

Planning for Sustainability

Supporting NGO Self-financing Ventures



The Phare Partnership Programme

THE REGIONAL ENVIRONMENTAL CENTER
for Central and Eastern Europe

Nonprofit Enterprise and
Self-sustainability Team

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Szentendre, Hungary
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The Phare Partnership Programme



THE REGIONAL ENVIRONMENTAL CENTER
for Central and Eastern Europe



Nonprofit Enterprise and
Self-sustainability Team

About the REC

The Regional Environmental Center for Central and Eastern Europe (REC) is a non-partisan, non-advocacy, not-for-profit organisation with a mission to assist in solving environmental problems in Central and Eastern Europe (CEE). The Center fulfils this mission by encouraging cooperation among non-governmental organisations, governments, businesses and other environmental stakeholders, by supporting the free exchange of information and by promoting public participation in environmental decision-making.

The REC was established in 1990 by the United States, the European Commission and Hungary. Today, the REC is legally based on a Charter signed by the governments of 27 countries and the European Commission, and on an International Agreement with the Government of Hungary. The REC has its headquarters in Szentendre, Hungary, and local offices in each of its 15 beneficiary CEE countries which are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, FYR Macedonia, Poland, Romania, Slovakia, Slovenia and Yugoslavia.

Recent donors are the European Commission and the governments of Albania, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Italy, Japan, Latvia, Lithuania, the Netherlands, Poland, Slovenia, Sweden, Switzerland, the United Kingdom, the United States and Yugoslavia, as well as other inter-governmental and private institutions.

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BAC	Business advisory committee
CE	Central Europe
CEE	Central and Eastern Europe
CNM	Centre for Non-profit Management
CO	Country Office (of the REC)
CSDF	Civil Society Development Foundation
FS	Feasibility study
NESsT	Nonprofit Enterprise and Self-sustainability Team
NGO	Non-governmental organisation
NVF	NESsT Venture Fund
PDCS	Partners for Democratic Change, Slovakia
PFS	Pre-feasibility study
REC	The Regional Environmental Center for Central and Eastern Europe
REDF	Roberts Enterprise Development Fund
SNFP	Sustainable NGO Financing Project
USAID	United States Agency for International Development
VCP	Venture concept paper
VG	Venture grant
VPG	Venture planning grant

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Foreword

Planning for Sustainability is a study that records the work and presents the findings of a two-year pilot project carried out by the Sustainable NGO Financing Project (SNFP) partner organisations. It was written to show how this group of NGO support organisations have worked together to put into practice a programme to help NGOs in Central Europe (CE) to plan for and initiate self-financing activities. The target readership for this publication is the donor community interested in supporting the development of non-governmental organisations (NGOs) in CE and beyond, and NGOs seeking to develop their self-financing capacity who will also benefit from this insider's view of the SNFP partnership's experience.

The publication documents and assesses the experiences of a pilot project wherein a traditional grant-giver, an international philanthropic investment organisation and four Central European NGO support organisations developed and implemented a “venture philanthropy” approach of philanthropic investment and capacity-building. The case study begins with an introduction to the issue of NGO financing in general and NGO self-financing in particular, with a review of the financial situation of NGOs in CE and an emphasis on differences between — and limitations of — traditional project grants versus venture philanthropy support to NGOs. This first section also includes a discussion on why the SNFP partners decided to address this issue and why they did so by using a venture philanthropy approach.

The publication then outlines the methodology and process used by the partners to assist a selected group of Central European NGOs in assessing their readiness for self-financing and the feasibility of their business ideas. The case walks readers through goals and objectives, the Call for Interest process, the feasibility and business planning processes and the mechanism used for awarding the venture grants themselves, in particular selection procedures and contractual arrangements. The conclusions analyse the benefits of the work for participating NGOs, for NGO support organisations and implications for the field.

While this book is not intended as a guide for NGOs wishing to carry out a self-financing process themselves, it will allow them and their supporters to view from beginning to end the approach taken by the SNFP in supporting such activities. Furthermore, since this was a pilot project it was designed to assist all project stakeholders to build on the lessons learned and clarify the future use of such an approach.

The Sustainable NGO Financing Project

The process outlined in this publication reflects the third of three phases of the Sustainable NGO Financing Project (SNFP). The SNFP for CE is an initiative which encourages and assists non-profit, non-governmental organisations in the region to identify longer-term financial and capacity-building resources to help ensure the sustainability of their work and the viability of their organisations. The SNFP was launched in 1997 by the Nonprofit Enterprise and Self-sustainability Team (NESST) with the Regional Environmental Center for Central and Eastern Europe's (REC) NGO Support Programme. Since then it has been operating as a collaborative effort of NESST, the REC, the Centre for Non-profit Management (CNM) in Slovenia, the Civil Society Development Foundation (CSDF) in Hungary, Lotos o.p.s. in the Czech Republic, and Partners for Democratic Change, Slovakia (PDCS). The SNFP partners began their work with the belief that through self-financing some NGOs can increase their long-term viability and independence by generating their own income to supplement funding from public and private donors.

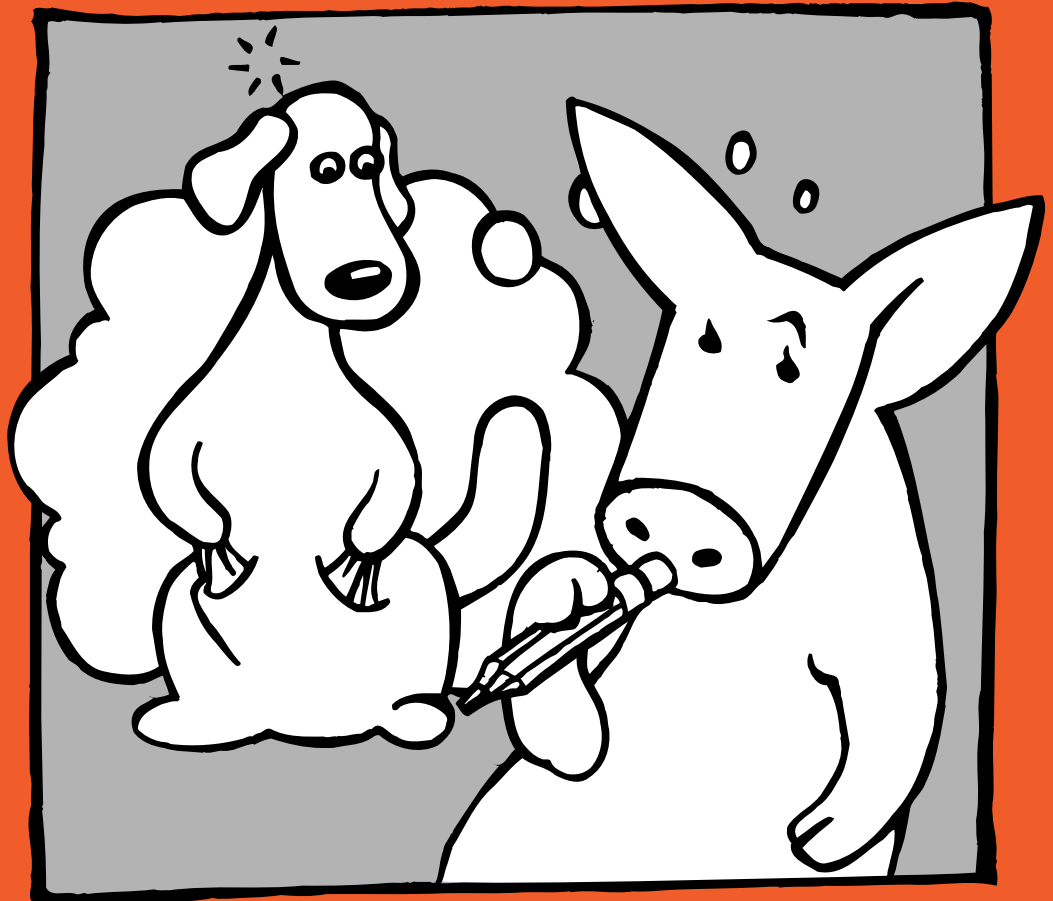
Phases one and two of the SNFP sought to learn from the existing use of self-financing in the region and to develop the tools and services needed by the NGO community to carry out responsible self-financing activities. Phase three, the project Supporting NGO self-financing ventures — funded under the auspices of the European Commission's Phare Partnership Programme, NESST and the REC — put into practice the research and preparation of the previous years. The third phase is a pilot project and has allowed the partners to develop and refine an open mechanism for identifying NGOs that could be self-financiers, and to provide seed money to NGOs to begin or expand their self-financing ventures. In a sense the project has allowed the partners to “put our money where our mouths are.”

We hope that sharing our experiences and the lessons we learned will encourage other grant-makers to reflect on their own experiences and help them integrate new strategies for supporting the long-term sustainability of their grantees. If nothing else, we hope our mistakes and achievements along this journey have provided a practical precedent in the effort to develop new strategies for supporting and sustaining the valuable work of NGOs in the CE region and beyond.

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Chapter 1: Introduction

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Understanding NGO Financial Stability

Since 1989, Central Europe (CE)¹ has seen phenomenal growth in the number of active non-governmental organisations (NGOs). This growth resulted from the desire of individuals to support their society and environment along with the newfound freedom of developing democracies. After a long-imposed silence, people were again able to express their opinions freely. Furthermore, the region was suffering manifold environmental and social problems that governments were unwilling or unable to address. Finally, the influx of foreign money to support a burgeoning civil society fostered the further development of civil society organisations and NGOs.

The Regional Environmental Center for Central and Eastern Europe (REC) has charted an increase in the number of environmental groups from almost 800 in 1992 to 1,700 in 1994, 2,700 in 1997 and just under 3,000 in 2001. This growth can be taken as representative of the NGO sector as a whole, showing that people in CE countries have taken an interest in citizens' initiatives. The REC estimates that across the 15 Central and Eastern European (CEE) countries² some 6,000 people are employed part- or full-time in the environmental movement and another 46,000 volunteer their services (REC 2001).

The development of civil society and NGOs in these countries in transition has always been considered a necessary step towards a fully functioning democracy. Indeed, there have been many organisations and programmes orientated towards this development and many of these efforts have been supported by international donors.

In Central Europe there have been notable successes in building civil society. The *1999 NGO Sustainability Index* developed by the United States Agency for International Development (USAID) considered that "civil society in these countries has come far since the fall of communist governments" and that "there is a growing community of capable and professional NGOs that have demonstrated an ability to participate in public policy debates, advocate effectively on behalf of their constituencies, and provide services that their communities need and value." However, the same study goes on to note: "Unfortunately, rebuilding the traditions of philanthropy, charity and social responsibility that existed in the region prior to the Second World War have proven more difficult than establishing the forms, structures and institutions of democracy and civil society." (USAID 2000)

1 For the purposes of this publication CE includes the Czech Republic, Hungary, Poland, Slovakia and Slovenia.

2 CEE countries are Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, (FYR) Macedonia, Poland, Romania, Slovakia, Slovenia and Yugoslavia.

Economic recession, a substantial reduction of foreign donor support and the lack of indigenous philanthropic development are beginning to hit home.

USAID

Herein lies the main threat to the development of civil society and its associated organisations: that the institutions have been founded and initially funded, but society does not appear ready to continue such support. Herein, too, lies the confounding problem on which the SNFP strategy was based: international foreign assistance in the CE region is disappearing while the availability of local philanthropic resources remains insufficient to plug the gap; there is still no strong culture of philanthropy in CE, nor are there sufficient local regulatory and tax incentives to help stimulate such activity. Furthermore, the NGO financing resources that are currently available typically also come with their own limitations and restrictions (see **Figure 1**).

Since the mid-1990s, when international NGO support was perceived to be at its height, foreign financial and organisational support has declined notably. The REC and Milieukontakt Oost-Europa's *Trends in Funding* study revealed that, while international funding to Central Europe has gradually declined since 1996, domestic funding has been increasing (REC & Milieukontakt 1998). However, the average amount available per NGO dropped from ECU 6,000 in 1995 to ECU 3,500 in 1997. This occurred because of the simultaneous increase in size of the NGO sector and decrease in funds available to it. While this effect varies considerably from country to country, the growing NGO movement has generally been asked to rely on fewer, less-developed local resources.

While these figures are for environmental NGOs (which may have funding profiles different from those of NGOs in other sectors such as health, gender or human rights), donors to NGOs in other sectors have also perceived this trend. The *1999 NGO Sustainability Index* highlighted the dilemma facing NGOs: "The scores in NGO financial viability, ... particularly in those countries in which USAID has discontinued bilateral aid, are beginning to reflect NGOs' concerns about sustaining themselves financially in an environment where foreign donors are reducing support and shifting priorities." The report goes on to say that "economic recession, a substantial reduction of foreign donor support, and the lack of indigenous philanthropic development are beginning to hit home." (USAID 2000)

Diversification of funding sources

Finding a comfortable balance between the need for continued foreign or international assistance to local Central European NGOs and the desire to decrease such dependency by encouraging local philanthropic activities remains a significant challenge in the CE region. However, there are some trends underway that indicate opportunities for shifting from international dependence to greater local diversification of NGO financing. In 1997 the REC conducted a needs analysis of environmental NGOs which revealed that "the overwhelming majority of NGOs need [or demand] external support. Almost all NGOs believe that external support is either critically necessary (41 percent) or somewhat important (53 percent)." (REC 1997)

Interestingly, there was a close correlation between an NGO's financial status and the composition of its financial resources. NGOs who received the majority of their funding from membership dues and little from foreign grants were usually categorised as having a "poor" or "very poor" status and had annual budgets of less than USD 1,000. NGOs that relied on international grants, government grants, or self-generated income enjoyed superior financial positioning and annual budgets of over USD 10,000. The REC found that "about 19 percent of NGOs obtain more than one-quarter of their budgets from sources such as fees, research and consulting." (REC 1997)

FIGURE 1

Funding challenges and limitations

Funding challenges facing NGOs in Central Europe are really a combination of two limitations, as outlined in Davis, 1997:

Quantity (limited availability of resources)

The current paradigm of NGO financing has created a social Darwinist environment whereby NGOs are simply sharing in the poverty of an already limited pie of charitable resources. Particularly in the more developed Central European countries, resources for NGOs from international donors are waning.

Whether from state or private sources, public charitable giving, or locally endowed philanthropies, domestic support of NGOs remains inadequate. Individual donations are low because little disposable income is available, particularly as unemployment rates rise. The culture of philanthropy in the region is also nascent.

Quality (limitations of existing resources)

Many donor resources available to CEE NGOs come with limitations or restrictions, including:

- **short-term project cycles:** the majority of funds currently available for NGOs are for short-term projects only, making it difficult for them to plan longer-term, strategic programmes;
- **prescribed themes/priorities:** some donors have shifted their funding priorities, resulting in donor-driven projects rather than those based on NGO realities and decision-making;
- **restrictions on expenditure:** some donors allow expenditure only for specific types of project costs, leaving few resources for NGOs to cover core operating or administrative costs;
- **limited number of instruments:** the types of financing tools available (i.e. grants) do not necessarily provide the varied financing required by NGOs at different levels of development.

■ Excerpted from Davis, *The NGO-Business Hybrid* (1997)

Characteristically, organisations in this bracket were in “good” or “very good” financial condition. It appears — and is indeed logical — that those organisations with a wider funding base (including self-generated income) are more financially sound and that if the number of NGOs in this bracket were increased, the sector as a whole would be more financially stable.

These findings are not uncommon. Non-profit organisations around the world have consistently sought ways to diversify their funding base to provide a greater cushion for financial uncertainties. NGOs in CE have traditionally relied on four general revenue sources: foreign aid from official development assistance (ODA) agencies and other external public and private donors; contributions from domestic foundations, business, and individuals; domestic government subsidies and payments, including grants and contracts; and income earned from fees, and other self-generated income and investment earnings.

More often than not, most efforts in the CE region to help diversify NGO funding sources have relied on attempts to cultivate new donor sources (i.e., to involve more local corporations in philanthropy or to identify new individual donors or foundation donors). It is the last of the above revenue sources that has been left largely unexplored by grant-makers and donors. How can traditional grant-makers help facilitate the diversification of NGO funding sources through self-generated (i.e., earned income or self-financing) strategies?

NGOs require long-term funding to address most social or environmental issues, but there is a dearth of donors willing to commit to periods longer than three years.

Reflecting on Traditional Grant-making

Traditionally, support for NGOs has concentrated on project granting, capacity building, and training. The great success in the development of civil society in CE has largely come about through these traditional grants. The REC itself is a traditional grant giver, primarily supporting projects that have a positive impact on protecting the environment. However, while this form of project support must continue (and indeed be increased), it has a number of limitations (adapted from NESST 1999, *Profits for Non-profits*).

Limitations of traditional grants

- **Inappropriate project periods** The periods set for projects are often artificial, they are usually set when a grant programme is drawn up and do not necessarily reflect a project's needs. Project periods are often too short, requiring truncated implementation of activities, with NGOs sometimes asked to complete work within a donor's accounting year. In addition, the commitment of project funds is often too short to allow long-term planning and development. NGOs require long-term funding to address most social or environmental issues, but there is a dearth of donors willing to commit to periods longer than three years.
- **Limited advice and support** Due to the often large volume of grants awarded by a donor, the responsible staff have little time to assist the NGO with reporting and advice (one foundation's grant officer told the authors that he was currently responsible for over 65 grantees and another nearly 100). While this separation might be desirable to prevent interference in the NGO's internal decisions, there is a lost opportunity to use the grant for capacity building. A lack of face-to-face cooperation also leads to the substitution of complex forms and reporting to measure results (see reporting below).
- **Set themes or priorities** The donor usually sets programme priorities and topics, though possibly with research or advice from the NGO community or independent experts. These priorities are prone to sudden shifts resulting from donor policy changes or donor fatigue and, with the limited options available to them, NGOs sometimes resort to applying for projects outside their planned activities or mission. "Donor-driven" has even become an established catch phrase. The fear is that in the pursuit of funds, NGOs become less driven by demand or need and may lose their relevance to the society they seek to support or represent. In addition, NGO dependence on fluctuating grant sources is not only a threat to organisational goals, but can be a discouraging factor to the individuals themselves as they reflect on their lack of control over the direction they wish to pursue.
- **Negative competition effects** In an effort to secure funds, NGOs — in competition with their peers for limited resources — can be driven to promise too many activities and set unrealistic goals for the amount of funding. In effect the NGOs face unreasonable demands. Donors may fail to notice this and regard project failure as being the fault of the NGO rather than the result of the design and award of the project grant itself. The competitive element also favours the more experienced and developed NGOs, as they can prepare better proposals, supply a convincing track record, and have better information on funding opportunities. This may leave new or inexperienced groups at a serious disadvantage, and cause donors to lose opportunities to build the sector. Counter-intuitively, successful NGOs can find themselves at a disadvantage in fund-

raising. If a donor perceives them as having sufficient funds from other sources, or as no longer being innovative (simply continuing with the same successful project) they may then stop supporting them. This trend can discourage growth.

- **Reporting pressure** In the desire to justify expenditure there is a trend by donors to measure the results of project grants in greater detail. While it is important for NGOs to reflect on and explain how they have used funds, it is common for the required justification to be disproportionate to the amount received and/or in an inappropriate format. Often heavy reporting requirements are a substitute for effective involvement from the donor, and with some financial reporting the onus is on the NGO to provide evidence of appropriate expenditure in rigid accounting categories. The completeness and professionalism of the report itself, whether narrative or financial, may become the measure of project success rather than the activities actually done in a project.
- **Expenditure constraints** Donors often desire to see results only in the defined project activity and as such they forbid or limit the use of funds for organisational overheads, administration or development. Therefore NGOs have difficulty in finding resources for these essential costs. In some instances donors require co-financing from the NGO, with the result that the larger the project, the larger the stress on the organisation to find or prove the co-financing. Furthermore, NGOs are often asked to carry the cash flow for projects (when reimbursement is slow or they are paid in unbalanced installments), yet donors often do not or perhaps cannot assess the ability of the organisation to bear the financial burden.
- **Limited number of instruments** Project grants are simply too unwieldy to cover all the funding requirements of NGOs. NGOs need funds at various times and for various uses, particularly overhead costs (see above). NGOs that have attempted to start self-financing ventures also suffer a lack of start-up or expansion capital as traditional grant-makers do not see these as being within the realm of their project proposals, while mainstream financiers consider them too high-risk and low-return.
- **Low organisational capacity building** By their very nature — and not unreasonably — many project grants focus on project output rather than general organisational development. Additional activities such as training can be viewed by donors and NGOs alike as taking funds from programme activities. The value added by capacity building is usually harder to measure and therefore tends to enjoy less support .

Possible limitations of traditional project grants

- Inappropriate project periods
- Limited advice and support
- Set themes and priorities
- Negative competition effects
- Reporting pressure
- Expenditure constraints
- Limited number of instruments
- Low organisational capacity building

Most NGOs have experienced at least one and perhaps all of these side-effects of traditional project grants, and many donors recognise the limitations of their own strategies. There are of course many positive aspects to project grant funds: they are usually non-invasive, in that the donor does not interfere in the day-to-day management decisions of the NGO; the money is “safe”, in that it does not have to be repaid (unless it was not used for the agreed purpose); the selection procedures are normally transparent; and they provide crucial financial support for programme activities. However, there is a need to develop or promote alternative NGO support mechanisms that can overcome some of these identified limitations. Developing such a support mechanism must address the two limitations mentioned earlier: quantity and quality of NGO financing sources.

The question of quantity can be addressed in the context of a wider, longer-term effort to stimulate more local philanthropy among different donors. But what can grant-makers do to assist NGOs to generate more of their own financial resources? Regarding the quality of financing, the issue centres on what grant-makers can do to help expand the array of financing instruments available to NGOs, particularly to stimulate more self-generated income among grantees. These are two of the key questions that the process described in this case study was intended to address.

Understanding Self-financing

For a grant-maker interested in stimulating diversification of financial resources among NGOs it is first important to reach a better understanding of what options existed and to answer the following key questions: What does self-financing mean? How can it be carried out? What are the typical benefits and obstacles for our NGO grantees?

In essence, self-financing relates to methods by which NGOs can generate a percentage of the funds necessary to carry out their mission. NESsT defines seven such self-financing strategies that might be used by NGOs for self-financing.

Research conducted by SNFP partners, and published by NESsT in *Profits for Non-profits* in 1999, confirmed that due to the limited quality and quantity of funding, many

What is self-financing?

Self-financing can be defined as the procurement of revenue by internal entrepreneurial methods — in other words, strategies used by NGOs to generate some of their own resources to further their mission.

Central European NGOs had already embarked on some type of self-financing strategy. The *Profits for Non-profits* action research revealed that many were selling some kind of product or service, and in some cases had partnered with corporations in order to create employment opportunities and generate revenues for their clients. Having documented and analysed the self-financing experiences of 20 NGOs in the Czech Republic, Hungary, Slovakia and Slovenia, the benefits of self-financing were clear: increased income; diversified revenue base; greater flexibility of funding; improved organisational planning, management and efficiency; improved financial discipline

and oversight; a positive impression on donors; strengthened board of directors; increased visibility of the organisation; and increased self-confidence (NESsT 1999).

Despite many benefits to this approach, the research also revealed NGOs were using these strategies with little expertise or resources, often at great risk to their organisation and mission, and within very unfavourable legal and regulatory environments.

NESsT identified four main cluster areas of potential difficulty that NGOs may face when implementing self-financing (NESsT 1999):

- **Identity** Such alternative ventures can lead to conflict between profit goals and non-profit mission. Conflict may arise between the ideological drive of the mission and the financial drive of self-financing. The degree to which a self-financing venture supports the NGO mission is a crucial question and may result in considerable soul searching or conflict. Within the organisation there may be resistance to perceived risk and uncertainty regarding a self-financing venture. This fear is not unfounded as the high failure rate among small for-profit businesses demonstrates. NGOs are no different. Self-financing may not be suitable for all NGOs. Criteria identifying potential success at self-financing require investigation. This, coupled with concerns about the destina-

tion of profits or costs must be addressed at an early stage, particularly when the public image of the NGO may be tarnished by reallocating some of its resources to a business base. For-profit businesses may decry the unfair advantages that the NGO might have (such as tax breaks), especially when the self-financing venture is operating in the local market. In addition, if an NGO begins charging or operating for a “profit” then it may result in a negative public perception of the NGO (why is a charitable organisation being run like a business?).

- **Organisational** The style of management required for a self-financing venture may simply not be present in the existing NGO structure. Wedded to other non-traditional NGO issues such as lack of real experience or skill in financial performance (financial projections, income designation, etc.), human resource management (leadership challenges, lack of staff capacity) represents a major area for NGO development. That leads to questions of possible deficits in an NGO’s staff and leadership capabilities. Does the NGO have in-house abilities to manage the self-financing venture or can it develop them? An analysis of the required management skills and organisational capacities should be one of the first reality checks that the NGO takes before progressing down the self-financing path.
- **Capital and financial** Another stumbling block is availability of funds or start-up capital/credit. Few commercial or philanthropic sources provide financing for NGO self-financing. Nor does the current traditional grant-making approach to NGO funding lend itself to the development of self-financing initiatives. Furthermore, NGOs do not have access to regular sources of capital. This represents a major impediment to launching and developing a self-financing venture.
- **External environment** When an NGO enters the for-profit sector it becomes as vulnerable as other businesses to the usual challenges of business management and development (including unfamiliar issues of marketing, competition, pricing and market vulnerability). On the legal side it may have to revise articles of incorporation, address unclear or difficult reporting requirements (notably around taxation issues) and problems of distribution and reporting of income and profit.

Self-financing methods or strategies include:

- Membership fees
- Fees for services
- Product sales
- Use of hard assets
e.g. equipment rental
- Use of soft assets
e.g. patents, copyrights
- Ancillary business ventures
- Investment dividend

■ Source: NESsT, 1999, *Profit for Nonprofits*; and www.nesst.org

Application of self-financing strategies was found to depend on each NGO’s organisational and financial situation. To implement them, NGOs needed to develop new skills and review the ways they operated. The research thus revealed three main priority areas for support organisations to assist NGOs in self-financing: providing NGO venture financing; supporting NGO capacity building in self-financing; and supporting efforts to address regulatory obstacles.

When considered in conjunction with the challenges of NGO self-financing (see **Figure 2**), an approximate pattern for the role of NGO support organisations could be drawn. The matrix concentrates on NGO support organisations and how they could fulfil those support roles, particularly the financial and organisational needs for self-financing. With the demonstrated limits to traditional forms of granting and the qualified promise of self-financing ventures in mind, the SNFP partners identified the areas where support was most needed by NGOs: capacity building and financial support.

FIGURE 2

NGO self-financing challenges and support organisation roles

		Role of support organisations		
		PROVIDE NGO VENTURE FINANCING	NGO CAPACITY BUILDING SUPPORT IN SELF-FINANCING	ADDRESS REGULATORY OBSTACLES
Self-financing challenges	IDENTITY		<ul style="list-style-type: none"> • Internal conflict between mission and profit cultures • Public trust/organisational reputation 	Public trust and organisational reputation
	ORGANISATIONAL		<ul style="list-style-type: none"> • Lack of expertise in business planning or management • Insufficient organisational capacity 	
	CAPITAL/FINANCIAL	Access to seed, start-up and investment capital		
	EXTERNAL ENVIRONMENT	Vulnerability to market fluctuations	<ul style="list-style-type: none"> • Vulnerability to market fluctuations • Unclear regulatory (legal/tax) environment 	Unclear regulatory legal/tax environment

Defining a Venture Philanthropy Approach

In 1999 the REC cooperated with NESsT in an effort to integrate into the REC's traditional grant-making approach an innovative venture philanthropy mechanism providing the capacity-building and financial support found lacking in the existing NGO funding world. The pilot project goal was to help build the capacity of NGOs to develop new or expand existing self-financing activities to diversify their financing base. Based on the philanthropic investment strategy developed by NESsT in launching its NESsT Venture Fund in Central Europe, the approach developed in this pilot was unique in its application through a local grant-making institution such as the REC.

Integrating a venture philanthropy approach that combined both financial and capacity-building support to NGOs into the grant-making activities of the REC presented a number of key challenges:

- **Balance** The delivery of appropriate financial support has meant balancing the need for an open, competitive and “considerate” application procedure with the careful selection of the most viable NGO venture, providing funds for organisational development, venture planning and to start up a self-financing initiative, as well as funds committed for a longer period and not simply one-off grants. It is imperative that the funds work for the NGO, and that the funds provide a financial return while remaining true to the organisation’s mission in order to prove that the self-financing venture is truly contributing to the diversification of funding sources.
- **Expertise** Supplying capacity building and organisational support has meant involving other local experts to provide assistance and training in the feasibility assessment for the proposed self-financing initiative (both in business and organisational terms), and in determining how the venture will interact and relate to non-profit activities. It has also meant providing expertise and training for preparation of a business plan and — should the idea be financed — long-term support to the organisation in realising the planned venture.

The model evolved by the REC and NESsT is a venture philanthropy approach (see **Figure 3**) of identifying NGO business (self-financing) opportunities, assessing them through a pre-feasibility and feasibility study stage, providing expert advice and support to the NGOs (through local business advisors and trainers), preparing and funding business planning and finally, if applicable, supplying financial and expert support for the implementation of the venture.

Within the Planning for Sustainability process the REC and NESsT considered the challenges of self-financing and designed a model that combined the strengths and experience of the SNFP partner organisations. Work was split along the skill lines of the SNFP partner organisations. The REC represented a traditional international grant-giver; the country-based partners represented local NGO support and capacity building organisations assisting with identifying and coaching NGOs. NESsT provided direct consultation to NGOs, tools and training for feasibility study and business plan development and co-financing opportunities through the NESsT Venture Fund (NVF). In addition, local and international business advisors were identified to bring in knowledge of local business conditions, evaluate and advise on the viability of self-financing, as well as provide

Local and international business advisors were identified to evaluate and advise on the viability of self-financing as well as provide overall guidance and expertise.

FIGURE 3

What is venture philanthropy?

Venture philanthropy can mean different things to different people. In this publication it relates to the way of applying for-profit methods and tools to non-governmental, non-profit organisations with the aim of developing self-financing initiatives to help them fulfil their missions.

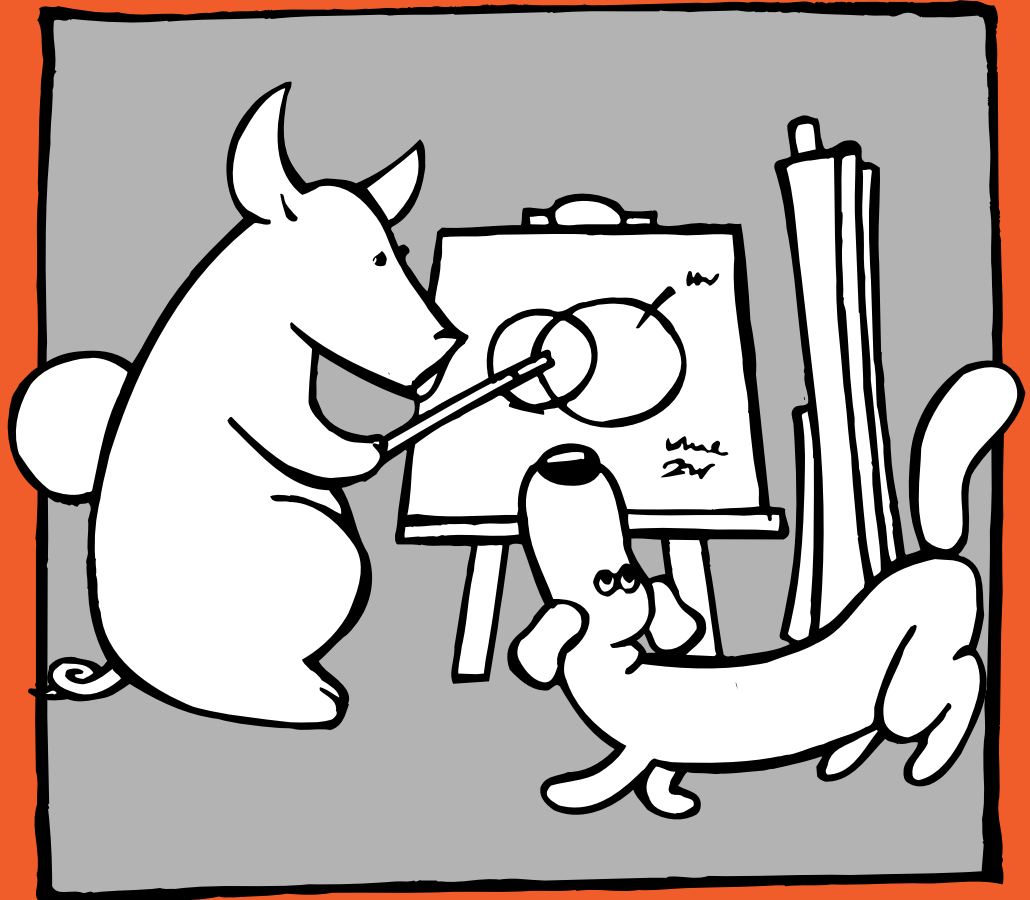
The support from venture philanthropists includes assisting NGOs to behave like businesses, building organisational capacity and supplying NGO managers with advisory services, and offering loans and/or equity equivalents rather than traditional donations. Venture

philanthropy, as with venture capital investments, also insists on setting clear performance goals, with expectations of concrete financial and/or social returns on an investment (though the level of return depends on the ultimate goal of the investor).

■ See NESST article, *Venture Philanthropy: The Black Sheep in Wolves' Clothing* at www.nesst.hu for further discussion and definition of the venture philanthropy model.

overall guidance and expertise in the development and review of feasibility studies and business plans. Overall regional work was coordinated by the REC, in particular the call for applications, initial training and granting. Expert support was delivered by NESST local staff and supplemented by local NGO support organisations and local/external business advisors. The methodology, business planning tools and the process used in this pilot project are described in the following chapters.

While the primary goal of the pilot project was to build the capacity of NGOs in their self-financing efforts, it also served to build the capability of SNFP partners and advisors to provide advice and support to self-financing NGOs, develop tools and practices, and explore a new approach in practice as well as in theory. The measurement of the results and a reflection on the process undertaken is described in this publication. It therefore offers anyone wishing to appraise an approach to practical NGO self-financing the opportunity to consider the SNFP partners' experience of tying capacity building and organisational support to the supply of "venture funds."



Chapter 2: What's it All About?

Chapter 2: What's it All About?

Project Goals and Roles of Partners

The primary goals of the Supporting NGO Self-Financing Ventures pilot project were twofold: to develop effective methods and tools for supporting NGO self-financing and to assist a specific group of NGOs to develop their entrepreneurial ventures.

Three specific objectives of the project can be identified:

- developing the capacity of 16 NGOs in the four target countries to strengthen their long-term financial and organisational sustainability through the socially and environmentally responsible use of self-financing;
- developing the capacity of NGO support organisations to assist local NGOs in developing and maintaining self-financing ventures; and
- documenting the lessons learned through an initial pilot of 16 organisations and NGO support organisations and making them available to a wider audience of NGOs and donors in the region.

As stated in the introduction, the two pillars of the approach taken were capacity building and targeted financial support for ventures. The pilot project was designed with these in mind, but also to build in reflection and learning, modification and development of the tools and skills throughout. This is a new field and the process aimed to reflect the need for constant development while integrating experience from multiple sectors, and building on the SNFP partners' knowledge and expertise — from the REC's grant-making process to the self-financing experience of SNFP partner organisations, to the ideology and new approaches of venture philanthropy from NESST (for partner responsibilities, see **Figure 5**). In addition, local and international business advisors were selected to assist with the business planning experience and evaluation of venture ideas as they developed.

Project Process Summary

The pilot project was split into four main phases: preparation or call phase, the feasibility studies phase, the business-plan development phase and the business-plan implementation phase (see **Figure 4**). Each of these required the development or refinement of a plan of action, methodology, tools and supporting materials. Therefore the focus of the project for the SNFP partners was on capacity building for the NGOs selected, tools development, development of business plans for specific ventures and

FIGURE 4

Four phases of the pilot project

Preparation (Call) Phase

Announcement of Call: Czech Republic, Hungary, Slovakia, Slovenia

- Venture concept papers submitted
- Venture concept papers selection meeting

The preparation (call) phase concentrated on finding appropriate NGOs from Central Europe and recruiting business advisors to assist both the partners and NGOs throughout the process. The call phase took an initial six months from the first announcement to selection of the 14 pilot NGOs (the procedure of this phase is covered in the next chapter).

The two next phases focused on providing technical assistance to the 14 NGOs on business planning and feasibility study development. The potential for financial support was only a part of the motivation for NGOs to participate in the SNFP process — the initial consulting and capacity building phases provided training that most NGOs do not have access to. This process not only helped each NGO develop their ideas and provided support both through knowledge transfer and training as well as financing for the development and implementation of promising ventures (with the help of business advisors and SNFP partners), but also allowed the SNFP partners to learn more about the groups and to hone and refine their consulting practices.

See [Chapter 3](#)

Feasibility Studies Phase

- Pre-feasibility study preparation exercise
- Feasibility study training
- Feasibility study preparation (on-site consultations)
- Feasibility study evaluation meeting

The six-month feasibility studies phase used a common training session for NGOs and partners and on-site visits to each NGO to assist them in making first a pre-feasibility and then a feasibility study of their venture concept. Standard pre-feasibility and feasibility study templates were prepared by NESsT for this phase. The local SNFP partners and business advisors worked with these templates to help the selected NGOs research the feasibility of their self-financing idea and prepare the study for evaluation (for further details, see Chapter 4). The evaluation meeting selected those ventures that seemed most promising.

See [Chapter 4](#)

Business Plan Development Phase

- Venture planning grants awarded
- Business plan development (on-site consultations)
- Business plans evaluation meeting

3 The business plan development phase, which lasted three months, began after an advisory committee had evaluated the finalised feasibility studies and recommended those to be awarded a venture planning grant (VPG) to pay for preparation of a comprehensive business plan. Assistance in the development of this plan came from the local business advisors and NESsT. Forms for evaluation of these plans were also developed and a selection of NGO business plans for start-up funding made.

See [Chapter 5](#)

Business Plan Implementation Phase

- Venture grants awarded
- NGO venture start-up (on-going training and consultation)

4 In the final phase – implementation of the business plans – NGOs were selected for the NESsT Venture Fund (NVF) and received further financial resources in the form of venture grants (VG), extra capacity building support as well as monitoring and evaluation. The goal of this phase was to test whether the implementation of self-financing contributes to the stability and development of the organisations, and thus their ability to further social change. This phase is ongoing, as support from the NESsT Venture Fund is projected to last 3-5 years.

See [Chapter 5](#)

FIGURE 5

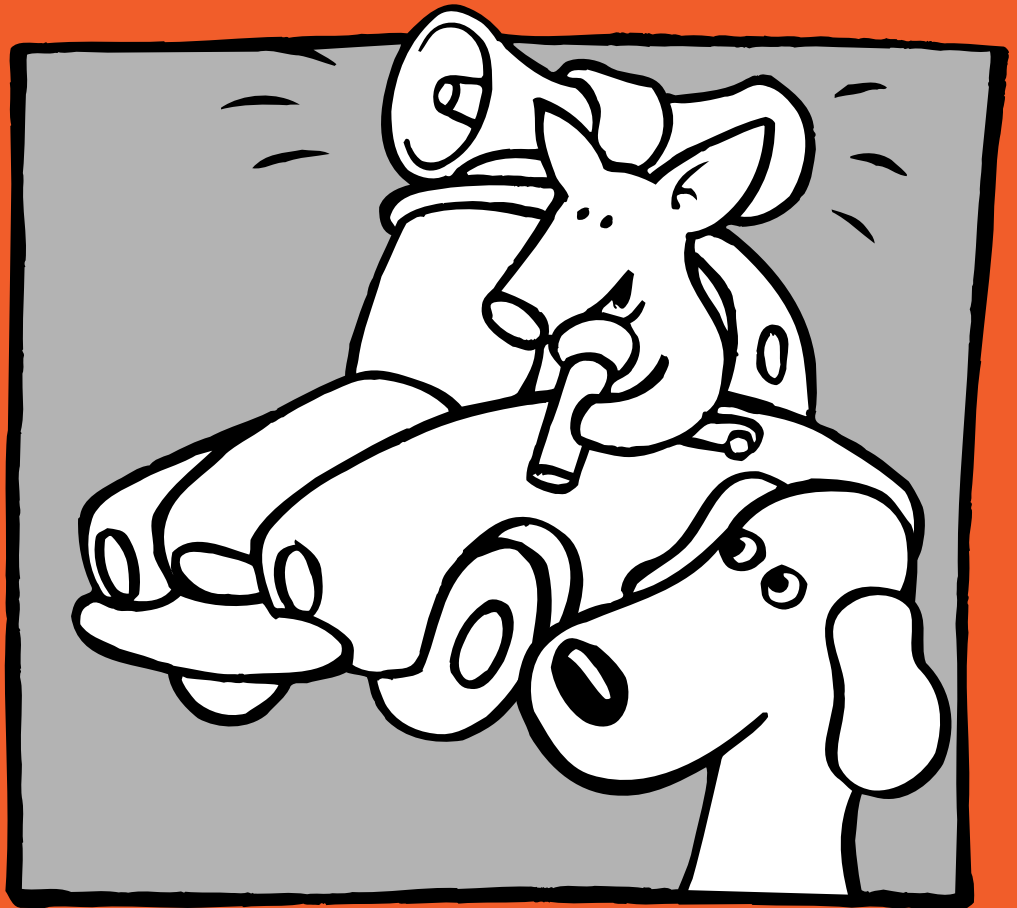
SNFP Partners

NAME	MAIN ROLE
Centre for Nonprofit Management (CNM)	Support to selected NGOs in Slovenia, liaison with local business advisor
Civil Society Development Foundation (CSDF)	Support to selected NGOs in Hungary, liaison with local business advisor
Lotos o.p.s.	Support to selected NGOs in the Czech Republic, liaison with local business advisor
Nonprofit Enterprise and Self-sustainability Team (NESsT)	Training, feasibility study and business plan methodologies; ongoing advice to partners and consultation to NGOs, venture grants process, co-financing of venture grant through NESsT Venture Fund
Partners for Democratic Change Slovakia (PDCS)	Support to selected NGOs in Slovakia, liaison with local business advisor.
The Regional Environmental Center for Central and Eastern Europe (REC)	Call methodology, evaluation and training meetings organisation, liaison with international business advisors and all partners, venture grants process, co-financing for venture planning and venture grants

assessment of the feasibility of those ventures, as well as the development of the skills of the SNFP partners themselves.

The tools and materials were developed out of the experience of the SNFP partners and the training and research completed by NESsT. They were designed to be interactive, flexible and as user-friendly as possible, with the aim of allowing non-traditional and non-profit entrepreneurs access to the tools and techniques of the business world (i.e., adapted particularly to the NGO context). They were based on for-profit tools, such as a traditional feasibility study, business plan and financial analysis. However, these tools were not simply given to the NGOs, but adapted and modified to meet the needs and expected questions or obstacles NGOs would face in implementing self-financing strategies.

It was envisioned that the NGO self-financing ventures selected would be used as a basis for organisational capacity building, and that even if a particular venture was not chosen for funding or pursued further, the organisation would benefit by being exposed to new techniques and tools. The ability to develop a feasibility study or full business plan would therefore be a new skill gained by the NGOs which could assist the organisation in other projects and help to strengthen it as a whole.



Chapter 3: Spreading the Word

Chapter 3: Spreading the Word

This chapter contains an in-depth discussion of the process of identifying and screening potential NGO self-financing initiatives. The focus is on the thinking and strategic development behind the final approach selected. The different mechanisms and methodology used to implement the SNFP strategy are detailed, in particular the different tools utilised and documents developed. This demonstrates the types of issues that NGOs, their support organisations and benefactors face in implementing and supporting self-financing ventures. The goal of this chapter is to share the hands-on experience of the REC grants programme in organising an open call for tender (i.e., request for proposals) from NGOs starting up or expanding self-financing initiatives.

The SNFP application and call for tender was modified from a traditional REC call for tender. The call required the development of the following supporting documents:

- Call for interest announcement;
- Venture concept paper (VCP) format (see Annex D);
- Venture concept paper evaluation criteria (see Annex I, Figure 18).

Call for Interest Announcement

The REC's extensive network of offices and contacts in conjunction with their granting experience provided a basis for distributing the call to a wide audience. This was complemented by the contacts and networks of the SNFP partners. Distribution was through announcements posted on the REC Web pages (regional and national), REC bulletins (regional and national), and publications distributed through numerous NGO media and networks in the four CE countries. In addition, project partners approached potential candidates directly. The announcement was released in two rounds over a three-month period. All documentation was in English as the project was regional.

During the application stage the SNFP partners identified a group of business advisors, the Business Advisory Committee (BAC)¹, who would work with the partners and the NGOs. The BAC acted as direct advisors to the groups and the SNFP partners, as well as forming evaluation committees together with the REC and NESsT.

Preparation (Call) Phase

Announcement of Call: the Czech Republic, Hungary, Slovakia, Slovenia

- Venture Concept Papers submitted
- VCP selection meeting

¹ The BAC members were: Franci Cec (Slovenia); Malcolm Hayday, Charities Aid Foundation (UK); Marek Markus, Integra (Slovakia); Peter Ridder (the Czech Republic) and Aniko Soltesz, SEED Foundation (Hungary).

The call process aimed to be transparent and emphasise that organisations should be equally interested in the training component as well as the possibility of receiving additional funding.

The challenge of this call was using a traditional grant-call format for a non-traditional process. In addition, self-financing is a new area with a vocabulary and set of concepts unfamiliar to many NGOs.

The call process aimed to be transparent and emphasise that organisations should be equally interested in the training component as well as the possibility of receiving additional funding. It attempted to explain the importance of their engagement in and commitment to the process, of providing matching funds, and of using self-financing for furthering the NGO mission. It is important to note both SNFP partners and REC country offices were on-hand to answer queries from NGOs about the call and to help them understand the requirements of the venture concept paper. SNFP partners played a major role in helping to recruit applicants, but they did not assist in vetting the applications to avoid a potential conflict of interest.

Venture Concept Paper Preparation and Evaluation

The application document itself — the venture concept paper (VCP) — was designed to provide a general overview of the organisation and its venture idea, and to be evaluated on the strength of both. The VCP had three main sections to be filled in by applicants: organisational information, financial management and the venture idea itself.

Although the application form attempted to be clear, it was often misinterpreted, as the type of information requested was not typical for a grant application (i.e. profitability of a venture versus a budget). The application attempted to gain a general sense of the strength of an organisation, potential for a successful venture and whether the group and venture fitted the requirements of the Sustainable NGO Financing Project. The goal was to provide the advisors with enough information to make an informed decision at the selection meeting.

The VCPs were collected, vetted for technical suitability and distributed to the evaluation team (BAC, the REC, NESsT and the partners) along with guidelines for scoring and scoring sheets (like a standard REC grant call). Evaluation criteria were adapted from the REC's well-developed grading system, which lists important characteristics by category and weights them with scores from one to five. On the scoring forms there was space for comments and a summary opinion. Formal scoring was then submitted to the REC by BAC members and the grant-givers (the REC and NESsT). The other SNFP partners who in the next phase would be working directly with the NGOs refrained from voting to avoid any conflicts of interest. Scoring was split into three main sections: the NGO's organisation, the NGO's financial management and the venture idea itself. This meant the relative weighting favoured the capabilities of the NGO rather than the self-financing venture itself. The scoring was meant to guide discussion during the selection meeting and was not used as the final tool for selection.

Results

Compared to usual REC experience, the call resulted in a large number of applications (55, with a further 10 which were ineligible) from the four countries. This was thanks to the wide and diligent distribution of the call for tender (see **Figure 6** for strengths and weaknesses of the VCPs). However, the applications received were not evenly distributed across the four countries. There were 29 from Hungary, 13 from the Czech Republic, nine from Slovakia and only four from Slovenia. Admittedly the size of the NGO communities in these countries varies considerably. That said, the under-representation of Slovenia was a surprise as several Slovenian NGOs have previously looked into self-financing.

Groups were ranked with an average of all scores received from the evaluation team and the committee began the discussion with the top-scoring NGOs. This provided a very useful basis for discussion but the advisors found that it was not quite appropriate for judging this type of application because extra weight had been given to organisational characteristics over venture potential. Therefore, a very strong organisation with a weaker idea could receive a high score. Once this distortion was identified it was immediately compensated for in the application process, correcting future scoring.

However, the original scoring system successfully formed a solid basis for sorting and discussing the proposals (see **Figure 7**). The advisors identified low-scoring yet promising groups. Discussion and consensus was a valuable part of the decision-making process as the variety of backgrounds and experience of the advisors (both geographic and industry) emerged, providing diversity in the resulting insights.

At this stage, competition was on a national rather than regional level as the goal of the committee meeting was to choose four organisations per country for the next phase of the project. Also, the BAC made recommendations and suggestions on which the partners and NGOs could concentrate.

Fourteen NGOs were selected to take part in the project (see **Figure 8**) rather than the planned 16 due to the lower number of applicants from Slovenia.

FIGURE 6

Strengths and weaknesses of applications received

Strengths

- More applications and adequate-calibre projects than expected.
- A wide audience received the information about the call, which raised the profile of self-financing in the region and gave the whole process a very open, fair and competitive edge.

Weaknesses

- Incomplete information or explanations. Overall, many VCPs were inadequately prepared.
- Volume of applications was overwhelming for the BAC. Possibly this could have been avoided by using a content pre-screening, with advisors only reviewing top candidates. This did not take place because of the desire for transparency, but perhaps an initial screening that was clearer and stricter and could have narrowed applicants down to the top 50 percent.

Lessons

Although it received a robust response, some improvements in the call process would have improved the quality of the applications. Based on evaluation and feedback from the partners and the applicant groups it was felt that the application document should have been much more explicit, perhaps to the extent of requiring the submission of a full pre-feasibility study at the initial stage of application. A pre-feasibility study, along with some general background information on the organisation, would have provided a more consistent basis for analysis and comparison between groups and would probably have been more appropriate in the context of self-financing.

A pre-feasibility study is an initial analysis of a venture concept, asking general questions about each of the main headings of a business plan: market, financial expectations, operations and development. The idea is to obtain a general overview of the self-financing venture and to identify any issues that are “show-stoppers” (problems that would be practically insurmountable), and any “red flags” (warning points) for future analysis.

A valuable mechanism

The application itself was part of the capacity building process, providing the advisors with a better grasp of the entire organisation. It was hoped that this would screen out inappropriate applicants before they even submitted their applications. It would also have been helpful to hold an advisory meeting during the call, where interested applicants could have received clarification or assistance and thereby determine whether the process was appropriate for them (although where this should have been held is open

FIGURE 7

Challenges in analysing applications, both in terms of process and content

- Information provided on VCPs was often not uniform or complete in key areas.
- More information was asked about the organisation than the self-financing venture. Differentiation between the two could have avoided imbalance.
- Some strong organisations with weaker business ideas received high scores because scoring was weighted towards organisational strength.
- Many VCPs were written in project language, not venture language. In some cases it was a matter of style, but with others it became difficult to judge whether or not they were simply modifying a project idea to meet the guidelines of this call.
- Language, not only the use of English but also vocabulary and terminology unfamiliar to many NGOs (jargon), was a stumbling block.
- Eligibility criteria were not completely clear. Although the call was open to NGOs of all sectors it was not meant for foundations, some of which applied. In the future, criteria might need to be more selective. For example, the call could be limited to ventures of a certain size and eligibility of foundations could be spelled out.

FIGURE 8

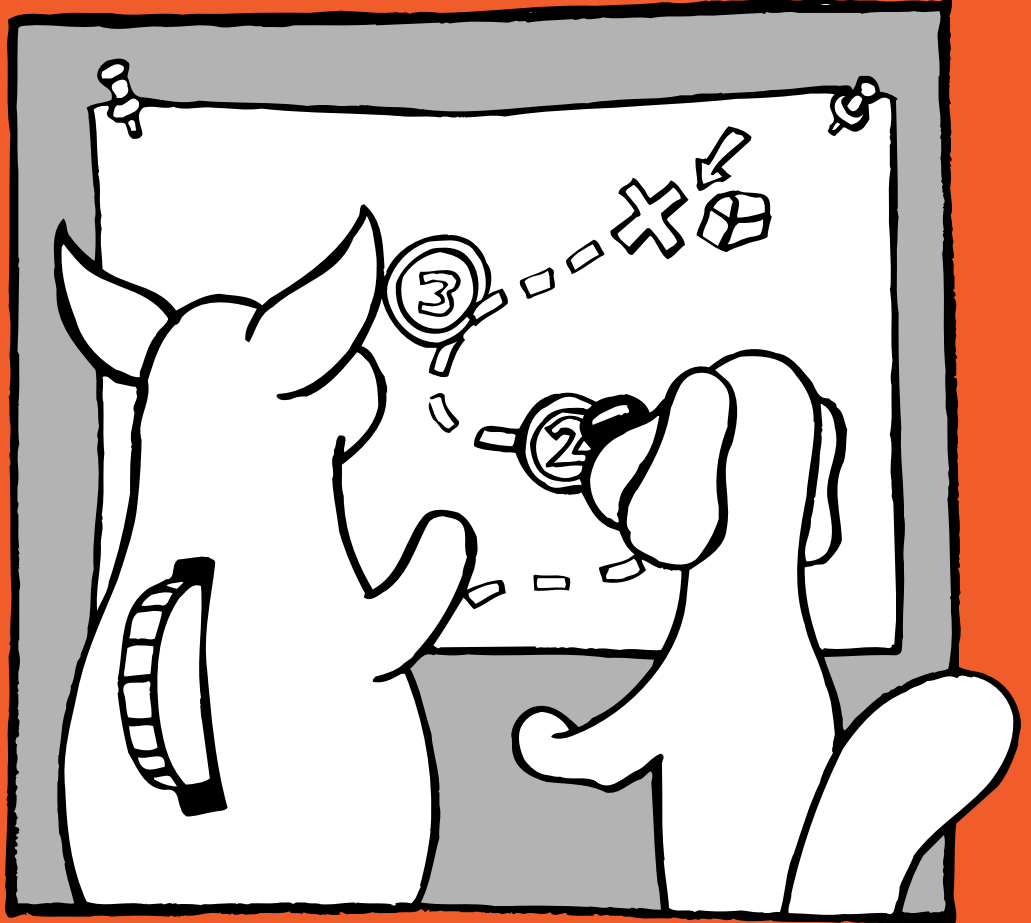
Table of NGOs selected in Phase 1 to take part in Phase 2 (ordered alphabetically)

NGO	VENTURE IDEA	COUNTRY
Charity Zlin	The Centre of Service Industry	Czech Republic
Centre for Community Organising (CCO)	Design and implementation of public participation programmes	Czech Republic
Confederation of Social Associations Somogy County Organisation	Service centre	Hungary
Disabled Foundation	Financial services for civil organisations	Hungary
Drustvo za Prostovoljno Delo MOST	Hostel with seminar facilities	Slovenia
Energy Centre Bratislava	Energy advisory service for households	Slovakia
Independent Ecological Centre	Ride the Bike — rent-a-bike station in Dorogd Basin	Hungary
NIMFEA Environment and Nature Conservation Association	Sun Collector Workshop and eco-tourism development	Hungary
People and Water	People to People	Hungary
Sananim Olomouc — P-Centrum	Carving workshop building	Czech Republic
SENT Slovenian Mental Health Association	Posestvo Razori — development of seminar venue	Slovenia
Stredisko Diakonie CCE Betlem	BETLEM building venture	Czech Republic
VOKA — Rural Organisation for Community Activities	Crafts distribution	Hungary
Vydra — Rural Development Activity	Rural tourism in the microregion Cierny Hron	Slovakia

**The application
itself is part of
the capacity
building process**

to question — perhaps at a national NGO meeting). Another suggestion was to provide examples of model pre-feasibility studies during the call process.

The call procedure was, in general, a success. The number and quality of applications received allowed the SNFP partners to proceed with some confidence to the next phase and to reach a better understanding of the market and demand for self-financing support in the CE region. In conclusion, if designed along the lines suggested by the lessons above, an open call is a valuable mechanism for involving, soliciting and identifying possible NGO self-financiers for donors and NGOs.



Chapter 4: Assessing the Idea

Chapter 4: Assessing the Idea

The venture planning process of the pilot project was broken up into three sections: a pre-feasibility study, feasibility study and business plan. These sections build upon one another, and are meant to provide the information needed to analyse the potential of a venture as efficiently as possible. If a venture runs the risk of failure the groups should find this out as soon as possible. Therefore, the goal of the pre-feasibility study was to provide an overview of the venture and identify red flags or any other issues that would clearly cause the venture to fail. If the group still felt positive about the venture, it proceeded to a feasibility study (FS), which involved a much more detailed analysis of the venture, including market research and financial projections. NGOs were encouraged to feel free to decide not to proceed with their self-financing idea at any time during the process. Most new ventures fail due to insufficient planning, and run into obstacles that could have been foreseen. A strong FS does not guarantee success, but groups can identify risks and challenges and develop strategies to mitigate or surmount them.

The business plan then takes the information from the FS, fills in any gaps, adds plans for action, a full financial analysis and an exit strategy. This is edited into a professional document to be used by the NGO to implement the venture and seek start-up or expansion financing.

Following the selection of the 14 NGO Venture Concepts in the preparatory or call phase the project moved into the feasibility study phase, working with and training the NGOs to carry out and prepare a FS for their self-financing venture. The goal of a feasibility study process is to determine the viability of a venture before investing significant resources, and to develop a plan and realistic expectations of performance and needs of the venture. From the SNFP partners' side this involved developing templates for the studies, holding a training workshop for all the participants and developing criteria to evaluate the feasibility of the ventures.

Pre-Winners Meeting Process

The REC traditionally holds winners meetings to bring together grant recipients for networking and to discuss the terms and conditions of their grant. The SNFP held a winners meeting too, but prior to this also met with the groups at their premises. These initial meetings — also attended by the REC, NESsT and, on occasion, the partners — were held to explain the new types of processes the groups would be involved in, to assess their training needs and to begin the relationship that is the core of the programme.

In this meeting, all players were introduced and the REC explained the purposes of this Phare-funded project. NESsT walked the groups through the pre-feasibility template,

Feasibility Study Phase

- Pre-feasibility study preparation exercise
- Feasibility study training
- Feasibility study preparation (on-site consultations)
- Feasibility study evaluation meeting

NGOs were encouraged to feel free to decide not to proceed with their self-financing idea at any time during the process.

some general explanations of self-financing and how it fits into the overall scheme. In preparation for the feasibility study training to be held at the winners meeting, NESsT provided the groups with some exercises meant to help the groups prepare for the training and ensure they would gain the maximum possible benefit. Topics covered included identification of self-financing goals, organisational core competencies and some initial analysis of the organisation's financial health. The point of these exercises was to show that no venture can be developed in isolation but must grow out of core competencies of the organisation and have clear goals. Furthermore, the organisation must be healthy enough financially to survive until the venture breaks even.

These meetings gave the different parties a chance to develop relationships with one another prior to the meeting with their advisors and to gain a clear understanding of the expectations from the process and the training in general. Since the process is quite different from most granting procedures it was important to make sure every group fully understood the proceedings and felt comfortable asking questions. It also gave NESsT the opportunity to assess the organisation's level of development and sophistication, and to adjust training accordingly.

As a result of these meetings one group dropped out, which was seen as positive as they were not ready to participate in this process, an indication that they were probably unprepared to undertake the venture. It was helpful to reach such an understanding before both sides had invested too much time. The meetings were also extremely useful in putting the applications into context — to get a feel for the NGO and its leaders — and to explain how and why this project was different from traditional grants programmes.

It was suggested that the partners also meet with their organisations again before the winners meeting to start work on the pre-feasibility analysis and to prepare organisational documents. Business advisors were sometimes brought in at this point (although it was not envisaged that they attend the winners meeting due to their busy schedules). This was not made a requirement, although upon reflection it could have proved valuable as a way of ensuring that the pre-feasibility studies were actually prepared.

The difficulty of letting go

Although many of the NGOs were at an early stage of conceptualisation, a common trait was observable: many would find great difficulty in letting go of the idea they had proposed. One of the goals of the training, and indeed the entire process, was to reinforce the fact that NGOs should be ready to abandon an idea and choose a new one at any stage, and be willing to evaluate each concept with a detached and critical eye. One of the key challenges throughout the process was to move away from the use of the plans as a vehicle to sell an idea but rather see them as an opportunity to be objectively critical of the idea.

It was also clear that the organisations were at very different levels of development, infrastructure and capacity. Therefore, the meetings also emphasised that each venture should be evaluated not only on grounds of feasibility in that particular market, but also the capacity of the organisation and its managers to implement the concept. These observations are also valid for the organisations that had already embarked on a venture. In analysing the expansion or continuation of an existing venture, it can be very difficult to be critical and consider shutting it down. However, one of the key business concepts that we sought to communicate was that of “opportunity cost” — the idea that if resources are

being used in one manner, there is a cost incurred in that possible uses for other opportunities are sacrificed. We raised the question of how to use resources in a manner that would provide the highest return? Occasionally, even though organisations have already invested significant resources in a project or idea, the best course of action is to switch to another activity.

Some of the NGOs were also concerned about the amount of time and energy they would invest in the business plan, without a guarantee of receiving financing at the end of the process. There was a challenging new concept to convey, one the SNFP partners had to bear in mind: there is a balance between the information that should be gathered and the ability of the organisations to gather that information. All partners reiterated throughout the process that the capacity building provided was as important as the realisation of the proposed venture. It was also emphasised that a realistic assessment of a venture depends on a basic analysis and certain basic facts.

All partners reiterated throughout the process that the capacity building provided was as important as the realisation of the proposed venture.

Feasibility Study Training (Winners Meeting)

The training was designed to give all selected groups a solid foundation in business planning and provide hands-on training of pre-feasibility and feasibility studies. The chosen groups were all entrepreneurial and had diverse business experience, but none had formal training or experience in developing business plans. This meeting brought all groups and local partners together, with Joanna Messing, the Enterprise Development Manager at NESsT, and Julia Jones an outside trainer from the Roberts Enterprise Development Fund (REDF) in San Francisco, USA. At the training the REC and NESsT also presented the project and expectations to the groups as a whole, providing another opportunity to clarify expectations. During the meeting the SNFP partner organisations worked directly with the NGOs from their respective countries and helped them to develop a work plan in preparation for the full feasibility study.

This training was designed to make sure that all groups had the same base and expectations, as well as to provide a chance for groups to meet each other and develop a relationship with the local partners. From the individual meetings it became clear that there were some common needs in terms of developing a FS. These needs were addressed through the training.

The training introduced pre-feasibility and feasibility study development, with an emphasis on hands-on exercises. It was split between large workshops with all the groups participating and smaller workshops divided by country, allowing for native language discussions, lectures and exercises. The participants were able to share plans, fears, hopes and ideas. The exercises and topics were developed from the NESsT and REDF's experiences in order to determine the stage of development and current issues of each group. It covered the basic business planning topics that all entrepreneurs must be familiar with in order to develop a widely accepted business plan, but also included, and highlighted, the unique issues facing non-profit enterprises.

One of the main challenges and goals of the training was to demystify some of the topics assumed in the for-profit domain, particularly the development and analysis of financial statements and market research. The group format was most efficient for this training, as most groups raised questions and concerns in these areas. It also encouraged solidarity among the groups, as they saw they were not dealing with these issues

alone. The trainers were experienced in the kinds of issues that come up and used as many examples as possible to illustrate their points. Also, the local NGO support partners were present to facilitate country-specific discussions. A lot of discussion covered the hows and whys of financial projections, and what the differences are between non-profit and for-profit accounting and financial management systems. The importance of being conservative in projections was stressed, though there is a balance between conservatism and pessimism. See **Figure 9** for further points on the training component.

Training feedback

“I have to tell you that we had great training last week. It was very useful and fruitful. Finally all of us got the big picture of the project. MOST and SENT are becoming so involved. They told me that this project is like a drug for them, and for me too, because I could see my progress in this field. The meeting was a great opportunity to meet all involved NGOs and it was good motivation too.”

Sonja Candek, CNM, Slovenia

These same strengths also led to challenges — the exercises needed to be appropriate for the diversity of experience, skills and language represented by the groups. Large group exercises or lectures had to be balanced with small group discussions and hands-on exercises. A further challenge was the provision of training that was relevant to the variety of enterprises present.

The organisers and participants felt if the process were repeated, all business advisors should be included. The only advisor present was Aniko Soltesz, from Hungary, who was able to add value to the training from her experience as well as assist the Hungarian groups with language and local context. It would have been helpful to have advisors from the other countries too, as they could have developed a more in-depth understanding of the groups' level and the tasks ahead. The decision not to include them was made because of their limited time and the belief that their time would be better spent in one-on-one consultations with NGOs to develop their feasibility studies.

A dictionary of business terms in local languages was also recommended. Furthermore, it was suggested to use one group as an example throughout to serve as a real-life case study. This would also serve as an added benefit for the group.

FIGURE 9

Training meeting outcomes

Challenges with the training format

- Language difficulties and terminology
- Cultural and national differences
- Varying experience levels among participants on terms and concepts
- Variety of ventures

Training strengths identified

- Wide variety, quantity and practicality of exercises
- Opportunity to share with groups from the same country
- Presence of different business perspectives of the trainers and a business advisor
- Strong shared learning within the group
- Emphasis on practical sources of information and where to get answers

Overall, the training was a success from the perspective of both the organisers and participants. The opportunity to bring the groups together allowed for shared learning. This reserved valuable advisor time for one-on-one consultations on industry- or country-specific questions. It also allowed the groups to feel they were part of something unique, and gave the REC and NESsT the opportunity to assess groups and clarify expectations. Also, the partners were able to draw up work plans and agree on further steps to be taken.

An indication of the success of the training sessions was the number of requests for future workshops on topics such as cash flow analysis, best practices, and industry-specific expertise based on dominant themes within the group (e.g. eco-tourism and non-profit support services).

All groups left the meeting not only having been trained in pre-feasibility and feasibility study development, but also with a basic understanding of their own study and a work plan for its completion. The NGOs also established schedules with the local SNFP partners for individual follow-up consulting.

Feasibility Study Preparation

Although all NGOs received feasibility study (FS) templates (see inset overleaf) and took part in the training, it was recognised that they would need additional assistance when they tried to apply what they had learned to their own situation, and throughout the development of the feasibility study process. The templates were used as a guide, and the training was an introduction and first step towards business planning. However, the groups still lacked sufficient expertise to address the complex issues that were raised throughout the process. A key goal of this project was for the groups to work together with the business advisors and the SNFP partners to ensure the production of thorough, professional plans.

After the training meeting, NGOs were given four months to bring the FS to completion. The purpose of the feasibility process was to assist NGOs in the realistic production of an enterprise plan. The SNFP partners believe strongly that self-financing is not for all NGOs and that many NGOs are unrealistic when estimating the time, expertise and resources that such enterprises require. A large group of NGOs were included in the process of preparing feasibility studies with the knowledge that some would come to realise (or the Business Advisory Committee would determine) that their enterprise idea might not be feasible or could endanger the NGO. The process of assisting NGOs to avoid undertaking a non-feasible self-financing venture was considered as much of a project success as assisting an NGO to identify and launch a viable venture.

On-site consultations

One of the challenges of this project was providing advice that was relevant to so many different industries and countries. This was addressed through the project design. By assigning a local NGO partner and a local business expert to each NGO in addition to the support provided by NESsT, the groups were able to benefit from several different areas of know-how. The style of consulting varied greatly, depending on cultural context as well as the needs and personalities of the NGOs involved. However, all consulting was centred around the pre-feasibility and feasibility templates with the aim of providing a certain level of consistency from country to country and in assisting fair evaluation.

The process of assisting NGOs to avoid undertaking a non-feasible self-financing venture was considered as much of a project success as assisting an NGO to identify and launch a viable venture.

During the four months following the training, the SNFP partners carried out on-site consultations with the various NGOs. Although participation of local business advisors was not uniform, their activities ranged from reviewing documents, visiting sites and providing industry- or regionally-specific consulting. In addition, NESsT provided extensive individual consulting with a number of the NGOs upon request. This approach followed the aim of supplying capacity building and organisational support to the NGOs (see **Chapter 1**) as a key part of the entire process.

Templates as flexible guides

The process was broken up into three parts and three templates. This was done to follow a traditional business process and to minimise the time spent on venture ideas that were not viable. The SNFP partners found that the sooner a problem area was identified, the better. Templates were developed to guide the NGOs through each phase, clarify expectations and ease analysis by presenting the venture in a format that the business advisors could easily assess. While the templates standardised and defined expectations, they were really meant to be guides and to be flexible, reflecting the individual issues surrounding each venture. NESsT adapted the templates from for-profit models to reflect the unique challenges facing NGO enterprises, while still maintaining the integrity and analytical strength of for-profit templates. Additional questions — such as impact on client population, organisational capacity, potential mission conflict and opportunity cost — were added to the traditional for-profit format.

The templates were very useful in providing a framework for the consulting process and for the development of the feasibility study. Some more enthusiastic participants were so diligent they answered every question despite the exhaustive nature of the application and its goal of simply raising awareness and encouraging the NGOs to identify their own priority questions.

One of the challenges and strengths of the templates is that they were revised throughout the process to reflect the additional questions and concerns that were raised by the groups. They were designed to guide the research and analysis process and to ensure a certain level of conformity among groups, but also to meet a generally accepted standard and format for business plans. An effort was made to keep them from becoming over-simplified, and to familiarise users with terms and concepts used in the for-profit sector. Therefore, instead of completely rewording a concept, a traditional for-profit phrase (e.g., opportunity cost) was introduced and then explained.

It was found that a series of meetings, with small tasks assigned at each, were more fruitful than letting groups go ahead and call in consultants when they thought it was needed. In general, consultants had to be proactive, as groups often failed to call because they were either intimidated by the work that needed to be done or did not understand the depth of analysis required. Although the initial training laid a solid foundation, it was not sufficient to enable the groups to develop full plans on their own. They needed one-on-one consulting to be able to apply the overall lessons to their own plans. Some groups took much more advantage of the advisors' time than others, and in general these plans were the most successful and professional.

Feasibility study templates covered areas such as:

- assessment of the NGO's core capacity, skills and readiness for self-financing;
- preparation of *pro-forma* financial projections (expenses and revenues) for their proposed venture; and
- assessment of the market potential for their proposed venture.

■ See Annex II for feasibility study template headings

Overall, the timing of the feasibility study phase was good. Three to four months is a realistic time frame within which to develop a full feasibility study, and organisations which put off work until the deadline found themselves under a great deal of pressure and were often unable to provide complete information. The time frame is important not so much in terms of the number of hours needed to produce the study, but rather because much of the market research ought to take place over an extended time period. Financial projections and operational plans are generally drawn from the information gleaned during the market analysis, which is also the most time consuming process.

Market research challenges

A common challenge for the NGOs in this process was completing satisfactory market research. This stemmed from a variety of issues. On the one hand, many NGO leaders do not have a clear sense of what market research is, and why it is important. On the other hand, once they are convinced it is important, finding the information presents another set of challenges. For example, how does one evaluate the market in neighbouring Austria when nobody in the organisation speaks German? There is a general fear of surveys, and what it takes to make cold calls and ask about preferences, particularly about money.

The development of an effective market survey proved such a formidable challenge that an additional worksheet on how to produce and complete surveys was developed. Market research is also complicated by the fact that industry standards in Central Europe remain undeveloped. There are few sources of reliable and complete data, and those that exist are on very specific industries.

Organisations were forced to be extremely creative

For example, some resorted to consulting municipal tax records to get an indication of the level of activity of competitors, adding a certain estimated percentage of undisclosed activity to come closer to a figure that reflected the reality. This took time, creativity, energy and pluck.

Once a reasonable amount of market data was collected, the financials presented the next difficulty. Many NGOs have strong reporting systems, but these are geared towards grant reporting, and bringing the balance (of income vs expenses) at the end of each fiscal year to zero. The income projections for a self-financing venture require a new way of thinking and familiarity with the templates. Some organisations thought a break-even analysis and other tools didn't apply to them because it was too difficult to project what would happen. This is where the role of the consultants and templates became so critical. By working closely with the NGOs to develop these financials it became clear how powerful these statements could be as a management tool, allowing organisations to plan for certain production levels, manage costs and guide sales efforts. See **Figure 10** for a case study of one NGO.

Language and terminology

This part of the process involved quite a bit of learning. The materials, particularly templates, were revised several times. It was not the content, but the language — business nomenclature rather than everyday English — which proved an obstacle. Hence the templates were revised using more accessible English. The use of templates was extremely help-

One of the challenges and strengths of the templates is that they were revised throughout the process to reflect the additional questions and concerns raised by the groups.

The amount of consulting time spent with NGOs ranged from 10 to over 100 hours, depending to a large extent on the time commitment and needs of each NGO.

ful in providing a framework and the information the business advisors needed to analyse the venture, as well as a structure for consulting, business analysis and decision-making.

Language posed challenges beyond the templates. Sometimes the business advisors themselves used the vocabulary of the for-profit sector. At times it became important for the SNFP partners to be present to mediate between the non-profit and for-profit worlds and make sure they understood and remained patient with one other. In addition, the fact that the pre-feasibility studies and the feasibility studies were conducted at the same time meant that the pre-feasibility study was skipped. It would have been more effective if that study was part of the application or a required (not simply recommended) pre-training exercise.

Inconsistent roles and responsibilities

Some problems in the process were caused by a lack of consistency among participants and SNFP partners in fulfilling their roles and responsibilities. In some cases advisors adopted a hands-on approach, in others they served only occasionally. NESsT and the partners also played different roles, depending on the amount of questions asked and their ability to add value. The individual styles of the consultants and partners played a key role. Some consultants took the more traditional approach of expressing their opinions on how the venture ought to be developed, while others preferred to raise questions. Some advisors found that they were taking a much more active role in seeking out the groups and persuading them that they needed consulting assistance, while other groups felt they needed to pursue the advisors.

The partners exhibited varying levels of involvement

This was largely due to personality, experience, motivation and interest. One of the lessons learned from the consulting process was the importance of being absolutely clear about roles and expectations on all sides. Some participants felt they were not getting the support they were entitled to, while others felt the time commitment or tasks expected of them were beyond their capabilities. Although what was expected of participants was put in writing, it became clear that with so many partners involved these expectations needed to be reassessed constantly, and that the consequences of not meeting expectations should be made clearer.

The amount of consulting time spent with NGOs ranged from 10 to more than 100 hours, depending to a large extent on the time commitment and needs of each NGO. The feasibility studies completed varied in quality and size — some were over 50 pages long! — which led to the suggestion that page limits be added to the templates. Demand for consulting was greatest in market research and financial projections, two areas not traditionally analysed in the non-profit world.

Feasibility Studies Evaluation

The result of the consulting process was the development of full feasibility studies for each participating NGO. The feasibility studies were then reviewed and scored by the Business Advisory Committee, NESsT and the REC. An evaluation meeting was held to decide which studies were deemed feasible and to determine whether NGOs should

FIGURE 10

P-Centrum case study

One example of the successes of this consulting model is P-Centrum (Sananim Olomouc) from the Czech Republic. In one of the initial consulting sessions, the project manager questioned the need for financial projections since it was a mission-related enterprise. Through the consulting process he learned how tools such as break-even analysis can help manage time and resources, and dedicated himself to developing accurate projections. This process took several meetings and extensive communication between the project manager, NESST staff and the business advisor.

The value of the lessons lay in relationship building and development of trust and understanding. A one-off consultancy would not have succeeded in transferring the knowledge and understanding that would allow P-Centrum to move their business forward. However, through this process the entire organisation was affected, revising its overall management techniques and outlook, and integrating the concepts of business planning into overall strategic development.

receive venture planning grants (VPGs) to enable them to develop their feasibility study into a full business plan. The evaluation of the feasibility studies also provided NGOs with extensive feedback and comments on their ventures. Thus, whether or not they progressed from this point, they went home with extremely valuable feedback and advice.

Twelve feasibility studies were submitted (one NGO withdrew from the process prior to the feasibility study training meeting and another did not complete its feasibility study). Seven NGOs were selected to receive VPGs from the REC to prepare full business plans. EUR 9,500 was dispersed (an average of EUR 1,500 to each NGO). See **Figure 11** for list of selected NGOs.

Evaluation criteria

The Business Advisory Committee examined each NGO's ability to develop a convincing feasibility study that demonstrated a viable self-financing venture and the commitment, capacity and organisational flexibility necessary for venture start-up. If these criteria were met the NGO was awarded the venture planning grant (EUR 1,000-2,000) to develop a full business plan. The VPG recipients also received more individual consultation and organisational support at this point. This did not mean that the other feasibility studies submitted were not viable ideas, but the process was designed to be selective and only the most convincing were chosen. At this stage the ventures were not judged against one other as the number of groups was not fixed and there were no regional diversification limits. Feasibility studies deemed to have a high likelihood of success and benefit from continuing in the SNFP process were selected.

The selection and scoring documents were designed to evaluate the feasibility studies consistently. The business advisors scored each study individually (those from their own countries as well as other countries), then came together to discuss and select groups for the VPG. The partners were also present to provide feedback and context when appropriate, but refrained from scoring in order to preserve their impartiality during the consulting process. A scoring document was used as a basis for dis-

FIGURE 11

Table of NGOs selected in Phase 2 to take part in Phase 3 (ordered alphabetically)

NGO	VENTURE IDEA	VPG IN EUR	COUNTRY
Centre for Community Organising (CCO)	Design and implementation of public participation programmes	1,000	Czech Republic
Confederation of Social Associations Somogy County Organisation	Service centre	1,000	Hungary
Energy Centre Bratislava	Energy advisory service for households	1,500	Slovakia
Sananim Olomouc — P-Centrum	Carving workshop building	1,500	Czech Republic
SENT Slovenian Mental Health Association	Posestvo Razori — development of seminar venue	2,000	Slovenia
Stredisko Diakonie CCE Betlem	BETLEM building venture	1,000	Czech Republic
Vydra — Rural Development Activity	Rural tourism in the microregion Cierny Hron	1,500	Slovakia

discussion, with the document criteria built upon lessons drawn from the initial scoring process (see **Annex II, Figure 19**).

Originally, the different areas were all given the same number of points, but it became clear that some topics were more important than others, such as the financial potential of the venture. This was corrected in the revised scoring sheet, which mirrored the feasibility study sections and weighted the criteria according to importance. Scored and weighted criteria were supplemented by open-ended questions that allowed for reflection and evaluation of more intangible characteristics. This was much more successful than the initial scoring document, but could still use further refinement.

Although the scores varied considerably, the advisors reached consensus relatively easily in the VPG meeting through discussion. By bringing different cultural perspectives and business experiences to bear, the committee was able to offer a rich analysis of each FS. The combination of insider and outsider opinion was very helpful. It was recognised that partners and business advisors who had worked closely with the groups could be biased while those who had not met the groups could offer a more objective perspective.

Capacity-building benefits stressed

Advisors were aware of the potential damage that could be caused by awarding a venture planning grant to a venture that did not stand a good chance of receiving start-up funding, because the NGOs would be investing limited and valuable time, energy and hope in the development of business plans. For this reason the capacity-building benefits of the process itself were emphasised to ensure that NGOs would feel they had benefited a great deal from developing a business plan even if they ultimately received no funding. Thus business plans were developed to be professional enough to present to other fund-raising bodies beyond the SNFP project.

Throughout the process, advisors reminded one another of the dangers of launching an unsuccessful business venture, and emphasised it was important for the SNFP partners not to simply support venture ideas, but also express any doubts they might have. As outsiders and experts, the SNFP partners would be listened to more attentively by NGOs and perhaps save an organisation from losing precious resources pursuing a risky venture.

The main decision factors were discussed in detail

Would it be based on comparative length of time to break even, or perhaps a set contribution? What if the proposal requested deficit funding (to cover losses)? The ventures were so different, ranging from mission-related to those which were not, that the advisors felt it necessary to decide on a case-by-case basis. The goal of long-term sustainability for the groups was always kept in sight. If the enterprise required considerable resources or made the organisation dependent on a different source of funding, that would be considered negative. However, in a mission-related enterprise, breaking even might take longer, but along the way the contribution to programme costs would be significant enough to help the organisation stabilise its financial situation.

The evaluation of the feasibility studies also provided NGOs with extensive feedback and comments on their ventures.

Recommendations and decisions

Responses from the business advisors regarding the quality of the NGO feasibility studies varied greatly. Some expressed disappointment, while others felt they were much more complete than many for-profit business plans in the region. It became clear through the feasibility study process that some NGOs were not as committed as others to the ventures, having spent significantly less time with advisors, completing market research, etc. Other NGOs seemed to have developed what would be regarded as a programme or project rather than a self-financing venture per se. Some NGOs failed to address many of the initial questions and concerns raised by the Business Advisory Committee at the venture concept paper stage. (See **Figure 12** for areas of concern related to feasibility studies).

It also became clear while assessing the quality of the feasibility studies that even more clarity on the expectations of the advisors, partners and groups in terms of time commitment and the final product was needed. Some advisors felt the feasibility study template was closer to a business plan template in length and content.

Rating management teams

Management is generally regarded as a key factor in business success, but evaluating management teams for proposed ventures became one of the greatest challenges facing the advisors because most of them had not met the group leaders. Therefore it was decided that the groups should present their ideas to the committee for the business plan scoring

process so that additional questions could be asked and the advisors could get a better sense of the management behind the venture. Other criteria, such as an NGO's reputation in the community, were also difficult to assess. However, the local business advisors and SNFP partners were able to provide further insights on this topic.

Overall, this process allowed the advisors to discuss the most important issues facing the organisations and make well thought-out recommendations and decisions. Over time, the advisors and SNFP partners who had worked closely with the groups were able to represent information that was not available in the feasibility studies. At the same time, the other advisors were able to offer insights drawn from their experience or an outside perspective.

Of the 12 feasibility studies submitted, seven NGOs received venture planning grants (VPG) from REC funds. This number was close to the initial projections of the project. The SNFP aimed not only to support strong ventures but also to send out a message that weak ventures could do more harm than good, and that the organisation should think carefully before proceeding. It is hoped that groups benefited in the long term from the training received and experience gained throughout the process.

NGOs that were not selected for a VPG received the advisor's reasoning and feedback. Groups that received a VPG were given two months to develop the feasibility study into a business plan, integrating the questions, concerns and comments of the advisors. Groups were informed of the decision in writing and provided with the analysis and recommendations of the committee. Groups that did not move on to the next stage of the SNFP project were given as much information as possible to help them decide whether to

Training feedback

"Thank you for your evaluation of our study. We accept your decision not to provide us with any future financial support. Although our application was not successful, it was definitely not a waste of time for us, because we have learned a lot about how these things work."

Radim Bacuvcik, Charity Zlin,
the Czech Republic

FIGURE 12

Feasibility studies areas of concern

- Ability to raise sufficient start-up and working capital
- Ability to get correct permits
- Overly optimistic sales projections
- Inexperienced management (with the type of venture)
- Threat of pulling other staff into self-financing venture and away from the mission
- Ability to retain talented staff or manage external advisors without losing them to for-profit sector
- Opportunity cost. Have they considered other options?
- Defining the difference between a programme and a venture. Sometimes a matter of perception, other times there is a real need for clarification. How to avoid conflict or misunderstandings. Balancing mission and venture needs, for example production capacity and speed.
- Dependence on decisions by government, which are not foreseeable (buildings in particular, but also funding, permits).
- Identifying a market. Problems: already saturated or too small, lack of capacity to address its needs. Basing market research on Western European models without adjusting for local conditions.
- Challenge of shifting a service from traditionally free or grant-funded to fee-based
- Clarity on mission impact
- Receptiveness to consulting. Would a VPG help organisation to address issues?
- Trend of organisations receiving buildings, then trying to decide what to do with them.

continue with the project regardless of the concerns raised by the committee, reassess their approach and revise their venture plan, or look for another idea using the tools and approaches they had learned during the process. Although these groups were no longer officially part of the project, all partners agreed to remain available to them in the future. This process was quite individualised, depending on the needs of the NGO. All groups received a detailed letter with the advisor's questions, comments and concerns (see **Figure 13** for examples).

New perspectives

The feasibility study planning process highlighted some of the differences between the typical for-profit and non-profit mind-set. For example, one of the NGOs had set a goal of breaking even and the business advisor was amazed that the organisation refrained from pushing the venture to grow to its maximum capacity. The organisation did eventually adjust its expectations, but the starting point was alien to a Western for-profit business analyst. Many advisors raised the idea of for-profit partnerships at different points in order to bring in capital and expertise, but most non-profits were not open to this because of a fear of loss of control and mission drift. This difference was also apparent in the structure and timing of the process, which was designed around fixed dates of deliverability.

This was a challenge for some groups whose ventures were seasonal, or who would be ready for a decision prior to the committee meetings — an issue which would not have been present in the for-profit venture capital context where timelines revolve around business cycles, not the fixed deadlines of a granting cycle. These differences in viewpoint provided significant value to the NGOs and partners, because they added a different perspective while at the same time highlighting the importance of managing

FIGURE 13

Sample recommendations, issues for development, next steps

- Find out exact information on permits, licences needed
- Conduct further analysis on true start-up costs and working capital needs
- Develop a plan for raising the rest of the capital
- Conduct further market analysis — particularly focusing on local data, given that most industry information tends to relate to Western Europe or United States; undertake more first-hand market research.
- Revise and amplify financials, completing all financial documents including cash flow, balance sheet and income statement for minimum of three years, separating venture from NGO finances.
- Integrate information from the initial application with the feasibility study to provide full information for the business plan so that an outsider can read and judge the venture.

business advisors and translating between the two worlds in order to maximise the benefit of the relationship.

There was some concern about the length and number of studies proposed for relatively small projects, but the SNFP partners felt it was important to help NGOs understand the process of analysing organisational readiness and capacity, as well as to develop a relationship between the SNFP partners and the NGOs. Although the venture planning grants were relatively small, for many NGOs they represented a significant portion of their resources and provided much-needed financial support for their self-financing venture idea. This also reflects the capacity-building goal of the project and the common desire of the SNFP team to see that NGOs dedicate the time and critical thought necessary to evaluate the feasibility of their self-financing venture concept.



Chapter 5: Getting Down to Business

Chapter 5: Getting Down to Business

The business plan development phase was designed to assist the seven NGOs selected on the strength of their feasibility studies to develop full business plans. This was accomplished through the awarding of funds from the REC (venture planning grants) and provision of additional one-on-one consulting and support from the SNFP partners. The completed business plans were then submitted for consideration for start-up funding (i.e. business plan implementation through venture grants) and additional long-term consulting (3-5 years) from the NESST Venture Fund and supplemented by REC funding.

Throughout the business planning process, business advisors and SNFP partners continued to provide technical support and advise. Outside consultants were brought in for tailored consultations; site visits; business plan development; help with product and service development; and counselling on legal matters, taxes, finances, marketing and so forth. The VPGs were not given in a uniform manner as budgets were developed based on specific needs of each self-financing venture. This allowed for flexibility. The grants were used for staff time, market research, outside consultants and materials. Consulting was implemented to take into account the limited time frame and the diverse needs of the NGOs. Some NGOs used their local business advisors, while others hired specialists.

Business Plan Guidance

A business plan template was provided as a guide on how to transform the raw material and analysis provided in the feasibility study into a polished document that would assist the group with implementation of the venture, fully develop the financials and enable professional presentation of the venture to interested outsiders and investors. Although the feasibility study provided the bulk of information necessary for the business plan, NGOs needed to further develop the business plan to address questions of implementation, timing, capitalisation and management of the venture.

The business plan template was designed to place the feasibility study information into the organisational context and make an argument for an NGO's ability to succeed with the venture in the stated location and time frame. At the same time, the template helped NGOs to address unresolved issues from their feasibility study. The business plans were intended to serve as both an internal and external document, used for decision-making and fund-raising. Although the templates attempted to articulate the differences between a feasibility study and a business plan, there was still some natural confusion among participating NGOs. Some groups rewrote the entire plan, while others were unclear about the expectations. Again, an example of a business plan would have been helpful, but this was also where the value of the advisors was critical.

Business Plan Development Phase

- Venture planning grants awarded
- Business plan development (on-site consultations)
- Business plans evaluation meeting

The business plan template helped NGOs to address unresolved issues from their feasibility study.

In addition to the business plan, organisations were asked to provide a short worksheet filling in information that had not been provided to date and would assist the committee in its decision-making (e.g. the funding history of the organisation, organisational balance sheet, financial position, financial reporting and management systems, strategic planning in the area of self-sufficiency, types of financial assistance being sought or available from other sources, and the type of technical assistance sought from NESsT). The goal was to further assess the venture, the suitability of the organisation, and its ability to enact the business plan, the fit with the funder in terms of size of investment, and the assistance sought. It would have been helpful to have some of this information earlier, particularly the size of investment and the other resources available. The groups could have either been reassessed, or fund-raising — how and where they would find funds — could have played a bigger role in the development of the plans. For business planning challenges, see **Figure 14**.

Business Plan Evaluation Meeting

The role of the SNFP Business Advisory Committee (BAC) at the business plan selection meeting was slightly different than in previous meetings regarding venture concept papers and feasibility study review. The business plans were reviewed for funding support and more significant feedback was provided regarding the form of financing and consulting for each NGO venture. This added due diligence and screening was necessary in order to meet the additional criteria established for entrance into the NESsT Venture Fund (NVF). Once NGOs enter the NVF portfolio they are eligible for multi-year technical and financial assistance, just as in a for-profit venture capital relationship. Each investment is tailored to meet the individual group's needs, both in terms of technical and financial support as well as length and character of involvement. Therefore, information collected and assessed at this stage of the selection process is useful and necessary far beyond the selection process itself.

Given the additional selection criteria established by NESsT for the NVF, the SNFP Business Advisory Committee acted as advisors in the final selection process. The seven NGOs and their business plans were reviewed and, along with scoring criteria and scoring sheets, were sent to BAC members for final scoring prior to the selection meeting.

Recommendations, feedback and discussion

The purpose of the meeting was to make recommendations and about which groups should enter the NVF and the level and type of support they would require. These recommendations were then provided to NESsT for consideration in final decision-making. The final decision-making process is consistent with the process of selection for all NVF portfolio members and also in keeping with the legal and fiduciary responsibility of the NESsT staff and board for NVF investments.

Selection criteria used by the SNFP Business Advisory Committee were quite similar to those of the feasibility study evaluation stage, with the added requirement that all participating NGOs were invited to the meeting to present their ventures to the Evaluation Committee. The goal of these personal presentations was to give the NGOs an opportunity to address any additional questions and to ensure that decisions were made with as

FIGURE 14

Business planning — some of the challenges

- **Timing** Due to the requirements of the funding cycle and the need to have a set timeline for all groups involved, timing of the business plan process was not ideal for all groups. Time allotted was sufficient, but it was summer, a slow season in Central Europe. This made it difficult to gather information or consult with the necessary professionals.
- **Judgement** Understanding how to take the information and research from the feasibility study and knowing when to reanalyse the results, when to gather additional information, and when to simply duplicate sections.
- **Misunderstandings** In some cases the NGOs did not make it clear to the business advisors what role they should play in business plan development, which led to misunderstandings and some missed time.
- **External consultants** Hiring external consultants yielded mixed results — when carefully selected for specific expertise or time-consuming tasks (such as surveys), they were helpful, but for more general business plan writing the time taken to bring them up to speed slowed down the process significantly.
- **Again, the ability to say stop** At this point groups often felt they had invested so much time into the venture that it was very difficult to be objective and decide not to continue. The importance of using this plan as a chance not to pursue a project was very difficult to get across.

much information as possible. It also gave the advisors the opportunity to meet all groups personally and get a better feel for the people behind the ideas in order to better evaluate the potential of the venture.

Furthermore, the presentations by NGOs of their business plans to the Evaluation Committee also helped prepare NGOs for subsequent presentations of their business plans to prospective donors or investors beyond the SNFP process. It was difficult at this stage to realise that some of the groups that had come so far and put so much work into their venture would not receive funding. However, it had been understood from the beginning that only the top business plans would be recommended for funding and that the planning process itself was of significant value to participating NGOs.

Is the venture viable?

Final selections of business plans to receive venture financing and support were made with very serious discussions about the viability of the venture. Particular attention was given to issues such as the local context and realities, the leadership capability, and size of investment compared to overall budget of the organisation. This last point was a key factor, as some of the enterprises had relatively high start-up costs that cast doubt on the possibility that their venture could provide a sufficient return on investment (to both the financial and mission impact of the NGO). Also, many NGOs underestimated the amount of working capital required to operate their ventures beyond the start-up phase and there was concern among BAC members about the sustainability of such proposals.

Some local business experts remarked that the final business plans were as professional as those of local for-profit entrepreneurs. From this point of view the preparation tools and processes were highly successful, although many lessons were learned and challenges addressed (see **Figure 15**). There are certainly some lessons to be drawn. For example, the content and research required for the feasibility studies and business plans could have been streamlined to avoid forcing NGOs to collect potentially unnecessary or redundant information earlier in the planning process.

FIGURE 15

Business plans — lessons and challenges

Issues

Issues that need to be addressed

- Financials still not removed from overall organisation, doubt about true costs
- In an attempt to be thorough and answer all questions, important information has been swamped with detail
- Still not enough relevant market research — although often clear that there was a market, the depth was unclear and projections seemed overly optimistic
- No thorough analysis of opportunity costs
- Unable to raise sufficient capital to cover start-up capital, working capital and expansion costs
- Concern over management ability, and particular concern about pulling staff away from main mission activities

Key factors

Factors considered key to the success of self-financing ventures

- Recognition of risks, and plan for addressing them as opposed to ignoring risks
- Willingness to heed comments and suggestions of advisors; flexibility in how to achieve success, even if it means abandoning original idea
- Management — both passion, entrepreneurship as well as skills and dedication
- Building on core competencies of organisation and management
- Bottom line — is the self-financing venture viable, will it meet the goals of the organisation (both mission and non-mission related) and can this organisation carry out the venture?

The overall consensus of the SNFP partners and business advisors was that the selection process was successful and the advisors were confident in their decisions. The scoring documents were particularly helpful but should have been further refined (e.g., recalibrating the score weights, providing more room for comments, and streamlining the document). The VPG was a successful part of the process, providing additional resources for business plan development as well as an incentive for the NGOs to dedicate sufficient time and effort to the process.

Award of Venture Grants

All seven NGOs receiving VPGs submitted complete business plans for evaluation. Four of the seven were recommended by the BAC for venture grants (VGs) (see **Figure 16**) for a total of EUR 36,560. The investment recommendations made by the SNFP BAC to the NESsT Venture Fund were accepted fully. Those NGOs that did not receive VGs were encouraged to redevelop their ideas and keep in touch with the SNFP partners and business advisors for potential future support.

Following the Evaluation Committee's meeting and final approval from the NESsT Venture Fund, the four approved NGOs received award agreements and signed a memorandum of understanding with NESsT for the next stage of support. This support is provided through the NESsT Venture Fund, with additional financing by the REC. All four NGOs were required to make their own contribution (financial or other) to their venture start-up at a level appropriate to their size and as suggested by the Evaluation Committee.

Two of the selected NGOs (P-Centrum and ECB) were admitted as full members of the NESsT Venture Fund portfolio. They will receive technical and financial support for 3-5 years, contingent on satisfactory performance. The other two NGOs (CCO and Betlem)

4 Business Plan Implementation Phase

- Venture Grants awarded
- NGO venture start-up (on-going training and consultation)

FIGURE 16

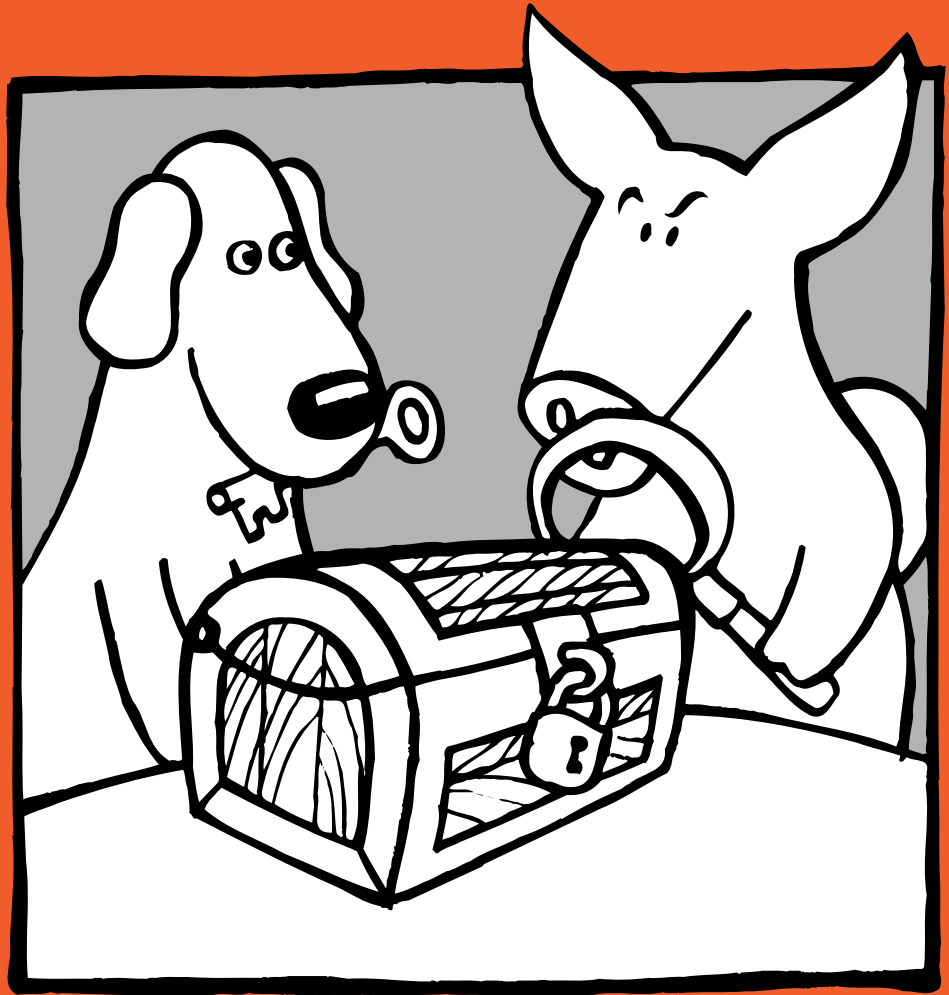
Table of NGOs selected in Phase 3 to take part in Phase 4 (ordered alphabetically)

NGO	VENTURE IDEA	VPG IN EUR	COUNTRY
Centre for Community Organising (CCO)	Design and implementation of public participation programmes	4,142	Czech Republic
Energy Centre Bratislava	Energy advisory service for households	11,209	Slovakia
Sananim Olomouc — P-Centrum	Carving workshop building	11,209	Czech Republic
Stredisko Diakonie CCE Betlem	BETLEM building venture	10,000	Czech Republic

were awarded one-year start-up financing, with future support to be determined based on first-year performance.

As a prerequisite for NVF financing, all NGOs were required to sign a code of ethics based on the “Commitment to Integrity” document developed by NESsT and a memorandum of understanding covering the expectations of both partners (NESsT’s commitment to technical and financial support; the NGO’s commitment to active participation, pursuit of mutually agreed upon benchmarks, reporting and financial measurement and accountability/transparency).

Upon signing these documents, the Venture Grants were transferred to the groups. In addition to the financial support provided through this first round of financing, selected NGOs are eligible to receive continued financial and capacity-building support from the NESsT Venture Fund.



Chapter 6: Taking stock

Chapter 6: Taking Stock

Pilot projects are designed to test new ideas in practice, and yield insights to improve future implementation. The third main objective of the Planning for Sustainability project was to document the lessons learned through the partners' work and make them available to a wider audience of regional NGOs and donors (this is supported by the four national language summaries in **Chapter 7**). In this conclusion we summarise, from the perspective of a local grant-making organisation, the lessons learned from the SNFP partnership, particularly as they apply to other donors considering support for grantees, or other NGOs wishing to develop their self-financing capacity. We also include overall recommendations for the field, and possible future steps.

Lessons for the Partners from the Process

As discussed, the implemented strategy combined financial and capacity building support to the NGOs. The SNFP partners utilised a venture philanthropy approach to identify and support NGO self-financing opportunities. This involved first assessing the feasibility of the proposed self-financing ideas through the development of a pre-feasibility and feasibility study. During this phase we supported the NGOs with expert advice and access to our advisors and trainers, funding for business plan development, and offered potential longer-term support in business plan implementation through the NESsT Venture Fund (NVF). The pilot project went largely as planned, with valuable lessons learned at every stage:

The Preparation (Call) Phase

- **Improve information on process for Central European NGOs** The approach used (i.e., the open call for concept papers), though a typical process in the grant-making community, was untested in the venture philanthropy context. The call successfully solicited and received many good applications from local NGOs, and proved a valuable tool for raising awareness of self-financing. The number of applications and enquiries received indicates that there is a genuine interest in the region for information about self-financing for NGOs. This alone is an important lesson learned from the process. The use of offices belonging to the REC and locally based SNFP partners in providing information and responding to enquiries was crucial and sufficient. However, a more systematic approach would improve the process. There was sometimes confusion as to who (i.e. the REC, SNFP partners or NESsT) should respond to certain

Further testing, refinement and improvement of application forms, language and the application processes is recommended.

queries. A more centralised and permanent source of information on the process specifically and on NGO self-financing in general is needed in the region.

- **Ensure fuller understanding of application** The main document used for initial NGO selection was the venture concept paper (VCP). The submitted VCPs were sometimes weak and incomplete. This resulted largely from a lack of understanding on the NGOs' part regarding the vocabulary, format and focus of the VCPs. Improved guidelines and the creation of an inquiry point (as mentioned above) would have helped. This process demonstrated yet again the importance of producing clear and comprehensible application forms, and the potential for misunderstandings and confusion when jargon is used, particularly in such a new field. Further testing, refinement and improvement of application forms, language and the application processes is recommended.
- **Reduce the number of VCPs presented to expert evaluators, split the pre-screening process** Those evaluating the initial applications were overwhelmed, and some business advisors felt their time was not well utilised so early in the process. Pre-screening procedures could be more stringent, requiring a shift from the purely technical process employed to one split between technical and content-based pre-screening. This would be based on two areas: receivability and eligibility. Receivability is a technical measure used to gauge the completeness of the application and technical criteria (such as correct geographic region). Eligibility measures whether the NGO applying, and the venture itself, fits the criteria. Eligibility considerations could include the possible acceptance of various types of NGOs (e.g. foundations, associations) and whether forms of self-financing other than ancillary businesses (e.g. membership development) would be considered. In addition, data on the projected amount of funds required would need to be assessed to ensure that NGO needs can be met with the support available.
- **Equalise weights used in scoring system** The scoring part of the evaluation was useful in focusing discussion on the proposals under consideration. However, the balance of scoring criteria weighted between the NGOs' organisational readiness and the self-financing idea should perhaps be 50/50 rather than the two thirds to one third used (which skewed results toward strong organisations rather than strong organisations with strong ideas). This would require two separate, complementary sections whose scores would be added. Otherwise the scoring system was very successful. The mix of experts in the evaluation process was good. The diversity of backgrounds (i.e., both non-profit and business) and experience yielded rich discussion and useful, actionable suggestions to the NGOs regarding the next phases.
- **Replace VCP with pre-feasibility study** One additional suggestion to improve the call for application model would be to consider requiring a full pre-feasibility study in place of a VCP at the start. This would of course also require some initial capacity building of the NGOs, on a one-to-one basis, or through additional *training meetings*. In addition, the call could include an example of a completed pre-feasibility study. This approach might also help to eliminate some of the VCPs that were ineligible earlier in the process and reduce the initial screening burdens of the selection committee.

The Feasibility Study Phase

During the feasibility study phase, the SNFP partners and business advisors worked with the selected NGOs on the development of feasibility studies for their self-financing ventures. This phase was educational, rewarding and demanding for all parties. The NGOs were exposed to new terms, ideas and approaches. The local partners and the business advisors fulfilled a new role. Some of the key lessons learned during this phase:

- Include business advisors in pre-feasibility meetings** The pre-feasibility studies were a useful reality check for NGOs and a good way to start the relationship between the capacity builder and the NGO. In addition, the feasibility study training meeting proved to be a valuable group exercise and fitted the call process well. The NGOs enjoyed working together rather than in isolation and the training meeting facilitated the generation of many group ideas. It also fostered development of the relationship between the SNFP team and the participating NGOs. Considering the subsequent intimate relationship between the NGOs and business advisors in developing the feasibility (and business) plans, it makes sense to introduce the two parties much sooner. The relationship between the business advisors and NGOs proved to be a cornerstone of success throughout. Well-developed relationships resulted in far more successful NGO applicants, and better quality feasibility studies and business plans. With this in mind, it also makes sense to take great care in selecting local business advisors and matching them with NGOs, and managing these relationships carefully to ensure that all participating NGOs receive equal access to and quality of capacity-building support.
- Clarify terms and business concepts** As mentioned earlier, the NGOs were completely unfamiliar with the market research requirements of the process. A much more detailed approach should be developed. For example, bringing in market research experts from relevant industries would be extremely valuable. Language, too, was a problem. Industry-specific terms are very difficult to understand for those who spoke English as a second language. Thus a project dictionary or glossary of business terms (in all languages) would likewise be extremely valuable. This would not only be a useful reference tool, but would also let the support organisations identify from the start difficult but essential terms and concepts (such as “opportunity cost” or “breaking even”) that require explanation.
- Clarify roles and responsibilities** It is important to define, in depth, the different roles and responsibilities of the support organisations and advisors in the process. It was assumed, sometimes incorrectly, that all SNFP partners and business advisors possessed the same level of skill, capacity and experience. It is important to determine at the outset who is capable of what — and at what level — and to find additional resources as needed to compensate for weak areas. One approach would be to assign to each NGO a single coordinating advisor, who could draw on several supporting experts for specific issues and needs as they arose.
- Allow some flexibility for various levels of NGO experience and capacity** Many of the participating NGOs were at different stages of enterprise and organisational development prior to embarking on the planning for sustainability process. Consulting time for the NGOs therefore varied (from 10 to 100 hours per NGO) depending on their different needs. In some cases, however, this resulted in some NGOs moving ahead of others and being ready to proceed earlier. These groups had to wait for the evaluation

NGOs enjoyed working together rather than in isolation and the training meeting facilitated the generation of many group ideas.

There was some danger of unintended bias as the advisors to the NGOs were also scoring their feasibility studies.

period before they could proceed. In some respects this single-speed approach for all NGOs was a limitation of the overall call process and echoes, to some degree, the problem with traditional grant-making approaches in general. Therefore, it was necessary to allow a level of flexibility and recognise that NGOs had varying needs (and proceeded at different speeds). On the positive side, having established deadlines created incentives for the NGOs to complete their deliverables on time.

- **Tighten up feasibility study evaluation, limit length and separate powers** Established criteria (see main headings in **Annex II, Figure 19**) were applied consistently throughout, although the scoring weighted certain topics more heavily because of their relative importance in assessing a venture's viability. Selection of NGO feasibility studies was reached via consensus among the committee members and provided useful feedback and practical recommendations to the NGOs. There was some danger of unintended bias as the advisors to the NGOs were also scoring their feasibility studies. This could be remedied by separating advisors from evaluators, or by removing a given NGO advisor when the feasibility study of an NGO he or she assisted was under consideration. In some cases, the feasibility studies were too long. The partners recommend page limits so that only information necessary for assessing a venture's feasibility was included, and the process was not duplicative of subsequent research necessary for completing a full business plan. The main areas of concern related to the FS phase are given in **Figure 12** in **Chapter 4**.

Business Planning and Implementation Phases

In the business planning phase, grants were given to NGOs to cover their time and to hire additional advice or support. The venture planning grants helped the NGOs to implement the business planning process (i.e., to provide support for the time and technical assistance necessary to complete it). The evaluation of business plans to determine whether NGOs should receive NVF investments focused on the form and level of financing and consulting that would be needed for each NGO. A main point of consideration was the size of the investment compared to the overall budget of the NGO. Key lessons learned during the business planning phase include:

- **Offer greater assistance in calculating true enterprise start-up costs** In some cases, the evaluators felt the NGOs underestimated the amount of start-up capital needed. This is important information not only to gauge whether the NGO should receive an investment, but also in determining the overall capital structure and needs of the enterprise. Perhaps more assistance should be provided in helping NGOs to calculate true costs both for start-up and fixed operating costs.
- **Refine scoring documents** As mentioned earlier, the scoring documents were useful, but require further refinement. The selection committee felt that the sections should be re-weighted and more space should be provided for comments. Also, it was particularly difficult for members of the selection committee from outside a given country to assess the validity of certain financial and other assumptions made by NGOs in their business plans. The insights of both SNFP partners and local business advisors were therefore critical (as were the personal NGO presentations as indicated below).

- **Importance of NGO business plan presentations** It was critical (and a worthwhile capacity-building experience) to have the NGOs present their business plans in person to the selection committee. This was particularly useful to shed further light on some of their assumptions and projections.
- **Require NGO financial commitment in start-up** It is very important that the NGOs demonstrate their commitment to their proposed venture by committing some form of investment (financial and/or in-kind) in the start-up phase. This commitment also sends an important message to other potential investors and donors in assessing potential involvement.
- **Keep monitoring and reporting to a necessary but minimum level** Unlike traditional grant reporting or evaluation approaches, it is important that donors looking to adopt this approach keep their reporting requirements on NGOs to the necessary minimum level so as not to overburden the start-up enterprises with unnecessary bureaucratic requirements. This is not to say that monitoring performance should be treated any less seriously; simply that it should be designed to require only enterprise-specific information that managers would require anyway to monitor the financial health of their enterprises.

It was critically important to have the NGOs present their business plans in person to the selection committee.

Lessons for NGOs and Donors

There remains much to learn (and to be seen) from this process as the NGOs and NESST work to build their enterprises. We still face the question of whether this approach really contributes to the NGO's financial stability. Could the resources be better spent elsewhere? It took one year from selection of the NGOs to awarding of start-up capital and involved hundreds of hours of work by the NGOs, partners and business advisors. Fourteen NGOs were involved from the feasibility study phase, of which four received start-up capital to launch the venture. On the face of it this number seems small, but in the world of competitive granting an approximate one-in-three awarding success would actually be quite high.

A cautious approach was taken as this is a pilot phase and for the SNFP partners the work has been as much about learning as about helping the NGOs. In truth, the future success of the four NGO ventures will be the real test of success, but the process demonstrated by Planning for Sustainability has revealed that the training and consulting provided before actually launching a business (in addition to the VPGs and VGs) were an invaluable resource in their own right for participating NGOs. The process also provides a useful model for other donors in assessing their strategies for helping grantees diversify their financial resources.

From this process, the SNFP partners have learned much about trying to help NGOs develop their own self-financing actions (see **Figure 17**). A number of these points should be taken into account by both NGOs considering self-financing approaches and donors considering such strategies to support their NGO clients or grantees. This is not an exhaustive list, but does summarise some of the key reflections of the SNFP team. The SNFP partners' experiences have shown that the venture philanthropy approach is valuable, but it is demanding for both the NGO and the support organisation.

FIGURE 17

Lessons from the process for NGOs

NGOs

- Self-financing is not the panacea for your funding problems. It is not necessarily applicable to all NGOs.
- Self-financing will not replace donations and grants for projects, but should supplement them.
- You will have to allocate resources to the SF venture, both time and money.
- You will have to change your thinking from a project-based approach to an integrated business approach.
- You must pay attention to the messages coming from the feasibility study, and be prepared to say stop at any point. It is better to stop and save your organisation's resources for another approach. You should bear in mind more small businesses fail than succeed.
- The SF venture should be a part of your overall development plan/strategy and not be seen in isolation.
- You will need to evaluate and measure the opportunity cost. In other words, the resources put into the venture might be better utilised elsewhere. An analysis of the costs versus the benefits should be addressed.
- SF can help your entire organisation to professionalise (system management, strategy, impact, accounting, mission delivery and measurement). However, this will require the commitment of the whole organisation. Building consensus within your organisation is important.
- You should get professional business advice and assistance before setting out.

Lessons from the process for donors/support organisations

Donors

- Depend on your solid and defined skills. Build on those and bring in advisors to fill in the gaps. Map what skills you have and those you lack.
- Be aware of what the expert advisors can offer and give them clear roles.
- Apply a “practice what you preach” principle — try an SF approach to your own work. This will increase your own knowledge and your credibility with your clients.
- Focus on the needed translations, both in terms of language and terminology.
- Be prepared for the long haul. To support the NGOs with this method takes time and commitment. Do not exit irresponsibly or too soon.
- NGOs in CE are resistant to loans — even if they are interest-free. Think of this as an option later on. The region needs to be educated about lending.
- The start-up capital should be granted. Match resources to the scale of the NGO and its venture and be clear from the beginning of the scale offered.
- The organisational readiness of the NGO is the crucial factor. A review of this should go hand-in-hand with the review of the venture.
- Measure the cost/benefit of this type of support (business advisors can be expensive and the coaching is intensive). Ask whether your support could be better spent elsewhere in the NGO.
- Ensure that different approaches are considered in different situations and decide on what is appropriate. Project versus venture or core funds versus organisational development?
- True demand for capacity building and the SF approach must come from the NGO.

The development of a so-called non-profit capital market is necessary and reflects the very diversity of required financial support for NGO ventures.

Recommendations for the Field — Future Use

At the outset of planning for sustainability the SNFP partners attempted to offer to Central European NGOs two main things in an open and concerted way: the delivery of appropriate financial support and capacity building and organisational support. To a large degree the pilot project was successful in demonstrating that this approach did work. For the venture philanthropy field the following recommendations would be made from the SNFP partner's experience.

Financial support recommendations

- **Funds for ventures** There needs to be rigorous research into the types of funds that can be offered to NGOs in varying situations. The breadth of available finance for NGO self-financing ventures is still limited. Without the development of a basket of financial instruments (loans, start-up capital, etc.) no amount of capacity building will overcome this deficit. One way to address this problem would be for donors (foundations and government) to devote a portion of their grant funds to self-financing initiatives. To do this, though, they would need intermediaries or venture philanthropists to determine the mechanisms for the provision of those funds. The development of a so-called non-profit capital market, and the range it implies, is necessary and reflects the very diversity of financial support required for NGO ventures at different times and economic levels.
- **Improved legislative and tax environment** One of the key challenges to self-financing that was not addressed in the pilot project (it was outside the scope of the project) is that of the legal and fiscal operating environment for NGOs. In Central Europe many issues (such as allowing NGOs to pursue economic activities) are still grey areas or unfavourable (some tax conditions are the same as for for-profit companies) to NGOs. There needs to be either an improvement in the interpretation and clarity of NGO legislation and/or lobbying for its enhancement. While some initiatives are already underway in the CE region to foster the development of non-profit law, the issue of economic/commercial activities of NGOs remains very undeveloped. As the sector and the field of venture philanthropy grow, these legal and tax obstacles will become increasingly critical.
- **Acceptance of failure** It is generally acknowledged that one learns the most from failure. The current lack of acceptance of failure in the non-profit arena can stifle innovation and lead to liberties being taken with the truth. As the venture philanthropy approach is new and the acceptance of failure in the venture capital world is something that is clearly not as acceptable in the non-profit world, the topic bears discussion. How can one expect great success in social ventures if one is unable to accept failure? A majority of small businesses fail, so venture philanthropists should accept at least the same degree of failure as the for-profit sector does. In addition, the funder should endeavour to ensure that the core NGO is not ruined by any failure.
- **Funder power over NGOs** Funders already hold a fair degree of power in driving the non-profit sector's focus (see **Chapter 1**). Venture philanthropy does raise certain risks because it implies greater involvement of funders in the affairs of NGOs. On the

other hand it is formalising an already existing dynamic and granting non-profits the rights of an investee. One of the distinguishing factors of venture capital is that investees also look for an appropriate match. By putting the power dynamics on the table there is — at least — recognition of them.

- **Code of ethics** It can be said that an overly intrusive donor or investor can threaten the NGO's independence. Self-financing allows an organisation to raise funds that can be used for the agenda deemed important, thus avoiding control by the market or the state. The involvement of a venture philanthropist in an organisation's enterprise activities is fundamentally different from that of the involvement of other donors in the programmatic activities of an NGO. By involving themselves in the enterprise activities and maximising the financial return of the ventures, they are increasing the likelihood that positive revenues will be generated. This funder power situation, however, is still a potential difficulty for venture philanthropy. One recommendation is the development of a code of ethics for venture philanthropists or, at the very least, an up-front definition of the funder-NGO relationship.

Capacity building and organisational support recommendations

- **Increased business training for NGO leaders** It has become clear from the project that the majority of NGO leaders are, understandably, largely unacquainted with business principles and approaches. Traditional NGO skill training such as proposal writing and fund-raising should increasingly be linked to business practices. In addition to this, courses on NGO management should increasingly be focused on business administration for NGOs. Development of the professionalism of NGO staff is a never-ending issue, but focusing on business skills should be a new direction that is encouraged by donors and the NGO management themselves.
- **Training of business advisors in NGO issues** On the other side of the coin, there is a deficit in business advisors who are ready and able to deal with the business issues of NGOs. The NGO or charity sector in many countries represents a sizeable segment of the economy, and for Central Europe this will increasingly be true. Business consultants need to be made aware of this possible new market and become responsive to and responsible for the non-profit mission-led aspects of NGO ventures. Training and materials for business advisors and experts would seem to be providing the needed consultancy to NGOs than training up NGO support organisation staff.
- **Focus on an overall organisational development strategy** NGO support organisations should offer self-financing development to NGOs within the framework of a general NGO development plan or strategy, and not in isolation. Self-financing would simply be one option or component of that plan. One overarching recommendation is the development of a methodology to conduct research into the cost-benefit analysis (CBA) of pursuing self-financing versus another activity for the NGO. Perhaps it would be pertinent to reemphasise that the venture philanthropy approach of supporting NGO ancillary businesses is not the only self-financing strategy available (see **Chapter 1**). The other strategies mentioned there could be more relevant for and more easily implemented by a particular NGO.

One recommendation is the development of a code of ethics for venture philanthropists.

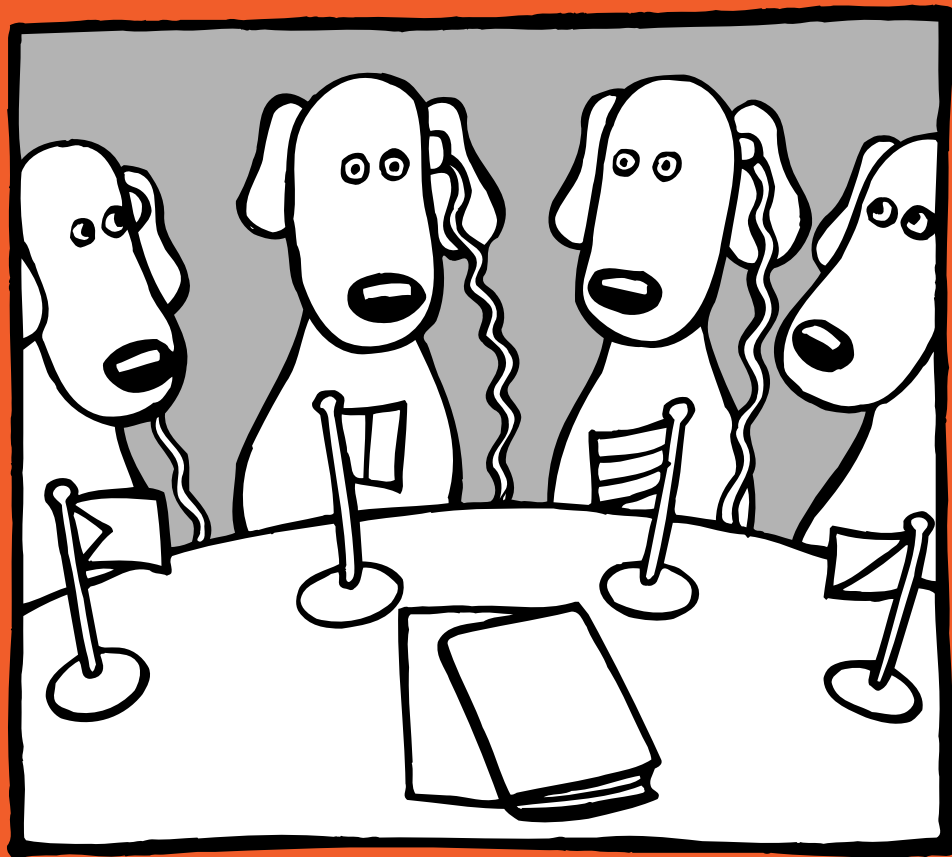
It is increasingly clear from these efforts that the NGO sector in Central Europe is ready to adopt these new approaches to financial sustainability.

Future use of the approach

For the SNFP partners the future use of the approach taken will of course depend on their own organisational priorities. In general, though, the following conclusions can be made about the future use of the venture philanthropy approach in Central Europe:

- **Interest** There is an interest in self-financing from NGOs in the region and it is worth offering to those that are ready for it.
- **Information** Promotion of the idea of self-financing should be resumed, but there is a need for concrete details for NGOs of where to go for help and funding.
- **Business sector** There must be more emphasis on working with business people and banks to get them to see the problems of setting up a venture for NGOs and to offer appropriate services.
- **Tailor-made** The SNFP should try to address the type and size of NGO suited for this kind of support. In addition, sufficient funds should be available to the NGOs' ventures.
- **Memberships** Other forms of self-financing should be considered, like memberships.
- **Languages** The process needs to be delivered in and adapted to the national languages of the region.
- **Mobilise local support** Local NGO support organisations should be mobilised to identify and evaluate the NGOs that might benefit from self-financing initiatives and then recommend them to business development organisations or advisors, who will take them through the feasibility study process in detail.
- **Long-term** SNFP partners need to encourage and work with donors/foundations to supply the funds and resources which will allow this long-term venture philanthropy approach — these funds are extremely scarce at this time.
- **Loans** There is a need to develop an approach or methodology to get NGOs to consider (soft) loans.
- **Separation of functions** Within an open granting methodology, the evaluator deciding on financial support to the NGO (and the measurement of expected viability) would in future be divorced from the advisor assisting the NGO. This does not mean they cannot come from the same organisation, but simply that the functions need to be separated to avoid bias or partiality in decision-making.

In the last two years the SNFP partners have had the opportunity to “put our money where our mouths are” and the REC and NESsT have funded the start-up of four new NGO ventures. A number of the business advisors are keen to continue supporting these groups — outside the scope of the pilot project — and NESsT, through the NESsT Venture Fund, has already committed itself to continuing to provide financial investment and capacity-building support to this group of NGO ventures over the next 3-5 years. Evidently the CE business community is also ready to reinforce the development of the region's civil society. It is increasingly clear from these efforts that the NGO sector in Central Europe is ready to adopt these new approaches to financial sustainability. It is also clear that, with additional efforts, this funding and capacity-building approach to the development of NGO self-financing ventures is necessary and beneficial, and has tremendous potential to continue to pay dividends in the future.



Chapter 7: National Language Summaries

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Magyar ■ 81

Slovensky ■ 89

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Chapter 7: National Language Summaries



Shrnutí: Plánování pro udržitelnost nevládních organizací

Podpora podnikatelských aktivit nevládních organizací za účelem samofinancování

Plánování pro udržitelnost nevládních organizací (Planning for Sustainability) je studie, která se zabývá prací a výsledky dvouletého pilotního projektu, který byl realizován partnery Projektu financování pro udržitelnost nevládních organizací SNFP (Sustainable NGO Financing Project). Jejím cílem je ukázat, jak tato skupina nevládních organizací společně pracovala na realizaci programu, který měl pomoci nevládním organizacím ve střední Evropě vytvořit plán a zahájit aktivity, které by umožnily jejich samofinancování.

Projekt financování pro udržitelnost nevládních organizací — SNFP (The Sustainable NGO Financing Project)

Nastíněný postup se zabývá třetí ze tří fází projektu SNFP. Projekt SNFP pro střední Evropu se snaží podporovat a pomáhat neziskovým nevládním organizacím v tomto regionu při hledání dlouhodobějších finančních zdrojů a zdrojů pro rozšíření kapacity, které by přispěly k zajištění udržitelnosti jejich práce a životaschopnosti jejich organizací. Projekt SNFP byl zahájen organizací Skupina pro neziskové podnikání a pro soběstačnost – NESST (Nonprofit Enterprise and Self-sustainability Team) společně s Programem pro podporu nevládních organizací, který byl vypracován Regionálním environmentálním centrem pro střední a východní Evropu – REC (The Regional Environmental Center for Central and Eastern Europe) v roce 1997 a od té doby probíhá jako společná aktivita organizací NESST, REC, Centra neziskového managementu – CNM (Centre for Non-profit Management) ve Slovinsku, Nadace pro rozvoj občanské společnosti CSDF (Civil Society Development Foundation) v Bulharsku, organizací Lotos o.p.s. v České republice a Partneři pro demokratickou změnu PDCS (Partners for Democratic Change) na Slovensku. Partneři projektu SNFP začali svoji činnost s přesvědčením, že některé nevládní organizace mohou díky samofinancování prodloužit svoji životaschopnost a zvýšit nezávislost, a to tím způsobem, že si vedle zdrojů od veřejných a soukromých dárců zajistí svůj vlastní příjem.

Cílem prvních dvou fází projektu SNFP bylo poučit se ze stávajícího využití koncepce samofinancování v daném regionu a vytvořit pro nevládní organizace nástroje a služby pro realizaci aktivit určených pro samofinancování. Prostřednictvím Projektu pro

podporu podnikatelských aktivit nevládních organizací za účelem samofinancování, který je financovaný pod záštitou Programu partnerství Phare (Phare Partnership Programme) Evropské komise a organizací NESsT a REC, je realizován výzkum a příprava předchozích let. Tato třetí fáze, pilotní projekt, umožnila jeho účastníkům vytvořit a rozvinout mechanismus pro vytipování těch nevládních organizací, které mají perspektivu zajistit si financování z vlastních prostředků a poskytnout jim vstupní kapitál, aby mohly rozvíjet své podnikatelské aktivity za účelem samofinancování.

Proč samofinancování?

Od roku 1989 zaznamenala střední Evropa fenomenální nárůst aktivních nevládních organizací. Jenom v oblasti nevládních organizací pro životní prostředí zaznamenalo Regionální environmentální centrum pro střední a východní Evropu zvýšení počtu organizací z téměř 800 v roce 1992 na 1.700 v roce 1994, 2.700 v roce 1997 a na téměř 3.000 v roce 2001. Tento nárůst, který je možné považovat za reprezentativní pro sektor nevládních organizací jako celek, svědčí o tom, že v zemích střední Evropy se lidé začali angažovat v občanských iniciativách. Vývoj občanské společnosti stejně tak jako nevládních organizací byl v těchto transformujících se zemích vždy považován za důležitý a nezbytný krok k vytvoření dokonale fungující demokracie.

Ukázalo se však, že obnova tradic týkajících se filantropie, charity a sociální zodpovědnosti není snadná záležitost. Právě v tom leží hlavní nebezpečí pro budoucí vývoj občanské společnosti a jejích přidružených organizací, tedy v tom, že tyto instituce byly sice založeny a byly jim poskytnuty první finanční prostředky, ukazuje se však, že společnost není připravena na to, aby v této podpoře pokračovala. Zde také leží problém, na kterém je založena strategie projektu SNFP: mezinárodní zahraniční pomoc v regionu střední Evropy se vytrácí a možnosti místních filantropických zdrojů jsou stále nedostatečné na to, aby tuto mezeru zacelily; ve střední Evropě stále neexistuje silná kultura poskytování filantropických darů a chybí zde také uspokojivé regulační a daňové stimuly, které by přispěly k podnícení takových aktivit. Kromě toho, finanční zdroje nevládních organizací, které jsou v současné době k dispozici, s sebou většinou přinášejí jistá omezení.

Podpora nevládních organizací se tradičně soustředí na poskytování grantů na projekty, rozšiřování kapacit a na školení. Největších úspěchů v rozvoji občanské společnosti ve střední Evropě bylo z velké části dosaženo díky těmto tradičním grantům. Granty poskytuje i samotná organizace REC, a to především pro podporu projektů, které mají pozitivní dopad na ochranu životního prostředí. Tato forma podporování projektů musí pokračovat (a musí být také samozřejmě rozšiřována), existuje zde však řada omezení (viz výčet po straně)

V souvislosti s granty pro finanční podporu projektů existuje samozřejmě řada pozitivních aspektů, je však třeba vytvářet nebo pomáhat při vytváření alternativních mechanismů pro podporu nevládních organizací, díky kterým by bylo možné překonat některá z výše uvedených omezení, a jedním z takových mechanismů je koncepce samofinancování.

Možná omezení tradičních grantů udělovaných projektům

- Nevhodná období projektů
- Omezené poradenství a podpora
- Zadaná témata a priority
- Negativní důsledky hospodářské soutěže
- Tlak v souvislosti s vypracováváním zpráv
- Výdajová omezení
- Omezený počet nástrojů
- Malá organizační kapacita

Samofinancování se v podstatě týká postupů, jakými nevládní organizace vytvářejí jisté procento finančních prostředků, které jsou nezbytné pro realizaci jejich poslání. Organizace NESsT uvádí sedm takovýchto koncepcí samofinancování, které mohou nevládní organizace využít (viz **schéma 1**).

Partneři SNFP odhadují, že samofinancování nevládních organizací přináší následující pozitiva:

- zvýšení příjmu;
- diversifikované zdroje příjmů;
- větší flexibilita financování;
- zlepšení organizačního plánování, hospodaření a efektivity
- zlepšení finanční kázně a dohledu;
- pozitivní dojem na dáorce;
- posílení představenstva;
- zviditelnění organizací;
- posílení sebedůvěry.

Přes užitečnost tohoto přístupu průzkum v rámci projektu SNFP odhalil, že při realizování této koncepce se nevládní organizace potýkaly s nedostatkem odborných znalostí a finančních zdrojů, díky čemuž často docházelo k ohrožení těchto organizací a jejich poslání, a pohybovaly se přitom v nepříznivém právním a statutárním prostředí.

SCHÉMA 1

Co je samofinancování?

Samofinancování je možné definovat jako obstarávání prostředků podnikatelskými metodami, jinými slovy postupy využívané nevládními organizacemi pro vytvoření části svých vlastních zdrojů, aby mohly pokračovat ve svém poslání.

Koncepce samofinancování zahrnuje

- Členské příspěvky
- Poplatky za služby
- Prodej produktů
- Využití hmotných aktiv např. pronájem zařízení, nemovitostí
- Využití nehmotných aktiv např. patenty, autorská práva
- Vedlejší podnikatelské aktivity
- Investiční dividendy

■ Zdroj: NESsT, 1999, Profits for Nonprofits (Zisk pro neziskovky); a www.nesst.org

Toto jsou čtyři hlavní oblasti, kde mohou nevládní organizace při přechodu na samofinancování narazit na problémy:

- problémy v souvislosti s identitou
- organizační problémy
- kapitálové a finanční problémy
- problémy spojené s vnějším pracovním prostředím

O projektu

V roce 1999 se organizace REC spojila s organizací NESsT s cílem zapojit se do tradičního způsobu obstarávání finančních prostředků organizace REC, tedy inovačního mechanismu filantropických podnikatelských aktivit pro rozšíření kapacity a zajištění finanční podpory potřebné k rozvoji a udržení koncepce samofinancování.

Ukázalo se však, že zapojení koncepce filantropických podnikatelských aktivit, která měla nevládním organizacím zajistit jak finanční podporu, tak i podporu pro rozšiřování kapacity, do aktivit organizace REC zaměřených na granty přináší řadu klíčových problémů:

- **Zajištění odpovídající finanční podpory znamenalo:** uspokojení potřeby pro otevřenou, kompetitivní a ohleduplnou realizaci projektu s uvážlivým výběrem nejživotoschopnější podnikatelské aktivity nevládní organizace, která by mohla být zdrojem finančních prostředků pro organizační rozvoj, finančních prostředků pro plánování podnikatelských aktivit a finančních prostředků pro podporu přechodu na samofinancování — jedná se tedy o grant na jednorázové projekty — a finanční prostředky na delší časové období.
- **Podpora rozšiřování kapacity a organizační podpora znamenalo:** zaangažování ostatních místních odborníků, aby přispěli svou pomocí a pořádali školení ohledně posouzení uskutečnitelnosti navrhované iniciativy samofinancování (jak v obchodním, tak i v organizačním smyslu); aby pomohli při zjišťování vztahu dané podnikatelské aktivity k neziskovým aktivitám a jejich vzájemné ovlivňování; aby vypracovávali znalecké posudky a pořádali školení ohledně přípravy obchodního plánu, a pokud bude daný projekt financován, zajišťovali organizaci dlouhodobou pomoc při realizaci plánované podnikatelské aktivity.

Hlavní cíl pilotního projektu pro podporu podnikatelských aktivit nevládních organizací za účelem samofinancování je dvojitý: vyvinout účinné metody a nástroje pro podporu samofinancování nevládních organizací a pomoci určité skupině nevládních organizací s podnikatelskými aktivitami.

Pilotní projekt byl rozdělen do čtyř hlavních fází: 1) přípravná neboli vyzývací fáze; 2) fáze studií proveditelnosti; 3) fáze zpracování podnikatelského plánu a 4) fáze realizace podnikatelského plánu. U každé z těchto fází bylo potřeba vypracovat a upřesnit: plán činnosti, metodologii, nástroje a podpurné materiály. Z tohoto důvodu se projekt SNFP zaměřoval na rozšiřování kapacit vybraných nevládních organizací, vytvoření nástrojů, vypracování obchodních plánů pro určité podnikatelské aktivity, posouzení uskutečnitelnosti takových podnikatelských aktivit a rozšíření kvalifikace samotných účastníků projektu SNFP.

Nástroje a materiály byly vytvořeny na základě zkušenosti partnerů SNFP a školení a průzkum provedla organizace NESsT. Důraz byl přitom kladen na to, aby byly co možná nejvíce interaktivní, flexibilní a optimální pro své adresáty s cílem umožnit netradičním podnikatelům v neziskovém sektoru přístup k nástrojům a pracovním postupům obchodního světa (tj. byly přizpůsobeny především pro potřeby nevládních organizací). Byly založeny na výdělečných nástrojích, jako je tradiční realizační studie, podnikatelský plán a finanční analýza. Tyto nástroje však nebyly jednoduše předány nevládním organizacím, ale byly upraveny tak, aby vyhovovaly potřebám a předpokládaným otázkám/překážkám, se kterými se mohou nevládní organizace při zavádění koncepce samofinancování setkat.

Přípravná vyzývací fáze se zaměřovala na hledání vhodných nevládních organizací ze střední Evropy a na výběr externích poradců ze soukromé sféry, kteří by během realizace projektu pomáhali jak jeho partnerům, tak i nevládním organizacím. Vyzývací fáze zabrala od svého prvního vyhlášení po výběr čtrnácti pilotních nevládních organizací šest měsíců (pracovním postupem této fáze se zabýváme v kapitole 3).

Po výběru nevládních organizací se následující dvě fáze zaměřovaly na zajištění technického servisu pro těchto čtrnáct středoevropských nevládních organizací v souvislosti s plánováním podnikatelských aktivit a zpracováním realizační studie. Tento proces nejenže pomohl jednotlivým nevládním organizacím přijít se svými vlastními nápady a poskytl podporu jak ve formě předávání znalostí a školení, tak i ve formě financování rozvoje a realizace slibných podnikatelských aktivit (s příspěvím podnikatelských poradců a partnerů SNFP), ale umožnil i partnerům SNFP zevrubněji poznat skupiny nevládních organizací a vylepšit a vytříbit jejich metodu při provozování poradenské činnosti.

Ve fázi vypracování realizačních studií byla pořádána běžná školení pro nevládní organizace a účastníky projektu a konaly se návštěvy jednotlivých nevládních organizací z důvodu pomoci při vypracovávání prvních před-realizačních a následně realizačních studií na základě návrhu podnikatelské aktivity. Pro tuto fázi byly připraveny standardní modely před-realizačních a realizačních studií. Místní partnerské organizace SNFP a obchodní poradci pracovali s těmito modely, aby pomohli vybraným nevládním organizacím zjistit uskutečnitelnost jejich představy samofinancování a vypracovat studii pro posouzení ze strany poradní komise.

Fáze vývoje podnikatelského plánu, která trvala tři měsíce, začala poté, co poradní komise vyhodnotila dokončené realizační studie a doporučila je pro udělení Grantu na plánování podnikatelských aktivit – VPG (Venture Planning Grant), ze kterého by se měla hradit příprava podrobného podnikatelského plánu. S vypracováním tohoto plánu pomohli místní obchodní poradci a organizace NESsT.

V poslední fázi realizace podnikatelského plánu byly vybrány nevládní organizace pro Fond pro podnikatelské aktivity organizace NESsT – NVF (NESsT Venture Fund) byly jim poskytnuty další finanční prostředky ve formě Grantů pro podnikatelské aktivity (Venture Grants) a zvláštní podpora pro rozšíření kapacity stejně tak jako monitorování a hodnocení. Cílem této fáze bylo ověřit si, zda zavedení koncepce samofinancování přispěje ke stabilitě a rozvoji organizací a potažmo i ke změně společnosti (podrobněji rozebráno v kapitole 5). Tato fáze i nadále pokračuje, protože podpora z fondu NVF je plánovaná na tři roky.

Pilotní projekt byl rozdělen do čtyř hlavních fází

- přípravná neboli vyzývací fáze
- fáze studií proveditelnosti
- fáze vývoje podnikatelského plánu a
- fáze realizace podnikatelského plánu.

Výsledek: Poznatky a doporučení

Účastníci projektu SNFP využili koncepci filantropických podnikatelských aktivit se zaměřením na vyhledávání možností samofinancování nevládních organizací, posouzení těchto možností prostřednictvím před-realizačních a realizačních studií, zajištění odborného poradenství a podpory nevládních organizací (přes místní podnikatelské poradce a lektory), dotování rozvoje podnikatelských plánů a následné zajištění finanční a odborné podpory pro realizaci dané podnikatelské aktivity. Při posuzování hlavních fází pilotního projektu bylo zjištěno, že pokud jde o účastníky projektu SNFP, probíhal tento projekt tak, jak byl původně naplánován. Přesto z každé fáze vyplynula jistá klíčová ponaučení.

Výsledné podnikatelské aktivity jsou teprve v počáteční fázi, ale již byly zahájeny. Pro každou z nich existuje dlouhodobý plán finanční a poradenské podpory v místě své realizace. Poskytnuté finanční prostředky byly uzpůsobeny podmínkám jednotlivých podnikatelských činností, přičemž všechny nevládní organizace musely přispět svým vlastním finančním vkladem pro potřeby dané podnikatelské aktivity. Vypracovávání zpráv se týká finančních prostředků potřebných pro udržení dané podnikatelské aktivity.

Je zde však stále jedna nezodpovězená otázka, a to, zda tento přístup skutečně přispívá finanční stabilitě nevládních organizací. Od výběru nevládních organizací trvalo jeden rok, než jim byl přidělen počáteční kapitál, což představuje stovky hodin práce nevládních organizací, účastníků projektu a podnikatelských poradců. Z třinácti nevládních organizací, které byly vybrány z fáze realizačních studií, byl počáteční kapitál pro zahájení podnikatelské aktivity přidělen čtyřem z nich. Na první pohled by se mohlo zdát, že je to málo, ale ve světě kompetitivního přidělování finanční podpory je pravděpodobnost přibližně jedna ku třem poměrně vysoká. Skutečným testem úspěšnosti projektu bude až budoucí úspěch těchto čtyř podnikatelských aktivit nevládních organizací, ale postup, který byl aplikován ve studii Plánování pro udržitelnost nevládních organizací, ukázal, že proces plánování v koncepci filantropických podnikatelských aktivit může být vhodným nástrojem pro zformování a uvedení do života podnikatelských aktivit za účelem samofinancování nevládních organizací ve střední Evropě.

Účastníci projektu SNFP se naučily mnohé o praktických důsledcích vyplývajících ze snahy pomoci nevládním organizacím při přípravě aktivit za účelem samofinancování.

Z této práce vyplynuly následující body, které by měly mít nevládní organizace na zřeteli, pokud budou o koncepci samofinancování uvažovat:

- Samofinancování není všelék na všechny problémy spojené s financováním dané nevládní organizace. Je možné, že se nehodí pro všechny nevládní organizace.
- Samofinancování nenahradí dotace a granty určené pro projekty, pouze je doplní.
- Nevládní organizace bude muset mít k dispozici dostatek času a finančních zdrojů přidělovaných pro podnikatelské aktivity za účelem samofinancování.
- Nevládní organizace bude muset změnit svůj způsob uvažování, který se soustředil na projekty.
- Nevládní organizace musí být vždy a v jakékoli fázi připravena danou podnikatelskou činností zastavit. Přitom musí vycházet z realizační studie. Někdy je lepší je danou činností zastavit a zachránit tak finanční zdroje pro jinou koncepci. Je třeba mít na paměti, že malé podnikatelské aktivity se ve většině případů nezdaří.

- Podnikatelská aktivita za účelem samofinancování by měla být součástí celkového plánu/strategie rozvoje nevládní organizace, neměla by z něho být izolována.
- Nevládní organizace bude muset odhadnout a vyčíslit náklady alternativních příležitostí. Jinými slovy, finanční prostředky vložené do dané podnikatelské aktivity by mohly být lépe využity jinde. Bude třeba vypracovat analýzu nákladů ve vztahu k přínosům.
- Samofinancování může pomoci celé organizaci pokud jde o profesionalizaci (systémové řízení, strategie, účinek, účetnictví, poslánídodání a měření). Zde však bude zapotřebí, aby se v tomto ohledu angažovala organizace jako celek. Je důležité dosáhnout vnitřního konsensu.
- Před zahájením podnikatelské aktivity je třeba zajistit si odbornou pomoc a odborné poradenství v obchodních záležitostech.

Tento seznam není vyčerpávající a není zde uvedena řada klíčových problémů, se kterými se bude muset daná nevládní organizace potýkat.

V posledních dvou letech měli partneři SNFP příležitost dát peníze tam, kde se ukázal zájem o jejich využití. Z tohoto úsilí je však stále více zřejmé, že nevládní organizace ve střední Evropě jsou připraveny osvojit si tyto nové koncepce týkající se finanční soběstačnosti. Také se ukázalo, že za předpokladu mimořádného úsilí je koncepce dotování a rozšiřování kapacit pro rozvoj podnikatelských aktivit nevládních organizací za účelem samofinancování správná a že v budoucnu může být zdrojem dividend.

Další informace

Pokud máte zájem o tuto koncepci nebo možnosti samofinancování nevládních organizací, kontaktujte prosím následující partnerské organizace projektu SNFP uvedené ve **schématu 2**.

SCHÉMA 2

Národní partnerské organizace

ČESKÁ REPUBLIKA

Radek Kolář

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Česká republika
Tel: (420-2) 2410-2359
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MAĎARSKO

Balázs Sátor

Civil Society Development Foundation¹
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Tel: (36-1) 385-2966
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Email: Satorb.ctf@mail.mgx.hu

SLOVENSKO

Peter Gustafík

Partners for Democratic Change²
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Email: pdcs@pdcs.sk

SLOVINSKO

Sonja Candek

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Regionální partnerské organizace

NGO Support Programme*

**The Regional Environmental Center
for Central and Eastern Europe⁴ (REC)**

Ady Endre ut 9-11
2000 Szentendre
Hungary
Tel: (36-26) 504-000
Fax: (36-26) 311-294
E-mail: Info@rec.org

**Nonprofit Enterprise and
Self-sustainability Team⁵ (NESST)**

Dessewffy u 25/27, I/18
1066 Budapest
Hungary
Tel: (36-1) 302-6863
E-mail: Jmessing@nexta.hu

1. Nadace pro rozvoj občanské společnosti
2. Partneři pro demokratickou změnu
3. Středisko pro neziskový management
4. Regionální environmentální centrum střední a východní Evropu
5. Pracovní skupina pro neziskové podnikání a soběstačnost

(pozn. překl.: překlad názvů organizací je pouze orientační, oficiální název může znít v češtině jinak.)

* Poznámka: Nebo odpovídající národní kancelář REC v České republice, Maďarsku, Slovensku nebo Slovinsku

Összefoglalás: Tervezés a fenntarthatóságért

Önfinanszírozó civil kezdeményezések támogatása

A Tervezés a fenntarthatóságért tanulmány a Fenntartható Civil Finanszírozás Projekt (FCFP) két éves mintaprojekt munkáját dokumentálja, és eredményeit mutatja be. Azért készült, hogy bemutassa, hogyan működött együtt a civil szervezeteket támogató tömörülések e csoportja, hogy egy programot a gyakorlatba ültetve a közép-európai (KE) civil szervezetek önfinanszírozó tevékenységeinek tervezésében és megkezdésében támogatást nyújtson.

A Fenntartható Civil Finanszírozás Projekt

A fent leírt folyamat a Fenntartható Civil Finanszírozás Projekt (FCFP) harmadik, utolsó fázisa. A kelet-európai Fenntartható Civil Finanszírozás Projekt a régió non-profit, nem-kormányzati szervezeteitnek hosszú távú anyagi és kapacitásfejlesztő források megismerésében való támogatására jött létre, hogy azok biztosíthassák munkájuk és szervezetük fenntarthatóságát. Az FCFP-t a Nonprofit Enterprise and Self-sustainability Team (NESsT) indította a Közép és Kelet Európai Regionális Környezetvédelmi Központ (REC) civilszervezet-támogatási programjával együtt 1997-ben. Azóta a projekt a NESsT, a REC, a szlovéniai Non-profit Menedzsment Központ (NMK), a magyarországi Civil Társadalom Fejlődéséért Alapítvány (CTF), a csehországi Lotos o.p.s., és a szlovákiai Partnerek a Demokratikus Változásokért (PDV) együttműködéseként folytatódik. Az FCFP partnerek azzal a reménnyel kezdték a munkánkat, hogy az önfinanszírozás révén néhány civil szervezet növelheti hosszú távú működőképességét és függetlenségét azáltal, hogy a köz- és magánadományokon kívül saját bevételre is szert tesz.

Az FCFP első két fázisának célja az volt, hogy a régió meglévő önfinanszírozási gyakorlatának tanulságait összegyűjtse, és kifejlessze azokat az eszközöket és szolgáltatásokat, amelyekre a civil társadalomnak szüksége van, hogy felelős önfinanszírozási tevékenységet végezhesen. A Civil önfinanszírozó kezdeményezések támogatása projekt, melyet az Európai Bizottság, a NESsT és a REC finanszírozott, a korábbi évek kutató és előkészítő munkájának eredményeit ültette át a gyakorlatba. Ez a harmadik fázis tette lehetővé a partnerek számára, hogy kifejlesszék és finomítsák azt a nyitott mechanizmust, amely lehetővé teszi, hogy kiválasszák azokat a civil szervezeteket, amelyek ígéretes önfinanszírozók lehetnek. A projekt lehetővé tette, hogy egy pénzalapot hozzanak létre civil szervezetek számára, önfinanszírozó kezdeményezéseik elkezdésére és kibővítésére.

Miért Önfelfinanszírozás?

1989 óta Közép-Európában tekintélyes mértékben megnőtt az aktív civil szervezetek száma. Egyedül a környezetvédelmi szektorban a Közép- és Kelet Európai Környezetvédelmi Központ (REC) adatai szerint a környezetvédelmi csoportok száma 1992-ben 800, 1994-ben 1700, 1997-ben 2700, és 2001-ben csaknem 3000 volt. Ezzel a növekedési aránnyal jellemezhetjük a civil szektor egészét is a kelet-európai országokban, amely azt mutatja, hogy a régió országaiban az állampolgári kezdeményezések iránt megnőtt az érdeklődés. A civil társadalom (és ezen belül a civil szervezetek) fejlődését ezekben az átalakuló országokban fontos és szükséges lépésnek tartják a teljes körű demokrácia eléréséhez.

Azonban a filantropia, a jótékonyosság és a társadalmi felelősség hagyományainak újjáépítése során nehézségek merültek fel. A civil társadalom és szervezetei további fejlődésének fő akadálya az lehet, hogy bár az intézményeket megalapították és induló

A hagyományos projekt támogatások lehetőségei korlátai:

- Nem megfelelő projekt-futamidők
- Tanácsadói szolgáltatások és támogatási lehetőségek igénybevétele korlátozott lehetősége
- Prioritásokat és lehatárolt témákat alkalmaz
- Negatív versenyhatás
- Jelentésírási kötelezettség
- Kiadási megszorítások
- Korlátozza az alkalmazott módszerek számát
- Kis mértékben növeli a szervezeti kapacitást

támogatásokat is nyújtottak tevékenységeikhez, úgy tűnik a társadalom nincs felkészülve további támogatásukra. A másik probléma, amelyen az FCFP stratégiája alapult, hogy míg a nemzetközi források eltűnnek a KE-i régióból, a helyi filantrop források nem képesek betölteni a keletkező űrt. Még nincsenek kialakult szokásai a filantrop adományozásnak a régióban, és nem léteznek megfelelő szabályozások és adókedvezmények sem, amelyek ösztönöznék ezeket a tevékenységeket. Továbbá a jelenleg elérhető civil finanszírozási források jelentős megkötéseket és korlátozásokat tartalmaznak.

A civil szervezetek támogatása hagyományosan projekt támogatásra, kapacitásépítésre és képzésre összpontosult. A KE-i civil társadalom fejlődésének sikertörténete nagymértékben ezeknek a hagyományos támogatásoknak köszönhető. Maga a REC is egy ilyen hagyományos támogató, elsősorban olyan projektet támogatva, amelyeknek pozitív környezetvédelmi hatásuk van. Azonban, amíg az efféle projekt támogatásnak folytatódnia (és valójában növekednie) kell, számos korlátot rejtenek magukban (lásd a felsorolást).

Természetesen nagyon sok pozitív hatása van a projekt támogatási rendszernek, de szükséges egy alternatív civiltámogatási rendszer kifejlesztése, amely képes túllépni a fent említett korlátok egy részén. Ezek egyike lehet az önfelfinanszírozás.

Alapjában véve az önfelfinanszírozás azokra a módszerekre utal, amelyek révén a civil szervezetek képessé válnak megteremteni a küldetésük eléréséhez szükséges pénzalap egy részét. A NESST hét olyan stratégiát határoz meg, amelyek alkalmasak lehetnek a civil szervezetek önfelfinanszírozására (lásd az **1. ábrát**).

Az FCFP partnerek szerint az önfelfinanszírozás előnyei a civil szervezetek számára:

- megnövekedett bevétel;
- több lábbon álló anyagi háttér;

- rugalmasabb támogatás;
- jobb szervezeti tervezés, irányítás és hatékonyság
- jobb pénzügyi fegyelem és átláthatóság;
- jobb benyomás a támogatókra;
- erősebb vezetőség;
- megnövekedett szervezeti átláthatóság;
- nagyobb önbizalom.

Az FCFP kutatásai azonban megjegyezték, hogy bár ez a megközelítés számos haszonnal jár, a civil szervezetek ezeket a stratégiákat nem megfelelő szakmai felkészültséggel és anyagi háttérrel és előnytelen jogi és szabályozási környezetben használták, gyakran veszélyeztetve szervezeteik eredeti küldetését.

A lehetséges problémák négy fő csoportját emelhetjük ki a civil szervezetek önfinszírozásának alkalmazásánál:

- Kihívások az identitás területén
- Szervezési kihívások
- Pénzügyi kihívások
- A külső környezet kihívásai

1. ÁBRA

Mi az önfinszírozás?

Az önfinszírozás lehetséges definíciója, önerőből, vállalkozási módszerekkel történő bevételsterzés vagy más szavakkal, olyan stratégia, amely révén a civil szervezetek a küldetésük teljesítéséhez szükséges források egy részét maguk állítják elő

Önfinszírozó módszerek vagy stratégiák:

- Tagdíjak
- Szolgáltatásokért kapott díjak
- Termékek eladásából származó bevételek
- Tárgyi javak felhasználásafelszerelések, ingatlanok bérbeadása
- Szellemi javak felhasználásaszabadalmak, szerzői jogdíjak
- Kiegészítő üzleti vállalkozások
- Beruházások hozamai

■ Forrás: NESsT, 1999, *Profits for Nonprofits*; és www.nesst.org

A projektről

1999-ben a REC partneri megállapodást kötött a NESsT-tel, hogy a REC hagyományos projekt-támogatási rendszerébe beépítsenek egy újszerű mechanizmust, amely megfelelő kapacitásfejlesztési és pénzügyi támogatást adhatna az önfinanszírozási rendszer fejlesztéséhez és fenntartásához.

Azonban ennek az integrált rendszernek a kidolgozása, amely magában foglalta egyaránt a kapacitásfejlesztési és pénzügyi támogatást a partnerek számára számos kihívást jelentett:

- A megfelelő pénzügyi támogatás szolgáltatása azt jelentette, hogy mérlegelni kellett egy nyílt, versenyszerű, megfontolt pályázattal rendelkező és a legéletképesebbnek tűnő civil szervezetek figyelmes kiválasztása között, amikor olyan támogatásokat szolgáltattak, amelyek célja szervezeti fejlesztés, vállalkozástervezés és önfinanszírozó kezdeményezések elindítása volt. Ezek nem egyszeri projekteket jelentenek, hanem hosszabb időszakra elkötelezett támogatásokat.
- A kapacitásfejlesztési és szervezeti támogatás szolgáltatása helyi szakértők részvételével történő segítséget és képzéseket jelentett a javasolt önfinanszírozási projektek megvalósíthatósági tanulmányaihoz (úgy üzleti, mint szervezési értelemben); ezenkívül segítséget annak meghatározásában, hogy a vállalkozás, hogyan fog kölcsönhatni és kapcsolódni a szervezet non-profit tevékenységeivel; továbbá szakértői és képzési segítséget a tervezett vállalkozás üzleti tervének elkészítésében és — finanszírozási szükséglet esetén — a szervezet hosszú távú támogatási tervének elkészítésében.

A Civil önfinanszírozó kezdeményezések támogatása mintaprojektnek két fő célja volt: hatékony módszereket és eszközöket kidolgozni a civil önfinanszírozás támogatására és segíteni civil szervezetek egy kiválasztott csoportjának üzleti vállalkozásaik fejlesztéséhez.

A mintaprojektnek négy fő része volt: 1) az előkészületi vagy kiírási fázis; 2) a megvalósíthatósági tanulmányok fázisa; 3) az üzleti terv fejlesztésének fázisa; 4) az üzleti terv végrehajtásának fázisa. Mindegyik fázis során szükséges volt továbbfejleszteni és finomítani az akciótérvet, a módszertant, az eszközöket és a segédanyagokat. Így a projekt lényege az FCFP partnerek számára a kiválasztott szervezetek kapacitásépítése, a különböző vállalkozások üzleti terveinek kidolgozása, ezek megvalósíthatóságának értékelése, és maguknak az FCFP partnereknek képességfejlesztése volt.

A kidolgozott eszközök és anyagok az FCFP partnerek szakértelmén és a NESsT által végzett kutatásokon és képzéseken alapultak. Amennyire lehetséges, interaktívnak, flexibilisnek és felhasználóbarátnak tervezték ezeket, azzal a céllal, hogy a non-profit, nem gyakorlott vállalkozók számára is elérhetővé váljanak az üzleti világ eszközei és módszerei (civil szervezetekre alkalmazva). Ezek profitorientált eszközökre épültek, mint a hagyományos megvalósíthatósági tanulmány, üzleti terv és pénzügyi elemzés. Azonban ezeket nem változatlan formában, hanem a civil szervezetek önfinanszírozásának végrehajtása során felmerülő kérdések és akadályok szerint módosítva alkalmazták.

Az előkészületi (kiírási) fázis megfelelő KE-i civil szervezetek kiválasztására és üzleti tanácsadók megkeresésére összpontosított. A tanácsadók a partnereket és a civil

szervezeteket is segítettek a teljes folyamat során. A kiírási fázis hat hónapig tartott az első kihirdetéstől a tizennégy mintaszervezet kiválasztásáig (ennek a fázisnak a folyamatát a 3. fejezet tartalmazza)

A civil szervezetek kiválasztását követően, a következő két fázis a tizennégy KE-i civil szervezet üzleti tervének és megvalósíthatósági tanulmányának kidolgozásához nyújtott technikai segítségre összpontosított. A folyamat nemcsak segítette a civil szervezeteknek ötleteik kidolgozásában, és nyújtott anyagi, ismereti és képzési támogatást ígéretes elképzeléseik megvalósításához (üzleti tanácsadók és FCFP partnerek segítségével), de lehetővé tette az FCFP partnerek számára, hogy elmélyítsék ismereteiket a csoportokról és kiélezzék, illetve finomítsák tanácsadói gyakorlatukat.

A megvalósíthatósági tanulmány fázis a civil szervezetek és a partnerek számára rendezett közös képzéssel kezdődött, majd mindegyik civil szervezetnél a helyszínen is segítséget nyújtott vállalkozási elképzeléseik elő-megvalósíthatósági és megvalósíthatósági tanulmányának elkészítésében. Ebben a fázisban szabványos elő-megvalósíthatósági és megvalósíthatósági tanulmányformák készültek. A helyi FCFP partnerek és az üzleti tanácsadók ezeket a formákat használták, hogy a kiválasztott civil szervezetek megvalósíthatósági kutatásait segítsék és előkészítsék kiértékelésre a tanulmányt.

Az üzleti terv kidolgozásának fázisa, amely három hónapig tartott, az után kezdődött, hogy egy tanácsadó bizottság értékelt a tanulmányokat és javaslatot tett, hogy melyek nyerjék el a Vállalkozástervezési Támogatást (VTT) egy átfogó üzleti terv készítésének finanszírozására. Ennek a tervnek az elkészítésében a helyi üzleti tanácsadók és a NESsT segédkezett.

A végső fázisban — az üzleti tervek végrehajtása — a NESsT Vállalkozási Alap (NVA) számára választottak civil szervezeteket, további pénzügyi források elnyerésére Vállalkozástámogatás (VT) formájában. Ez további kapacitásfejlesztési támogatást jelentett, monitoringgal és értékeléssel társulva. Ennek a fázisnak a célja az volt, hogy lemérje, az önfinszírozás képes-e segíteni a szervezeteket stabilitásukban és fejlődésükben, és így képes-e további társadalmi változásokat előidézni (részletes leírást az 5. fejezet tartalmaz). Ez a fázis még tart, hiszen a NESsT Vállalkozási Alap támogatása három-öt évre szól.

A mintaprojektnek négy fő része volt:

- az előkészületi vagy kiírási fázis
- a megvalósíthatósági tanulmányok fázisa
- az üzleti terv fejlesztésének fázisa
- az üzleti terv végrehajtásának fázisa

Az eredmények: Tanulságok és javaslatok

Az FCFP partnerek egy filantróp vállalkozási megközelítést alkalmaztak a civil szervezetek önfinszírozási lehetőségeinek azonosítására. Ezeket egy elő-megvalósíthatósági és egy megvalósíthatósági tanulmány fázis során elemezték; szakértői véleményt és támogatást nyújtottak a civil szervezeteknek (helyi üzleti tanácsadók és oktatók bevonásával); finanszírozták az üzleti tervek kidolgozását és anyagi és szakértői támogatást nyújtottak a vállalkozások végrehajtásához. A mintaprojekt fő fázisainak felülvizsgálata során az FCFP partnerek úgy tapasztalták, hogy a projekt a tervek szerint halad. Azonban minden fázisban felismertek néhány kulcsfontosságú tanulságot.

A létrejött vállalkozások még kezdeti fázisban vannak, de már működőképesek. Mindegyik vállalkozás hosszú távú tervvel rendelkezik az anyagi és konzultációs támogatásra vonatkozóan. Az anyagi támogatások az egyes vállalkozások

szükségeit meg, és mindegyik civil szervezetnek saját anyagi hozzájárulást is kellett biztosítania a vállalkozáshoz. A jelentésírás az üzletek vezetéséhez szükséges tőkeigényre alapult.

Egy kérdést még fel kell tennünk: tényleg hozzájárult-e ez a megközelítési mód a civil szervezetek pénzügyi stabilitásához? A kiválasztástól a kezdőtőke elnyeréséig egy év telt el, a civil szervezetek, a partnerek és az üzleti tanácsadók több száz munkaórájának ráfordításával. Tizenhárom szervezetet választottak ki a megvalósíthatósági tanulmányi fázisból, melyek közül négyen nyerték el a vállalkozásuk elindításához szükséges kezdőtőkét. Ez látszólag kevésnek tűnik, de a pályázati támogatások világában a hátról-egy nyeresi arány meglehetősen nagy számítás. Igazság szerint a siker igazi mércéje a négy civil vállalkozás sikeressége lesz, de a Tervezés a Fenntarthatóságért által megjelenített folyamat kimutatta, hogy a filantróp vállalkozási megközelítés tervezési folyamatai a KE-i civil önfelkészítési vállalkozások terjedését és kifejlődését eredményezhetik.

Mialatt a civil szervezetek önfelkészítési kezdeményeinek kidolgozásában próbáltak segítséget nyújtani, az FCFP partnerek sokat tanultak ennek gyakorlati oldalából.

Az önfelkészítés módszerét fontolgató civil szervezeteknek érdemes áttekinteni az alábbi szempontokat:

- Az önfelkészítés nem oldja meg a civil szervezetek összes felkészítési problémáját. Nem feltétlenül alkalmazható minden szervezet esetében.
- Az önfelkészítés nem helyettesíti, hanem kiegészíti az adományokat és a projekttámogatásokat.
- Szükséges, hogy a civil szervezetnek legyenek az önfelkészítési vállalkozáshoz rendelkezésre álló forrásai. Ez időt és anyagiakat jelent.
- A civil szervezetnek új, nem projekt-alapú, gondolkodásra van szüksége.
- A civil szervezetnek készen kell állnia bármikor kiszállni. Oda kell figyelni a megvalósíthatósági tanulmány eredményeire. Jobb idejében abbahagyni, és a szervezet forrásait más megközelítésben felhasználni. Emlékezzünk arra, hogy több kisvállalkozás bukik meg, mint ahány sikeres lesz.
- Az önfelkészítési vállalkozásnak egy átfogó civil szervezetfejlesztési terv/stratégia részének kell lennie és nem különálló egységnek.
- A civil szervezetnek képesnek kell lennie értékelni és lemérni a használati költséget. Más szóval, a vállalkozásba fektetett források esetleg máshol nagyobb hasznot hoznak. Költség-haszon elemzés elvégzése szükséges.
- Az önfelkészítés az egész szervezet professzionális izálódását segítheti (rendszerirányítás, stratégia, hatásosság, könyvelés, küldetés végrehajtása és annak értékelése), azonban a teljes szervezet elkötelezettsége szükséges ehhez. Fontos, hogy konszenzus alakuljon ki.
- Indulás előtt szerezzenek professzionális üzleti tanácsot és segítséget.

Bár a lista nem teljes, számos olyan szempontot tartalmaz, amellyel szembe kell nézniük a civil szervezeteknek.

Az utóbbi két évben az FCFP partnereknek megadatott a lehetősége, hogy a megfelelő helyre tegyék a rendelkezésükre álló pénzt. Egyre világosabb ezekben az erőfeszítésekből, hogy a KE-i civil társadalom készen áll a pénzügyi fenntarthatóság újfajta megközelítéseit elfogadni. Szintén világos, hogy további erőfeszítésekkel, a civil szervezetek önfinanszírozó vállalkozásainak fejlesztésére irányuló kapacitásépítés és támogatás megfelelő módszer és hosszú távon kifizetődő.

További információ

Ha szeretne a civil önfinanszírozás módszeréről és lehetőségeiről további információhoz jutni, kérjük, forduljon a **2. ábrán** felsorolt az alábbi FCFP partnerek valamelyikéhez.

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¹ Megjegyzés: továbbá a cseh, szlovák, szlovén, illetve magyar iroda

Plánovanie pre trvalú udržateľnosť

podpora mimovládnych organizácií pri samofinancovaní ich zámerov

Plánovanie pre trvalú udržateľnosť je štúdiou, ktorá zaznamenáva prácu a prezentuje zistenia dvojročného pilotného projektu realizovaného partnerskými organizáciami Projektu trvalo udržateľného financovania mimovládnych organizácií (MVO). Štúdiá je napísaná tak, aby ukázala, ako táto skupina podporných mimovládnych organizácií spolupracovala pri implementovaní programu na pomoc stredoeurópskym MVO pri plánovaní a realizovaní samofinancujúcich aktivít.

Projekt trvalo udržateľného financovania MVO

Načrtnutý proces zobrazuje tretiu z troch etáp “Projektu trvalo udržateľného financovania mimovládnych organizácií” (Sustainable NGO Financing Project – SNFP). SNFP pre strednú Európu predstavuje snahu podporiť a poskytnúť pomoc neziskovým mimovládnym organizáciám v regióne a identifikovať dlhodobejšie finančné zdroje a zdroje na budovanie kapacít. Cieľom je pomôcť im dosiahnuť trvalú udržateľnosť ich práce a životaschopnosť organizácií. SNFP bol spustený Tímom pre neziskové podnikanie a trvalú udržateľnosť (Nonprofit Enterprise and Sustainability Team – NESsT) s podporným programom pre mimovládne organizácie Regionálneho environmentálneho centra pre strednú a východnú Európu (REC) v roku 1997 a odvtedy funguje ako spoločná aktivita NESsT, REC, Centra pre neziskový manažment (CNM) v Slovinsku, Nadácie pre rozvoj občianskej spoločnosti (CSDF) v Maďarsku, Lotosu o.p.s. v Českej republike a Partnerov pre demokratickú zmenu Slovensko (PDCS). Partneri SNFP začali realizovať svoje aktivity s presvedčením, že prostredníctvom samofinancovania môžu niektoré MVO zvýšiť svoju dlhodobú životaschopnosť a nezávislosť, a to generovaním svojich vlastných príjmov, ktoré budú tvoriť doplnok príspevkov verejných a súkromných donorov.

V prvej a druhej etape SNFP sa úsilie koncentrovalo na získanie skúseností z jestvujúceho využívania samofinancovania v regióne a vývoj nástrojov a služieb, ktoré potrebuje spoločenstvo mimovládnych organizácií, aby mohlo vykonávať samofinancujúce aktivity. Prostredníctvom projektu Podpora MVO pri samofinancovaní ich zámerov, financovaného pod záštitou programu Európskej komisie PHARE Partnerstvo, NESsT a REC, sa zrealizovali výsledky výskumu a prípravných prác z

predchádzajúcich rokov. Táto tretia etapa, pilotný projekt, umožnila partnerom vyvinúť a zdokonaľiť otvorený mechanizmus identifikovania MVO, ktoré by sa mohli výhľadovo stať samofinancujúcimi subjektami, a poskytnúť dotáciu MVO, aby mohli začať realizovať, prípadne rozšíriť svoje samofinancujúce aktivity.

Prečo samofinancovanie?

Od roku 1989 je stredná Európa svedkom obrovského nárastu počtu aktívnych mimovládnych organizácií. V samotnom sektore environmentálnych MVO zaznamenalo Regionálne environmentálne centrum pre strednú a východnú Európu (REC) nárast počtu environmentálnych skupín z takmer 800 v roku 1992 na 1 700 v roku 1994, 2 700 v roku 1997 a takmer 3 000 v roku 2001. Tento nárast možno považovať za reprezentatívny za celý sektor MVO, pričom poukazuje na skutočnosť, že občania v krajinách strednej Európy sa chopili občianskych iniciatív. Rozvoj občianskej spoločnosti, vrátane MVO, sa v týchto krajinách vždy považoval za dôležitý a nevyhnutný krok k plne fungujúcej demokracii.

Avšak prebudovanie tradícií filantropie, charity a sociálnej zodpovednosti sa ukázalo byť zložité. Tu sa nachádza aj hlavná hrozba budúcemu rozvoju občianskej spoločnosti

Možné obmedzenia tradičných projektových grantov:

- Nevhodné projektové lehoty
- Obmedzené poradenstvo a podpora
- Stanovené témy a priority
- Negatívne vplyvy v oblasti slobodnej súťaže
- Tlaky na predkladanie správ
- Výdavkové obmedzenia
- Obmedzený počet nástrojov
- Nízke budovanie organizačných kapacít

a jej organizácií, došlo k založeniu inštitúcií, ktoré boli spočiatku aj financované, ale ukázalo sa, že spoločnosť nie je pripravená naďalej ich podporovať. S tým je spojený aj problém, ktorý chce riešiť stratégia SNFP. Medzinárodná zahraničná pomoc v regióne strednej Európy klesá, zatiaľ čo dostupnosť miestnych zdrojov je stále nedostatočná a nemôže pokryť vznikajúci nedostatok zdrojov. V regióne strednej Európy silná kultúra filantropie stále absentuje a miestne regulačné a daňové podnety, ktoré by stimulovali takéto aktivity, sú nedostatočné. Okrem toho, finančné zdroje MVO, ktoré sú v súčasnosti k dispozícii, majú zvyčajne svoje obmedzenia a reštrikcie.

Tradične sa podpora pre MVO sústreďuje na projektové granty, budovanie kapacít a školenia. Veľký úspech pri rozvoji občianskej spoločnosti v strednej Európe bol dosiahnutý zväčša prostredníctvom tradičných grantov. I samotné REC je tradičným

poskytovateľom grantov, podporujúcim predovšetkým projekty, ktoré majú pozitívny vplyv na ochranu životného prostredia. Avšak, hoci táto forma podpory projektov musí i naďalej pokračovať (dokonca treba dosiahnuť jej zvýšenie), treba povedať, že má i rad obmedzení (viď "Možné obmedzenia tradičných projektových grantov").

Je samozrejme veľmi mnoho pozitívnych aspektov poskytovania projektových grantov, treba však vyvíjať alebo presadzovať alternatívne mechanizmy podpory MVO, ktoré môžu prekonať niektoré z identifikovaných obmedzení, pričom jednou z alternatív sú stratégie samofinancovania.

V prípade samofinancovania ide v zásade o metódy, ktorými MVO môžu generovať časť finančných prostriedkov nevyhnutných na plnenie svojho poslania. NESsT definuje sedem takýchto stratégií samofinancovania, ktoré by MVO mohli využiť pri financovaní svojich aktivít (**tabuľka č. 1.**).

Partneri SNFP odhadujú nasledujúce prínosy samofinancovania pre MVO:

- zvýšené príjmy,
- diverzifikovaná príjmová základňa,
- väčšia flexibilita financovania,
- kvalitnejšie organizačné plánovanie, manažment a účinnosť,
- lepšia finančná disciplína a dohľad,
- pozitívny dojem na donorov,
- posilnená správna rada,
- zviditeľnenie organizácií,
- väčšia sebadôvera.

Napriek mnohým prínosom tohto prístupu výskum SNFP taktiež odhalil, že MVO využívajú tieto stratégie len s nedostatočnými poznatkami a skúsenosťami alebo zdrojmi, často s veľkým rizikom pre tieto organizácie a ich poslanie vo veľmi nepriaznivom právnom a regulačnom prostredí.

Uvádzajú sa štyri hlavné oblasti možných ťažkostí, ktorým môžu čeliť MVO pri implementovaní samofinancovania:

- Problémy s identitou
- Organizačné problémy
- Kapitálové a finančné problémy
- Problémy spojené s externým operačným prostredím

TABUĽKA Č. 1**Čo je samofinancovanie?**

Samofinancovanie možno definovať ako zaobstarávanie príjmov vnútornými podnikateľskými metódami alebo, inými slovami, ako stratégie, ktoré MVO využívajú na generovanie časti zdrojov potrebných na svoju ďalšiu činnosť a plnenie poslania.

Metódy a stratégie samofinancovania predstavujú:

- Členské poplatky
- Poplatky za služby
- Predaj produktov
- Využívanie hmotných aktív – napríklad prenájom zariadenia, majetku
- Využívanie nehmotných aktív – napríklad patenty, copyright
- Vedľajšie podnikateľské aktivity
- Investičné dividendy

■ Zdroj: NESsT, 1999, *Profits for Nonprofits* a www.nesst.org

O projekte

V roku 1999 REC spolupracovalo s NESsT v úsilí integrovať do tradičného grantového prístupu REC inovačný mechanizmus podnikateľskej filantropie, ktorý by poskytoval podporu pri budovaní kapacít a finančnú podporu potrebnú na vývoj a udržanie takéhoto samofinancujúceho prístupu.

Avšak integrovanie prístupu podnikateľskej filantropie, ktorý kombinoval finančnú podporu MVO a podporu pri budovaní kapacít s grantovými aktivitami REC, prinieslo so sebou rad kľúčových problémov:

- **Poskytnutie vhodnej finančnej podpory znamená:** dosiahnutie rovnováhy medzi potrebou otvorenej, konkurencieschopnej a vhodnej procedúry aplikácie a starostlivým výberom zámeru MVO, poskytnutie finančných prostriedkov pre organizačný rozvoj, finančných prostriedkov na plánovanie zámerov a finančných prostriedkov na naštartovanie samofinancujúcej aktivity — nie jednorazového projektového grantu a finančných prostriedkov pre dlhodobjšie časové obdobie.
- **Poskytnutie podpory pri budovaní kapacít a organizačnej podpory znamená:** zapojenie ostatných miestnych expertov za účelom zabezpečenia pomoci a školení pri hodnotení realizovateľnosti navrhovanej samofinancujúcej iniciatívy (z podnikateľského i organizačného pohľadu); pomoc pri určovaní, ako bude zámer interagovať s neziskovými aktivitami a aký bude mať k nim vzťah; znalosti a skúsenosti pre prípravu podnikateľského plánu a školenia zamerané na jeho prípravu a, ak by sa plán financoval, dlhodobé poskytovanie podpory organizácii pri realizovaní plánovaného zámeru.

Pilotný projekt na podporu samofinancujúcich zámerov MVO mal dva hlavné ciele: vytvoriť efektívne metódy a nástroje na podporu samofinancovania MVO a poskytnúť pomoc osobitnej skupine MVO pri vytváraní ich podnikateľských zámerov.

Pilotný projekt sa rozdelil do štyroch hlavných etáp: 1) prípravná alebo vyzývacia etapa; 2) etapa štúdií realizovateľnosti; 3) etapa prípravy podnikateľského plánu; 4) etapa implementácie podnikateľského plánu. Každá z týchto etáp vyžadovala prípravu alebo upresnenie akčného plánu, metodológie, nástrojov a podporných materiálov. Preto sa projekt pre partnerov SNFP zamerával na budovanie kapacít pre vybrané MVO, prípravu nástrojov, prípravu podnikateľských plánov pre špecifické zábery a hodnotenie realizovateľnosti týchto zámerov a rozvoj zručností samotných partnerov SNFP.

Nástroje a materiály boli vytvorené na základe skúseností partnerov SNFP a na základe výskumu a školení vykonaných NESsT. Boli vytvorené tak, aby boli maximálne interaktívne, flexibilné a aby sa dali jednoducho využívať, s cieľom umožniť netradičným a neziskovým podnikateľom prístup k nástrojom a postupom podnikateľského sveta (prispôbeným najmä kontextu MVO). Tieto nástroje sú založené na obvyklých nástrojoch zameraných na dosiahnutie zisku, ako sú tradičná štúdia realizovateľnosti, podnikateľský plán a finančná analýza. Avšak tieto nástroje neboli mechanicky poskytnuté MVO, ale boli prispôbené a upravené, aby reflektovali ich potreby, otázky a prekážky, ktoré musia MVO prekonávať pri implementácii samofinancujúcich stratégií.

Prípravná (vyzývacia) etapa bola zameraná na identifikáciu vhodných MVO zo strednej Európy a na získanie podnikateľských poradcov na poskytovanie pomoci

partnerom i MVO počas celého procesu. Vyzývacia etapa trvala šesť mesiacov od prvého oznámenia až po výber štrnástich pilotných MVO (procedúra tejto etapy je predmetom kapitoly 3).

Po výbere MVO sa ďalšie dve etapy zamerali na poskytovanie technickej pomoci štrnástim MVO v regióne strednej Európy v oblasti podnikateľského plánovania a prípravy štúdie realizovateľnosti. Tento proces pomohol každej MVO rozvinúť svoje nápady a myšlienky, poskytol podporu formou transferu poznatkov a školení ako aj formou financovania prípravy a implementácie sľubných zámerov (s pomocou poradcov a partnerov SNFP) a taktiež umožnil partnerom SNFP zistiť čo najviac faktov o skupinách a zdokonaľiť svoje konzultačné postupy.

V rámci etapy štúdií realizovateľnosti sa uskutočnilo spoločné školiace zasadnutie pre MVO a partnerov a návštevy každej MVO s cieľom poskytnúť im pomoc pri príprave prvej predbežnej štúdie realizovateľnosti a potom samotnej štúdie realizovateľnosti konceptu ich zámeru. Pre túto etapu boli vypracované štandardné šablóny predbežnej štúdie realizovateľnosti a štúdie realizovateľnosti. Miestni partneri SNFP a podnikateľskí poradcovia pracovali s týmito šablónami, aby pomohli vybraným MVO preskúmať realizovateľnosť ich samofinancujúceho projektu a pripraviť štúdiu pre hodnotenie.

Etapa prípravy podnikateľského plánu, ktorá trvala tri mesiace, začala po tom, ako poradný výbor zhodnotil konečné štúdie realizovateľnosti a odporučil tie, ktorým mal byť udelený grant na plánovanie zámeru (Venture Planning Grant – VPG) na pokrytie nákladov spojených s prípravou komplexného podnikateľského plánu. Pomoc pri príprave tohto plánu prišla od miestnych podnikateľských poradcov a NESsT.

V konečnej etape, ktorú predstavovala implementácia podnikateľského plánu, boli vybrané MVO pre Fond na podporu zámerov NESsT (NESsT Venture Fund – NVF), ktoré dostali ďalšie finančné prostriedky vo forme grantu na zámer (Venture Grant – VG) a osobitnej podpory na budovanie kapacít ako aj monitorovania a hodnotenia. Cieľom tejto etapy je preskúmať, či implementácia samofinancovania poskytuje organizáciám pomoc pri dosahovaní stability a rozvoja, čo im umožní uskutočniť ďalšie sociálne zmeny (ďalšia diskusia je uvedená v kapitole 5). Táto etapa stále prebieha, keďže podpora z Fondu na podporu zámerov NESsT je projektovaná na tri až päť rokov.

Pilotný projekt sa rozdelil do štyroch hlavných etáp:

- prípravná alebo vyzývacia etapa
- etapa štúdií realizovateľnosti
- etapa prípravy podnikateľského plánu
- etapa implementácie podnikateľského plánu

Výsledky: Poznatky a odporúčania

Partneri SNFP využili prístup podnikateľskej filantropie pri identifikovaní samofinancujúcich možností, hodnotení týchto možností prostredníctvom predbežnej štúdie realizovateľnosti a štúdie realizovateľnosti, poskytovaní odborného poradenstva a poradenstva mimovládny organizáciám (prostredníctvom miestnych podnikateľských poradcov a školiteľov), financovaní prípravy podnikateľských plánov a následnom zabezpečení finančnej a expertnej podpory pri implementácii zámeru. Pri revidovaní hlavných etáp pilotného projektu sa ukázalo, že pre partnerov SNFP prebiehal projekt podľa plánu. V každej etape sa však dospelo k niekoľkým poznatkom.

Výsledné zámery sa nachádzajú len v počiatočnej etape, ale dosahuje sa v nich určitý pokrok. Každý zámer má vypracovaný dlhodobý plán finančnej a konzultačnej podpory.

Poskytnuté finančné prostriedky boli prispôsobené požiadavkám každého projektu, pričom všetky mimovládne organizácie museli do zámeru vložiť svoj vlastný finančný príspevok. Predkladanie správ je založené na finančných prostriedkoch potrebných na riadenie projektu.

Jednou otázkou, s ktorou sa ešte musíme vyrovnáť je, či prijatý prístup naozaj prispieva k finančnej stabilite MVO. Od výberu MVO až po udelenie úvodného kapitálu ubehol jeden rok, ktorý bol naplnený stovkami hodín prác MVO, partnerov a podnikateľských poradcov. Po etape štúdie realizovateľnosti bolo vybraných trinásť MVO, z ktorých štyri dostali úvodný kapitál na spustenie zámeru. Zdá sa, že ide o malý počet úspešných MVO, ale vo svete konkurenčného pridelovania prostriedkov by bola približne tretinová úspešnosť v skutočnosti dosť vysoká. Budúci úspech zámerov štyroch MVO bude skutočným testom úspechu, ale proces demonštrovaný "Plánovaním pre trvalú udržateľnosť" odhalil, že plánovacie postupy prístupu podnikateľskej filantropie môžu vyústiť do presadenia a projektovania samofinancujúcich zámerov MVO v strednej Európe.

Partneri SNFP sa naučili mnohým veciam súvisiacim s praktickými dôsledkami snahy pomôcť MVO pri príprave ich vlastných samofinancujúcich akcií.

Pri zvažovaní prístupu samofinancovania by mali MVO brať do úvahy rad nasledujúcich skutočností vyplývajúcich z tejto práce:

- Samofinancovanie nie je všeliekom na všetky finančné problémy MVO a nie je automaticky aplikovateľné na všetky MVO.
- Samofinancovanie nenahradí dary a granty udeľované projektom, ale predstavuje ich doplnok.
- MVO budú musieť mať alokované zdroje na samofinancujúce zámery, čo bude vyžadovať čas i finančné prostriedky.
- MVO budú musieť zmeniť svoje myslenie založené na projektovom prístupe.
- MVO musia byť schopné povedať v určitom momente nie. Treba vnímať, čo nám povie štúdia realizovateľnosti. Je lepšie sa zastaviť a ušetriť tak zdroje organizácie, ktoré možno použiť na iný prístup. Treba mať na pamäti, že viac malých projektov zlyhá, ako ich je úspešných.
- Samofinancujúci zámer by mal byť súčasťou celkovej rozvojovej stratégie alebo plánu MVO a nemal by byť chápaný izolovane.
- MVO budú musieť hodnotiť a merať príležitostné náklady. Inými slovami, zdroje vložené do zámeru by možno mohli byť lepšie využité niekde inde. Treba sa preto zaoberať analýzou nákladov a prínosov.
- Samofinancujúce zámery môžu pomôcť zvýšiť profesionalitu organizácie (systém riadenia, stratégiu, dopady, účtovníctvo, plnenie poslania, meranie). Bude to však vyžadovať zapojenie celej organizácie. V tejto súvislosti je dôležité budovanie konsenzu.
- Pred spustením zámeru je potrebné získať profesionálne podnikateľské poradenstvo a pomoc.

Hoci tento zoznam nie je vyčerpávajúci, poukazuje na rad kľúčových otázok, ktorými sa MVO budú musieť zaoberať.

V ostatných dvoch rokoch mali partneri SNFP možnosť dať naše peniaze tam, kde boli nastavené naše ruky. Tieto snahy stále jasnejšie ukazujú, že sektor MVO v strednej Európe je pripravený prijať tieto nové prístupy k finančnej udržateľnosti. Je taktiež jasné, že za predpokladu ďalšieho úsilia je prístup k rozvoju samofinancujúcich zámerov MVO založený na financovaní a budovaní kapacít správnou cestou a v budúcnosti môže priniesť svoje ovocie.

Ďalšie informácie:

Ďalšie informácie o prístupe alebo možnostiach samofinancovania MVO možno získať u nasledujúcich partnerských organizácií SNFP, ktoré sú uvedené v **tabuľke č. 2**.

TABUĽKA Č. 2

Národní partneri

ČESKÁ REPUBLIKA

Radek Kolář
Lotos o.p.s
Senovážne nám. 24
116 47 Praha 1
Česká republika
Tel: (420-2) 2410-2359
Fax: (420-2) 2410-2409
E-mail: kolar@weblotos.cz

MAĎARSKO

Balazs Sator
Nadácia pre rozvoj občianskej spoločnosti-
Civil Society Development Foundation
Meszoly u 4. III/3
1117 Budapešť
Maďarsko
Tel: (36-1) 385-2966
Fax: (36-1) 385-3938
E-mail: Satorb.ctf@mail.mgx.hu

SLOVENSKO

Peter Guštafik
Partneri pre demokratickú zmenu
Štúrova 13
811 02 Bratislava
Slovensko
Tel: (421-2) 5292-5016
Fax: (421-2) 5293-2215
E-mail: pdcs@pdcs.sk

SLOVINSKO

Sonja Candek
Centrum neziskovéhó manažmentu —
Centre for Nonprofit Management
Kersnikova ulica 4
1000 Ljubljana
Slovinsko
Tel: (386-1) 431-6169
Fax: (386-1) 431-4039
E-mail: Sonja.candek@guest.arnes.si

Regionální partneri

Podporný program pre MVO — NGO Support Programme¹

**Regionálne environmentálne
centrum pre strednú a
východnú Európu (REC)**
Ady Endre ut 9-11
2000 Szentendre
Maďarsko
Tel: (36-26) 504-000
Fax: (36-26) 311-294
E-mail: Info@rec.org

**Tím pre neziskové podnikanie
a trvalú udržateľnosť**
Nonprofit Enterprise and
Self-sustainability Team (NESsT)
Dessewffy u 25/27, I/18
1066 Budapešť
Maďarsko
Tel: (36-1) 302-6863
Email: Jmessing@nextra.hu

1 NB: Alebo zodpovedajúca národná kancelária REC v Českej republike, Maďarsku, na Slovensku a v Slovinsku

Povzetek: Načrtovanje samovzdrževanja

Podpiranje projektov samofinanciranja nevladnih organizacij

»Načrtovanje samovzdrževanja« je študija, ki predstavlja delo in ugotovitve dvoletnega pilotnega projekta, ki so ga izvedle partnerske organizacije Projekta trajnostnega financiranja nevladnih organizacij (Sustainable NGO Financing Project – SNFP). Namen študije je prikazati, kako je ta skupina organizacij, ki podpirajo nevladne organizacije, sodelovala pri uresničevanju programa pomoči nevladnim organizacijam v državah srednje Evrope v zvezi z načrtovanjem in uvajanjem samofinanciranja.

Projekt trajnostnega financiranja nevladnih organizacij

Orisani proces odraža tretjo, zadnjo fazo Projekta trajnostnega financiranja nevladnih organizacij (SNFP). Namen SNFP za države srednje Evrope je spodbujati neprofitne nevladne organizacije na tem območju in jim pomagati pri prepoznavanju dolgoročnejših virov financiranja in usposabljanja za zagotovitev trajnostne narave njihovega dela in sposobnosti preživetja njihovih organizacij. Projekt SNFP je leta 1997 uvedla Skupina za neprofitne projekte in samovzdrževanje (Nonprofit Enterprise and Self-sustainability Team – NESsT) s Programom podpore nevladnim organizacijam Regionalnega centra za okolje za srednjo in vzhodno Evropo (The Regional Environmental Centre for Central and Eastern Europe – REC); od takrat ga skupaj izvajajo NESsT, REC, Center za neprofitni management (CNM) v Sloveniji, Fundacija za razvoj civilne družbe (Civil Society Development Foundation – CSDF) na Madžarskem, Lotos o.p.s. na Češkem in Partnerji za demokratične spremembe, Slovaška (Partners for Democratic Change, Slovakia – PDCS). Partnerji v projektu SNFP so začeli delo v prepričanju, da lahko nekatere nevladne organizacije s samofinanciranjem povečajo svoje dolgoročne možnosti preživetja in neodvisnost z ustvarjanjem lastnega dohodka poleg tistega, ki izvira od javnih in zasebnih darovalcev.

Cilj prve in druge faze SNFP je bilo učenje od obstoječe uporabe samofinanciranja na tem območju in razvoj orodij in storitev, ki jih potrebuje skupnost nevladnih organizacij za izvajanje dejavnosti samofinanciranja. S projektom Podpiranje projektov samofinanciranja nevladnih organizacij, ustanovljenim pod okriljem Programa Phare za partnerstvo Evropske komisije, NESsT in REC, so rezultati raziskav in priprav iz prejšnjih let zaživel v praksi. Tretja faza, pilotni projekt, je partnerjem omogočila razvoj in izkristaliziranje odprtega mehanizma za prepoznavanje nevladnih organizacij, ki so lahko perspektivni »samofinancerji«, in zagotovitev začetnih sredstev za nevladne organizacije, s katerimi lahko te začnejo ali razširijo svoje projekte samofinanciranja.

Zakaj samofinanciranje?

Od leta 1989 je v srednji Evropi število dejavnih nevladnih organizacij izredno naraslo. Samo v sektorju okoljskih nevladnih organizacij je Regionalni center za okolje za srednjo in vzhodno Evropo zabeležil povečanje števila okoljskih skupin s skoraj 800 leta 1992 na 1700 leta 1994, 2700 leta 1997 in malo manj kot 3000 leta 2001. Taka rast je značilna za celoten sektor nevladnih organizacij, kar kaže na to, da so se ljudje v državah srednje Evrope začeli zanimati za državljanske pobude. Razvoj civilne družbe in s tem nevladnih organizacij v teh državah v tranziciji je vedno veljal za pomemben in nujen korak na poti do polno delujoče demokracije.

Vendar se je ponovna vzpostavitev tradicije človekoljubja, dobroteljske in družbene odgovornosti izkazala za težko. V tem je največja nevarnost za prihodnji razvoj civilne družbe in z njo povezanih organizacij; ustanove so bile ustanovljene in so prejele začetna sredstva, vendar se zdi, da jih družba ni pripravljena še naprej finančno podpirati. V tem je tudi problem, na katerem temelji strategija SNFP: mednarodna tuja pomoč v

srednjeevropski regiji izginja, ni pa na razpolago dovolj lokalnih človekoljubnih virov, da bi zapolnili to vrzel; v srednji Evropi ni trdne kulture človekoljubnega darovanja, pa tudi ne zadostnih lokalnih regulativnih in davčnih spodbud za taka dejanja. Poleg tega so tudi finančni viri nevladnih organizacij, ki so trenutno na voljo, na neki način omejeni.

Po tradiciji je pomoč nevladnim organizacijam osredotočena na odobravanje projektov, vzpostavitev zmogljivosti in usposabljanje. Za velik uspeh v razvoju civilne družbe v srednjeevropskem prostoru gre v veliki meri zahvala tem tradicionalnim oblikam podpore. Regionalni center za okolje in vzhodno Evropo nudi tradicionalne oblike podpore, s katerimi pomaga predvsem projektom s pozitivnim vplivom na varovanje okolja. Čeprav mora ta oblika podpore projektom še naprej obstajati (pravzaprav jo je treba še povečati), je omejena na več načinov (glej izveleček).

Seveda obstaja zelo veliko pozitivnih vidikov take podpore projektom, vendar je treba razvijati in pospeševati alternativne

mehanizme podpore nevladnim organizacijam, ki so lahko kos taki omejenosti. Eden izmed njih je strategija samofinanciranja.

V svojem bistvu se samofinanciranje nanaša na metode, s katerimi nevladne organizacije lahko ustvarijo delež sredstev, potrebnih za izvajanje svojega poslanstva. NESST omenja sedem strategij samofinanciranja, ki bi jih nevladne organizacije lahko uporabile za samofinanciranje (glej **shemo 1**).

Možni razlogi za omejenost tradicionalnih oblik podpore projektom:

- neprimerno obdobje za izvedbo projekta
- omejeno svetovanje in podpora
- določene teme in prioritete
- negativni učinki konkurence
- pritisk v zvezi s poročanjem
- omejevanje stroškov
- omejeno število orodij
- majhna organizacijska usposobljenost

Partnerji v projektu SNFP so ugotovili tele koristi samofinanciranja za nevladne organizacije:

- večji dohodek
- različni viri dohodkov
- večja fleksibilnost financiranja

- boljše organizacijsko načrtovanje, upravljanje in učinkovitost
- boljša finančna disciplina in preglednost
- pozitiven vtis na darovalce
- okrepljen upravni odbor
- večja razpoznavnost organizacij
- večja samozavest

Kljub mnogim koristim tega pristopa je raziskava SNFP razkrila tudi, da so nevladne organizacije te strategije uporabljale zelo nestrokovno in premalo iznajdljivo, pogosto z velikim tveganjem zase in za svoje poslanstvo ter v zelo neugodnem pravnem in regulativnem okolju.

Tu so štiri najpomembnejše skupine potencialnih težav, na katere lahko naletijo nevladne organizacije ob uvajanju samofinanciranja:

- nevarnosti za identiteto
- organizacijski izzivi
- kapitalski in finančni izzivi
- izzivi zunanjega operativnega okolja

SHEMA 1

Kaj je samofinanciranje?

Samofinanciranje lahko definiramo kot zagotavljanje dohodkov z internimi podjetniškimi metodami ali, z drugimi besedami, strategije, ki jih uporabljajo nevladne organizacije, da bi ustvarile nekatere lastne vire za nadaljevanje svojega poslanstva.

Metode ali strategije samofinanciranja zajemajo:

- članarino
- plačilo storitev
- prodajo proizvodov
- uporabo opredmetenih sredstev, npr. oddajanje opreme, posesti
- uporaba neopredmetenih sredstev, npr. patenti, avtorske pravice
- spremljajoča poslovna dejavnost
- naložbene dividende

■ Vir: NESsT, 1999, *Profits for Nonprofits*; www.nesst.org

O projektu

Leta 1999 sta REC in NESsT postala partnerja, ki sta želela v REC-ov tradicionalni pristop dajanja podpore vključiti inovativen mehanizem špekulativne človekoljubnosti za zagotavljanje usposabljanja in finančne podpore, potrebnih za razvoj in vzdrževanje takega samofinanciranja.

Vključevanje pristopa s špekulativno človekoljubnostjo, ki je zajemal tako finančno podporo nevladnim organizacijam kot podporo pri usposabljanju, je v REC-ove dejavnosti v zvezi z dodeljevanjem podpore prineslo nekaj ključnih izzivov:

- Zagotavljanje primerne finančne podpore vključuje: uskladitev potrebe po odprtem, konkurenčnem in pravičnem postopku prijavljanja s pazljivo izbiro projekta nevladne organizacije, ki ima največjo možnost preživetja, zagotavljanje sredstev za organizacijski razvoj, sredstev za načrtovanje projektov, sredstev za zagon samofinanciranja — in ne enkratna podpora projektu — ter sredstev za daljše obdobje.
- Zagotavljanje podpore pri usposabljanju in organizaciji vključuje: vključevanje drugih lokalnih strokovnjakov za zagotavljanje pomoči in usposabljanje v zvezi z ocenjevanjem izvedljivosti predlagane oblike samofinanciranja (tako s poslovnega kot z organizacijskega vidika); pomoč pri ugotavljanju, kako bodo projekt in neprofitne dejavnosti vplivali drug na drugega in v kakšnem odnosu bodo; strokovna pomoč in usposabljanje v zvezi s pripravo poslovnega načrta in če je zamisel financirana, dolgoročna podpora organizaciji pri uresničevanju načrtovanega projekta.

Prvenstvena cilja pilotnega projekta Podpiranje projektov samofinanciranja nevladnih organizacij sta bila dva: razviti učinkovite metode in orodja za podpiranje samofinanciranja nevladnih organizacij in pomoč določeni skupini nevladnih organizacij pri razvoju njihovih projektov.

Pilotni projekt je zajemal štiri osnovne faze: 1. faza priprave ali poziva; 2. faza proučevanja izvedljivosti; 3. faza razvoja poslovnega načrta; 4. faza izvajanja poslovnega načrta. V vsaki od teh faz sta bila potrebna razvoj in izpopolnjevanje akcijskega načrta, metodologije, orodij in podpornega materiala. Tako so se partnerji v projektu SNFP osredotočili na usposabljanje izbranih nevladnih organizacij, razvoj orodij, razvoj poslovnih načrtov za določene projekte in ocenjevanje izvedljivosti teh projektov ter razvoj sposobnosti partnerjev samih.

Orodja in materiale so razvili s pomočjo izkušenj partnerjev v SNFP ter usposabljanja in raziskav, ki jih je izvedel NESsT. Oblikovani so tako, da so interaktivni, prilagodljivi in uporabniku čim bolj prijazni, s ciljem, da bi netradicionalnim in neprofitnim organizacijam omogočili dostop do orodij in tehnik poslovnega sveta (posebej prilagojenih okolju nevladnih organizacij). Temeljijo na »profitnih« orodjih, kot so tradicionalna študija izvedljivosti, poslovni načrt in finančna analiza. Vendar teh orodij nevladnim organizacijam niso kar dali, temveč so jih prilagodili potrebam in pričakovanim problemom/oviram, na katere bi naletele nevladne organizacije pri izvajanju strategij samofinanciranja.

Faza priprave (poziva) se je osredotočila na iskanje primernih nevladnih organizacij v državah srednje Evrope in na vključevanje poslovnih svetovalcev za pomoč partnerjem in nevladnim organizacijam v času celotnega procesa. Faza poziva je trajala prvih šest mesecev od prve objave do izbire štirinajstih pilotnih nevladnih organizacij (postopek v tej fazi je opisan v tretjem poglavju).

Po izbiri nevladnih organizacij sta se naslednji dve fazi osredotočili na zagotavljanje tehnične pomoči štirinajstim nevladnim organizacijam iz srednjeevropskega prostora pri razvoju poslovnega načrtovanja in proučevanja izvedljivosti. Ta postopek ni le pomagal posameznim nevladnim organizacijam razviti njihove zamisli (s pomočjo poslovnih svetovalcev in partnerjev v SNFP) ter podprl razvoj in izvedbo obetavnih projektov s prenosom znanja, usposabljanjem in financiranjem, temveč je partnerjem v SNFP tudi omogočil, da se bolj poglobijo v skupine in da izpopolnijo svoje sposobnosti svetovanja.

Faza proučevanja izvedljivosti je zajemala skupno usposabljanje nevladnih organizacij in partnerjev ter obiske vseh nevladnih organizacij na terenu, da bi jim tako pomagali pri izdelavi študije predizvedljivosti in nato izvedljivosti njihovega projekta. Za to fazo so bile pripravljene šablone za študije predizvedljivosti in izvedljivosti. Lokalni partnerji v SNFP in poslovni svetovalci so se ukvarjali s temi šablonami, da bi izbranim nevladnim organizacijam pomagali pri proučevanju izvedljivosti njihove zamisli samofinanciranja in pripravi študije za ocenitev.

Faza razvoja poslovnega načrta, ki je trajala tri mesece, se je začela potem, ko je svetovalni odbor ocenil dokončane študije izvedljivosti in predlagal, katere naj prejmejo subvencije za načrtovanje projektov za financiranje priprav izčrpnega poslovnega načrta. Pomoč pri razvoju tega načrta so nudili lokalni poslovni svetovalci in NESsT.

V zadnji fazi izvedbe poslovnih načrtovso bile določene nevladne organizacije izbrane za NESsT-ov Sklad za projekte in so prejele nadaljnja finančna sredstva v obliki subvencij za projekte ter so bile deležne dodatne podpore za gradnjo zmogljivosti, opazovanja in ocenjevanja. Cilj te faze je preizkusiti, ali uvajanje samofinanciranja pomaga organizacijam pri njihovi stabilnosti in razvoju ter s tem zmožnosti pospeševanja družbenih sprememb (bolj podrobna razprava je zajeta v petem poglavju). Ta faza še traja, saj naj bi podpora iz NESsT-ovega Sklada za projekte trajala tri do pet let.

Pilotni projekt je zajemal štiri osnovne faze:

- 1. faza priprave ali poziva
- 2. faza proučevanja izvedljivosti
- 3. faza razvoja poslovnega načrta
- 4. faza izvajanja poslovnega načrta.

Rezultati: nauki in priporočila

Partnerji v SNFP so uporabili pristop špekulativne človekoljubnosti za prepoznavanje priložnosti nevladnih organizacij za samofinanciranje, njihovo ocenjevanje v fazi študije izvedljivosti in predizvedljivosti, zagotavljanje strokovnega svetovanja in podpore nevladnim organizacijam (prek lokalnih poslovnih svetovalcev in učiteljev), financiranje razvoja poslovnih načrtov in nato zagotavljanje finančne in strokovne podpore pri izvajanju projekta. Pri pregledu osnovnih faz pilotnega projekta je bilo ugotovljeno, da je za partnerje v SNFP projekt potekal po načrtu. Vsaka faza pa je dala nekaj ključnih naukov.

Projekti, ki so pri tem nastali, so šele v začetni fazi, vendar napredujejo. Za vsakega je izdelan dolgoročen načrt finančne podpore in svetovanja. Sredstva so bila dodeljena glede na potrebe posameznega poslovnega načrta, vse nevladne organizacije pa so morale v svoj projekt tudi same vložiti finančna sredstva. Poročanje temelji na finančnih sredstvih, ki so potrebna za izvajanje projekta.

Vprašanje, s katerim se bomo še morali soočiti, je, ali tak pristop res prispeva k finančni stabilnosti nevladnih organizacij. Res je, da je bilo od izbire nevladnih

organizacij do dodelitve začetnega kapitala potrebno eno leto, ki je vključevalo na stotine delovnih ur nevladnih organizacij, partnerjev in poslovnih svetovalcev. V fazo študije izvedljivosti je bilo vključenih trinajst nevladnih organizacij, od katerih so štiri prejele začetni kapital, da so lahko začele s svojim projektom. Na prvi pogled je to videti malo, toda v svetu konkurenčnega podeljevanja subvencij je približno ena tretjina uspešnih projektov dokaj veliko. V resnici bo bodoči uspeh štirih projektov nevladnih organizacij pravi preizkus uspešnosti, vseeno pa je postopek, ki prikazuje načrtovanje samovzdrževanja, razkril, da lahko postopki načrtovanja s pristopom špekulativne človekoljubnosti privedejo do pospeševanja in oblikovanja projektov samofinanciranja nevladnih organizacij v srednji Evropi.

Partnerji v SNFP so se naučili veliko o praktičnih posledicah svojih prizadevanj, da bi pomagali nevladnim organizacijam razviti njihovo samofinanciranje.

Od tega bi morale nevladne organizacije, ki razmišljajo o samofinanciranju, upoštevati naslednje:

- Samofinanciranje ni vsemogočno zdravilo za vse probleme financiranja nevladnih organizacij. Ni nujno uporabno za vse nevladne organizacije.
- Samofinanciranje ne nadomesti donacij in subvencij projektom, temveč jih dopolnjuje.
- Nevladne organizacije morajo nameniti zmogljivosti projektu samofinanciranja. To vključuje čas in denar.
- Nevladne organizacije bodo morale spremeniti svoje razmišljanje v smeri proč od pristopa na osnovi projektov.
- Nevladna organizacija mora biti pripravljena, da ustavi postopek na kateri koli točki. Upoštevati mora sporočila, ki jih da študija izvedljivosti. Bolje je prenehati in prihraniti zmogljivosti za drugačen pristop. Zapomnite si, da več majhnih podjetij propade, kot jih uspe.
- Projekt samofinanciranja mora biti del splošnega načrta/strategije nevladne organizacije in se ga ne sme obravnavati ločeno.
- Nevladna organizacija mora oceniti in izračunati dejansko ceno. Z drugimi besedami: sredstva za projekt bi bilo morda bolje vložiti drugam. Treba je narediti analizo stroškov v primerjavi s koristmi.
- Samofinanciranje lahko pomaga celi organizaciji, da se strokovno izpopolni (upravljanje sistema, strategija, vpliv, računovodstvo, izvajanje poslanstva in ovrednotenje). Vendar je za to potrebna predanost celotne organizacije. Pomembno je vzpostavljanje konsenza znotraj nje.
- Pred začetkom je treba dobiti strokovni poslovni nasvet in pomoč.

Ta seznam ni izčrpen, vendar prikazuje številna osnovna vprašanja, s katerimi se bo morala soočiti nevladna organizacija.

V zadnjih dveh letih so imeli partnerji v SNFP priložnost »dati denar tja, kjer so usta«. Rezultati njihovih prizadevanj jasno kažejo, da je nevladni sektor v srednji Evropi pripravljen sprejeti te nove pristope k finančnem samovzdrževanju. Jasno je tudi, da je ob nadaljnjih prizadevanjih pristop k razvoju samofinanciranja vladnih organizacij, ki vključuje financiranje in usposabljanje, pravi in se lahko v prihodnje obrestuje.

Nadaljnje informacije

Če vas zanima pristop k samofinanciranju nevladnih organizacij ali možnosti v zvezi s tem, se, prosimo, obrnite na tele partnerske organizacije v projektu SNFP, ki so navedene v **shemi 2**.

SHEMA 2

Partnerji v posameznih državah

ČEŠKA

Radek Kolar

Lotos o.p.s
Senovazne nam. 24
116 47 Praha 1
Češka
Tel: (420-2) 2410-2359
Faks: (420-2) 2410-2409
E-mail: kolar@weblotos.cz

MADŽARSKA

Balazs Sator

Civil Society Development Foundation
Meszoly u. 4. III/3
1117 Budapest
Madžarska
Tel: (36-1) 385-2966
Faks: (36-1) 385 3938
E-mail: satorb.ctf@mail.mgx.hu

SLOVAŠKA

Peter Gustafik

Partners for Democratic Change
Štúrova 13
811 02 Bratislava
Slovaška
Tel: (421-2) 5292-5016
Faks: (421-2) 5293-2215
E-mail: pdcs@pdcs.s

SLOVENIJA

Sonja Čandek

Center za neprofitni management
Kersnikova ulica 4
1000 Ljubljana
Slovenija
Tel: (386-1) 431-6169
Faks: (386-1) 431-4039
E-mail: sonja.candek@guest.arnes.si

Regionalni partnerji

NGO Support Programme¹

The Regional Environmental Center for Central and Eastern Europe (REC)

Ady Endre ut 9-11
2000 Szentendre
Madžarska
Tel: (36-26) 504-000
Faks: (36-26) 311-294
E-mail: info@rec.org

Nonprofit Enterprise and Self-sustainability Team (NESST)

Dessewffy u. 25/27, I/18
1066 Budapest
Madžarska
Tel: (36-1) 302-6863
E-mail: jmessing@nexta.hu

¹ Ali ustrezno predstavništvo REC-a na Češkem, Madžarskem, Slovaškem ali v Sloveniji.



Annexes

Annex I: Venture Concept Paper

Venture Concept Paper

The **Venture Concept Paper** must be sent by mail accompanied by a **Document of Eligibility** consisting of a copy of the **NGO Registration** and the **NGO Financial Statement** (operating budget, revenues and expenditures).

Venture Concept Paper Preparation Guidelines Please see Annex II

Deadline for Venture Concept Paper submission October 20, 2000

REC Project Number (to be filled in by the REC)

Venture Title

NGO Information

Name

Base country

Field of activities

Registration number

Telephone

Fax

E-mail address

Web site

NGO Information (continued)

Postal address

Bank name

Account number

Bank address

Bank SWIFT code

Name of person preparing Venture Concept Paper

Venture Description

In the space below please describe your proposed Self-Financing Venture according to the **Venture Concept Paper Preparation Guidelines (Annex II)**. This section should include all information you find to be relevant to your NGO and proposed venture.

Section 1 Information about your NGO

Section 2 Information about your NGO's financial status (your NGO financial statement will serve as a support document for this section)

Section 3 Description of Self-Financing Venture

- New venture
- Expansion of existing venture

Please sign, stamp and date this Venture Concept Paper

Signature of
project leader

Date

Signature of board
member and NGO
official stamp

Date

Contact Details

Please contact the REC Headquarters office for more information (tel 36-26 311-199, fax 36-26 311-294). Applications must be sent by mail and arrive to the REC by October 20, 2000. Send the completed application to The Regional Environmental Center for Central and Eastern Europe, SNFP Venture Concept Paper, Ady Endre ut 9-11, 2000 Szentendre, Hungary. For more information please contact Mr Darek Urbaniak at (36-26) 311-199 ext. 203 or by E-mail: DUrbania@rec.org. Do not send your application by E-mail or by fax.

FIGURE 18

Venture Concept Paper evaluation criteria

The Evaluation Committee, consisting of representatives from NESST, the REC and the Business Advisory Committee selected the Venture Concept Papers. The selection was based on the following evaluation criteria.

Evaluation of the NGO

- Success in achieving mission/main accomplishments.
- Management strength (including Board, legal, accountants, etc.).
- Organisational structure.
- Current staff skills and experience.

Evaluation of NGO – financial status

- Fundraising ability and experience.
- Financial management (accounting system, cash flow management, etc.).
- Financial stability (operating budget, revenues and expenditures).
- Strength of the NGO assets.

Evaluation of self-financing idea

- Overall potential/risk of venture proposed.
- Potential for furthering NGO mission.
- Market potential of the business venture.
- Financial expectations and commitment of matching funds.

Annex II: Feasibility Study Template

FEASIBILITY STUDY TEMPLATE — EXCERPT

Section One Executive Summary

Please write three to five sentences for each of the following questions **for the venture only**:

- What are the objectives of this venture? Financial and mission related? Other?
- What is the proposed product or service that is being offered through this venture?
- What is the market for the product or service?
- What are the organisational and operational needs for the venture?
- What are the financial factors needed for the venture to succeed?
- What is the impact of this venture on your mission?
- What are critical risks and opportunities of this venture?

Based on the findings of the study, is the venture feasible? And, should you now develop a full business plan or not?

Section Two Description of Product or Service

Section Three Market Analysis

Section Four Operations and Management

Section Five Financial Plan

Section Six Mission Impact

Section Seven Risk Analysis and Management

Section Eight NESsT Fit

FIGURE 19

Feasibility Study evaluation scoring criteria headings

- Organisational Readiness
- Financial Readiness
- Market Analysis
- Operations and Management (with regards to venture)
- Financial Plan (for venture)
- Mission Impact of Venture)
- Risks of Venture

Score sheet excerpt

Financial plan (for venture)

Please score on how thorough of an analysis was performed, accuracy of calculations and how realistic numbers are

START-UP BUDGET

BREAK-EVEN ANALYSIS

INCOME PROJECTIONS

WEIGHT

SCORE

WEIGHT
x SCORE

4

4

4

Annex III: References

Davis, Lee (1997). *The NGO-Business Hybrid*. NESsT and the Johns Hopkins University, School of Advanced International Studies Program on Social Change and Development, Washington DC, USA. 150 pages.

NESsT (1999). *The NGO Venture Forum — Lessons in Self-financing from the International Gathering*. Nonprofit Enterprise and Self-sustainability Team, Budapest, Hungary. 92 pages.

NESsT (1999). *Profits for Nonprofits — An Assessment of the Challenges in NGO Self-financing*. Non-profit Enterprise and Self-sustainability Team, Budapest, Hungary. 192 pages.

REC (1997). *Problems, Progress and Possibilities — A Needs Assessment of Environmental NGOs in Central and Eastern Europe*. The Regional Environmental Center for Central and Eastern Europe, Szentendre, Hungary. 96 pages.

REC & Milieukontakt Oost-Europa (1998). *Trends in Funding: An Overview of Domestic and International Funds Available for Central and Eastern European Environmental NGOs*. The Regional Environmental Center for Central and Eastern Europe, Szentendre, Hungary and Milieukontakt Oost-Europa, Amsterdam, The Netherlands. 88 pages.

REC (2001). *NGO Directory — A Directory of Environmental Non-governmental Organisations in Central and Eastern Europe*. The Regional Environmental Center for Central and Eastern Europe, Szentendre, Hungary. 750 pages.

USAID (2000). *The 1999 NGO Sustainability Index*. Developed by United States Agency for International Development, Bureau for Europe & Eurasia, Office of Democracy and Governance.