
Evaluation of the ABF- Supported Programs of the Bulgarian Center for Not-for-Profit Law (BCNL)

Summary of Results

August 2015

Evaluation of the ABF-Supported Programs of the Bulgarian Center for Not-for-Profit Law (BCNL)

Grant Title: *Profits for Non-Profits: Unleashing the Hidden Potential of Bulgarian NGOs* (Oct 2010- March 2012)
Effective Approaches to Sustainability of Nonprofits (May 2012 – July 2015)
Strengthen Fundraising Skills of Bulgarian Nonprofits (Dec 2014 – August 2015)

Grantee: Bulgarian Center for Not-for-Profit Law (BCNL)

Grant Amount: BGN 1,092,200 (USD 620,364¹) in three consecutive grants

Grant Objectives: The goal of the project is to support the existence of a vibrant and independent civil society in Bulgaria through capacity building of NGOs in their management practices, fund-raising, and in running mission-related business activities.

Program Summary: Although the objectives have remained unchanged throughout the years, the approaches applied by BCNL have become more targeted and better tailored to the needs of specific groups of beneficiaries. While the first grant addressed the needs of the NGOs in Bulgaria at large, the second grant divided the recipients into three major groups: experienced NGOs, newly established NGOs, and museums. The third grant, which in a way is an extension to the second one, further focused the approach and worked with educational and cultural organizations. This is a demand-driven module responding to the needs of ABF grantees.

Program components:

1. Training programs for Developing Specific Skills:
 - ✓ Fundraising for Nonprofits
 - ✓ Business Planning for Nonprofits
 - ✓ Exchange of Experience Program in the Czech Republic
 - ✓ Fundraising Training in the U.S.
 - ✓ Summer School in Nonprofits Management
2. Support to NGOs
 - ✓ Consultations for NGOs
 - ✓ Fundraising Fund
 - ✓ Support through the NGO portal
3. Support for Improved Legal and Fiscal Environment for NGOs

¹ USD 1= BGN 1.76058, ROE as of August 14, 2015

Evaluation Methodology: This internal evaluation report has been developed based on the review of grant reports, feedback provided by the organization, monitoring visits to BCNL’s office and events, budget analysis, and meetings with beneficiaries.

Principal Findings

Training Programs: These are a major BCNL instrument to support the nonprofits in Bulgaria and deserve special attention. The training courses are organized in different modules targeting the needs of NGOs with different level of organizational capacity and with very diverse priorities.



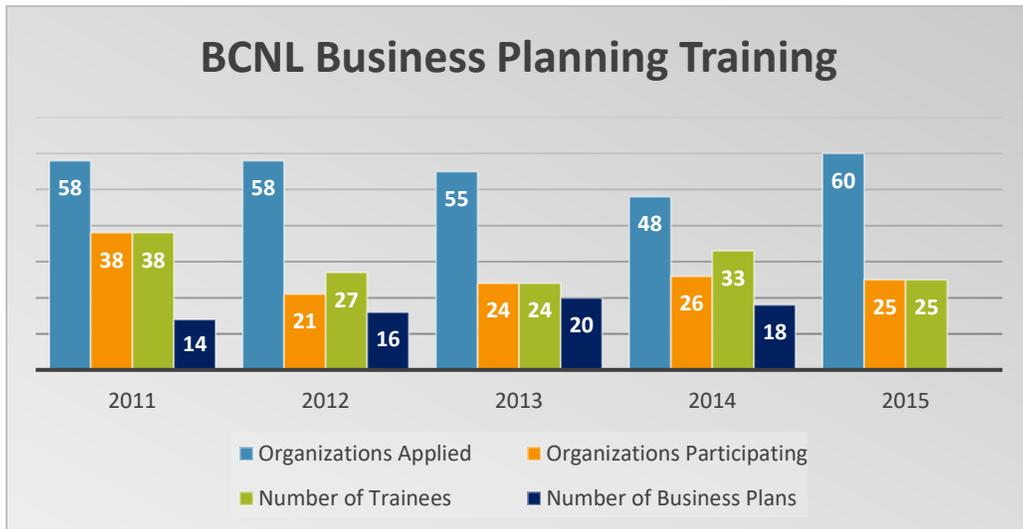
The Summer School provides training in basic management, fundraising and legal matters to newly established nonprofits. The interest in the program has been growing throughout the years as evidenced by the ratio of applied to trained participants. As the chart shows, the ratio has started at 2:1 and has doubled to 4:1 in the last year of the project. The temporary drop in the interest in the trainings in 2012 and 2013 is explained with the training fee that was introduced in 2013.

In five years, almost 300 participants have been trained at the Summer School of BCNL. The data for 2011 is for all general type of training courses that BCNL did for 196 NGOs.

The Business Planning Training for Nonprofits provides experienced groups with the knowledge and skills needed to start and run mission-related business activities. The training ends up with an annual contest awarding grants to the three best business plans: USD 7,000 for the winner and USD 5,000 for the second runner-ups. **122 participants representing 109 organizations** have gone through the training in four years and a group of another 25 is selected for the 2015 fall session.

The 122 participants have developed 68 business plans. 27% of them started a new business activity and 31% expanded an existing business. The income generated by the economic activities of these organizations has exceeded BGN 1 million (USD 568,000) in 2012-2014. The BGN 80,000 (USD 45,440) awarded to nine organizations in the same period alone has brought income of BGN 102,000 (USD 58,000), or each dollar invested in these entities has generated another USD 1.27.

The below



chart

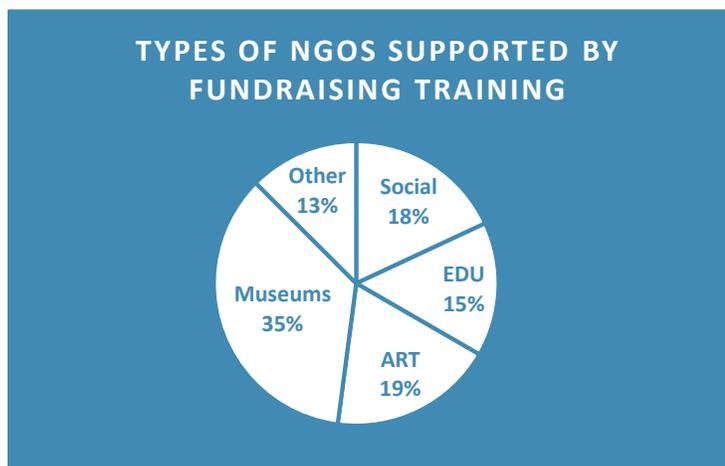
summarizes the data about the interest in the program and its reach out.

The Fundraising Training is a core activity of BCNL. In three years, 144 participants were trained. Half of them (49%) organized fundraising campaigns after the training. The amount raised varies from BGN 100 to BGN 94,000.

This is the most diverse component of BCNL's training programs, which complements the in-country training with training and fellowships abroad. In 2013, a group of seven representatives of Bulgarian NGOs were selected to travel to the U.S. on a study tour. Three of the participants are no longer with the organization that nominated them to participate. Although the participants remained in the sector, it was a good decision not to repeat the program. Given the relatively high cost of the U.S.-based training programs, especially compared to the ones offered in European countries, it makes sense to continue with the latter. In addition to the lower cost, the European practices shared among participants are more relevant to the Bulgarian environment.

Another dimension of the diversity of the fundraising training offered by BCNL is demonstrated by the different types of organizations it has worked with. This means that the program has to be modified to meet the needs of a particular sector. For example, the training for museums addresses the specific regulatory and financial environment in which museums operate.

Fundraising is a totally new topic for local museums, while at the same time the public demand to expand their operations is rising. BCNL has trained staff of **41 museums, which is 22% of all 188 museums in Bulgaria**. Despite the investment ABF has made in developing their fundraising capacity, only three museums have been enough proactive to apply for funding of their fundraising campaigns with the fundraising fund.



This program serves another important role: it complements ABF efforts in developing the capacity of the NGOs we support in all areas of interest. This is why the training of 37 cultural and 22 educational nonprofits is very important for building the future financial sustainability of these organizations.

Support to NGOs:

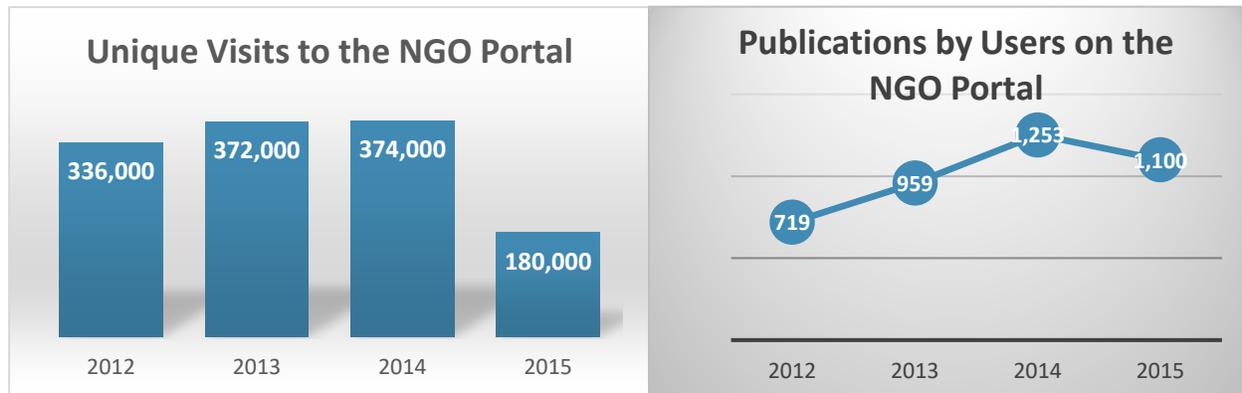
The Fundraising Fund is a tool that helps the organizations to cover the cost of organizing a fundraising campaign. The maximum grant amount is BGN 1,000 (USD 568) under the condition that the organization raises at least 3 times more money than the grant received. In three years, BCNL has provided 60 grants to 53 organizations (including 3 museums) for a total of BGN 49,000 (USD 27,836). These grants have brought BGN 217,571 (USD 123,579) in donations as a result of the fundraising campaigns. This means that every dollar invested has a return of USD 4.4 that further helps the organizations to implement their mission. This instrument is available to all interested NGOs and not only the ones that have gone through the fundraising training.

Consultations and other type of support has been provided to more than 1,500 NGO in five years, i.e. 25 nonprofits on the average receive advice from BCNL every month. Over 100 organizations were assisted in the registration process with drafting the required documents.

A major aspect of the support that BCNL provides includes guidebooks, practical publications with Q&A on important topics (NGO taxation, NGO legislation, NGO business activities), the first manual on museum finding, and numerous analyses.

The NGO Portal is the biggest information portal for NGOs with an average 360,000 visits per year and where the users have published more than 4,000 pieces of information. The two charts

below confirm the growing interest in and usage of the portal throughout the years. (Data for 2015 is for the first six months.)



Creating an Enabling Environment

This is an important part of BCNL's work and together with the Bulgarian Donors' Forum they lead the efforts in advocating for major legislative and policy changes that would improve the environment for nonprofits and thus contribute to the improvement of their viability. I will mention just a few of the key achievements on the advocacy front:

- ✓ Elimination of VAT on donation text messages (with the Bulgarian Donors' Forum);
- ✓ Through active participation in the design of the new EU Good Governance Operational Program ensured funding for monitoring the work of the government and organizing public consultations. This would result in estimated EUR 10 million (over USD 11 million) for NGO projects over the next five years;
- ✓ Elimination of the burdensome requirements for NGOs working under EU-funded projects to organize procurement procedures even for purchases as small as USD 1;
- ✓ Based on a strong advocacy campaign, the Ministry of Justice proposed amendments to the NGO Law with 3 main goals:
 - Creation of a Civil Society Fund as a separate administrative agency;
 - Establishing a Council for Civil Society Development;
 - Transferring NGO registration from the courts to the Registry Agency (where all companies are registered. This would make registering an NGO faster and cheaper.

Summary of Results

In five
BCNL



years,
has:

- ✓ Reached out to over 400 unique NGOs in the country through training activities, which constitute 4% of the ones who file annual reports (10,000) and 10% of the active organizations (some 4,000);
- ✓ Trained 610 participants, 508 of them unique;
- ✓ Provided national coverage of the training programs, though 51% of the beneficiaries are in Sofia. The map on the following page illustrates the geographic locations where the trainees come from and the number of participating organizations;

- ✓ Consulted at least 25 NGOs every month;
- ✓ Created a system for encouraging entrepreneurship of the NGOs in Bulgaria by developing their capacity to start mission-related business activities. We are not talking about training activities only, but a series of different interventions that include the development of a business plan, receiving mentoring support in the process, defending the business idea, and financially supporting the best proposals. In the long-run, BCNL maintains the contact with these organizations to track their progress.

BCNL's business planning training offers unique opportunity to the NGO sector to think about its sustainability in a very pragmatic way. The number of developed business plans (68) coming from 109 organizations (62% submission rate) demonstrate the level of engagement of these entities and the importance of the training and the other support they have received from BCNL. The income from economic activities generated by these organizations has exceeded BGN 1 million (USD 568,000) in 2012-2014;

- ✓ Developed instruments for advancing the fundraising skills of the NGOs. These include different trainings, the fund, and the club. The diversity and complementarity of these activities guarantees their long-term effect. At this point of time, the success can be measured by the ratio between the amount invested in fundraising campaigns and the money actually raised – 1:4.4;
- ✓ Attracted additional USD 220,000 to support the objectives of the program;

Results vs. Stated Goals and Objectives

The application form includes indicators that count the number of provided courses and consultations and the people trained. On that basis, BCNL has exceeded all stated outputs. There were no real impact indicators developed at the beginning to assess the higher order achievements of BCNL, something the Summary of Results section above has tried to offer.

Recommendations

In the future, BCNL has to think about:

- ✓ Developing a detailed database for consistent collection of data on supported NGOs. They have started working on it, but it still does not cover all aspects of BCNL's diverse services. Maintaining one database will make reporting and summarizing of data much easier;

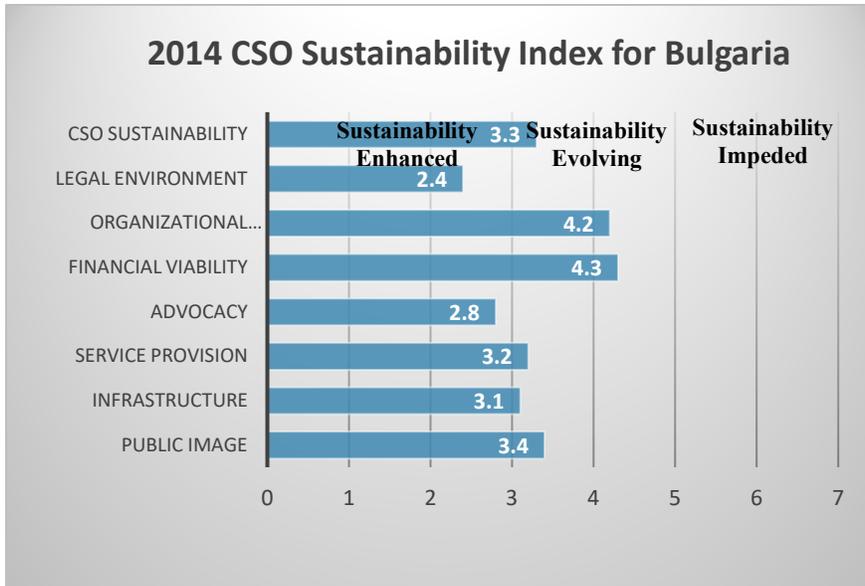
- ✓ Think about more impact oriented indicators that can better capture impact of BCNL's interventions.

Conclusion

The 2014 CSO Sustainability Index for Central and Eastern Europe and Eurasia² shows that the sustainability of Bulgarian NGOs is still evolving (see the chart on the following page). The same result has been maintained since 2012.

There are three dimensions (indicators) of the index – organizational capacity, financial viability, and infrastructure that have been improving since 2012. It might be an overstatement that BCNL activities have been the driving force behind these modest improvements, but there is no doubt that they have contributed to it. The importance of BCNL's training efforts can be illustrated by the following statement in the same report: "Training for CSOs is not sufficient, especially for organizations outside Sofia. In general, if trainings are not donor-supported, it is difficult to find CSOs able to pay for them." With 10% of the active NGOs reached out, BCNL is substantially helping the sector to improve its sustainability. BCNL is the only organization that provides training for the sector starting with basics and expanding its courses to include fundraising and business planning for NGOs. Besides, these are not standalone courses, rather a system for developing the skills and maturity of the nonprofits.

² The CSO Sustainability Index for Central and Eastern Europe and Eurasia has been developed and published by USAID since 1997. It reports on the strength and overall viability of CSO sectors in each of the twenty-nine countries in the region. The Index highlights both advances and setbacks in the development of the civil society sector and allows for comparisons across countries over time. The Index measures the achievements on a scale 1.0 to 7.0, 1.0 representing the desired best result.



BCNL,
with
other

together
several

organizations (all of them ABF grantees), form a strong coalition on the advocacy front. Despite the relatively good and accommodating for the NGOs legal environment, further improvements are required.

BCNL is not simply an ABF grantee, but also a strong partner of the Foundation in developing the capacity of other civil society and public entities that we support.