence and sustainability of the third sector as well as increased public awareness, exchange and improvement of the practices for volunteering, charity, funding, and expression of common interest and lobbying for legislative changes in the legislation frame work, related to civil society.

Indicators: National meeting of the NGOs for 1000 participants results in increased public awareness and in a provided forum for exchange and improvement of the practices for volunteering, charity, funding, thus contributing to the independence and sustainability of the third sector.

Result 3. Improved capacity of the NGO management leaders to program, to manage, to monitor and to evaluate EU funded projects and programs.

Indicators: NGOs actively apply for training and about 100 NGO representatives are trained on issues raising the capacity of the non-profit organizations to create, manage and monitor EU funded projects and to participate actively in the accession process.

Result 4. About 145 projects of different scope (national, regional, community based) successfully implemented by non-profit organization in accordance with the priorities of the programme and the implemented research.

The result will contribute to the efforts of the civil society to improve the partnership principle on all levels of policy making in adequate and transparent way and to participate actively in the accession process on regional level; enhance the capacity of the regional NGOs to manage EU funded projects and to work in partnership with various stakeholders and strengthen the local civil society and improving the social – economical development of the chosen rural communities, stimulating the public-private partnership at local level.

Indicators: About 400 project proposal submitted under the Grant Scheme and about 145 projects of sufficient quality selected for financing. The financed projects are implemented successfully and their individual results/outputs contribute to the attainment of the overall project objectives.

3.4 Activities (including Means)

The activity schedule is developed on module / annual basis. **Further described activities will be repeated in every phase**, changing the specific target and profile of the undertaken efforts, according to the envisaged annual researches and under the supervision of the Programme Steering Committee. Budget figures are also per programming year.

3.4.1. Activity 1: Research

Design and implementation of annual research and consultations, aiming to identify target rural communities and specific needs of the non-profit sector. There will be **one research per phase** in the framework of this activity.

The research will be with national dimension and will have two main objectives:

- Identify the current situation, needs, potential and constrains for sustainable development of the civil society. The research will be accompanied by a national process of consultations with the local, regional and national NGOs. The consultation summary will

be extraction of the aims and the priorities of the Bulgarian third sector. It will be presented on the annual meetings of the Bulgarian non-profit organizations.

- Identify 20 target rural communities with lowest index of human development, existence of vulnerable groups due to lack of access to social services, to the labour of the market or due to inequality based on ethnic, gender or other criteria and produce a report for the existing situation, needs, potential and constraints for the development of the identified target communities. Balance will be sought with regards to support provided by previous programmes and projects funded by EU and other donors. The selection of the 20 target communities as resulting from the research should be submitted to the CFCU and the ECD for approval.

This activity will be implemented by the **PIU**.

3.4.2. Activity 2: National annual meeting of the non-profit organizations

There will be organized and implemented national annual meeting of the non-profit organizations in the frame of the Programme. It is envisaged to be for 2 days, for about 1000 participants. The results from the research of the civil society and the process of consultations will be presented on this meeting. This initiative will give possibility of the representatives of the civil society to participate, debate, propose and lobby for their priorities and aims, improving the independence and sustainability of the third sector.

The annual meeting should be widely advertised and open to all Bulgarian NGOs registered under the Non-Profit Legal Persons Act (NGO Law) or Chitalishta Act. A two stage process of registration should be applied:

1. Preliminary registration stating: NGO BULSTAT registration number (for purposes of checking NGO status and authorised representative who has endorsed the application); areas of experience/interest/activity; intention to participate in the respective workgroups/sessions;
2. Confirmation of participation and submission of papers.

Both stages should be subject to formal deadlines.

The selected contractor (PIU) should elaborate in their technical proposal how the selection/registration process is to be organised while observing the principles of unsolicited participation and non-discrimination.

This activity will be implemented by the **PIU**.

3.4.3. Activity 3: Training facility

About 100 NGO representatives will be trained annually in 1 week long training course to improve their skills and capacity to programme, manage, monitor and evaluate EU projects and programmes. The training will aim to develop the capacity of the trainees to become the core of increased NGO competence in view of the future role of NGOs in management, monitoring and evaluation of EU projects and programmes after accession.

The training should be opened to all Bulgarian NGOs and participants should be selected according to a set of criteria and procedure proposed by the PIU, which should ensure sustainability of the training results. Implemented research will also contribute to identification of the participants.

The implementing organisation (PIU) should also aim to attract relevant stakeholders to participate in the training (e.g. representatives of local authorities or partner organisations).

Special training in project preparation and implementation skills should be provided to prospective grant applicants from the 20 target communities prior to their application for the community grant scheme. This activity should aim to mobilise local resources to address specific local needs and raise public awareness in the local communities about the support possibilities offered by the programme.

Trainees eligible for preliminary training from the 20 target communities should be identified among organisations based and operating in these communities, which are not likely to be very numerous. Supportive information for this selection process is to be obtained at the stage of research (identification of the communities) as well as at program information meetings in the selected target communities.

In promoting the activity relevant information channels should be used – e.g. Internet (specialised websites, electronic bulletins and mailing lists); press (local, national, specialised periodicals and bulletins); Programme announcement (information sessions) across the country; Intermediary support by NGO information centres, regional and local authorities.

This activity will be implemented by the PIU.

Total Budget (Activity 1-3): 0.35 MEUR

3.4.4. Activity 4: Design and implementation of three component grant scheme

This activity includes the design and implementation of a grant scheme comprising three components. Within the framework of the activity the Contracting Authority (CFCU) with the support from the PIU will undertake the granting scheme, ensuring that the process of identification and selection of projects for grant support at all levels should be transparent, accountable and reflect an objective assessment of needs of the target groups. It should be based on standard grants' evaluation procedure in accordance with PraG.

Potential grantees under the grant schemes would be Bulgarian NGOs registered under the Non-Profit Legal Persons Act. The proposals should clearly contribute to the achievement of the programme objectives in the respective priority areas. Organisation and proposal eligibility will be elaborated in the Guidelines for Applicants, which are to be prepared by the PIU in observance of the rules set out in the Practical Guide to Contract Procedures Financed from the General Budget of the European Communities in the Context of External Actions (PraG).

A co-financing of at least 10% (of the total grant projects' cost) should be provided by the grant recipients.

3.4.4.1. Component I: National Grant Scheme

Design and implementation of national grant scheme

The national grant scheme will finance proposals in the frame of the common priorities of the programme. Every year the Steering Committee will establish balance between the programme priorities according the results of the diagnostic research of the non-profit sector and the implemented national consultations.

Under the national grant scheme will be financed about 25 proposals in the frame of the common programme priorities for projects with national impact/outreach. The grantees should be organisations with proven capacity/experience in the relevant eligible area for activity and national scope of activities, and possibly with regional networks.

Indicative Budget (Activity 4: Component I): 1.28 MEUR

3.4.4.2. Component II: Regional Grant Scheme

Design and implementation of regional grant scheme, in the frame of the common programme priorities, but regionally based (in the 6 planning regions).

There will be allocated grants for proposals in the frame of the common programme priorities for projects with regional impact/outreach. Regional parity among the 6 planning regions will be sought in the number and scope of projects. The grantees should be organisations based and operating in the regions with regional scope of activities and possibly local networks. The supported activities should take place in the respective region where the grantees are based and operating.

There will be sought balance in the priorities of the approved proposals in the frame of the common programme priorities, based on the identified regionally based needs and constrains.

There will be financed about 90 regional projects in the 6 planning regions

Indicative Budget (Activity 4: Component II): 1.0 MEUR

3.4.4.3. Component III: Community based grant scheme

Design and implementation of grant scheme in 20 rural communities, chosen as a result of the implemented research The selection of the 20 target communities resulting from the research should be submitted to the CFCU and the ECD for approval.

Proposals of newly established and existing NGOs in the **20 target rural communities** will be granted within the framework of the priorities of the programme to solve the identified vulnerabilities in the fixed locations. The potential grantees should be organisations based and operating in the respective target community, the projects are to be with local impact/outreach in the respective target communities. Newly established NGOs are to be considered the ones registered within the past two years. Based on the preliminary research the PIU should propose how to achieve balance in the support to newly established and more experienced community NGOs.

About 30 projects proposed from the local NGOs will be financially supported

Indicative Budget (Activity 4: Component III): 0.37 MEUR

A project evaluation committee, appointed by the Contracting Authority (CFCU) with the approval of the EC Delegation, will assess projects according to standardised evaluation criteria and PraG procedures to ensure fairness and transparency at all levels.

The project evaluation committee may decide not to allocate all the available funds for a certain component if it finds that there are only a few proposals of the quality required to receive a grant. If this is the case it will be admissible that funds allocated for one of the project components to be used for financing proposals submitted under another component if the proposals in question are of a high quality.

Total Budget (Activity 4): 2.65 MEUR

3.5 Linked Activities:

EU funded activities

The ACCESS 1999 Programme, totalling 1.8 MEURO, which subsumes LIEN, and Partnership Programme, was implemented. An overall amount of 63 projects /including 47 Micro projects and 16 Macro projects/ were financially supported.

The ACCESS 2000 Programme provides for a Macro-Micro Projects Scheme and a Networking Facility Scheme for participation of Bulgarian NGOs to EU events – i.e. conferences, seminars, annual meetings, etc.

Under the National 2001 Phare Programme there is a Project for civil society development amounting at 2 500 000 Euro. Its aim is to 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.

Under the Phare 2002 National Programme another Civil Society Development project (4.1 MEUR) is included for sustaining the civil society role in Bulgaria through improving its strategic approaches and capacities towards the vulnerable groups and minorities integration, fighting against the corruption and transposition and implementation of the environment, consumer protection and social acquis.

Under the Phare 2003 National Programme there is also a project for civil society development with budget of 1 200 000 Euro. Its purpose is to increase the role of civil society in the process of policy formulation at all levels – national, regional and local – through enhancing the capacity of the non-governmental organisations, developing adequate mechanisms for structured dialogue between the state and the “third sector”, building public private partnerships and recognizing the role of NGOs in the Accession process. These efforts of the NGOs will aim the fostering of social inclusion of people in vulnerable position or people being economically or politically marginalized.

The EC Multi-beneficiary programmes such as the Networking Programme (5.0 MEUR for the year 2004) and Small Projects Programme (4.0 MEUR for the year 2004) are open for Bulgarian NGOs and provide assistance in priority areas where it is in the nature of the problems that country-specific action cannot cover the needs and meet the objectives or where the targeted result itself implies communication and networking between the candidate countries or between these and the Member States.

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 centered on ‘chitalishte’s rather than NGOs.

The Netherlands Matra scheme supports a number of projects in civil society.

USAID have a number of civil society development initiatives like Democracy Network (**DemNet**) programme (\$ 6 million over 4 years from 1998). It has a re-granting facility with 13 separate NGOs under the management of 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 organizations.

UK Know-How Fund has a range of projects. The most recent relevant one is 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 project is to strengthen municipalities to be able to respond to the needs identified and prioritized by local communities. The Fund also funds a range of NGO related activities.

3.6. Lessons learned:

Lessons learned from various donor programmes in Bulgaria for the last 13 years could be summarized into several general points:

Need for better co-operation practices and partnership with different stakeholders including state and local government institutions, businesses, media, etc. That observation determines further development of public-private partnership on national and local level.

Diversification of sources to support NGO activities and civic initiatives is still poor, as well as the level of economic activities of the Third sector. This niche could be initially covered by stimulating social entrepreneurship development.

Insufficient level of knowledge of EC norms, standards and directives in the sector as a whole is still a barrier for many NGOs to apply for EC programmes. Trainings, manuals and guidelines, as well as practicing in EC project implementation are still needed for the sector to meet the necessary application requirements for Structural Funds.

In order to provide for sufficient resources to build up an adequate pipeline of projects – especially bearing in mind the availability of Structural Funds on accession it may be appropriate to include a specific project preparation grant facility to which all national institutions who promote public investment or public private partnerships can have access.

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 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.

The PSC should be composed of at least 7 voting members, who will be representatives from relevant state agencies (Ministry of Foreign Affairs -2, Ministry of Labour and Social Policy – 1 and the National Council for Ethnic and Demographic Issues at the Council of Ministers – 1), and the rest – representatives of stakeholders and the civil society sector.

The current procedure for selecting the representatives of civil society sector is through nomination by the Public Council at Parliamentary Commission on Civil Society Issues.

The Council is a consultative body comprising Civil Society representatives nominated by the NGO sector as a result of national consultation process among Civil Society Organisations. A criterion for the selection of these PSC members will be that they have no potential conflict of interest with actions proposed under or supported by the project.

EC Delegation and Contracting Authority (CFCU) will participate in the PSC in observer capacity.

The PSC will aim to ensure a broad consensus between all relevant stakeholders (including a broad representation of civil society organizations) on the actions for assistance under the components of the project, as well as provide guidance to the PIU on issues that arise.

The PSC will be chaired by a representative of the Ministry of Foreign Affairs and will consist of an uneven number of voting members, who while aiming to reach decisions by consensus will also be able to take decisions by majority vote. The PSC will adopt the appropriate procedures for convening and voting at its first meeting.

The PSC will approve all technical reports prepared by the PIU on the grant-management activities.

4.2. A Project Implementation Unit (PIU) will be set up to implement the activities of the project and will be responsible to the CFCU. The PIU will be selected through a tender organized by the CFCU, in accordance with procedures stipulated in the PraG.

5. Detailed Budget

Year 2005 / Phase 2	Phare/Pre-Accession Instrument support	Co-financing			Total Cost
€M		National Public Funds (*)	Other Sources (**)	Total Co-financing of Project	
Investment support jointly co funded	0	0	0	0	0
1. Technical Assistance	0	0	0	0	0
2. Grant Scheme	0	0	0	0	0
Investment support – sub-total	0	0	0	0	0
% of total public funds	0	0			

In case of parallel co-funding (per exception to the normal rule, see special condition as indicated below: **Not applicable**)

Year 2005 Institution Building support	3.0	0	0	0	3.0
1. Technical assistance: Service Contract – PIU	0.35	0	0	0	0.35
2. Grant scheme: National, regional and local scope projects	2.65	0	0	0	2.65
IB support	3.0	0	0	0	3.0

Total project 2005	3.0	0	0	0	3.0
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<i>indicative Year 2006 Investment support</i>	0	0	0	0	0
<i>indicative Year 2006 IB support</i>	3.0	0	0	0	3.0
Total (indicative) project 2006	3.0	0	0	0	3.0

(*) contributions from National, Regional, Local, Municipal authorities, Fis loans to public entities, funds from public enterprises

(**) private funds, Fis loans to private entities

6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency will be the CFCU in the Ministry of Finance and the PAO is the Secretary General in the same Ministry.

Implementing Agency

Central Finance and Contracts Unit (CFCU)

MINISTRY OF FINANCE

102, Rakovsky St. Sofia 1040, Bulgaria

Tel (+359 2) 9859 2772; 9859 2777

Fax (+359 2) 9859 2773

E-mail: cfcu@minfin.bg

The common responsibilities and division of specific tasks between the Implementing Agency (CFCU at the Ministry of Finance) and the Beneficiary Institution (Ministry of Foreign Affairs) will be defined in Memorandum of Understanding signed between the two institutions.

6.2 Twinning

N.A.

6.3 Non-standard aspects

N.A.

The grant management will be in line with **Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions (PraG)**. The project will be managed also under **PraG**.

6.4 Contracts

1. **Contract 1 (0.35 MEURO)**: Technical Assistance – Service Contract with PIU for Annual Research, Management of Grant Schemes, Training and Capacity Building, Organization of Annual NGO Meeting. The contract will be concluded following the procurement rules as indicated in the PRAG
2. **Grant Scheme (2.65 MEURO)** – National, Regional and Local Components (Target Rural Community Grants)

7. Implementation Schedule

7.1. Start of tendering

Call Contract 1: - May 2006

Call Grant Scheme – January 2007

7.2. Start of project activity

July 2006

7.3. Project completion

November 2009

The disbursement period will be extended until November 2009 based on the accumulated experience with previous projects (e.g. BG 0104.03, BG 0204.02), which indicates that there are still specific challenges in contracting and implementing civil society development programmes envisaging capacity building and grant scheme elements.

8. Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed. The civil organizations which might form the PIU will subscribe equal opportunities. Grantees also will be judged equally on a gender and ethnicity principle.

9. Environment

N.A.

10. Rates of return

N.A.

11. Investment criteria (applicable to all investments)

N.A.

12. Conditionality and sequencing

Grants to NGOs providing social services will be awarded if the NGO is subscribed in the relevant register established at the Agency in the Ministry of Labour and Social Policy in compliance with the new Law on NGOs.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory – Attached)
2. Detailed implementation chart (compulsory for year/phase – Attached)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory for year/phase – Attached)
4. List of relevant Laws and Regulations (compulsory – Attached)

LOGFRAME PLANNING MATRIX FOR Project		Programme name and number		
Civil Society Development		Contracting period FM 2004 – expires 30 November 2006 FM 2005 – expires 30 November 2007 FM 2006 – expires 30 November 2008		Disbursement period FM 2004 – expires 30 November 2008 FM 2005 – expires 30 November 2009 FM 2006 – expires 30 November 2010
			Total budget for FM 2004: 3.0 MEUR	Phare budget for FM 2004: 3.0 MEUR
			Total budget for FM 2005: 3.0 MEUR	Phare budget for FM 2005: 3.0 MEUR
			Total budget for FM 2006: 3.0 MEUR	Phare budget for FM 2006: 3.0 MEUR
Overall objective	Objectively verifiable indicators	Sources of Verification		
To support the civil society and strengthen the role for the affirmation of the rule of law and the stability of democracy, raising the capacity of the civil society by enhancing its participation in the accession process, promotion the citizens’ voice, partnership with the public bodies and ensuring access of the minority groups to the public services and the labor market.	<ul style="list-style-type: none">• Number of actively operating NGOs on national and regional level based on specific criteria (in the sphere of management, implementation, monitoring and evaluation of pre-accession instruments);• Number of public-private partnerships established at national and regional level;• Dynamics of access of vulnerable groups to public services and the labour market	<ul style="list-style-type: none">- Surveys and analysis of the third sector;- Project reports and created data bases;- Media monitoring;- Policy papers elaborated by government institutions, agencies and think tanks		

Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1. To support the NGOs' participation in the accession process and the participation of the civil society in the process of harmonization and implementation of the acquis communautaire through building NGO capacity for programming, monitoring and evaluation of EU projects and programmes in relevant priority areas of intervention, focusing primarily, but not exclusively on:</p> <ul style="list-style-type: none"> - Social acquis – equal opportunities, human rights, protection of minorities - Acquis related to the regional development - Environmental protection - Consumer protection - Youth issues - Science, education, culture - Public health campaigns <p>2. To improve the social integration of the minorities and the vulnerable groups and to promote the tolerance in the society;</p> <p>3. To enhance transparency and prevention of the corruption;</p> <p>4. To develop mechanisms of public-private partnership for elaboration of national and local policies and for improvement of self-sustainable and independent civil society, via innovative approaches, such as social entrepreneurship as a form of NGO sustainability, local sustainability and decentralization and improvement of social services;</p> <p>5. To provide solutions of the problem with vulnerability in the rural communities, supporting creation and development of civil society (at local level), engaged with the local development;</p>	<ul style="list-style-type: none"> - Satisfactory number of stable NGOs covering different scope of activities in all planning regions - Number of successfully implemented EU projects - Increased number of experts in monitoring and evaluation throughout the country - Number of successfully implemented pilot schemes for public-private partnership for formulation of national policy - Increased systematic consultation of public authorities with civil society contributing to transparency and prevention of corruption - Initiatives related to social integration of minorities and vulnerable groups - Civic initiatives related to the rural communities development - Number of multiplied models for social enterprises 	<ul style="list-style-type: none"> - NGO annual reports - Up to date surveys and analyses - Publications of National Statistics Institute - Media coverage - Experts and consultants engaged in the monitoring and the evaluation process 	<ul style="list-style-type: none"> - Increasing of civic participation in formulation of national policy - Development of new models for efficient public-private cooperation - Introducing of EU standards on different levels of socio-economic activities - Active approach to overcoming regional disparities - Good practices of partnership and networking on different levels

Results (for 2 nd Phase)	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1. Research and consultations implemented.</p> <p>2 Organized and implemented national annual meeting of the non-profit organizations.</p> <p>3. Improved capacity of the NGO management leaders to program, to manage, to monitor and to evaluate EU funded projects and programs</p> <p>4. About 145 projects of different scope (national, regional, community based) successfully implemented by non-profit organization in accordance with the priorities of the programme and the implemented research</p>	<p>1. Research analysis has identified: (a) current situation, needs, potential and constrains for the sustainable development of the civil society; (b) existing situation, needs, potential and constrains for the development of 20 target communities.</p> <p>2. National meeting of the NGOs for 1000 participants has increased public awareness and has provided forum for exchange and improvement of the practices for volunteering, charity, funding, thus contributing to the independence and sustainability of the third sector.</p> <p>3. NGOs actively apply for training and about 100 NGO representatives are trained on issues raising the capacity of the non-profit organizations to create, manage and monitor EU funded projects and to participate actively in the accession process.</p> <p>4. About 400 project proposals submitted under the Grant Scheme and about 145 projects of sufficient quality selected for financing. The financed projects are implemented successfully and their individual results/outputs contribute to the attainment of the overall project objectives.</p>	<p>1. Research reports and documentation;</p> <p>2. Minutes and documents from the National NGO Meeting reflecting the establishment and exchange of good practices; Proposals for legislative initiatives regarding NGO funding, taxation, volunteering, etc.</p> <p>3. Applications submitted for training; questionnaires fulfilled by participants; trainers reports; reports of beneficiaries and PIU</p> <p>4. Project proposals for the grant schemes; list of approved proposals; monitoring and evaluation data and reports; technical and financial reports of the PIU and beneficiaries; media clippings; publications and products developed under the projects; economical and sociological surveys, etc.</p>	<ul style="list-style-type: none"> - Sufficient number of NGOs working in compliance with EU standards - Sufficient number of NGOs assuring civic participation in formulation of national policy toward EU accession - Applying standards for transparency on national and regional level within EU programmes implementation - Development of new models for efficient public-private cooperation - Introducing of EU standards on different levels of socio-economic activities - Active approach to overcoming regional disparities - Good practices of partnership and networking on different levels

Activities (per year)	Means		Assumptions
<p>1.1. Design and implementation of annual research and consultations (diagnostic research), aiming to identify target rural communities and specific needs of the non-profit sector.</p> <p>2.1. Organization and implementation of national annual meeting of the non-profit organizations.</p> <p>3.1. Annual training for about 100 representatives of the NGO Sector</p> <p>4.1. Design and implementation of a three component grant scheme:</p> <ul style="list-style-type: none"> ➤ National ➤ Regional ➤ Local – for 20 target rural communities 	<p>1 TA Service Contract</p> <p>Grant Scheme</p>		<ul style="list-style-type: none"> - Public awareness and support attracted - Increased capacity of NGOs to work according to EU standards - Increased capacity to work in line with the principle of public-private partnership on national and regional level - Qualified monitoring and evaluation experts available - High level of transparency of EU programmes - Models for multiplication available both in the sphere of trainings and social enterprises - Interested stakeholders and experts willing to engage in the process of analysis and formulating national policy toward accession
			<p>Preconditions</p> <ul style="list-style-type: none"> - Support of different stakeholders on national and regional level - Level of interest of the NGOs in the civil society development

DETAILED IMPLEMENTATION SCHEDULE FOR THE PROJECT

	2006												2007												2008												2009											
	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	J	F	M	A	M	J	J	A	S	O	N	D
1. Set up steering committee																																																
2. Draft and circulate ToR for TA																																																
3. Tender for TA (Contract 1):																																																
4. Evaluation and selection of TA contractors																																																
- Contract 1: PIU																																																
Activity 1: Research																																																
Activity 2: National annual meeting of the non-profit organizations																																																
Activity 3: Training Facility																																																
Training of potential grantees in targeted rural communities																																																
Training Programme for NGOs																																																
Activity 4: Three Component Grant Scheme																																																
*Design grant scheme																																																
*Call for proposals																																																
*Proposals evaluation/selection																																																
*Projects Implementation																																																
Monitoring																																																
Reporting																																																
Contract 1: PIU																																																
Evaluation																																																

Annex 3

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

Cumulative Quarterly Contracting Schedule (MEURO)

Project Civil Society Development	1Q/06	2Q/06	3Q/06	4Q/06	1Q/07	2Q/07	3Q/07	4Q/07	1Q/08	2Q/08	3Q/08	4Q/08	1Q/09	2Q/09	3Q/09	4Q/09	Total
Contract 1: TA (research, management, training, conference)			0.350	03.50	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350
Grant Scheme Contracting							2.650	2.650	2.650	2.650	2.650	2.650	2.650	2.650	2.650	2.650	2.650
Total			0.350	0.350	0.350	0.350	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000

Cumulative Quarterly Disbursement Schedule (MEURO)

Project Civil Society Development	1Q/06	2Q/06	3Q/06	4Q/06	1Q/07	2Q/07	3Q/07	4Q/07	1Q/08	2Q/08	3Q/08	4Q/08	1Q/09	2Q/09	3Q/09	4Q/09	Total
Contract 1: TA (research, management, training, conference)			0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.350	0.350
Grant Scheme Contracting							2.120	2.120	2.120	2.120	2.120	2.120	2.120	2.120	2.120	2.650	2.650
Total			0.280	0.280	0.280	0.280	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	3.000	3.000

List of relevant Laws and Regulations

Non-Profit Legal Persons Act, adopted 2000, in force from January 1st, 2001, published in State Gazette - Issue 81/2000, amended - Issue 41/2001, Issue 25/2002 and Issue 120/2002