



Swiss NGO Fund (2011-2015)

impact assessment

September 2015

The assessment of the impact of the Swiss NGO Fund (hereinafter also NGO Fund or Fund) in 2011-2015, public procurement number 157222, was commissioned from the Institute of Baltic Studies by the National Foundation of Civil Society (NFCS). The objective of the study was to assess the impact of the NGO Fund, i.e. whether the fund's objectives were fulfilled. The assessment covered projects that received grant support from the fund's open calls for proposals for implementation of business plans for public services, held in 2011-2014.

This final report provides an overview of the NGO Fund and cooperation between public and third sector, and provides answers to the evaluation questions on the basis of activities carried out in different stages of the study. In the first stage of the study, information and documents related to NGO FUND and projects funded were gathered. Based on the information obtained, the second phase of the study involved the conducting of semi-structured interviews with open-ended questions with the implementers, partners and other parties related to the NGO Fund's objectives/activities. To validate the results of interviews and testing of correlations between the study methodology, objectives and indicators, focus group interviews were conducted with the Contracting Authority and sectoral experts. A survey was conducted among the support recipients, the public sector involved and applicants who received a negative funding decision or who did not advance from the call for small sub-projects to the call for large sub-projects. To more thoroughly process the information obtained, four case analyses were also carried out. In the final phase of the study, the assessment outcomes were synthesised and analysed and the preliminary conclusions and recommendations were articulated. A discussion seminar was also carried out where the study results were introduced, the primary conclusions were discussed with participants, and recommendations were formulated.

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The impact assessment was funded by the Swiss NGO Fund and National Foundation of Civil Society (in Estonian: SA Kodanikuühiskonna Sihtkapital, KÜSK).



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Abbreviations used

BG/Block Grant – Block Grant Proposal – the basic underlying document of the Swiss NGO Fund. It sets out the fund's objective, planned activities and indicators used for evaluating the impact of activities

KODAR – Civil Society Development Plan

KUAK – Centre for Civil Society Studies and Development, the report generally refers to the 2010 and 2014 studies by KUAK on institutionalisation of civic initiative

NFCS – National Foundation of Civil Society

NGO – non-governmental organisation

NPO – non-profit organisation

CDC – county development centre

LP – Swiss NGO Fund call for proposals for large sub-projects; LP11 – call for proposals held in 2011 for large sub-projects, LP12 – call for proposals held in 2012 for large sub-projects, etc.

NGO Fund – Swiss NGO Fund (Fund)

SP – Swiss NGO Fund call for proposals for small sub-projects; SP11 – call for proposals held in 2011 for small sub-projects, SP12 – call for proposals held in 2012 for small sub-projects, etc.

Introduction

The objective of this impact assessment was to evaluate the performance and impact of the Swiss NGO Fund (fulfilment of the fund's objectives) – whether and how the projects that received support in the NGO Fund's open calls for proposals for large sub-projects fared in meeting the objectives set forth in the applications and Block Grant (BG) and how productively and effectively this contributed to achieving the Fund's objectives and impacts. The assessment covered projects that received assistance for the NGO Fund's public services business plan implementation in 2011-2014 (large sub-projects; 62 projects).¹

To sum up, the objective of the Fund's impact assessment was to determine:

- to what extent the implemented project activities meet the objectives set forth in the applications and the BG, whether the activities are in conformity with the Fund's objectives (**relevance**),
- whether and based on what factors the implemented projects contribute to cooperation between third and public sectors in increasing access and quality of public services, and whether and to what extent the planned objectives, outputs, results and (potential) impact have been achieved, what the success factors and problems have been (**performance and impact**),
- to what extent the results and (potential) impacts of the implemented activities will persist after the end of the projects/Fund, and what factors this is based on (**sustainability**).

Based on the objectives of the assessment, the following activities were carried out, which are also shown in Figure 1:

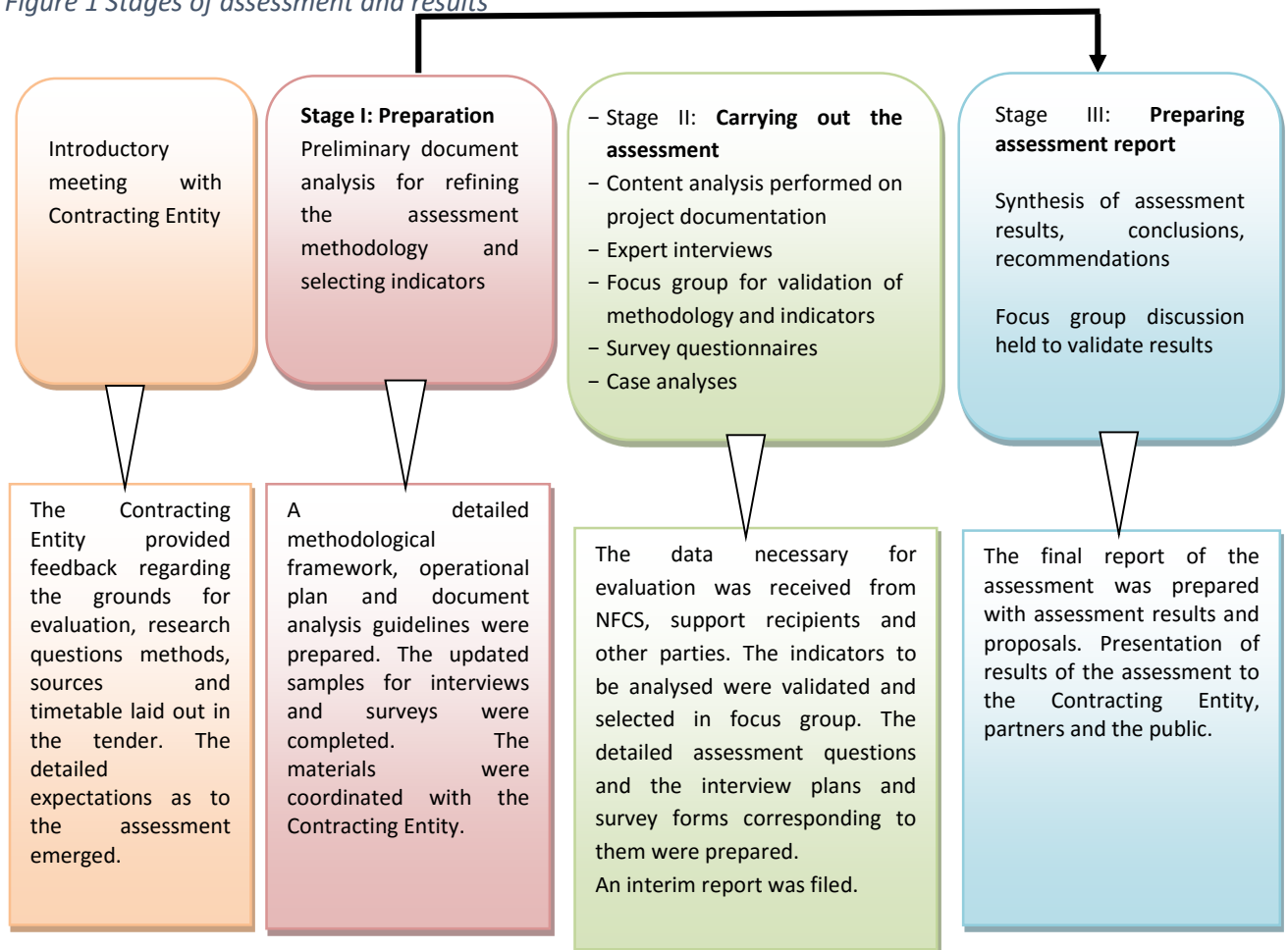
- based on document analysis and the semi-structured expert interviews from February and March 2015, the intervention logic was laid down – i.e. as a result of what activities does the achievement of the desired objectives take place;
- based on the semi-structured expert interviews, suitable criteria and data sources were chosen for determining the results and impact of the fund;
- the preliminary indicators that served as the basis for evaluation were tested in a focus group discussion that took place in March 2015, and in which sector experts participated;
- through online surveys conducted with non-profit organizations (NPOs) and their public sector partners as well as with NPOs that did not receive support, information was gathered in May and June 2015 for the purpose of evaluating the indicators set;
- to obtain knowledge about deeper connections and the nature of cooperative relations, determine results of assessment and necessary further measures, the projects carried out by four organisations were selected on the basis of the age of the organisation that received support, the field of activity and territory of operation of the supported service, the

¹ A statistical overview of implementation of Swiss NGO Fund and the projects subjected to analysis can be found in chapter 2.2.

supported project’s public sector partners, sustainability of the achievements, the novelty of the service provided etc. These projects were documented in a more in-depth manner in the form of case analyses. Because, after the case analysis, significant conflicts emerged with the information submitted by the parties related to a given selected case and it was not possible to elicit comments from the project implementers within a reasonable time, the study team and National Foundation of Civil Society (NFCS) decided to omit the fourth case analysis from the assessment report. Thus chapter 7 documents only three case analyses. In spite of this, the experience regarding the case omitted from the final report served as valuable internal information for NGO Fund implementers;

- results of document analysis, online surveys and case analyses were validated in a focus group discussion in which sectoral experts took part;
- based on the various stages of assessment, the conclusions were set out for the primary assessment questions and, among other things, recommendations were drafted for a) more effective use of funds aimed at NGO and public sector cooperation; b) further development of a similar measure; c) improvement of the implementation and monitoring system. In addition, there is a summary of the primary observations that emerged during assessment regarding different parties who play a role in developing cooperation between public and third sectors.

Figure 1 Stages of assessment and results



Source: Compiled by the authors

The online survey was responded to by 33 NGOs that received support from the large sub-projects call. Of these, 24 also received support from the NGO Fund's small sub-project call for preparing a business plan.² Of the six applicants that received assistance repeatedly, five responded, and two project managers provided responses based on both projects and two project managers focused on one project in answering the question. Separate questionnaires were responded to by 35 NGOs' public sector partners that received support (local government or representative of other public sector organization that was involved in some way in the project) and 31 NGOs that received a negative answer in the LP call or which did not submit a proposal in the LP call but which received support in the SP call. Considering the specific nature of the questions, not all organizations answered each question and thus the number of respondents to the question is also provided in the analysis of the responses.

The final report collates all of the information and data gathered in the various stages of the study. The first chapter of the report provides an overview of the methodology used in the assessment.

The second chapter discusses the strategies and studies aimed at developing cooperation between the public sector and third sector and provides an overview of the current state of public-third sector cooperation.

The third chapter surveys the Swiss NGO Fund and the implementation thereof.

The fourth chapter gives an overview of the context of the assessment – what sorts of impacts were assessed and what indicators were used to do so.

The fifth and sixth chapter cover the relevance, performance and impact of the Fund and supported projects, as well as issues of sustainability. The chapter on performance and impact is based on the Block Grant result indicators provided and supplemented in the fourth chapter.

The seventh chapter is devoted to case analyses.

The primary assessment findings are summarized at the end of the assessment report and recommendations are issued for creating a similar measure and/or developing the field.

² Of all of the organizations supported in the large sub-project call, 37 organizations also received support in the small sub-project call for preparing a business plan – the survey covered ≈68% of those supported in both calls.

Executive summary

The objective of this Swiss NGO Fund (NGO Fund or Fund) impact assessment was to evaluate to what extent the activities of the projects that received NGO Fund support for implementation of public services business plans in 2011-2014 fared in meeting the objectives set forth in the applications and the Block Grant (BG) (the basis for implementation of the Fund), and to assess the performance and impact of the Fund and the sustainability of supported activities.

The assessment is based on the applications and reports for the 62 projects that received support in the NGO Fund's open calls for proposals for large sub-projects in 2011-2014, the follow-up queries regarding 15 projects in the 2011-2012 calls for proposals, expert interviews (22 interviewees), two focus group discussions with fund implementers and experts and results of an online survey (respondents: 33 supported NPOs, 31 non-supported NPOs, and 35 public sector partners). To obtain knowledge regarding deeper connections and the nature of cooperative relationships, case analyses were also carried out, based on interviews with representatives of three organizations and their public sector partners as well as on a satisfaction survey conducted with service recipients.

An analysis of the NGOs that participated in the NGO Fund reveals that the support went to **NGOs that are significantly more capable than the Estonian average** (the comparison basis being the 2014 KUAK study³; and the control group, associations that did not receive assistance), predominantly in Harju and Tartu counties. When the focus lies on development of high-quality and accessible service provided in cooperation with the public sector, the implementers must possess a certain capability and capacity already prior to cooperation. Indeed, as the assessment clearly shows, one of the reasons for development of service and success is preliminary work for developing quality services and co-production with the service target groups and partners. Moreover, the result also points out a need for considering more effective measures to expand the necessary knowledge and capability among a greater number of NGOs and greater share of the public sector, including in more peripheral and smaller areas in Estonia.

One of the objectives of implementation of the NGO Fund is to spread social innovation in Estonia: the supply of service had to lead to progress and improvements. A limited number of services stood out as truly innovative, but one-third of the support recipients started offering a service that was new for their own organization and over one-third of the support recipients were able, thanks to the support, to expand the spectrum, target groups and territories of operation of the services they provided. The service providers were also able to use the assistance to achieve a better rapport with target groups and the possibility of establishing more specific service needs and service solutions. **The elements of social innovation in NGO Fund projects are thus quite noteworthy.**

The assessment indicates that the support measure represented an important fund for the purpose of developing public services in cooperation between the public and third sector. The interviewed

³ Kodanikualgatuse institutsionaliseerumine Eestis (2014) (Institutionalization of Estonian Civic Initiative), National Foundation of Civil Society, Tallinn University. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>.

experts expressed the opinion that **NGO Fund helped fill a gap that had been prevalent in public-third sector cooperation.** The analysis of the Fund's net effects demonstrates that without support, most of the projects would not have been carried out or, at the least, they would have been carried out in a much more limited scope with weaker results. This was confirmed by the analysis of the experiences of the NGOs that did not receive assistance but implemented activities to some extent. In addition, it is evident that a number of cooperative relationships with the public sector that proved successful in the projects would not have been established without the NGO Fund or similar assistance. A large number of NGOs and public sector partners that contributed to the assessment found that, without the support, it is highly likely that such cooperation would not exist in provision of service. This in turn suggests that the corresponding service would not exist.

Through positive experiences, trust grows, service recipients develop a justified expectation that services will continue and there is greater chance that innovative solutions will be sought in cooperation with NGOs in the interests of sustainability. The increase of trust with regard to NGOs is also a noteworthy by-product of the project among the public sector partners that took part in the assessment. In addition, all of the projects supported have continued their activities and, in various ways, cooperation with the public sector, even after the end of the project and ongoing projects show significant promise in this regard. The experience of participation in a similar support measure generates the side effect of raising awareness regarding successful cooperation and growth in operational capacity, as shown by this assessment as well. **For the performance and impact of the NGO Fund experience to be larger in scale, it is important and, based on the NGO Fund experience, justified to plan similar assistance measures for raising the cooperative capacity of Estonian NGOs and public sector and ensuring high-quality public services in the future.**

To sum up, the NGO Fund assessment shows that the implementation of the Fund and the project activities was relevant and conformed to the set objectives. As no thorough and all-encompassing performance and impact indicators were originally set for the NGO Fund, these indicators were developed with the experts in the course of this assessment (the setting of indicators is described in detail in chapter 3 and Table 6). Testing the accuracy of the indicators in the framework of this assessment, it turned out that, with certain minor limitations, they were measurable and informative, and thus suited for use in similar assessments in the future. Indicators that gauge solely economic and institutional capacity are not the most suitable for assessing the fund's impacts on all organizations and thus such indicators must be refined further in subsequent similar assistance measures. **In conclusion, the output indicators set and the performance and impact indicators supplemented in the Block Grant have duly been fulfilled in the framework of the experience of Swiss NGO Fund.**

The fund has had a significant impact on **raising the awareness** of the public sector, NGOs and society regarding the activities of the third sector, the possibilities for cooperation between the public sector and third sector and the problems prevalent in society. What has been positive is the direct impact on the quality and access of services developed by the projects and the cooperative relationships established between the specific organizations. Considering that NGO Fund assistance had a positive impact during the project on the number of the volunteers at the NGOs, cooperation

with other NGOs and private sector and umbrella organizations, **the fund has a positive impact on the supported NGOs' institutional and operating capacity for providing public services.**

As the volume of NGO Fund is low, there is not as large-scale an impact on the NGO Fund's objectives and the general availability of public services and this depends on several external factors. One of the most important of these factors is, as expected, the existence of financial resources. There were a few other significant obstacles in implementing the projects, yet at the same time these provide directional cues for developing potential activities to support cooperation between public and private sector and design of public services.

One of the largest problems in implementing projects is **insufficient financing of services**, which points to the critical importance of external assistance for developing public services in cooperation with NGOs. The Swiss NGO Fund support is considered sufficient, although the reduction of the support amount in the last two calls was not relevant based on the assessment results. In addition, while the percentage of self-financing is quite low (5% in the Swiss NGO Fund) this is still an obstacle for many NGOs and thus it would be advisable to consider, in similar measures, replacing all self-financing with a non-monetary contribution. This would likely be more attractive for public sector partners, too, especially in less populated areas.

There were problems with marketing of services and low interest from target groups in receiving services or reaching the target groups, which points to the need for more thorough preliminary work to develop the services. NGOs have been the clearly more active party in developing services and the initiative for cooperation in NGO Fund projects has come predominantly from NGOs. A considerable share of public sector organizations do not understand the necessity of a service business plan or the utility of developing and providing services cooperatively. A major bottleneck that emerged was also the low capacity of NGOs and public service partners to analyze the activities, including with regard to asking for feedback from service recipients. In spite of satisfactory cooperation with public sector partners, a noteworthy share of service providers with NGO Fund experience felt that the public sector partner shifted the responsibility for provision of service completely on to them. **Raising awareness regarding intersectoral cooperation, opportunities and methods, above all among local governments, will continue to be important in future. In developing support services for NGOs, it is advisable to lend consideration to service design, and increasing of analytical and marketing-related skills.** In implementing support services, it is advisable to make active use of the network of county development centres as well, the potential of which in developing cooperation between public and third sector in Estonia is still underutilized.

It has not been possible to assess the long-term impact of the NGO Fund as not enough time has elapsed since the end of the projects. Thus the Fund's short-term/potential impact was analyzed based on the performance indicators developed in the course of assessment – this is significant for all of the indicators observed (see chapter 5). **The Swiss NGO Fund had a significant impact on the access and quality of services, but the impact is highly likely to be short-term.** In most projects, the assistance helped expand the range of target groups receiving service, offering service closer to the target group and with the necessary frequency. In addition, the supported projects gave the parties knowledge, skills and experiences that they can apply in providing and developing services and

establishing cooperative relationships in future. Thus NGO Fund has developed important preconditions for realization of potential long-term impacts.

In conclusion, the Swiss NGO Fund has been a very successful measure both in terms of results and potential impacts on the development of the field. To contribute to the inception of innovative service and better conformity to the needs of target groups, similar support schemes should be implemented, thus not placing narrow limits on the activities supported and allowing the needs of the target groups to be approached comprehensively. It is likely that similar successful and overwhelmingly sustainable examples will not develop in near future without external assistance, and thus it is important to find ways of continuing each experience created by the Swiss NGO Fund in providing public services in cooperation between Estonian NGOs and the public sector.

1. Cooperation between NGOs and the public sector

This chapter discusses strategies and studies aimed at developing cooperation between the public sector and the third sector, describes briefly the current state of public-third sector cooperation based on previous research, and gives an overview of preconditions and objectives of the development of cooperation.

1.1. Overview of strategies and previous research in the field

The central format of public-third sector cooperation is **contractual delegation**, meaning a situation where the public authority allows the NGOs to provide service but retains control of and responsibility for supply of service.⁴ In practice, public-third sector cooperation also takes place as a so-called **strategic partnership** where targeted grants are disbursed to the NGOs or other use of public resources is enabled (such as use of premises and land).⁵ The primary objectives of cooperation are improving access and quality of services, increasing capability of local governments and NPOs, saving costs, increasing civic activity levels and thereby improving the living environment and strengthening democracy.

Although the public sector does not have the obligation to favour NGOs as service provision partners, there are many advantages to involving them. For example, in many sectors, NGOs have **unique competence** to deal with various society groups, who in turn put greater trust in NGOs. A major strength of the NGOs is thus the ability to effectively involve service users and develop solutions that meet users' needs. NGOs also have significant weaknesses. Above all, the **lack of sufficient funding and capacity** can be highlighted, as this keeps them from developing their field in stable fashion.⁶ Thus the NGOs cannot automatically be considered capable service providers and engagers of the citizenry, but if funding is stable, they have noteworthy potential to resolve various complex societal problems.

Cooperation between public and private sector, including the third sector, began to be more actively promoted in the 2000s. The most important document for shaping these objectives was the Estonian Civil Society Development Concept⁷, adopted by Parliament in 2002. The concept defines the basis for partnership between civil society and the public sector and lays out a framework for development of civil society, i.e. for more effective involvement of the population and self-initiative as well as for increasing the institutional capacity of NGOs.⁸

⁴ Civil Society Development Plan 2015-2020 (2015). – Government of the Republic. Accessible at: [<http://www.kysk.ee/failid/Upload/files/KODAR.pdf>].

⁵ Lember, V., Parrest, N. and Tohvri, E. (2011). Vabaühendused ja avalikud teenused: partnerlus avaliku sektoriga. Ülevaade ja juhised. (NGOs and public services: public sector partnership. Overview and guidelines.) – Network of Estonian NGOs. Accessible at: <http://www.ngo.ee/sites/default/files/files/Vabaühendused%20ja%20avalikud%20teenused%20-%20partnerlus%20avaliku%20sektoriga.pdf>

⁶ Kodanikuühiskonna arengukava 2015-2020 (2015) (Civil Society Development Plan 2015-2020) – Government of the Republic. Accessible at: [<http://www.kysk.ee/failid/Upload/files/KODAR.pdf>].

⁷ Accessible at: [<https://www.riigiteataja.ee/akt/231276>].

⁸ Eesti kodanikuühiskonna arengu kontseptsioon (Estonian Civil Society Development Concept) – Ministry of the Interior. Accessible at: [<https://www.siseministeerium.ee/et/tegevusvaldkonnad/kodanikuühiskond/eesti-kodanikuühiskonna-arengu-kontseptsioon>].

The topic of delegation of public services reached the strategic level a few years before the Swiss NGO Fund was launched – in 2010, the Ministry of the Interior document “**Guidelines for contractual delegation of public services to NPOs**” was drafted, the aim of which is to increase the capability of local governments, government departments and NGOs through systematic development of delegation of public services. The strategy lays the basis for a more rational public service delegation process and increased cooperation in delegating public services, which in turn contributes to a rise in public service quality and access and increased satisfaction among the service’s target group.⁹

The measures related to civic associations under **Civil Society Development Plan (KODAR)** for 2011-2014 largely stemmed from the Ministry of the Interior strategy and the aim is to support provision of public services in cooperation between the public sector and NGOs. The objectives are transparent, sustainable cooperation that adheres to the principles of partnership, and the population's satisfaction with services.¹⁰

Both the guidelines for delegating contracts and KODAR 2011-2014 are largely based on the 2009 Praxis study, “**KOV üksuste avalike teenuste lepinguline delegeerimine kodanikeühendustele**” (Contractual delegation of public services by local authorities to civil society organizations).¹¹ This was the first all-encompassing map of public-third sector cooperation in Estonia and deals with the motivation for cooperation, existing practice, problems and bottlenecks and development opportunities. A repeat study conducted in 2014 showed that the problems pointed up by the earlier study persist, and the share of delegating local governments has grown less than anticipated.

The 2009 Praxis study indicates that 60% of Estonian local governments delegated public services. The inhabitants of these local governments made up 87% of the Estonian population.¹² The study found that the most service delegation contracts were signed in the spheres of social affairs (44%), sports (15%) and culture (10%). The objective of KODAR 2011-2014 was to increase the share of delegating local governments from 60% to 75%. According to repeat studies, cooperation with NPOs and local governments has remained unchanged or has even decreased – 63% of local governments (75% of Estonian population) delegated public services to NGOs in 2013-2014 or supported public services supplied by them, while only 42% of NPOs referred to the local governments as dedicated cooperation partners. The delegation rate has increased the most in medium-sized local governments (with 5,001-9,999 inhabitants) – in 2009, 67% of these local governments delegated, but in 2014 the figure was 88%. In smaller local governments the delegation rate is showing a declining trend – in local governments with a population of 2,000 or less, 51% have delegated

⁹ Avalike teenuste lepingulise delegeerimise suunad mittetulundusühendustele (2010) (Guides for contractual delegation of public services to NPOs) – Ministry of the Interior. Accessible at: [https://www.siseministerium.ee/sites/default/files/dokumentid/teenuste_deleerimise_kontseptsioon_fin.pdf].

¹⁰ Kodanikuühiskonna arengukava 2011-2014 (2011) (Civil Society Development Plan 2011-2014) – Government of the Republic. Accessible at: [https://valitsus.ee/sites/default/files/content-editors/arengukavad/kodanikuyhiskonna_arengukava_2011-2014.pdf].

¹¹ Praxis (2009) Kohaliku omavalitsuse üksuste avalike teenuste lepinguline delegeerimine kodanikeühendustele. (Contractual delegation of local government public services to NGOs) Commissioned by the Ministry of the Interior.

¹² Ibid.

provision of service; the figure is 57% of local governments with a population of 2,001-5,000. Of cities, 84% delegated; of rural settlements, 59%.¹³

The 2014 study conducted by Tallinn University's Centre for Civil Society Study and Development (KUAK)¹⁴ found that many of the problem areas prior to the Swiss NGO Fund have not disappeared from cooperation between the public and third sector. For example, only one-fifth of NPOs report that they receive income from provision of public services, but only 5% have entered into an agreement with the local government for provision of public services. Only 3% noted that they have such a contract with government departments. **Classic contractual delegation is rarely encountered in today's Estonia and other forms of partnership for provision of service are used.** Of NPOs, only 32% have experience providing public services on the local level and 16% have countrywide experience, even as 55% have no experience in provision of public service.

KODAR 2015-2020¹⁵ notes that Estonia is also affected by a trend of **blurring of boundaries between sectors**, where it is no longer of consequence whether public services are offered by the public sector itself or by the commercial or non-profit sector. It is essential to treat the different methods for provision of service, including the importance of networks, social innovation and social enterprise, co-production of services and partnership between different sectors and citizens. More and more emphasis is placed on **social innovation** in particular, centred on new ideas, products, services, and models that meet society's needs, creating new social relationships and cooperation and business opportunities. The most common form of social innovation is **social enterprise**, which means linking commercial activities to a social purpose. The development of social innovation follows six main development stages¹⁶, which are also the basis for this study.

- Prompts – stimuli, inspiration and diagnosis, which indicate the need for social innovation;
- Proposals and generation of ideas – the purpose is to think outside the comfort zone and combine different approaches;
- Creating and testing prototypes – gives valuable input for the next stages of the process;
- Development and maintenance – innovation becomes daily practice, implementers must find resources to sustain the initiative;
- Scaling – providers of the new solution create demand for the initiative to spread and become rooted in new contexts;
- Systemic change – restructuring of systems encompassing all sectors.

¹³ Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegeerimine vabähendustele 2014 (Delegation of public services to NGOs). Tallinn: Praxis Centre for Policy Research.

¹⁴ Kodanikualgatuse institutsionaliseerumine Eestis (2014) SA Kodanikuühiskonna Sihtkapital, (Institutionalization of Estonian Civic Initiative (2014), NFCS) Tallinn University. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>.

¹⁵ Kodanikuühiskonna arengukava 2015-2020 (2015). (Civil Society Development Plan 2015-2020) – Government of the Republic. Accessible at: [<http://www.kysk.ee/failid/Upload/files/KODAR.pdf>].

¹⁶ Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegeerimine vabähendustele 2014. (Delegation of public services to NGOs) Tallinn: Praxis Centre for Policy Research.

The 2014 Praxis study¹⁷ emphasizes that social innovation, social enterprise and co-production of services, with local governments, NGOs and citizens having a central role, will become more and more important in the provision of public services. The basis for successful social innovation is the ability to combine and implement the strengths of various sectors and parties. **As social innovation is generally an initiative that develops on the grass-roots level, NGOs and growing NGO capability have an especially large role.** In this regard, the NGO Fund's activities are potentially important, as through public-third sector cooperation they contribute to shaping an environment suitable for social innovation and increased readiness to use innovative forms of cooperation for resolving complex social problems.

In conclusion, the authors of the Praxis study¹⁸ suggest proceeding from the following forms of cooperation in developing social innovation and public-third sector cooperation:

- Pure public services – service is developed by the public sector and supplied by authorities.
- Total co-production – both public sector and service target groups are involved in developing and supplying service and evaluating results.
- Contractual delegation – public sector determines need and requirements for service etc and finds service provider at public tender.
- Partnership-based delegation – based on mutual trust relationship, close cooperation and negotiation and strongly linked to social innovation.
- Community services – service is developed and implemented by NGOs or communities and these contribute to local development.
- Social enterprise – the service provider develops the service and sells it to the public sector and population; SE emphasizes above all the sustainability, novelty, effectiveness and profitability of the solutions.
- Project grant – the objective is to support one-time activities that enhance the public service – and operational support – the objective is to support the activity and development of the NPO as a whole to maintain or increase its capability.

In this respect, the study¹⁹ recommends using **partnership-based delegation** more than classic contractual delegation. In particularly small local governments, partnership between local governments and NGOs and movement in the direction of additional and more equal relationship models must be promoted. This however presupposes greater attention placed on notification, trainings and recognition. Second, the study emphasizes that development of social innovation requires support for **implementation of core elements and values**, not a narrow focus on advertising

¹⁷ Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegeerimine vabähendustele 2014. (Delegation of public services to NGOs) Tallinn: Praxis Centre for Policy Research.

¹⁸ Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegeerimine vabähendustele 2014. (Delegation of public services to NGOs) Tallinn: Praxis Centre for Policy Research.

¹⁹ Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegeerimine vabähendustele 2014. (Delegation of public services to NGOs) Tallinn: Praxis Centre for Policy Research.

social enterprise. **All forms of cooperation that include social innovation elements and that would be suitable as an activity model for many associations and local governments/government bodies must be recognized.**

2. Overview of the Swiss NGO Fund

The National Foundation of Civil Society (NFCS), was established in 2008 at the behest of the Government of the Republic of Estonia for increasing the capability of non-profit organizations. The founding of NFCS was also mentioned in the USAID CSO sustainability index as a positive aspect. Although increasing attention was devoted to NGOs in strategic documents and Estonian NGOs were considered the strongest in Central and Eastern Europe on the basis of the USAID rankings, the ratings of Estonian NGOs for economic vitality, operating capacity and service provision continued to be low. As increased public-third sector cooperation was seen one way to develop the field, and this field was not yet covered by different activities and organizations, the NFCS team decided to submit a proposal to the Estonian-Swiss Cooperation Programme in 2009 for determining the precise supporting activities of the Swiss NGO Fund. Based on previous studies, four focus group interviews were conducted with representatives of local governments, NGOs and County Development Centre (CDC) consultants to get feedback, on such things as the preliminary structure of the planned fund and to map the needs of the different parties. The Fund's preliminary work confirmed what had been concluded to that point – **that in order to increase the operating capability of NGOs, it would be necessary to increase their commercial thinking.** Therefore, NFCS submitted the Block Grant Proposal (specifies the Fund's objective, planned activities and the indicators to be used to assess impact of the activity) for implementing three calls for small sub-projects (SP) and three calls for large sub-projects (LP) that would support public-third sector cooperation in supplying public services. The idea behind distributing the contribution in two stages was that the small sub-project stage would help to prepare the business plan that would be required in applying in the large sub-project stage. The LP call for proposals made it possible to implement the business plan prepared.²⁰

2.1. Objectives of the Swiss NGO Fund and supported activities

The Swiss NGO Fund is a grant scheme that has been implemented by NFCS since early 2011. Its basis, the Estonian-Swiss Cooperation Programme, sets two primary objectives:²¹

- to contribute to reduction of economic and social disparities between Estonia and the most advanced countries in the enlarged European Union (EU) and
- to contribute in Estonia to reducing economic and social disparities between dynamic urban areas and structurally weak peripheral areas.

The NGO Fund proceeds from the view that civil society has a major role in increasing economic development and social cohesion, which is why the overall objective is to promote the civil society's contribution to economic and social cohesion (Figure 2). The aim is **to build the capacity of Estonian non-profit organizations, to develop civil society and shape an environment that fosters civic action.** The sub-objective of the NGO Fund is to **develop and reinforce cooperation between the**

²⁰ Interviews with programme implementer and related parties, indicators of the Estonian NGO sustainability index over the years – accessible at <http://www.ngo.ee/indeks>, KÜSK website <http://www.kysk.ee/sihtasutusest>

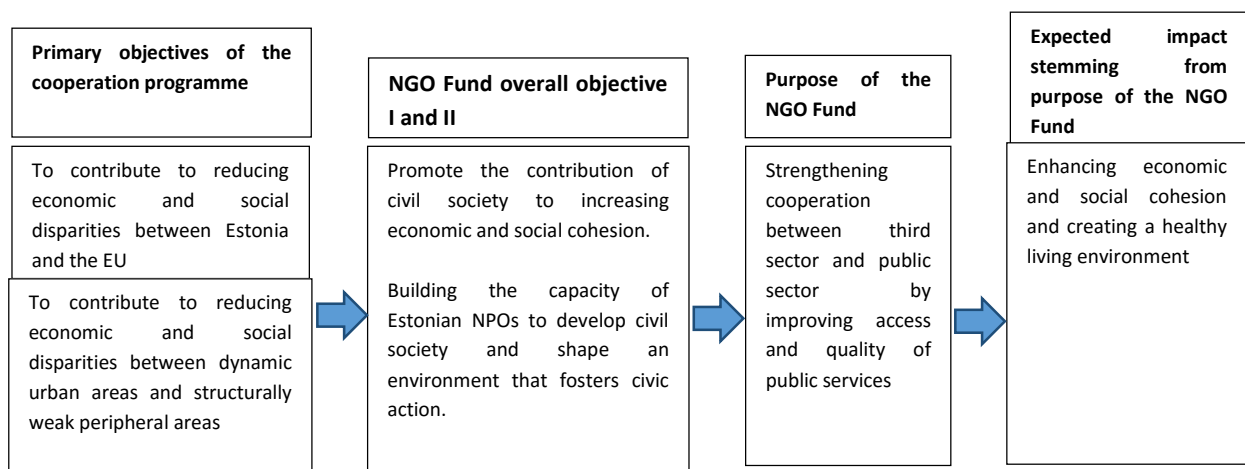
²¹ Eesti-Šveitsi koostööprogrammi raamkokkulepe, Lisa 1. (Framework Agreement on Estonian-Swiss Cooperation Programme) Accessible at: <http://www.fin.ee/shveits>.

third and the public sector in improving the access and quality of public services that contribute to the enhancement of social cohesion and create a healthy living environment for local residents.

Overall objective of the Swiss NGO Fund: to promote civil society’s contribution to economic and social cohesion as important actors of development and participation.

Purpose of the NGO Fund: The purpose of the NGO Fund is to develop and reinforce cooperation between the third and the public sector in improving the access and quality of public services that contribute to the enhancement of social cohesion and create a healthy living environment for local residents.

Figure 1 Objectives of the Estonian-Swiss Cooperation Programme and NFCS



Source: Compiled by the authors on the basis of the Estonian-Swiss framework agreement, Block Grant and the NFCS website

The planned results of the Fund can be summed up as follows:²²

- Greater institutional and operating capacity of Estonian NGOs that supply public services;
- Greater public-third sector cooperation, with NGOs serving as equal and recognised partners of the public sector;
- Increased role of the third sector in developing a health-friendly living environment and promoting healthful lifestyles;
- New service consumers;
- New jobs in NGOs that provide public services;
- Involvement of socially excluded people in provision of service;
- Closer social relationships and ties.

²² Estonian-Swiss Cooperation Programme. Final Block Grant Proposal. NGO Fund. Accessible at: http://www.kysk.ee/failid/Upload/files/Voorud/VYF/SVYF-NGO_Block_Toetusleping_Eesti_210311.pdf.

Activities with the impact of reducing social inequality, enhancing social cohesion and creating a healthy living environment and promoting healthy life-styles were subject to financing. New and innovative solutions and approaches to provision of public service were eligible. The budget for the Block Grant was about 2.3 million euros, plus the 15% co-financing from the Estonian state, and the period for implementation was 57 months following extension of the fund (April 2011 to December 2015).²³

The supported projects and services can be divided into two categories.²⁴

- Social services (both focused on prevention and dealing with consequences):
 - Age-based – for children, youth, working-age and elderly people
 - Social problem-based – for people with substance dependencies, unemployed, people with special needs etc.
- Services preventing social problems and reducing the need for social services (preventive activities):
 - Sport
 - Youth work
 - Hobby and informal education
 - Community services

On the basis of the fields described in the NGO survey “Kodanikualgatuse institutsionaliseerumine Eestis 2014” (Institutionalization of civic initiative in Estonia)²⁵ (hereinafter “KUAK 2014”) and NGO Fund documents, an estimated 58-62% of NPOs in Estonia are potential NGO Fund target groups:

- **Social services projects** target group: As of 2009 and 2014, 5% and 7% of NPOs in Estonia, respectively, deemed social service and health care their primary area of activity. If we also take into account the NPOs that mention these fields as a second most important area of activity, the target group for social services can be considered to be 7-19% of NPOs. Social services are very common fields among the target institutions.
- **The target group projects for prevention of social problems and reducing the need for social services** is much broader as organizations operating in many fields are considered, such as sports, youth work, hobby and informal education and community services. As of 2009 and 2014, 53% and 55% of NPOs in Estonia, respectively, deemed this to be their primary area of activity.

²³ Estonian-Swiss Cooperation Programme. Estonia: Amendments to the Project Agreement “NGO Fund” (28.01.2014) Accessible at: http://www.kysk.ee/failid/Upload/files/Voorud/VYF/SVYF-NGO_Toetusleping_Eesti_Pikendamine.pdf; The duration of the original programme was 52 months and the programme activities were slated to end in July 2015.

²⁴ Estonian-Swiss Cooperation Programme. Final Block Grant Proposal. NGO Fund. Accessible at: [http://www.kysk.ee/failid/Upload/files/Voorud/VYF/SVYF-NGO_Block_Toetusleping_Eesti_210311.pdf].

²⁵ Kodanikualgatuse institutsionaliseerumine Eestis 2014 (2014) SA Kodanikuühiskonna Sihtkapital, (Institutionalization of Civic Initiative in Estonia 2014, NFCS) Tallinn University. P. 17. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>.

In addition to the suitability of the service field, in order to receive support, applicants also were required to **develop the public service being supplied, expand the territory where the service is provided and elaborate new services** –support was not granted for provision of service if no changes were made to the service.

Through the Fund, support was allocated to small and large sub-projects (SP and LP). The SP phase consisted of preliminary work for development of the service and preparation of a business plan for developing service quality and access and ensuring sustainability.²⁶ Namely, the precondition for applying in the SP call for proposals was a solid business plan. The two-stage applying process and business plan requirement, it was hoped, would boost the organizations’ operational capacity and reduce submission of weak project applications – it was presumed that by putting together a business plan, the applicant would also develop better awareness as to whether it would be wise to develop services and to what end, and whether there was sufficient demand for the services. Support was allocated in the framework of the LP call for carrying out the business plan – i.e. public-third sector cooperation to provide the service – and raising the applicant’s capability. Whereas initially three SP and three LP calls were planned, due to the favourable exchange rate and the surplus of resources budgeted for the calls, a fourth LP call was held, which was the only call that excluded repeat applications – those who had already received support in the LP call, who were implementing or already had carried out their project were excluded.

Based on the preliminary work done to develop the Fund, the project eligibility period, depending on the SP call for proposals, was 13-18 months²⁷ and the support was up to 90% of the project’s budget for eligible costs; half of the self-financing had to be monetary (Table 1). While in the case of the first three calls for proposals, acquisition of fixed assets was capped at 30% of the project budget and at a maximum 9,000-13,000 euros, there was no such limitation in the last call, due to the needs of the target group. To avoid a situation where an NGO would be left without a public sector partner if the partner dropped out, two public sector partners were required for the proposal to receive funding; by agreement with NFCS, the existence of one partner could also be deemed acceptable depending on the nature of the project and the existing partner.

Table 1. Overview of the Swiss NGO Fund open calls for proposals and terms and conditions

	LP11	LP12	LP13	LP14
Deadline	22.03.2012	28.08.2012	24.09.2013	15.05.2014

²⁶ Although small sub-projects were not directly included in the assessment, attempts were made, with an eye to the integrity of the entire programme, to factor in the input and contribution of such projects to the success of the large sub-projects.

²⁷ In the course of the preliminary work to develop the fund conditions, the understanding was reached that in the interests of sustainability the project should last more than a year – in the case of a shorter period, there may not be enough time for implementing lessons learned, launch the service or shape positive cooperation relations, as a result of which the capability of continuing activities is lower. Previous studies and the interviews conducted with experts in the framework of this assessment show that short-term contracts are a problem in increasing the capability of NGOs.

Eligibility period	1.05.2012-31.10.2013	1.11.2012 – 30.04.2014	1.12.13-28.02.15	1.08.14-31.08.2015 ²⁸
Max support amount	45 000 €	40 000 €	30 000 €	30 000€
Eligibility rate	90%	90%	90%	90%
Minimum self-financing	Min. 5% of eligible expenses monetary	Min. 5% of eligible expenses monetary	Min. 5% of eligible expenses monetary	Min. 5% of eligible expenses monetary
Total amount in call for proposals	690 000 €	690 000 €	550 000 €	300 000 €
Eligibility of fixed assets and funds	30% of budget, max 13 500 €	30% of budget, max 12 000 €	Up to 30% of the project value, up to 9,000 €	Restrictions lifted

Source: Conditions for open calls for proposals, compiled by authors

The representatives of NFCS and the parties related to the Fund envision the projects supported in the framework of NGO Fund as public-private sector cooperation pilot projects – **in the framework of the cooperation, the parties should come to have a better understanding of each other’s needs and opportunities, gaining knowledge for later continuing their cooperation and expanding provision of the service.**

Through the activities funded by the NGO Fund, the Fund also supports the objectives of NFCS. The objective of NFCS is to contribute, through funding organizations, innovative ideas and activities, to increasing the operational capacity of Estonian NGOs, and shaping an environment that promotes civic enterprise and civil society. The main target groups of NFCS are non-profit organizations, foundations, advocacy and umbrella groups and networks operating in the public interest and organizations, institutions and individuals researching and developing civil society.²⁹ NFCS proceeds from the view that by supporting active Estonian NGOs that develop public services, increasing partnership with local governments, ministries and other NGOs that provide service, social cohesion can be significantly increased, especially by equalizing availability of public services, creating new jobs in service provider organizations, and involving socially excluded groups and making social relationships and ties more substantial.³⁰

²⁸ Based on the eligibility period of SVÜF as a whole, the eligibility period for the last, additional call, was the shortest.

²⁹ Praxis (2012) SA Kodanikuühiskonna Sihtkapital (KÜSK) mõju hindamise aruanne. (National Foundation of Civil Society (NFCS) Impact Assessment Report) P. 9. Accessible at: <http://www.kysk.ee/failid/File/Uuringud/KYSK-mõju-hindamise-analys-Praxis.pdf>.

³⁰ Ibid.

2.2. Overview of the implementation of the Swiss NGO Fund

The Swiss NGO Fund support measure has provided support to 78 NGOs (including congregations and the church) through 57 small sub-projects and 61³¹ large sub-projects. A total of 270 public sector partners took part in these projects, including 132 different public sector organizations. This assessment covers projects that received grant support from four open calls for large sub-projects under the NGO Fund measure. Table 2 gives an overview of the LP applications submitted.

Table 2 Output indicators for open calls for proposals

Open call for proposals	Large sub-projects 2011	Large sub-projects 2012	Large sub-projects 2013	Large sub-projects 2014	Total
Implementation period	01.05.2012-31.10.2013	28.08.2012-30.04.2014	01.12.2013-28.02.2015	01.08.2014-31.08.2015	
Proposals submitted	24	37	35	26	122
Number excluded in technical evaluation	0	6	10	6	22
Projects supported	15-1 ³²	19-1 ³³	19 ³⁴	11-1 ³⁵	64-3 51% success rate) ³⁶
Total amount of support agreements concluded	606 385,14 €	692 853,21 €	489 995,41 €	314 718,09 €	2 103 951,85 €

³¹ Grant support was allocated for carrying out 64 projects, but three contracts were cancelled and the activities were not carried out in two of those projects and only part of them went ahead in the case of the third. In investigating the reasons for the cessation, it became evident that separate follow-up queries and interviews with those NGOs were not necessary as the reasons for the discontinuation were quite clear and unequivocal. As a rule, factors beyond the control of the NGOs proved an impediment, e.g. being deprived of premises for provision of service, lack of letter of confirmation from public sector partner, low number of clients.

³² Grant support was allocated for 15 projects, but 1 NPO discontinued the project due to being left without premises on which to provide service. As of the time of assessment, more than 12 months had passed as of the end of 14 projects.

³³ Grant support was allocated to 19 projects, but 1 NPO discontinued the project as the public sector partners were not prepared to provide financial support. More than 12 months had passed as of the end of 18 projects.

³⁴ In the case of not a single project had more than 6 months elapsed since the end of the project by the time of assessment, as a result of which the projects in this call were not included in the assessment of sustainability, as it was too early to evaluate sustainability.

³⁵ The grant support was allocated to 11 projects, but the agreement with one non-profit was cancelled in the middle of the project as the launch of the business plan was not successful. By the time of the assessment, it was known that the LP14 projects had ended (among them was also one project that was discontinued), but there was no approved reporting regarding them yet.

³⁶ At least six months had passed since the end of the project only in the case of the LP11 and LP12 projects – that is, 32 projects (minus 2 discontinued projects from these calls). A little less than 6 months had passed since the end of the project in the case of most of the LP13 projects.

(including discontinued)					
Average amount of support in agreements concluded (not including discontinued projects)	38 887,3 €	36 261,4 €	25 789,23 €	28 610, 74 € ³⁷	32 387,2 €
Average support allocated ³⁸	35 716,1 €	34 336 €	24 584,9 €	27 272,8 € ³⁹	30 477 €
Projects that received support in one of the SP calls	14-1	15-1	9	1	39-2
Average number of public sector partners in project	4.5	4.4	2.9	4	3.9

Source: Compiled by the authors on the basis of the data submitted to NFCS

Of 62 LP support recipients⁴⁰, six received support more than once from the LP call for proposals (for different projects). Of those, two received support from the LP11-LP14 calls, 39⁴¹ projects also received support via SP for preparation of business plan for an application submitted to LP, correlating with the presumptive positive effect of the SP assistance on receiving LP assistance. In the estimation of the interviewed project evaluators, applications where the business plan was prepared with assistance from the SP assistance were stronger and better thought through. The business plan for three applications that received positive funding was prepared using the call for proposals implemented by NFCS for preparation of social enterprise business plans.

If we look at the specific **output indicators** provided in the Block Grant, they can be assessed as fulfilled completely. Table 3 shows the fulfilment of the most important output indicators.

Table 3 Fulfilment of Block Grant output indicators

Indicator	Assessment	Fulfilment
At least 230 applications were	YES	122 LP applications and 129 SP applications were

³⁷ Average support allocated to 11 projects.

³⁸ Depended on actual eligible costs of projects

³⁹ In the case of LP14, only 1 project had ended by the time of assessment (discontinued) and thus the figure is the maximum possible average allocated support.

⁴⁰ As one additional discontinued project joined these ranks in the course of the assessment, after carrying out many analytical activities, the statistics cover 62 projects to which support was allocated.

⁴¹ Projects to which support was allocated but which discontinued the contract were also taken into consideration.

submitted, of which 115 receive support		submitted, 64 LP and 57 SP applications were approved
At least 90 projects achieved their objectives and outputs	YES	A total of 57 business plans were prepared, an overwhelming majority of the objectives and outputs of 61 LP projects were achieved ⁴²
At least 50 public services were provided cooperation ⁴³ between public sector and NPOs	YES	Services were provided in cooperation between NPO and public sector in the framework of 62 LP projects
At least 80 NPOs took part in implementing the projects	YES	56 unique NPO projects ⁴⁴ were executed through LP, and of the respondents to the survey, 52% added NPO partners during the project
At least 115 local governments and other public sector representatives took part in implementing the projects	YES	212 local governments and 28 other public sector representatives took part in the LP projects, there were 112 different cities and rural municipalities

Source: Block Grant output indicators, compiled by authors

Considering the main objectives of the Estonian-Swiss Cooperation Programme (Figure 2), the assessment of NGO Fund examined, among other things, to what extent various Estonian regions and target groups were covered by the projects. Based on the data specified in the project applications, services were provided in 13 of 15 Estonian counties – county-based services were not provided in Põlva or Lääne County. The most services were provided in Harju County and Tartu County, ≈24% and ≈19% of the projects, respectively, and a number of nationwide services and other trans-county services (Figure 3) can be added to this figure. In other regions, including peripheral regions, services were only provided in the framework of some projects. **Considering the proportional area and population size of Harju and Tartu County, and the fact that no restrictions were imposed on applicants based on location, the high numbers of applications funded in these regions is to be expected.** The fund developers also see the support-backed provision of activities in different counties across Estonia as consistent with expectations. However, considering that this is the overall objective of the Estonian-Swiss cooperation programme, the regional distribution of provision of service does not contribute to reducing economic and social disparities between dynamic urban areas and structurally weak peripheral areas. Fulfilling the objective is all the more complicated because the NGO Fund application conditions do not reflect requirements that contribute to fulfilling the objective or the assessment criteria. It can also be concluded from the table of data compiled on the basis of project reports that distinguishing services on the basis of whether they are provided in cities or counties is not possible or productive – even if the place where the service is provided is in a city (as it was in the case of 13 projects), the nature of the service meant a high likelihood of non-

⁴² There is a lack of complete information about LP14 projects.

⁴³ In this context, delegation means provision of services in cooperation between public sector and NPOs. Those who received support often failed, in the reports and follow-up queries, to thoroughly describe, using the correct terminology, the nature of cooperation. In addition, in practice there is a near total lack of pure service delegation contracts.

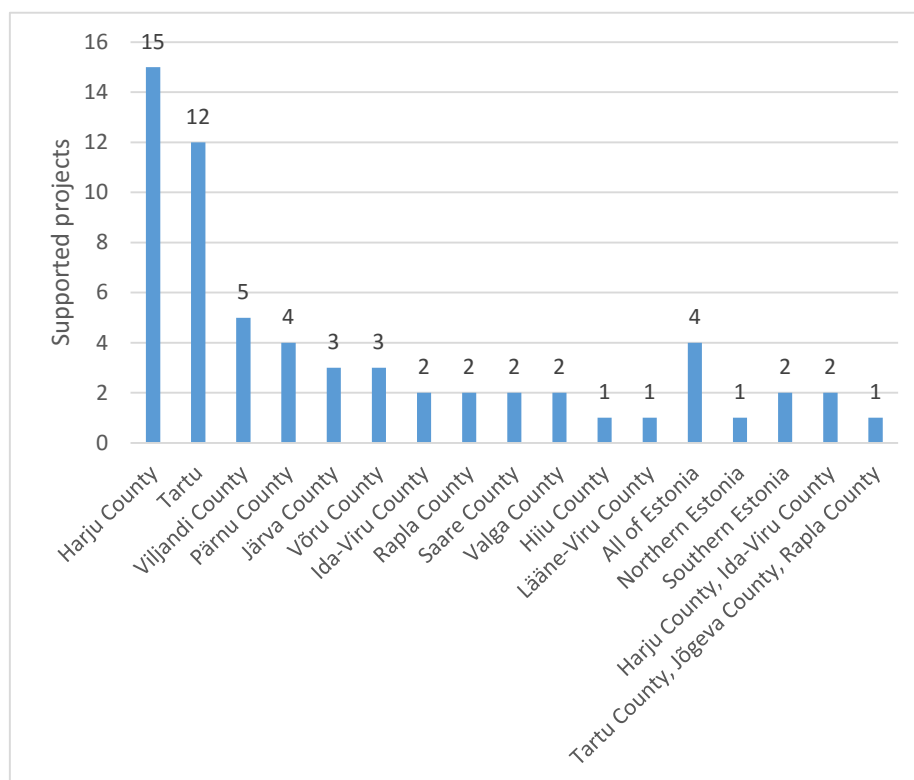
⁴⁴ There were six repeat applicants.

urban service consumers.⁴⁵ At the same time, a trend of concentrating service provision centres in cities and towns could be distinguished, which does not rule out consumption of service by the non-urban population but would make it harder for rural dwellers. **Thus the profile and general trends of the funded projects do not support achievement of the cooperation programme’s overall objective in a context where reduction of disparities between urban and peripheral regions through NGO Fund could be established.** Through increasing availability of public services and quality, conditions in the project region are improving, but considering that the support is applied for and received mainly by stronger organizations from more capable regional districts in Estonia, **the economic and social disparity between urban and peripheral regions in Estonia may in fact increase in the context of the Fund.**⁴⁶ At the same time, the NGO Fund developers held that the objective of the Fund was primarily to contribute to improvement of the public services situation and organizations can apply for support for increasing their own capacity from a number of other NFCS-implemented measures. Considering that the main objectives of the Estonian-Swiss Cooperation Programme were more of a general guidepost for developing the NGO Fund requirements and the most important fund objective is the “purpose” shown in Figure 2 – **to develop and reinforce cooperation between the third and the public sector in improving the access and quality of public services** – the requirements for applying do overall contribute to achieving that objective and it is unreasonable in Estonia’s context to set restrictions on the geographic location of the applicant or service. **At the same time, more intensive support activities should be considered in planning similar future measures, making maximum use of the network of county development centres (hereinafter CDC), which would motivate and enable applicants from more peripheral regions to participate successfully in a measure similar to NGO Fund.**

⁴⁵ Among all projects, there was only one service where urban dwellers were the main target group and the most likely service consumers (free school lunches for children of financially undersecured families), but it is not ruled out that some of the service consumers were not urban residents.

⁴⁶ One of the main objectives of the Estonian-Swiss Cooperation Programme – “to contribute in Estonia to reducing economic and social disparities between dynamic urban areas and structurally weak peripheral areas” – depends on very many external impact factors and the state’s sectoral policies. NGO Fund funding is too marginal to impact the fulfilment of such an objective through individual projects. For this reason, it is not a reasonable idea to set such an objective as one of the overall objectives of the Fund. According to interviewed experts, this was not done, and although one such overall objective is highlighted in the Cooperation Programme, this objective was not set separately for the Fund.

Figure 3 Areas where NGO Fund-supported services were provided



Source: Proposals for projects carried out, n=62

Interviews with the fund developers corroborate the abovementioned fact:

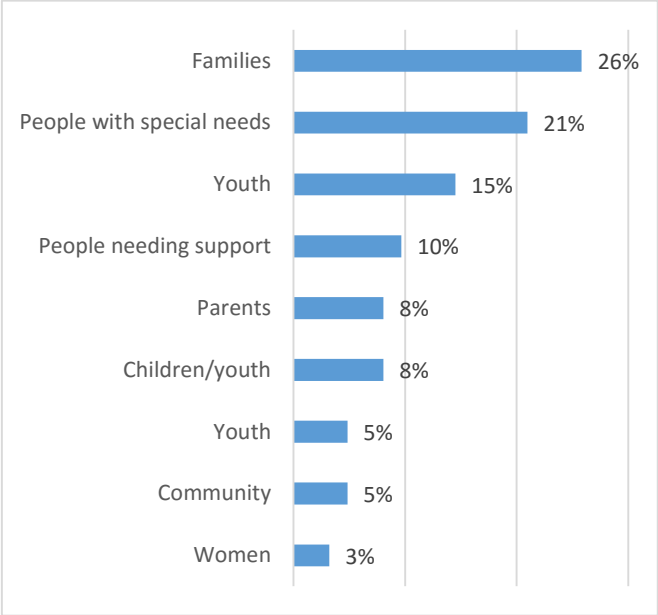
“The idea of focusing on a specific Estonian region or county never occurred to us while we were preparing the Block Grant, either. In principle it is all about launching or developing provision of public services and other opportunities for support are only there to grow that capability. And these are all concentrated in NFCS, and in fact all of them have the opportunity to develop /.../ that capability.”

The greatest share of the Swiss NGO Fund grant support was directed to Harju and Tartu counties, which have stronger NGOs. In spite of the Estonian-Swiss Cooperation Programme’s objective of reducing economic and social disparities in peripheral areas, no criteria that helped to achieve the objective were included in the conditions for receiving NGO Fund support. Instead, the presumption was that in order to increase the general operational capacity of NGOs in different regions of Estonia, support could be sought from other measures – the Fund’s most important objective is to contribute to developing public services in cooperation between the public and third sector.

Based on the Fund’s objectives and supported activities (see chapter 2.1) the experts who were interviewed and took part in the focus group said that the distribution of the service target groups at whom the project-supported services were aimed met expectations: based on the applications

approved for support, the most services were aimed at families (26%), people with special needs (21%), young people (15%) and people with problems or need for support⁴⁷ (10%) (Figure 4).

Figure 4 Categorization of target groups that received NGO Fund grant support



Source: Compiled by the authors on the basis of the project applications, n=62

The categorization of the target groups is based on the direct service recipients; the broader context was not looked at. For example, if the service was counselling provided to parents of children with special needs, the target group is the parents, not the children with special needs. The special nature of the categorization between a) children, b) young people and c) children/youths is that the service consumers in the case of a) are children, and in the case of b), adolescents/teens, while the youth/children service is meant for older children as well (e.g. for all minors or a specific age range that includes both children and teens). This type of specific division allows generalizations to be drawn regarding the service recipients with consideration given to the associations between target groups, including how the groups are related to one another and who are the indirect beneficiaries as well.

Based on this manner of categorizing projects, we see that most (~69%) of the projects that received LP support focus on social services – both prevention and dealing with consequences. Based on the project applications, ~83% of projects could be considered as including preventive elements [26].⁴⁸ There are significantly fewer “pure” preventive activities – projects related to youth work, community services, hobby and informal education and culture (~11%) [26]. A number of the experts interviewed stressed that prevention should receive more attention, especially with regard to development and improvement of health and the living environment, not only resolving existing problem situations (see chapter 5.1 for more detail).

⁴⁷ This includes target groups such as the unemployed, released prisoners and people with dependencies etc.
⁴⁸ See chapter 3, Table 5 – Impact, outcomes and corresponding indicators documented in the Block Grant and information/indicator gathered in the course of the assessment.

“I was struck by the one-dimensional nature of the services. /.../ Very many projects were, ultimately, what could be called social services. /.../ For me it was disappointing that projects dealing with health promotion, be it for recreation or physical culture, were very weak. When a few came in, we were very glad that some preventive measures were proposed, but I don’t believe any sports projects received [grant support].”

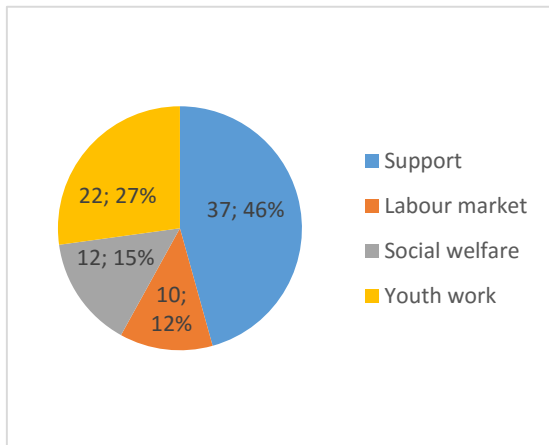
The objective of preventive activity is to increase social coping and awareness, prevent possible crises, raise environmental and health consciousness, etc. Thus preventive measures included, e.g. hobby education for youth and youth work to keep young people on the right track, counselling services for prevention of serious crises, awareness of various societal problems, and promotion of the living environment and human health etc.⁴⁹ Projects that alleviate pre-existing problems – handing out fishes instead of teaching people to fish, as it were, such as food aid – are not dealt with under preventive services. Considering the subjective interpretation of “preventive”⁵⁰ and the potential shortcomings in application data that constituted the basis for assessment, it is **difficult to say in the case of NGO Fund-supported projects how many services were by their nature preventive or included preventive elements**. As Figure 5 shows, around half of the large sub-projects supported focus on support activities and one-quarter on youth-oriented activities.⁵¹ By their nature, all of the distributions specified on the drawing are to some extent preventive in nature, preventing social problems and reducing the need for social services.

⁴⁹ Hoppenstiel, Aive. 2012. Alaealiste komisjoni roll alaealiste õigusrikkujate kasvatamisel ja õigusrikkumiste riskitegurite vähendamisel Tartu maakonna sotsiaalpedagoogide tõlgendusel. (The role of Juvenile Committee in educating minors and mitigating risks of their violation of law, as seen by the social pedagogues of Tartu County) P.18. Accessible at [https://dspace.utlib.ee/dspace/bitstream/handle/10062/30060/hoppenstiel_aive.pdf]

⁵⁰ E.g., from which country do the people in a risk group originate and whether the people who are already in need but where preventive action are used to keep the situation from growing more serious should be considered as belonging to a risk group.

⁵¹ The broader distribution of services is that of the authors: youth work (various, including preventative activities and events organized for youth, youth job coaching; youth work was also considered to include projects focusing on (hobby) education, social welfare (including child and elder daycare centres, people with special needs, shelters, food aid), support (various counselling, training of support persons, educating and providing counselling to people for better coping), labour market (helping the weaker and less experienced to enter the labour market).

Figure 5 Service sectors of the LP11-LP14 projects⁵²



Source: Compiled by the authors on the basis of the project applications, n=64

Pursuant to the Fund's objectives, the activities preferred in the criteria and the services conventionally provided by public sector organizations, it is to be expected that the most NGO Fund support went to support activities and youth-related activities. Although a majority of projects may be considered to incorporate preventive elements, similar measures should advisably in future focus more on services aimed at direct prevention of the problems.

As the condition for receiving the support was either creation of a new service or elaboration of an existing one, services were viewed in different categories also on the basis of their development stage. The basis of the categories is the distribution specified in the 2014 Praxis study⁵³, according to which there are six links in the social innovation chain.⁵⁴ In the case of the projects that received support, the focus lay on the nature of the services proposed in the projects and services were divided into four categories: elaboration, expansion (both territory and target group), new (creation of new services from the standpoint of the NPO)⁵⁵ and elaboration and expansion (Figure 6). From the data gathered, we can see that **more than one-third of the projects were able to expand not just their territory/target groups but also elaborate existing services** [17, 20]. Comparing the activities of projects that received support with the innovation development stages listed in chapter 1.1, the projects that received financing underwent the different stages in the chain randomly. Social innovation, however, presupposes more systematic planning and a process. Only a limited number of services proved innovative by Estonian standards. These were equestrian therapy, a cinema bus,

⁵² The figure also shows data from discontinued projects. In the case of some projects, it was not possible to determine unequivocally what field it belonged to and thus such projects are shown in more than one sector (a total of 13 of such projects).

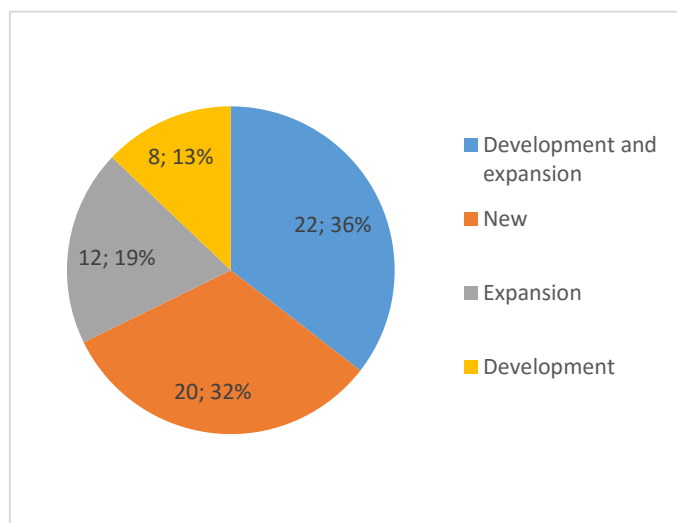
⁵³ Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegerimine vabähendustele 2014. (Delegation of public services to NGOs) Tallinn: Praxis Centre for Policy Research. Accessible at http://www.ngo.ee/sites/default/files/files/avaliketeenustedelegerimine_raport.pdf.

⁵⁴ 1. Prompts; 2. Proposals; 3. Prototypes; 4. Development; 5. Scaling; 6. Systemic change.

⁵⁵ Due to the disparate nature of the data, it is often hard to define as it was not always known what the NPO had been engaged in previously. The distribution should be seen as an approximation, not as actuality.

colour and music therapy for people with special needs, a service modelled after one in Würzburg, Germany for helping teens aged 16-19 with special education needs to reach the labour market.

Figure 6 Service development stage in the NGO Fund projects⁵⁶



Source: Compiled by the authors on the basis of the project applications, n=64

Table 4 compares the profile of the average applicant who received support from NFCS to the indicators for the average Estonian NGO provided in the 2014 KUAK study. It can be concluded the **NGO Fund support has gone to NGOs that are significantly more capable than the average**. This is also corroborated by the fact that compared to those that did not receive the support, the recipients, in developing the availability and quality of service, faced much fewer problems and obstacles arising from the NPO's capability for provision of service, skills and knowledge and the low level of renown (Figure 25).

Table 4 Profile of the average applicant who received support⁵⁷

	Profile of average applicant who received support (at the moment of application according to project application data, n=62)	Profile of average NPO that responded to the survey (at the time the online survey was conducted - 2015)	Profile of average Estonian NGO (2014)
Organization's revenue	107,455.80 EUR average 49,350 EUR median	107,643 EUR (n=31) 78,447EUR median	42% 301–6 500 EUR
Organizations net gain	7 218,7 EUR average 1258 EUR median 62,9% had a positive figure	575,3 EUR average (n=29) 791 EUR median, 62% (n=29) had a positive figure; own revenue 17 569 EUR average, median 7750 EUR,	37% of NPOs did not earn own revenue in 2013; 28% had own revenue of 301-6,500 EUR

⁵⁶ The figure also shows data from discontinued projects.

⁵⁷ Considering that the indicators for net gain sent in by organizations prior to and after the project are very different (net gain was especially so), the NPOs' economic indicators should be treated cautiously. The data of the profile of supported applicants are based on the project proposals submitted (information in the proposals varied from call to call, and in some of the calls for proposals the submitted information was deficient), the profile of the average survey respondent is based on the responses to online surveys and the average Estonian NGO's profile is based on the 2014 KUAK study.

		93% had a positive own revenue (n=30)	
Age of organization	11.6 years, not including churches and congregations, 11 years median	40.5 years (n=33) 11 years median	One-quarter of NPOs founded in last 5 years, one-quarter between 2005-2009
Average support amount	32,387 EUR	According to LP11-LP13 data 31,546 EUR of used support Average of 94% of budget filled	
Average number of employees	9.1 (LP13, LP14, n=30) median 3 (LP13, LP14); 4.9 (LP13, LP14 not including congregations) 76.7% have wage-earning employees (LP13, LP14)	4.95 (n=33) median 3; 97% have wage-earning employees	21% have wage-earning employees
Average number of volunteers	33.3 (LP13, LP14), median 7; not including congregations or the association that involves the most volunteers – 12.8, median 6.5; 86.7% involved volunteers	10.15 permanent volunteers (n=33), median 6 ; 87.9% involved permanent volunteers	68% have involved volunteers;
Donations raised		32487.8 EUR average (n=32) median 1620 72% had donations	18% of NPOs received donations and assistance from individuals and 14% received support from corporations
Average total number of public sector (project) partners	4 median 3	7.66 (n=32), median 5; prior to application, 88% cooperated with local governments and 85% with other NPOs	In 2013/2014, 42% cooperated with local governments and 44% with NPOs
Belongs to pan-Estonian cooperative networks		82% of those that received support 45% of those that did not	32% of NPOs

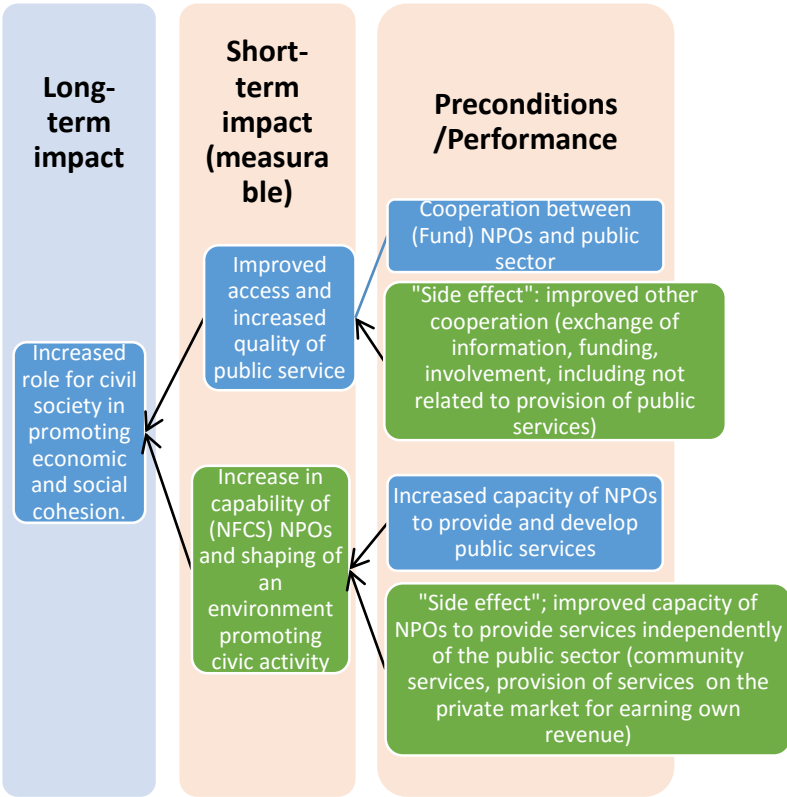
Source: Compiled by the authors on the basis of the project applications, online surveys, KUAK 2014 study data

3. Preconditions and indicators for assessing the Fund’s performance and impact

This chapter provides a more detailed look at what the assessment of the performance and impact of the Swiss NGO Fund encompassed. In addition, it describes indicators enabling assessment of the performance and impact that were supplemented during the assessment and were set as the basis for assessment and tested during the assessment.

Figure 7 visualizes the NGO Fund impact chain pursuant to the expectations set forth in the NGO Fund cooperation agreement, including the Block Grant, and the Fund’s objectives. The figure describes and visualizes the possible treatment of associations between objectives and impact levels that could be measured during assessment independently of the existence of source data. For instance, some of the projects had not yet ended or not enough time had elapsed since the end of the project. The figure also shows the potential positive side effects that were not specifically the fund objective. For example, the fund’s intervention logic envisioned cooperation primarily with local governments but NFCS broadened this to government institutions as well. This enhances the Fund’s impact and provides input for the long-term impact objective. The figure also documents NFCS’s own role and opportunities for using the results of the fund assessment in its own activities, which are aimed at enhancing the capabilities of civil society.

Figure 7 Swiss NGO Fund impact chain



Source: *Compiled by the authors. Levels measurable in the course of assessment are shown in the figure in pink.⁵⁸ Blue boxes are extracts from the NGO Fund support agreement. Green boxes supplement the impact objective level set in the cooperation agreement.*

According to the fund developers, the assessment of impacts began rising on to the agenda only during the time of the development of NGO Fund and thus the NFCS team lacked knowledge and skills for establishing relevant performance indicators. Considering the complexity of measurability of performance and impact indicators set in the Block Grant (see Table 5), the preliminary work had to consider performance assessment indicators for analogous programme and activities and thereby supplement the indicators provided in Block Grant. The main strategic documents that NGO Fund indicators were compared to were the civil society development plans and the Operational Programme for Cohesion Policy Funding 2014-2020.⁵⁹ In addition, the indicators used in previous studies⁶⁰ or to measure the situation of the field and capability were viewed.

KODAR 2015-2020 brings out a number of problems and objectives that tie in with the Swiss NGO Fund, but similarly to NGO Fund, does not specify more specific indicators or units to facilitate their measurement. Typically for the field, attention was devoted to the share of NGOs that engage in cooperation with the public sector, share of NGOs that earn own revenue or revenue from provision of public service, involvement of volunteers etc, but there was a lack of criteria for assessing the quality of the service provided by the NGOs or availability of the service to the target group.⁶¹ The activity-based indicators covered in the KODAR 2015-2020 implementation plan are significantly farther-reaching and do not tie in with this impact assessment. Considering that one of the primary supported activities in the NGO Fund is social services, examination was given to the Social Security, Inclusion and Equal Opportunities/Mainstreaming Development Plan for 2016-2023 and the indicators and objectives of the measure for providing social welfare services supporting participation on the labour market in public-third sector cooperation being developed by the Ministry of Social Affairs. As both the development plan and measure were only in preparation while the assessment was being carried out and their indicators were based on the Operational Programme for Cohesion Policy Funding, the indicators for these were viewed. In this document, the criteria are mainly the number of service recipients and situation of those who used the services 1 or 6 months after the end of the event. However, considering the particularities of the NGO Fund-

⁵⁸ It is not yet possible to directly measure the long-term impact of the programme, as the programme as a whole has not yet ended and not enough time has elapsed from the end of the projects. As a result of the assessment, a rating is however given to programme's potential long-term impact achieved.

⁵⁹ Cohesion Funding Operational Programme 2014-2020. Approved by decision of the Government of the Republic on 4 December 2014.

⁶⁰Praxis (2009) Kohaliku omavalitsuse üksuste avalike teenuste lepinguline delegerimine kodanikeühendustele (Contractual delegation of public services by local authorities to civil society organisations). Commissioned by the Ministry of the Interior.

Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegerimine vabaühendustele 2014. (Delegation of public services to NGOs 2014) Tallinn: Praxis Centre for Policy Research; Kodanikualgatuse institutsionaliseerumine Eestis 2009/2010 (2010) SA Kodanikuühiskonna Sihtkapital, Tallinn University. Accessible at: http://www.kysk.ee/failid/File/Uuringud/Uuringuraport_Kodanikualgatuse_institutsionaliseerumine_Eestis_20092010_Tallinna_Ulikool.pdf; Kodanikualgatuse institutsionaliseerumine Eestis 2014 (2014) SA Kodanikuühiskonna Sihtkapital, (Institutionalization of Civic Initiative in Estonia 2014) Tallinn University. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>.

⁶¹ The document includes a notation stating that the criteria will be determined/updated in 2015

supported services provided in cooperation between public and third sector, the assessment of the performance and impacts of the fund cannot limit itself to so few indicators or to only the ones that reflect use of services.

Table 5 reflects the expected results and performance indicators set forth in the Block Grant and indicators that received positive feedback from parties related to the fund (the right-most column), which were used and also tested in this assessment. Well-suited and easily measurable indicators were not found in the case of this fund for assessing the quality and service and access to service for the target group, above all development of a health-friendly living environment and healthful lifestyle, and thus the assessments are based on the recipients' own assessments.

Table 5 Impact, outcomes and corresponding indicators documented in the Block Grant and information/indicator gathered in the course of the assessment

Impact	Impact indicators	Info/indicator gathered during assessment to assign a rating on achievement of performance of impact indicator – all indicators get input info from the projects supported ⁶²
Promote the contribution of civil society to increasing economic and social cohesion.	Greater role for NGOs in providing public services in cooperation with the public sector.	Assessment on the basis of analysis of performance indicators.
Outcomes	Outcome indicators ⁶³	
Building the capacity of Estonian NPOs to develop civil society and shape an environment that fosters civic action.	Strengthened institutional and operational capacity of Estonian NGOs in offering public services	<p>Whether, as of the end of the project/current status, considering the particularities of the association and the organization's operating field, the following has occurred:</p> <ul style="list-style-type: none"> - growth of the organisation's ... <ul style="list-style-type: none"> o number of employees [1]; o turnover [2]; o net gain (growth in own revenue earned during the last year) [3]; o donations raised [4]; o involvement of volunteers in activities [5]. - new cooperative ties with the public sector have been established? [6] - new cooperative ties with other NGOs/private sector/umbrella organisations have been established? [7] - has strategic thinking (taking into account different parties, involving them in developing service, thinking through the activities, hedging risks, preparing budget – business plan)? Does the association take part in policy planning, sectoral discussions? [8] <p>BG outcome: New jobs in NGOs that provide public services;</p> <ul style="list-style-type: none"> - how many job were created during the project [9]; - how many jobs were retained after the end of the project (projects that ended at least 6 months before assessment) [10];

⁶²The first version of the Block Grant included more outcome indicators than the second, agreement on extension of the cooperation programme agreement, where the indicators were provided in a table in more summarized form. Outcome indicators provided in the first version of the agreement but omitted from the second are shown in the column as follows: „BG outcome: ...“. Thus this column first provides the potential measurable indicators for the outcome indicators documented in the BG extension agreement and thereafter the indicators that were contained in the first BG agreement but omitted in the extension agreement (grouped thematically) along with potential measurable indicators.

⁶³In the Block Grant, outcome indicators are not shown in parallel with the outcomes – the categorization is that of the evaluators; **analysis of fulfilment of indicators in subsequent chapters refers to the number in square brackets following the indicator in Table 5.**

		<ul style="list-style-type: none"> - jobs created outside the project [11]. <p>“Side effect“ (see Figure 6):</p> <ul style="list-style-type: none"> - greater capacity of NPOs to provide services independently of the public sector (community services, provision of services on the private market in order to earn own funds) [12]
Improved and stronger cooperation between the third and the public sector	<p>Stronger public-third sector cooperation.</p> <p>NGOs are equal and recognized partners of the public sector.</p> <p>NGOs are experienced and recognized developers and providers of public services.</p> <p>More contractual delegation between public and third sector.</p>	<ul style="list-style-type: none"> - Existence of cooperation before project (yes/no, number of partners, share of revenue [13]; - Parties’ satisfaction with each other and cooperation during the project [14]; - Will/did the cooperative relations with public sector partners for development and provision of public service remain in place? Including number of cooperation agreements, NPO and local government assessment regarding cooperation [15]; - Did the local governments who cooperated in the framework of the NGO Fund have a higher assessment of the NGOs as partners? [16] - Did the supported NGOs expand the selection of cooperation partners in the framework of the same service/activity (after the end of the project/compared to the original plan)? [17] - Did the association’s negotiation and cooperation skills improve? [18] - Did the supported organizations launch new initiatives (projects ended) with the same partners, are new initiatives in planning (newly ended or ongoing projects)? [19] - Did the supported associations expand their activity (in addition to providing the supported service, additional service components and new users have been added)? [20] Dummie – expansion of activities without public sector partner [21] - Are new initiatives with other partners planned? [22] - Other cooperation improvement (exchange of information, funding, including not related to provision of public services) (Dummie, see Figure 7) [23] <p>More general indicators enabling assessment of cooperation:</p> <ul style="list-style-type: none"> - local government’s overall assessment of NGOs as partners [24]
Improving access and quality of public service, contributing to the enhancement of social cohesion and creating a healthy living environment.	<p>The role of the third sector, as an active actor in developing health-friendly living-environment and healthy life-styles, has increased</p>	<ul style="list-style-type: none"> - Did the local governments who cooperated in the framework of the NGO Fund delegate more? [25] - Projects in what fields are supported? What is the share of projects in sports, community, environment and other preventive fields? [26] - To what extent are people in socially more excluded groups or people dealing with them involved in the projects? [27] <p>Sustainability:</p> <ul style="list-style-type: none"> - Will/were the project activities/service be offered after the end of support (ended projects)? [28] <p>Improving access:</p> <ul style="list-style-type: none"> - What are the assessments of the project implementers and related parties regarding reaching the target group and number both during and after the project (if this can be determined)? [29] - What relations do the organizations have with their target group – is contact deemed good, and the target group accessible? [30] - What is the frequency of the activities aimed at the organization’s target group, could it be more frequent (assessments)? [31] - Is information distributed publicly regarding what is being done (marketing, communication)? [32]

		<p>BG outcome: New service consumers:</p> <ul style="list-style-type: none"> - How many new service consumers from supported services were added during the project (completely new services and expanded services to be distinguished)? [33] - Has the number of service recipients grown/decreased after the project? [34] <p>BG outcome: Socially excluded people involved in service provision</p> <ul style="list-style-type: none"> - Participation rate of socially excluded/service target groups in service [35] <p>BG outcome: Closer social relationships and ties (social cohesion):</p> <ul style="list-style-type: none"> - Has trust in NGOs as partners grown? [36] - Has knowledge regarding needs and particularities of the cooperation partners increased? [37]
Indicators enabling assessment of overall impact related to BG		
<ul style="list-style-type: none"> - The target group for the supported activity – size of target group and affiliation with minority, taking target group into account in the framework of other activities and measures; - Reason for delegating service – obtaining additional financing sources, reducing administrative costs, etc. - Share of registered NPOs that have paid staff; - Share of civil associations that have experience involving permanent volunteers, average volume of volunteer activity - Share of local governments that have delegated public services to NGOs (by sector); - Public sector and civil association cooperation experience (share of local government/county government/ministry officials who cooperate with NGOs); - Number/share of civil associations that provide public services; - Satisfaction of service users/customers with services delegated to civil associations; - Local governments' satisfaction with quality of delegated services; - Satisfaction of consumers of public services delegated to NGOs and frequency of asking them for feedback; - Development of involvement practices (NGOs' assessment of their influence on policy planning, awareness of officials regarding best practices for involvement, increase in awareness on the part of the associations and the population regarding electronic possibilities for participation); 		

Source: Block Grant, supplemented by the authors.

In the course of the interviews and fund implementers' focus group discussion (25 March 2015), feedback was elicited on the performance, impact and sustainability indicators shown in the table. The objective was to determine what meanings to ascribe to sustainability and influence so that they would meet up with NGOs' own perceptions of their influence and sustainability and, on the other hand, allow as structured a set of principles as possible to be adhered to in assessing the outcomes of the projects. At the same time, it became evident in the course of the assessment that **significant quantitative indicators such as number of partners, number of valid agreements or number of service consumers are not always unequivocally suitable for assessing the success of a project or lack thereof**, and that the indicator outcomes yielded should be viewed with certain reservations. As the NGO Fund supported a very disparate array of services and activities, it is thus difficult to measure the fund's performance and impact using universal quantitative indicators.

The next chapters assess whether the updated indicators shown in Table 5 were fulfilled as a result of implementation of supported projects. A limitation here is that **an assessment can be provided only for organizations that were directly affected by the activities, and for projects that had ended by the time of the assessment**. In addition, as some projects had not yet ended or too little time has

elapsed to assess the impact, only a summarized assessment can be given regarding the fund's potential contribution to the field's development in general. It was assumed for the purposes of assessment that the operational capacity and quality and access to public services are impacted by very many factors outside the context of the Fund – e.g. other financing conditions are in effect in the association's region, the capability of the potential partner to outsource services, replacement of key persons, e.g. due to elections etc – for more, see chapter 5.4. Chapter 4.3 provides detailed coverage of factors arising from implementation of the Fund that potentially modify the impact of the Swiss NGO Fund.

To measure the set indicators, it is necessary to find out how the target groups viewed the supported services and the change that the implemented projects made in their status. This makes it possible to assess the quality of service developed/created by the fund, the contribution into increasing social cohesion and shaping a healthful lifestyle and living environment. As the activities (services) supported by the NGO Fund are different in their nature and impact and involve different numbers of target groups (in two to three figures), and the feedback sheets requested in the framework of the projects by the service providers could not be examined in the course of the assessment⁶⁴, the following were analyzed instead, in order to measure the indicators:

- the assessments of the associations and public sector partners who took part in the NGOs and projects as to quality of services and their impact on the target group;
- information obtained from expert interviews on the situation faced by target groups and sectoral problems;
- assessments by sectoral experts on the activities carried out and their potential impact.

The initial performance and impact indicators set for fulfilling the Fund's objectives are lengthy, prolix and hard to measure. No baseline values for the indicators were assigned before implementation of the Fund. NGO Fund thus lacks all-encompassing indicators to help measure the fulfilment of set indicators. Indicators that enable measurement of the performance objectives documented in the Block Grant were developed and tested in the course of the assessment of the Fund.

⁶⁴ Reports on the projects were to document, among other things, the assessment of provided services. As one input, satisfaction surveys of service recipients were used. In general, support recipients submitted a summarized assessment regarding feedback requested from target groups about the quality of service.

4. Relevance of the Swiss NGO Fund

Relevance refers to the mutual concordance of the Fund and the funded projects, supplementability and the conformity of the selected activities to the objectives. To assess the relevance of the projects supported by the Swiss NGO Fund, first the relevance of the Fund's own objectives was examined based on the political documents in the respective field.

NGOs and cooperation between NGOs and public sector are mainly dealt with in the following strategic documents: The Estonian Civil Society Development Concept, the Ministry of the Interior's guidelines for contractual delegation of public services to non-profit associations, KODAR 2011-2014 and KODAR 2015-2020. **Comparing the Swiss NGO Fund's objectives with the NGO-related problem areas that need to be addressed and the activity guidelines disclosed in strategic documents, it can be concluded that the fund's objectives are relevant and in line with national priorities.** The main problems are the low level of public-third sector cooperation; insufficient delegation capacity in the public sector; access to public services (including e.g. need for cooperation with neighbouring local governments) and quality (including development need); capacity of NGOs to provide services, which impacts, among other things, the operational capacity and economic vitality of the NGO; involvement of NGOs in development and implementation of policies; low level of civil initiative and an environment that does not take into consideration at all the functioning of NGOs. All of the Fund's objectives other than the shaping of social cohesion and a healthful living environment are directly in line with the needs stressed in the strategic documents mentioned. **The listed strategic documents do not specify a direct role for NGOs for contributing to increasing social cohesion and a shaping of a healthful living environment,** although they do note the importance of NGOs in resolving social problems. This objective is however stated in many other national development plans, such as the Estonian Population Health Development Plan 2009-2020 and Sustainable Estonia 21.

The summarized assessment of the relevance of the projects was given foremost based on the following research question: *"To what extent are the activities implemented in conformity to the programme's objectives and in harmony with the problems which the activities were planned to resolve?"* To assess this, three factors were focused on: the set objectives, the activities carried out during the project (and additional activities) and project outputs, including whether the outputs met the objectives.⁶⁵ Four categories were used in the assessment, and all of the projects that had ended by the time of the assessment were grouped into these categories⁶⁶: yes, somewhat yes, somewhat no, no. A project's activities were assessed as completely relevant ("yes") if the activities met the set objectives without deviations, changes or other factors that could have significantly hindered the achievement of the objectives. The "somewhat yes" assessment was given to projects that did achieve all of the set objectives but which had changes in activities or the action plan, which in turn forced the means for achieving the project's activities to be reviewed and/or led to some of the objectives to be only partially fulfilled. The "somewhat no" and "no" ratings were not given to any

⁶⁵ The basis is the table with data from all projects.

⁶⁶ LP11, LP12, LP13.

project, as the activities of all of the supported projects were relevant and achieved the objectives set in the relevant project either partially (24% of projects) or completely (76%)⁶⁷(n=51).

The next chapters take a closer look at the relevance of the objectives and activities of supported projects, then examine the relevance of the implementation of NGO Fund itself, including the established conditions and support rates.

4.1. Objectives of the sub-projects: to what extent did the project objectives meet the needs of the field and target groups?

The conformity of a project's objectives to the fund's objectives was also verified by the evaluators of the proposals. The requirements for receiving grant support stipulated that project objectives had to conform to the objectives of the NGO Fund and related development plans. Most of the projects were implemented in the field of social services or youth work⁶⁸, where the sectoral experts said no fundamental social, economic or environment-related changes – including in the target groups' needs – had taken place recently. In interviews, sectoral experts noted that the greatest need currently is for social services and that this directly reflects the needs of the target groups.

In an online survey, NPOs that received support were asked whether their mapped target group needs were in conformity to what had been done in their projects and to the set objectives. Of the respondents, 46% agreed somewhat and 54% agreed completely (Figure 8), which supports the assertion **that NPOs saw the activities and projects as meeting the needs of their target groups**. The public sector partners interviewed also rated the "Connection between NGOs with target groups and commitment to fulfilling the needs of the target group" as excellent (46%, n=16), and good (51%, n=18) and **not a single interviewee gave a negative rating to NGOs' awareness of their target groups**. As chapter 5.3 and Figure 32 detail, it is positive that close to half of the supported organizations involved target groups already in developing the service business plan and close to 40% involved public sector partners. **Involvement of service target groups and partners is a necessary precondition for developing service that meets the needs of the target groups and could be a precondition for implementing similar grants in the future.**⁶⁹

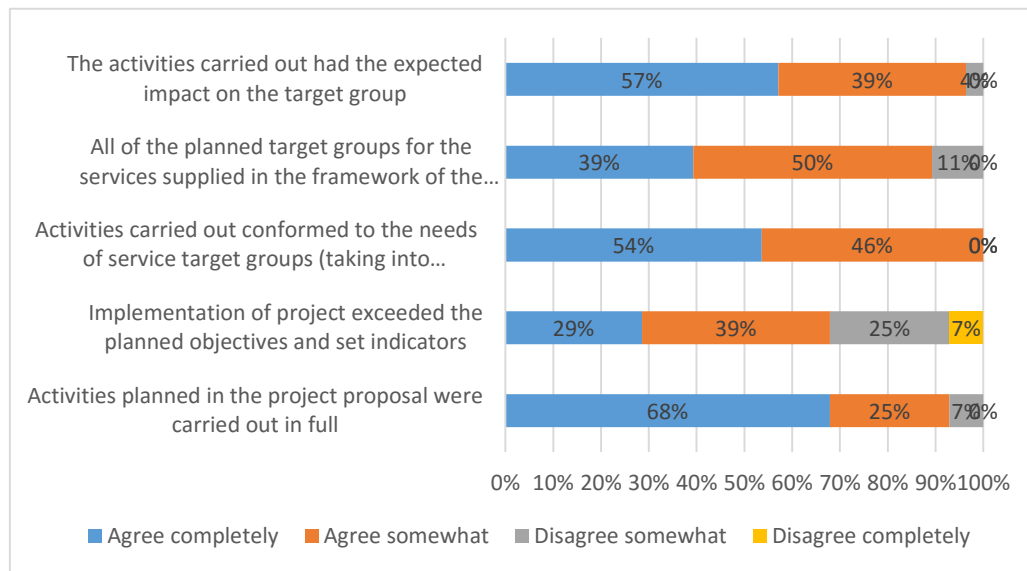
⁶⁷ It is important to note that the assessment was not based on the volume of activities but the execution of activities that were set as objectives. For example, if the objective was to offer counselling to 50 families and it was only supplied to 30 families, the activity was still considered relevant and the objective partially fulfilled.

⁶⁸ Hobby education and other education services were included under youth work.

⁶⁹ The same holds for inclusion of the business sector in the case of cross-sector cooperation – **in the opinion of interviewed experts, non-profits have much room for improvement in their business instincts and mentorship/consultation/cooperation with the business sector, too, would be critical.**

Figure 8 Rating given to activities carried out

Question: "For each sentence, please indicate to what extent you agree with it."



Source: Survey of supported NPOs, n=28

The case analysis also showed that the set objectives met the needs of the project target groups (see chapter 7 for more), although there were incidents where the situation and the possibility for realizing the activities was overestimated or misestimated. For instance, one of the strengths of MTÜ Tugi- ja Koolituskeskus USALDUS (NPO Support and Training Centre USALDUS) was the team’s analytical overview of the field and the need for service already when they applied for the support; in preparing the services, they engaged in additional cooperation with the related parties. In spite of the incidents noted above, **all of the NPOs shown in the case analyses achieved the goals set in the project and executed the projects successfully.**

The interviews and information gathered in the course of the case analysis showed that the project’s planned eligibility period of 15-18 months⁷⁰ (Table 2) was sufficient for a pilot project. Namely, it was found that the time would be sufficient to gain sufficient clarity regarding the actual need for service and each other’s needs and capabilities. In addition, it was noted that in the absence of previous cooperation experience, a shorter eligibility period could be too brief to identify each other’s capabilities and needs, and showed that for the purpose of establishing new cooperation relationships, the planned eligibility period was relevant.

The objectives of the projects carried out meet the objectives of the Swiss NGO Fund and expert assessments, based also on the needs of target groups. The objectives planned in the project application are generally attainable within the existing timeframe, i.e. the project eligibility period.

⁷⁰ The eligibility period for LP14 was 13 months, but this was an additional call for proposals that was shorter in duration than the first calls, due to the Fund’s own eligibility period.

4.2. Activities of the sub-projects: how relevant were the activities carried out, considering the objectives of the Fund and project and beneficiaries' needs?

The Fund provided grant support for social services – services focused on prevention and dealing with consequences – as well as services that prevent social problems and reduce the need for social services. The **precondition for receiving support was that it had to be a public service, and thus a relevant explanation was requested, and also confirmation from the public sector organization that the service was considered a public service. In addition, there was the requirement that the service will be developed** – in other words, the development of public services to be provided, expansion (of activities) and development of new services **in public-third sector cooperation** was already in the focus. Support was provided, among other things, for creating the necessary environment for provision of service, including adapting rooms for provision of service, purchasing equipment and supplies, and training and recruitment of employees. Thus the **applicant, in cooperation with public sector organizations, had a fairly unrestricted choice of what activities were crucial for providing the service in light of the target groups' needs.**

“The project funder gave very many opportunities to significantly upscale what it was doing and reach a much broader target group [than other measures or associations frequently did].”

In the opinion of many participants in the study, **support should have also been provided for creation of cooperative relationships** in order to meet the needs of the field and target group even better – especially considering that, similarly to the business plan, cooperation with the public sector was the precondition for receiving support. Although the requirement of preparation of business plan partially contributed to development of cooperative relationships⁷¹, there was still a perceived lack of support for advocacy activity and operational support. In addition, it was noted that for support recipients and their development interests, the most helpful resource was the business plan training and business plan counselling with an adviser during training, not merely provision of funding for preparation of a business plan.

“Prior to writing a business plan, it is important to first take a crash course in service design, in order to better understand the customer’s needs and expectations.”

“The process of preparing a business plan is more reasonably carried out in the form of a development programme, not by providing 6,000 or 10,000 grants for everyone to produce a separate business plan but gather 10-15 NGOs and take a six-month development programme where the service description, customer orientation, service pricing are covered, everyone does it together, along with a service provider and potential client – either the local government or ministry. /.../ This would also maintain consistent quality and make it possible to offer this so-called expert knowledge in different fields straight to the NGOs.”

⁷¹ The business plan allowed for cooperation seminars and target group analyses to be carried out, among much else, based on what the non-profit deemed necessary.

The main verification of the relevance of the supported projects, including planned activities was performed by the personnel appointed by the fund implementers for evaluating applications. In each call, the conformity of projects and planned activities to the NGO Fund's objectives was evaluated by three independent evaluators. Projects that fell short of the necessary average evaluation level and were least in concordance with the Fund's objectives did not receive support. The experts interviewed in the course of the analysis found that the **activities supported in the projects met the objectives of the NGO Fund and contributed to their fulfilment**. As covered in chapter 5, the survey conducted among NGOs and public sector partners of supported projects found that **project activities had a noteworthy impact on the access, quality of service, public-third sector cooperation and operational capacity of the NGOs**. This impact is corroborated by the fact that, as a result of four calls for proposals in NGO Fund, all of the outcome indicators developed in the course of assessment were generally fulfilled or the operational capacity of the project participants improved. Thus the implemented activities can be considered relevant considering the objectives of both the projects and the Fund itself.

Regardless of relevance, there were changes in nearly every project. Based on the project reports, only an estimated 15% of projects had no changes in the schedule, budget, activities, outputs and other aspects⁷². In the projects where changes did take place, a number of reasons were given, of which the predominant majority were non-dependent on NGOs – e.g., being deprived of promised premises, not being able to find a suitable printing plant for printing materials, personnel changes within the NGO, problems renting premises, changes in local governments after local elections, little interest in service from customers etc. Information about how much similar shifts impacted the activities are deficient⁷³, but it can be said as a rough estimate that **a change took place in about one-fifth of projects. Changes occurred most in the timetable (61%),** which does not necessarily have noteworthy impact on changes in activities as, on the basis of the project reporting, **the shifts in the timetable did not generally result in noteworthy changes in the project content and never once resulted in cancellation of a primary activity**. This fact is also borne out by the responses to the online survey: only 12% (n=33) of the supported NGOs cited “delays in provision of service and/or launch of service” as one of the three primary obstacles impacting access and quality of services, and thus it was one of the least-mentioned obstacles. The case analyses also examined changes in the projects: both MTÜ Sänna Kultuurimõis (NPO Sänna Culture Manor) and MTÜ Tugi- ja Koolituskeskus USALDUS (NPO Support and Training Centre USALDUS) had problems with the work being too intense, which was due to low staff numbers and caused shifts in the timetable but did not impact the project performance, relevance of the activities and fulfilment of the objectives.

In connection with the changes in the projects, interviewees praised **the flexibility and forthcoming attitudes of NFCS in regard to reporting and fund conditions**. Considering how many of the projects that received support did experience changes, this factor proved all the more important for many

⁷² This opinion is based on the project data table compiled by the evaluators. As the reporting forms changed and the NGOs documented their planned and completed activities with very varying degrees of thoroughness, this is a rough assessment and applies only to reporting of projects that lacked references to the abovementioned changes. In addition, due to the fact that the fourth LP sub-projects are continuing, the assessment was only given based on the reports for the first three calls.

⁷³ See previous caveat: „This opinion is based....“

applicants. The friendly and helpful attitudes of the NFCS team were also praised – applicants said it made the application process much simpler and more understandable. The NPOs were particularly satisfied with the consultation (all respondents, n=32) and feedback (95%, n=31) they received from NFCS.

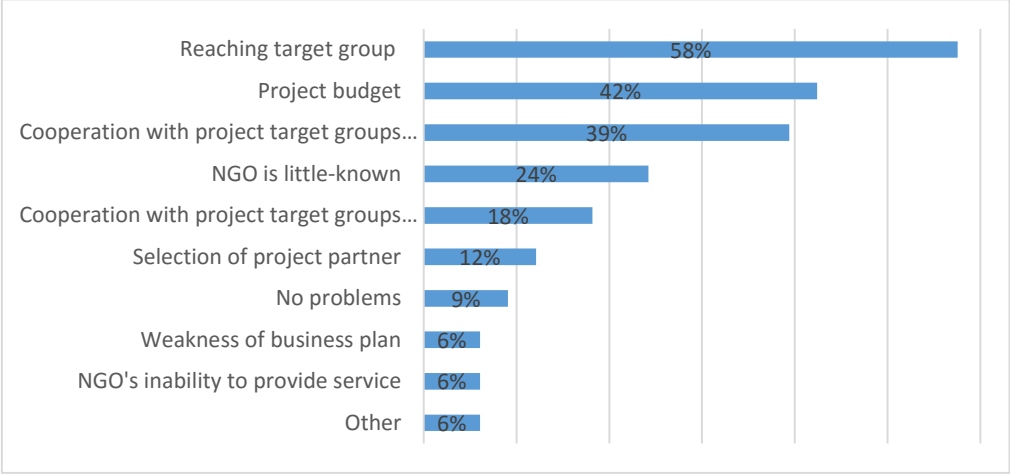
“I can praise NFCS. /.../ [NFCS] should continue in the same spirit.”

NFCS’s flexibility and forthcoming attitudes in connection with reporting and introducing changes into the activities were a help in responding to target group needs and coping with changes that cropped up.

The fact that all of the supported NGOs that responded to the online survey found that the activities carried out met the target group’s needs and **68% of respondents found that the implementation of the project exceeded the planned objectives and set indicators** (Figure 8), also shows that the project content conformed to the objectives set for the projects themselves. One reason for a high rating could have been the fact that NGOs actively involved target group members (see chapter 5.3.2). Relying on the responses to the online survey, the funded activities were appropriate to the resolution of the target group’s problems and met the beneficiaries’ needs – 27 of the supported NGOs that responded to the online survey (n=28) found that the supported activities had the expected impact on the target group. The fact that **all of the NGO Fund support recipients that responded to the survey continued provision of service to some extent even as the project ended** and in general, the fact that the service provision volume, territory and number of consumers grew or stayed the same after the project (see chapter 6 for more) allow us to presume that the activities were **relevant and necessary for the beneficiaries**.

At the same time, the bigger problems mentioned in the online surveys regarding carrying out the project and increasing access and quality of public services show that there is room for development in bringing activities into line with the needs of the target groups and the current situation. Namely, ≈58% of the supported NPOs that responded to the survey found that **one of the biggest problems experienced in implementing the project was reaching the target group** [30](Figure 9). The problem is all the more acute as some respondents mentioned, under “Other”, problems related to reaching the target group. Some NPOs – both ones that were supported and ones that were not – cited low interest in the service among the target group [30](Figure 25), saying that the certain needs of the target groups or major marketing needs were not taken into consideration in planning the activities.

Figure 9 What do you consider to be the biggest problems of the project carried out? List three of the most significant problems that arose. If the project is still ongoing, provide your current assessment as to the project's problems.



Source: Survey of supported NPOs, n=33

The reason that so high a percentage of respondents cited the problem of reaching target groups may lie in three factors [29]: too little preliminary work regarding target groups in preparing the business plan⁷⁴; difficulties due to the particular nature of the target groups; and low awareness of public sector partners and NPOs regarding their target groups. As the public sector partner has a large role in linking up the target group and the NPO, in general this partner being the local government (referrer, information distributor) it can be concluded that the local governments' low awareness of their target groups could have been one of the reasons for the problem. This is also supported by the online survey of public sector partners (Figure 23), in which 66% (n=35) stated that taking part in the project helped them to determine the needs and problems of the target group much better. It can be concluded from this that the public sector is cognizant of the deficiency of its knowledge in this field and that this could be a key reason that the NPOs participating in the project often found it hard to reach their target groups. At the same time, the NPOs themselves saw their knowledge and skills for determining the target groups' needs to have significantly improved (73%, n=33), from which it can be concluded that public sector organizations and NPOs were not completely aware of their target groups' problems and needs prior to participation in the NGO Fund project and this could have made it harder to reach the target groups during the project. A positive aspect that can be noted is that the NGO Fund project helped to significantly improve this awareness.

In interpreting the results of the questionnaires, it should also be considered that, depending on the project and the nature of the target groups, perhaps some target groups were difficult to access. In addition, the representatives of organizations related to provision of service say that **other**

⁷⁴ As funding was still uncertain as the business plan was drawn up and interviewed experts, too, noted that NGOs had had problems mapping target groups, it can be presumed that the level of preliminary work was still quite rudimentary at the time the business plan was compiled, there was a lack of necessary resources, and the project's future was uncertain.

organizations and persons with contact with the target group members also have an important role in reaching the target group. As social services made up the predominant majority of the NGO Fund projects, and social services were focused on less accessible people in need (unemployed, people with special needs, elderly, youth at risk etc) it was natural that it was sometimes hard to reach these target groups and motivate them to partake of the service and that it would require efforts and substantive cooperation from all of the parties [30]. This was also confirmed by the case analyses. For example, for clients, MTÜ Tugi- ja Koolituskeskus USALDUS depends mainly on service orders who refer the unemployed to services based on information obtained at the counselling sessions, and this may require persuading the unemployed of the necessity of using the service. In the case of quite a few of the services supported from NGO Fund, cooperation is required between social workers, doctors, police officers and others who would be able to refer people to the service.

In addition to the above, reaching the target groups in projects has also been a problem due to weak marketing skills (Figure 25). As mentioned in interviews and revealed in survey results as well, NPOs' service marketing skills were quite weak and frequently an obstacle to expanding service and reaching target groups. Close to one-third of the NPOs that received support found that **insufficient marketing of service** was one of the main obstacles to developing quality of and access to services supported by the project. **Thus, in addition to having a quality business plan for developing the service, it is also very important to prepare a well-designed and professional marketing plan.** The implementers of NGO Fund also noted that the applicants generally had a weak and poorly thought out marketing plan (a part of the business plan). Increasing NPOs' marketing-related knowledge and skills is certainly a group of topics to which more attention should be devoted in future when developing other NFCS activities and a potential measure similar to NGO Fund.

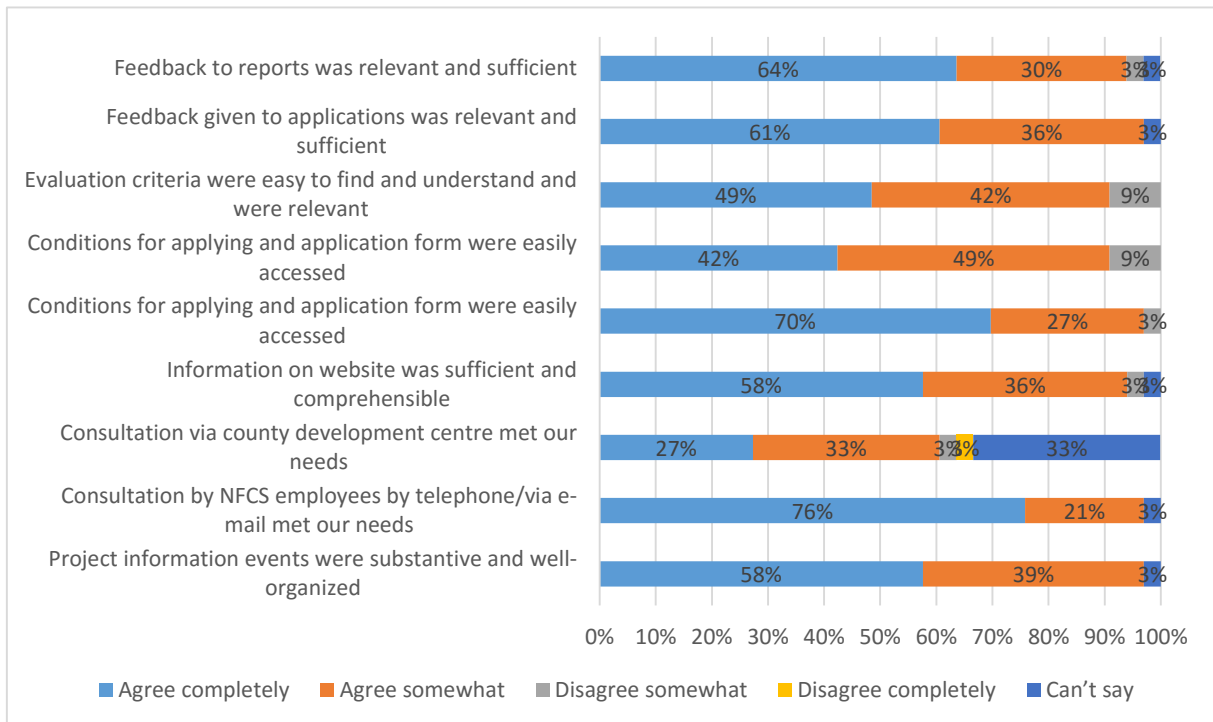
Reaching target groups is one of the biggest problems that emerged in the course of implementing the project. The assessment shows that on one hand this could stem from the low awareness of the NPO and public sector partner regarding the needs of the target groups – i.e. it points to deficient preliminary work for the project, including weakness of the marketing plan. In addition, other organizations and persons that have contact with the target group members also can have an important role in reaching target groups.

Due to the varying quality of reports and subjectivity of information, the project reporting does not allow an adequate assessment to be given regarding sufficiency of activities for achieving the desired outcomes. Even though ≈95% of the supported NPOs that responded to the survey found that the activities carried out met the set objectives (to some extent), ≈43% of projects had some deficiencies in activities (Figure 8) and only a marginal number of NPOs deemed the course of the project to be problem-free (Figure 9).

4.3. Implementation of the Swiss NGO Fund: are the fund requirements relevant and does the implementation system meet the project beneficiaries' needs?

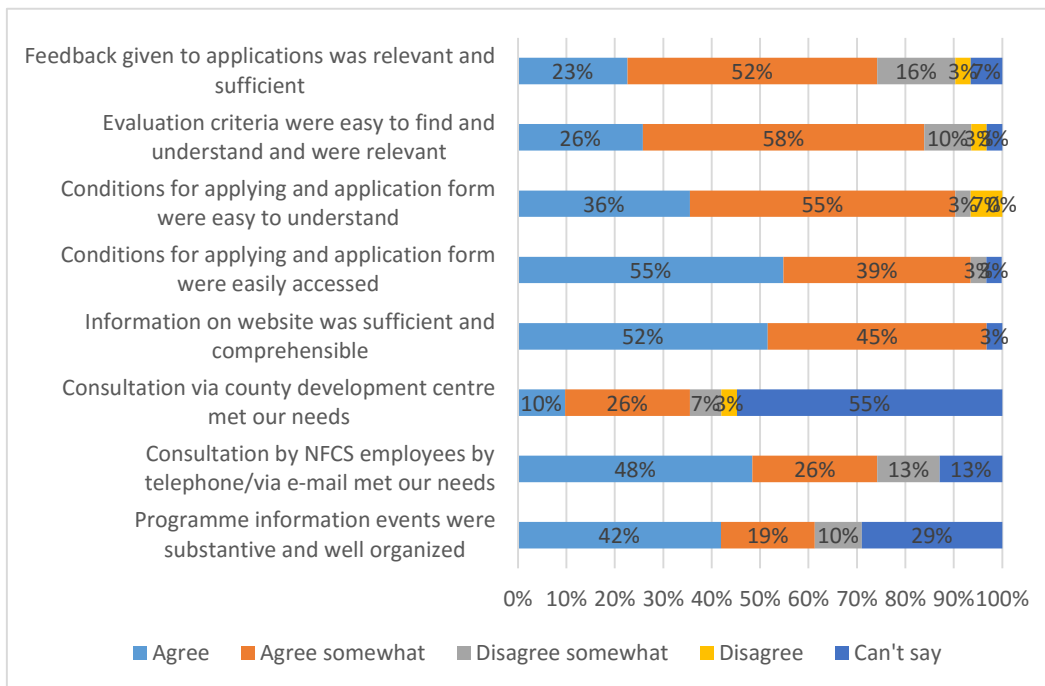
The following is an assessment of how the entire Swiss NGO Fund implementation system met the needs of the beneficiaries; and of whether the fund's requirements are relevant and comprehensible and whether the information necessary about applying is easily accessible and understandable. To this end, the supported NGOs and their public sector partners as well as the organizations not supported from the LP call were asked to rate the requirements for applicants, the application process and the supportive activity on the NFCS end in terms of implementing the Fund. Opinions regarding NFCS's activities in implementing the NGO Fund were also examined in the course of interviews. The general assessments are summarized in Figures 10-12.

Figure 10 To what extent do you agree with the following statements about NGO Fund implementation?



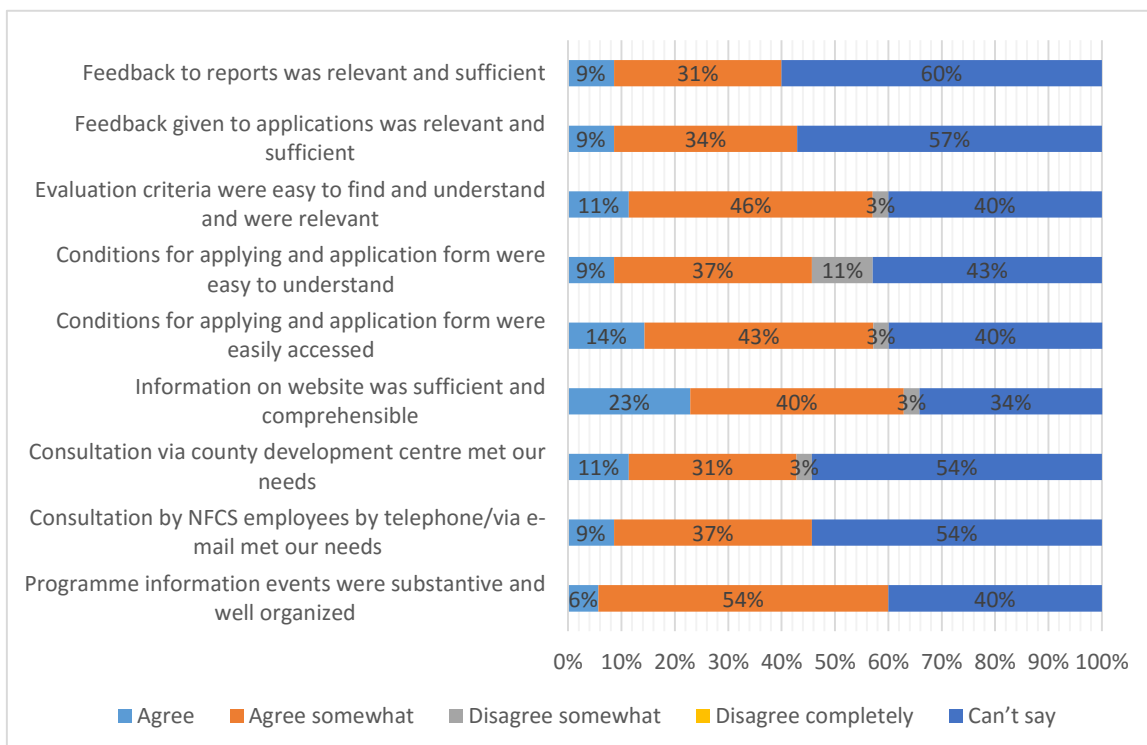
Source: Online survey of supported NPOs, n=33

Figure 11 To what extent do you agree with the following statements about NGO Fund implementation?



Source: Online survey of NPOs that did not receive support, n=31

Figure 12 To what extent do you agree with the following statements about NGO Fund implementation?



Source: Online survey of public sector partners, n=35

It can be concluded from the survey results that respondents are **satisfied or somewhat satisfied with all of the aspects pertaining to NFCS's activities**. There was generally no criticism; assessments to the contrary among applicants that received a negative funding decision and public sector partners stemmed above all from lack of knowledge and limited involvement with the activities. The time elapsed since the end of the project does not significantly impact the assessments. The interviewees were also satisfied with NFCS's activities, coverage of information and comprehensibility of application documents.

"It seems to me personally that the positive aspect lies in the fact that different information events are organized, people who are interested are told how the application process works. Second, as much as I recall of the moment that the applications were written /.../ these forms and what was to be submitted there were reasonable. And that deserves praise. Because we have also seen applications where you can't understand why it is so complicated and why so much is required. It seems to me that what the funding body wanted to know was optimal and understandable."

Although it did not appear to a noteworthy extent, the criticism seen most often was that applicants should receive more detailed explanations about the approval or denial of support, the complexity and volume of reporting, and a degree of inconvenience in filling in some of the reporting and application forms, including unsuitability and lack of universality of some of the forms. **The assessment on the complexity of applying and reporting likely depended also on the applicant's experiences with other measures** – as can be seen from the next quotation, the NGO Fund was frequently compared with requirements of the possibilities of a support measure that the applicant was more accustomed to or that better matched the applicant's activities. Thus situations arose in the course of assessment where the interviewee or survey respondent confused other organizations that supported the NGOs' activities or measures implemented by NFCS – this could indicate that sometimes the information on organization and measure remain unclear to the potential applicant. Furthermore, those who receive support from different funding bodies and measures can confuse the activities and experiences of different programmes; partners who received support may not differentiate which activity has received support under which measure, and generalize experiences.

"And certainly it is a strength that the application form, although quite voluminous, helped one think the process through, write the project – it was all very logical in this regard. /.../ The Swiss NGO Fund's was quite complicated but also one of the most clear and logical ones. /.../ And certainly this sort of (NFCS) support and counselling was constantly there and wherever possible, forthcoming. It was this sort of good human attitude. /.../ It was good there wasn't any fear of the funding body."

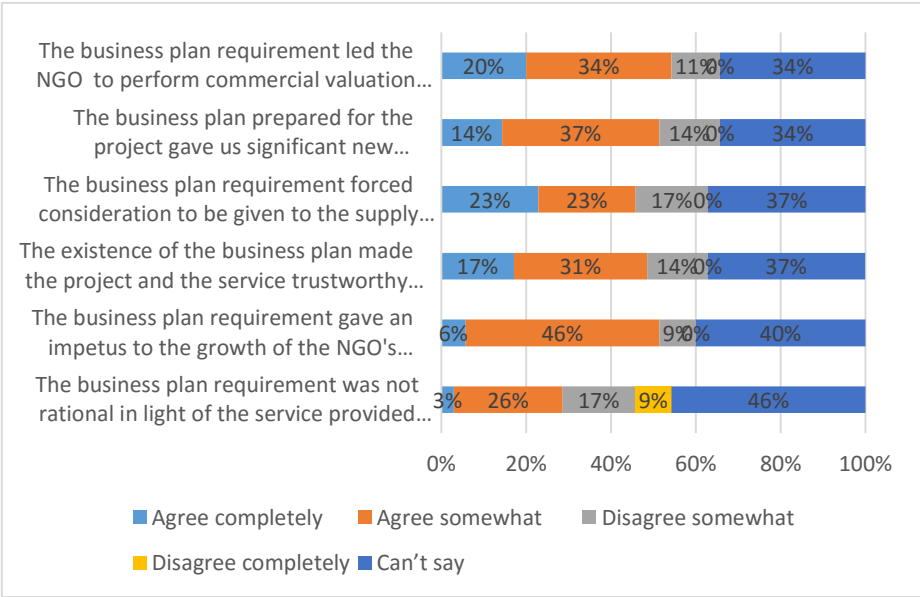
In the online survey, the most critical views with regard to implementation of the programme came from the NGOs who did not receive support and, as expected, the public sector partners being, as expected, the least knowledgeable parties, who had fewer contacts with applying for and filing reports on grant support. NGOs had the least contact with consultation from county development centres (see also Figure 10, Figure 11 and Figure 32). The most "can't say" responses of any group surveyed came from development of applications for CDC assistance, which shows that the **potential**

of the CDCs in providing consultation to the parties and bringing them together or distributing information seems, to a significant degree, underutilized. At the same time, CDC representatives say they are contacted quite often with queries for assistance, especially in the LP14 call, when support was not provided for preparing the business plan and thus the NGO was saddled with all of the preliminary work leading up to the application. According to the interviewed CDC representatives, they are most often contacted for validating their idea, there have not been any questions regarding NGO Fund application conditions. The low rating given by the NPOs to their contacts with the CDC may also be due to the CDC’s role in the application process: counselling and consultation are offered, but the organization must do the actual work to prepare the application. This could lead organizations to feel that the CDC assistance does not conform well to their needs and that contacts with them are insufficient.

While the supported NGOs and their public sector partners are the most critical regarding the comprehensibility of evaluation criteria, application conditions and application forms, the non-supported applicants are most dissatisfied with feedback given to applications. According to NFCS itself, the feedback was thorough, however, and was based on the commentary received from project evaluators. Still, the feedback forms should be reviewed and consideration lent to how to provide feedback in a form where it would be most beneficial for the applicant in its further development activity.

While all of the interviewees took a positive view of the business plan requirement, the assessment of the public sector partners of the NGOs regarding the business plan requirement was not so positive. As can be seen in Figure 13, on one hand, close to one-third of public sector partners did not analyze **whether the business plan was necessary and for what it was necessary for**. Depending on the question, 34-46% of respondents chose “can’t say” as their answer – i.e. the business plan was considered merely another precondition for receiving support. In addition, close to one-third of organizations do not consider the business plan requirement to be rational.

Figure 13 To what extent do you agree with the following statements regarding the requirement for submitting the business plan?

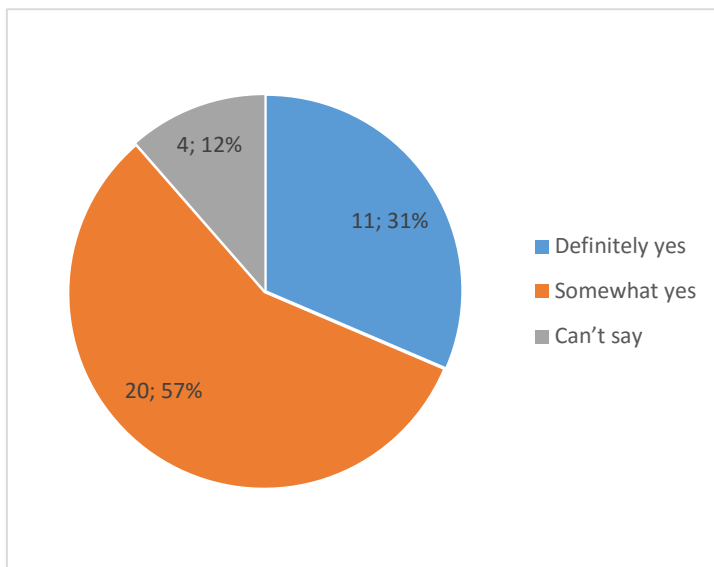


Source: Online survey of public sector partners, n=35

A considerable share of public sector organizations do not understand the necessity of the business plan or took a tentative position in its regard.

With regard to the requirement of involving a public sector partner in development of the service, public sector partners took a generally positive attitude – corroborating the interviews, one-third of the public sector organizations noted that this was definitely a relevant requirement and slightly more than half considered the requirement somewhat relevant (Figure 14). Presuming that the “yes, to some extent” response in the survey shows that the requirement is still not considered 100% necessary, the uncertainty of public sector organizations in this regard shows that there is still **little awareness of the advantages of providing services in cooperation with NGOs**. The fact that cooperative provision of service is not considered essential is all the more problematic considering that, as seen from chapter 5.3 as well, all parties emphasized the importance of public-third sector cooperation for developing services and ensuring sustainability. The same is confirmed by the results of the online surveys conducted.

Figure 14 Was the NGO Fund’s requirement of involving public sector institutions in the project relevant and justified?



Source: Online survey of public sector partners, n=35

A considerable share of the public sector organizations do not understand the importance of developing and providing services in cooperation or take a tentative position regarding the necessity of cooperation.

Even though the ones who responded to the online survey were satisfied with the information days organized by NFCS and the NFCS team adapted the notification activities and the content thereof

pursuant to the feedback, some of the interviewees found that the lower than expected turnout in the last call for proposals could have stemmed from insufficient notification activity. On one hand, a number of interviewees found that there were not many organizations left who were both able to offer public services and had not already received support, but some also noted the possibility that the notification effort did not reach all of the potential target groups or their partners. **Namely, notification activity for a similar measure could be deliberately aimed not only at support recipients but also at their potential partners.** On one hand, this requires a somewhat different approach, but it would also raise the activity level of public sector partners in developing the field.

Other than the exclusion of repeat applicants in the last open call, opinions regarding changes in the Fund's actual conditions were never once voiced in any assessment stage.⁷⁵ But the study team does consider relevant the regular review of the NGO Fund requirements, and based on needs also, e.g., changes in the conditions for eligibility of fixed assets and PPE. Considering the Fund's main objective – to contribute to reducing economic and social disparities in peripheral regions – it is salient to exclude previously supported applicants from the fourth large sub-project call; this was to find business plans that for various reasons had not reached previous calls for proposals or received support.

4.4. Swiss NGO Fund support: is the amount of support sufficient to achieve the desired objectives?

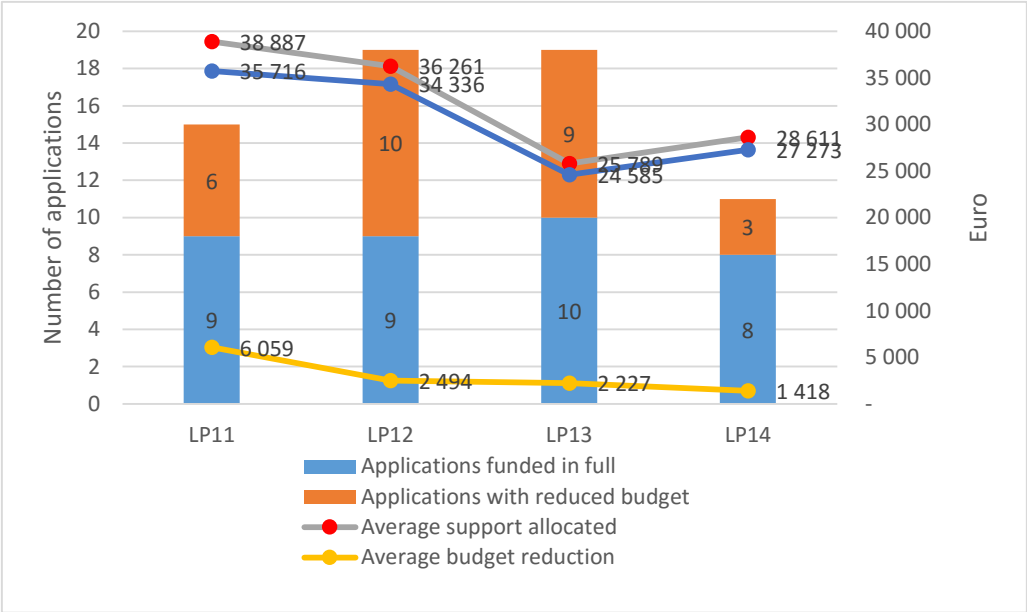
Based on expert interviews, the budget of the fund – 2.3 million euros for 4.5 years – is not, considering the situation of public-third sector cooperation, all that large from the standpoint of the Estonian state in general to allow key indicators to be impacted. Due to the lack of measurable baseline and target indicators for the Fund, it is not possible to assess to what extent the existing resources have helped to achieve them. But the assessment does show that the Fund's expected results have generally been achieved using the existing resources. **In addition, the resources allocated have had a positive impact on the institutional and operational capacity of the participating NGOs, public-third sector cooperation, and access and quality of public service.** The existing resources have been sufficient to have an impact on the local community and specific target groups for the services. Thus the proportion of the financial resources was conformant in light of the fact that, considering the structure and objectives of the fund, this was a pilot project, contributing to provision of public services in public-third sector cooperation.

Depending on the open call, the maximum project grant ranged from 30,000-45,000 euros (see chapter 2.1 Table 1) i.e. **along with self-financing, the budget for one project was about 33,333 to 50,000 euros.** As the calls for proposals progressed, the maximum grant amount dropped – in LP11 the maximum was 45,000 euros, in the case of LP12, it was 40,000 euros and for LP13 and LP14, it was 30,000 euros. Even though by the time the conditions for LP13 were developed, the LP11 interim reports had not yet come in, and the LP12 applications were still being processed, NFCS sensed that the capacity of NGOs to use the entire maximum support amount was lower than expected, i.e. **the**

⁷⁵ For instance, there was a restriction in place in the final call for proposals to exclude repeat applicants and a restriction on acquisition of assets.

maximum amount of support was not considered relevant. Thus, in order to support a greater number of NGOs, it was decided to reduce the potential support amount. Based on the project reports, the percentage of use of the support for LP11-LP13 was very high – 92-95% of planned. In addition, reducing the support amount resulted in a marginal increase in the proportion of the support that was used (Figure 15). Thus the reduction in the support amount was not relevant. The dubiousness of reducing the maximum support amount is also shown by the fact that compared to LP12, the average reduction in budget shown in the project proposals has not decreased significantly in the case of LP13 (Figure 15). In addition, because the need to cut budgets decreased already in the case of for LP11 and LP12 project proposals, the cuts to LP13 and LP14 budgets could also depend on secondary factors.

Figure 15 Applications funded, by each open call⁷⁶



Source: Compiled by the authors on the basis of the project applications and project assessment reports

Neither do interviews with related parties, target groups’ representatives and fund target groups corroborate the relevance of reducing the maximum support amount. Many of the recipients of support in the first open calls noted that a smaller support amount in later open calls would have meant that many important activities that contribute to the comprehensiveness of activities would have been omitted or project quality would have suffered.

“This [NGO Fund open call] came at the right time, really /.../. And the proportion and volume were so right. /.../ 40,000 was really very appropriate ... It gave a possibility to

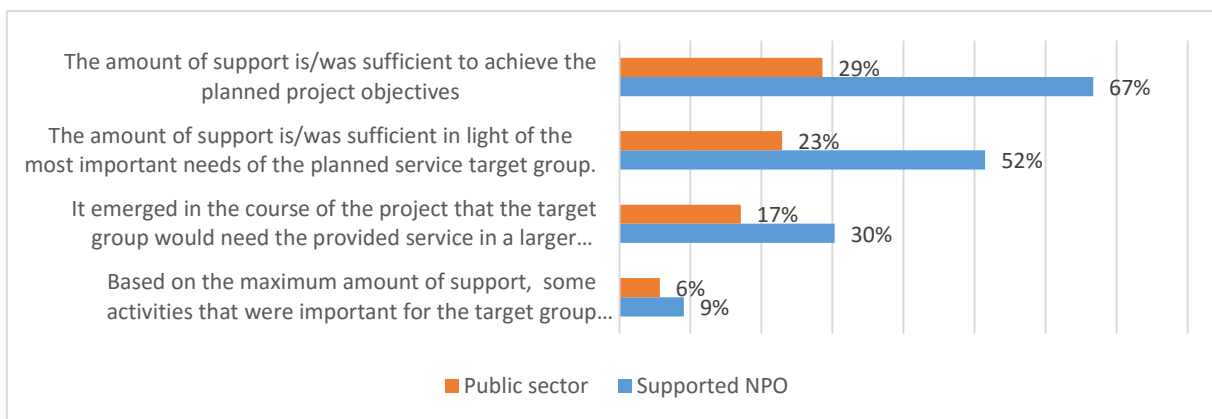
⁷⁶ In the case of 28 of 64 funded proposals, the budgets of the proposals were reduced on the recommendation of the proposal evaluation experts. The average support in agreements concluded was 32,387 euros over four calls for proposals. The average support amount depended on the actual eligible expenses.

organize things more calmly without panic. /.../ We knew and felt secure that we would get the rent for space, we would get furniture and so on. /.../ We would probably not have been able to carry it out in such a form.” [activities implemented]

Even though the relevance of lowering the maximum support amount can be considered doubtful, ≈67% of the supported NGOs that responded to the survey said they were satisfied with the amount of support, considering it sufficient for achieving the planned objectives (Figure 16). Satisfaction with the amount of support was significantly greater in the case of the NGOs supported in the first call, where the maximum support amount was also the highest.

“The project budget volume enabled the project to be completed successfully and good results achieved”

Figure 16 How do you assess the maximum support amount in NGO Fund? Indicate all of the answers you agree with.



Source: Survey of public sector partners (n=35) and supported NPOs (n=33).

Many interviewees noted that the **NGO Fund was one of the few funding opportunities enabling the NGO-oriented activities to be carried out comprehensively** – the possibility of paying remuneration to staff and making investments, including purchasing things, was considered very valuable.

“I think a very major NGO Fund strength is the fact that in fact the funding amounts or project support amounts that could be obtained were ultimately quite large. The fact was that they could be used to actually carry out the project for a year and I could also hire people to do that. The fact that I didn’t have to start doing the project as a volunteer as a sideline – the fact that the payroll money was there – was very important.”

The NGOs’ public sector partners were significantly more critical with regard to support – 71% of the public sector partners found that the support amount was not sufficient for achieving the objectives planned in the project. **On one hand, this could indicate the higher expectations and plans on the part of the public sector in connection with services, but also low awareness of the target group’s needs and the services needed to meet their needs** (see also chapter 5.2), as a result of which the support amount was deemed insufficient. The fact that expectations and plans did not match reality may also be related to the lower contribution from public sector organizations to preparing services,

above all preparing a business plan for provision of service (Figure 32). Just as critical an attitude was taken to the support amount based on the standpoint of the target groups' needs (73%), which could also reflect the higher and/or unrealistic expectations of public sector partners with regard to project results.

Looking at target groups' needs overall, there was more criticism expressed regarding the sufficiency of the support amount – close to 50% of NGOs and 77% of the public sector partners found that the support amount was not sufficient to meet the most important needs of the planned service target group. Only 9% of NGOs noted that already while preparing the project budget, they were forced to omit some activities that were important to the target group and/or would have enabled the maximum impact. One of the representatives of NGOs that did not receive support in the SP call and did not apply to the LP call said, as the reason for not applying for support, that the maximum project amount did not meet the budget for the necessary activities.

Another factor that casts doubt on the relevance of the support amount is the fact that 42% of the supported NGOs that responded to the survey found that the **project budget was one of the three biggest problems experienced in implementing the project** (Figure 9) and only 21% (n=33) found that budget was one of the biggest success factors in implementing the project. Based on the changes in the project activities listed in the project reports and the reasons given for them, the project budget as a problem cited in the case of the last question was not necessarily related to the amount of support, but rather to other factors, e.g. the business plan did not take into account all of the activities and the actual work volumes and unexpected additional expenses.

The low amount of funding for the project budget and services was also one of the most important problems that arose for supported and non-supported NGOs in carrying out the project and developing access and quality of service (see chapter 4.2, Figure 9 and Figure 25). The non-supported NGOs emphasized in particular the low funding of service, from which it can be concluded that the **biggest problem for provision of service was lack of funding**. The plenitude of technical problems compared to the support recipients also points to this – first, the support allowed higher-quality technical solutions to be used and secondly, websites and information materials to be prepared. Even though the delays in provision of service or the timetable do not vary substantially between supported and non-supported, the support does allow more activities to be carried out more rapidly. In the case of those who applied for support from NGO Fund but did not receive it, the assessment of the small amount of funding was likely also amplified by the negative decision from NGO Fund – there was greater awareness of development opportunities and necessary resources. In spite of that, the assessment shows that **through the support from NGO Fund, many problems related to provision of service are not as great**.

The problems experienced by supported NPOs in marketing the service (≈27%, Figure 25)– may be related to budget problems – an unexpected additional expense could be involved in marketing oneself and one's services. The fact that a given NPO is little-known – cited by one-quarter of supported NPOs as one of the biggest problems arising during project implementation (Figure 9) – also points to need for a greater marketing budget.

Looking at the Fund's amount of self-financing, which is 10% of the eligible costs and comparing it to, e.g., self-financing for the support allocated by Innove's measure for improving quality of working life and the Gambling Tax Council⁷⁷ as well as to NGO purchasing power, the **self-financing is relevant for ensuring the interest and responsibility of the support recipient to carry out the project**. This is especially so considering that half of the self-financing could be covered by non-monetary means. At the same time, in spite of the low percentage of the monetary self-financing, this could be an obstacle to carrying out valuable projects – 57% (n=7) of those who received support in the SP call but did not apply for support in the LP call cited, as the reason for not applying for support, that they lacked the necessary self-financing for implementing the project. Based on the above, the **Fund's self-financing is reasonable compared to the similar measures, but consideration should be given to replacing the monetary self-financing requirement with, if desired, a fully non-monetary contribution**.

Although there are different opinions with regard to the relevance of the support and the self-financing, the amount of the support and the self-financing and the supported expenses can be considered as having contributed to fulfilling the fund's objectives. On one hand, this is confirmed by the overall result of the assessment – the Fund's outcome indicators were generally fulfilled. Second, **the relatively restriction-free⁷⁸ use of support avoids the dilemmas of ineligibility of expenses, which can arise due to the particularity of the services and their novelty, thus contributing to the creation of new public services**. Third, as the interviews noted, **the support amount allowed quite diverse activities to be carried out in order to fulfil the project and NGO Fund objectives**.

Both in the course of interviews and the survey, respondents repeatedly noted that the allocated support was very important for both the supported organization and the project's target groups, allowing provision of service to be approached comprehensively, covering employee remuneration, creating the environment and capacity necessary for provision of service, developing cooperation etc. Although compared to the support allocated by, e.g. the Gambling Tax Council, the Open Estonia Foundation and a number of NFCS grants, the NGO Fund support amount was quite large, it was still found, to a significantly greater extent by public sector partners, that the support could have been bigger, to meet the needs of the target group and the project's objectives better.

⁷⁷ For information on the call for proposals, see <http://www.arenduskeskus.ee/tooelu-kvaliteedi-parandamine-kolmas-taotlusvoor/> and „Hasartmängumaksu Nõukogu info taotlejale“ (Information for applicants from the Gambling Tax Council) https://www.sm.ee/sites/default/files/content-editors/eesmargid_ja_tegevused/Projektijuhile/abiks_taotlejale.pdf

⁷⁸ It is important to note at this point that all budget changes, including minor ones, had to be pre-approved by NFCS and if the changes were justified and necessary, they were duly accepted by NFCS. The explanatory note attached to the budget was adhered to very precisely by the NFCS representative and expenses were declared ineligible in the case of a non-conformity.

5. Performance and impact of the Swiss NGO Fund

In the reporting submitted by the Ministry of Finance as the national coordination unit of the Estonian-Swiss Cooperation Programme and the Ministry of the Interior as the guarantor of the Estonian state's self-financing for NGO Fund, NFCS has focused on documenting fulfilment of outcome indicators. The impact of supported projects on outcome indicators is briefly dealt with, but **no thorough assessment of performance indicator has taken place previously**. As the input for the reporting, NFCS used project reports and information related to implementation of the Fund and conducted spot observations.

To assess the **long-term impact** of the Fund and the projects, enough time has to have elapsed from the end of the project – at least 2-5 years. As about 1.5 years has passed since the end of the first open call projects and the last open-call projects have not ended, this assessment will not evaluate the long-term impact of the fund. But the short-term impact is assessed and a certain rating given to NGO Fund's potential contribution to achieving long-term impact. As the last-call projects had not ended as of the time of the assessment, the analysis based on the applications and project reports documents only the data for the projects that received support from the first three LP open calls – 51 NGOs carried out a project to completion.

To assess the impact of the project activities to the project objectives, the objectives set in the projects and the activities planned for implementation thereof were analyzed by each project, based on the outcome indicators (Table 5) developed in the course of assessment. In addition, NGOs and their public sector partners were asked to assess these areas and assessments. Based on the findings in the second and fourth chapter, the fields supported via the fund, the fund implementation system, the project timetable and the budget are all generally in line with the objectives set for the fund. As described in chapter 4.2, all of the activities of the projects were (somewhat) in conformity with the set objectives – in other words, they were filled with selected activities and the activities in the case of 85% of the projects were (somewhat) comprehensive or interrelated, which shows that the activities were sufficient for achieving the results. Thus a solid foundation has been laid for fulfilling the Fund's set objectives and expected impact.

This chapter looks closer at the performance of the supported projects and impact on the objectives set for the fund. While the chapter 4 looked at, among other things, whether and to what extent the fund implementation could impact the results, here we will examine more specifically whether and which of the intended outcomes were achieved and what factors impact the achievement of the results. Considering the fund's sub-objective, the impact of the projects on access and quality of public services and public-third sector cooperation is covered more thoroughly in separate sub-chapters. In addition, the projected net effects of the supported projects will be examined as a separate sub-chapter.

5.1. Objectives and outcome criteria of the Swiss NGO Fund: to what extent were the objectives and outcome indicators set for the Fund fulfilled?

This chapter examines in more detail whether and to what extent the indicators showing institutional and operational capacity of supported NGOs changed (Table 5) – number of employees, turnover, net gain, donations, number of volunteers and cooperative relations with other NGOs, private sector and umbrella organizations. Outcome indicators that pertain to cooperative relations created during and after the project and access and quality of services are covered only briefly here – they are covered more thoroughly in the next subchapters. The number in square brackets shown in the analysis of the indicators refers to the number of the indicator in Table 5.

It was not possible to uniformly assess the growth of NGOs' employee numbers [1, 9-11]. First of all, applicants were asked for the number of employees only in the last open calls – LP13 and LP14.⁷⁹ And while some churches and congregations stood out among applications with higher employee figures, it was not possible to distinguish between respondents in the survey. But the median number of employees of the NPO who received average support and responded to the survey was 3 (Table 4). Of the NGOs that responded to the online survey **45% (n=33) noted in comparing indicators before and after the project that the number of paid employees had grown**. Of the respondents, 21% recorded that the number of employees had decreased. Besides the organization's rating (significantly/somewhat) it isn't known how many employees exactly were added or left. But it is known that of the respondents, **97% had paid employees during the assessment** and going by the project proposals, 77% of the supported had paid staff before the implementation of the project (LP13, LP14, n=30). This is significantly higher than the Estonian NPOs' indicator – only 21% have paid employees.⁸⁰ During the project, 70% of the online survey respondents hired at least one paid employee. Eighteen per cent of the organizations that responded noted that although new employees were not added with the project, they could pay a competitive salary to the existing employees thanks to the support (Figure 17). **83% (n=29) of organizations retained the created jobs/possibility of paying remuneration at least to some extent**. Looking at only the projects that ended at least 6 months ago, the respective indicator is ≈78% (Table 6 – the indicators in the table are absolute, not relative values; n=29), showing that **at least in the short term, the number of project employees influences growth, but over longer period, the organization may not have a possibility of preserving the conditions present at the time of the project**. As the number of jobs created was expressed in the online survey as a range (up to 1, 1-3 etc), **during the time that the projects were under way, at least 27 people in full-time equivalent were hired by the survey respondents (total figure for all open calls for proposals)**.⁸¹ To the best of the knowledge of the organizations that responded to the survey, some **6-15 jobs were created externally to the project**.

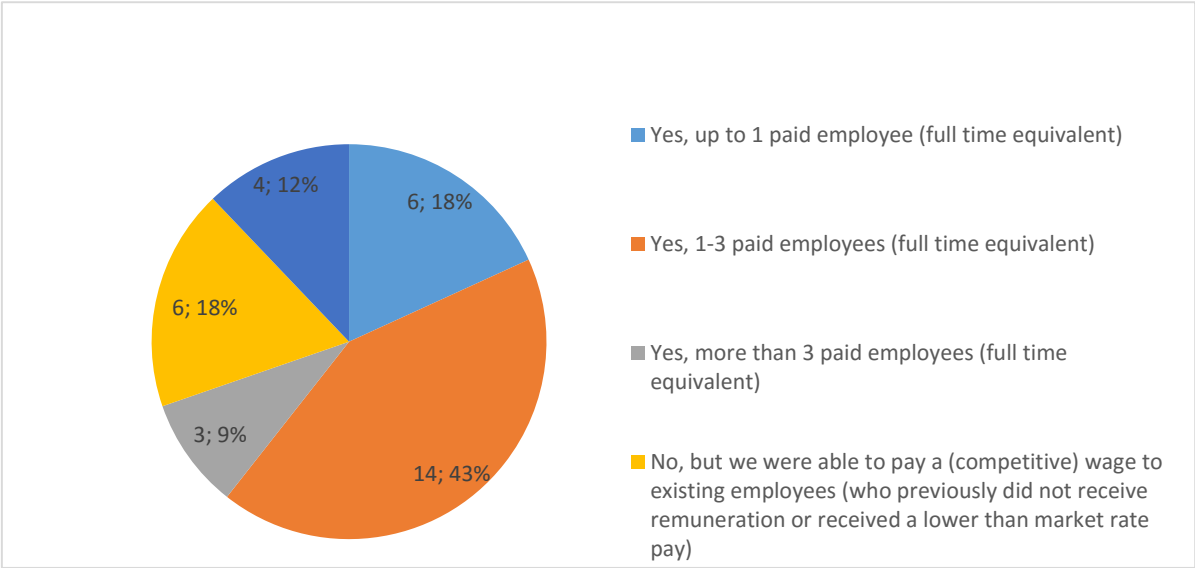
⁷⁹ The NGOs were not queried for number of employees on the LP11 and LP12 application form. At the time of application, the average number of employees at NGOs who received support in LP13 and LP14 was 9.1 (n=30). The average when church organizations and NGO with the most employees was excluded (n=27) was 3.9, and the average number of employees at NGOs that responded to the survey was 4.9 (n=33; number of employees at four respondents was 13 or more, and without them, the average number of employees was 3.3).

⁸⁰ Kodanikualgatuse institutsionaliseerumine Eestis 2014 (2014) SA Kodanikuühiskonna Sihtkapital, (Institutionalization of Civic Initiative in Estonia 2014, NFCS) Tallinn University. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>.

⁸¹ In the case of 33 support recipients who responded to the survey, a minimum 27 people were hired. Considering there were 62 support recipients, it can be presumed that there were even more employees hired and jobs created.

Based on interviews with various parties, the number of jobs created outside the project as result of the project’s indirect impacts was likely higher. Considering that the data from the time of the application and data obtained from online surveys after the project are not comparable and no baseline level was set in the indicators or previous studies, the abovementioned positive changes are not sufficient for assessing fulfilment of the indicator. Even so, the retention of project-period conditions and growth of paid employees is a positive outcome for the supported organizations, supporting the presumption that the project has a positive impact on the operational capacity of the NPOs that carried out the project.

Figure 17 Were new paid employees hired for carrying out the project?



Source: Survey of supported NPOs, n=33

Table 6 Retention of paid positions, which were created during the project, after the project

		Have the paid positions/possibility of paying remuneration created during the project been retained? Please respond regarding the current status			Total
		Yes, in the same extent	Yes, but to a lesser extent	No	
Has the project that received support from the Swiss NGO Fund LP open call ended by now?	Yes, more than 1 year has passed since the end of the project	4	7	4	15
	Yes, 6 months to 1 year has passed since the end of the project	2	1	0	3
	Yes, more than 6 months has passed since the end of the	3	3	0	6

	project				
	No, the project continues	2	2	1	5
Total		11	13	5	29

Due to the particularities of the NGOs, it is complicated to provide an assessment regarding fulfilment or non-fulfilment of economic indicators. Comparing the before with the after in the case of the projects supported by NFCS, **in the case of 60% of the NGOs, the turnover of the most recent reporting year has increased [2]**, stayed the same in the case of 12% and decreased in the case of 27% (n=31). The median revenue of the supported NGOs was 49,350 euros at the time of application even as the median has risen to 78,447 euros by the time of assessment, indicating quite a major potential project impact. Considering that as the project funding ends, the public sector organization may offer more operational support instead of outsourcing service, and that the operational support is not recognized under turnover, the end of the project need not bring significant change in the turnover of all NGOs, showing that it is not reasonable to rely solely on turnover to assess the NGOs' capacity. Slightly fewer NGOs reported that net gain grew in the last reporting year [3] – **51% of NGOs (n=33) said that the net gain increased**, while 39% of NGOs said it decreased. Considering that the indicators provided in the application prior to the project and the economic figures for the NGO from the time of assessment reported in the online survey are on different magnitudes (Table 4) and do not relate to the NGO's own assessments about the changes in the indicators (Figure 58), the NPOs' assessments should be viewed cautiously.

Nor is it possible to uniformly assess the growth of donations raised [4] and number of permanent volunteers [5], due to the deficiency of data and the particularities of the NGOs. Assessment of the growth of donations [4] is made more difficult by the fact that the same number of survey respondents reported growth of donations as did a decrease in donations (each 30%, n=33). But it can be said that the supported NGOs that responded to the survey **are more successful than average in raising the donations** – 72% received donations, which is a significantly higher figure compared to the Estonian NGOs that participated in the 2014 KUAK study⁸² (see Table 4). **Depending on the NGO's area of activity, interviewees said it is not always possible or rational to use volunteers.** Namely, both volunteers and paid employees must be trained. As the volunteer's contribution is not certain, NGOs say that is reasonable to hire a paid employee if the financial capability exists. Although the indicators from before and after the project are not ideally comparable due to the lack of a way to distinguish respondents (see Table 4), the change in the medians of the number of volunteers [5] shows that fewer volunteers are involved following the end of the project; the median was 6.5 before the project (not including congregations and the NGO that involved the most volunteers, even as the median number of volunteers of all supported NGOs that responded to the survey was 6 (n=33, Table 4).

⁸² Kodanikualgatuse institutsionaliseerumine Eestis 2014 (2014) SA Kodanikuühiskonna Sihtkapital, (Institutionalization of Civic Initiative in Estonia 2014, NFCS) Tallinn University. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>.

Despite the possible decrease in volunteers as a result of the project, 51% of the supported NGOs that responded to the survey said that compared to before the project, their number of permanent volunteers has grown (42% of NGOs had the same number; n=33). Even though the impact of the project on the number of volunteers is questionable and only one percentage point more NGOs involved volunteers in their activities, **the NPOs supported from NGO Fund stand out from average Estonian NPOs because of their more active volunteer engagement** (Table 4).

Depending on the NGO's area of activity, it cannot be presumed that every NGO would raise a certain amount of donations, involve volunteers or get a definite share of its turnover by providing paid services to target groups. This is corroborated by many previous studies and interviews carried out in the course of the assessment. Thus **it can be considered satisfactory that the economic indicators of NGO Fund-supported NGOs remain stable at least**. At the same time, for providing services and developing the NGO and services, **opportunities must be found for additional stable incomes**. As generally the target group of the supported services was people with low purchasing power, and thus full-scale paid provision of services is ruled out, NGOs' operational capacity largely depends on public sector organizations, including the state, who order the services.

One indicator of the operational capacity of NGOs is cooperation with other organizations, including public sector partners, other NGOs, target groups and companies. As documented in chapter 5.3 at greater length, **the NGO Fund had a positive impact on the development and strengthening of cooperative relations** – it led to establishing new cooperative relations with the public sector and helped to increase the cooperation between parties and awareness of and capacity for provision of service. This is also confirmed by the fact that **supported NGOs continued to establish new cooperative relations after the project as well** [6, 7] – ≈41% of NGOs that responded to the online survey engaged in cooperation with new networks and associations, ≈35% with new local government units, ≈28% of NGOs established cooperative relations with other public sector organization and ≈21% engaged in cooperation with other NGO partners. In addition, ≈59% of the NGOs that responded to the online survey added target groups. Thus the **implementation of projects contributed to creation of new cooperative relations and the relevant indicators can be deemed fulfilled**.

To **assess how** the projects supported by NGO Fund **contribute to access and quality of public services**, on one hand, the fields of the supported projects and target groups of the services provided and the sustainability of the services supported were examined. As chapter 2.2 documented, support services and youth work received the most support throughout the calls for LP proposals, including hobby education and community services [26]. Considering projects with preventive elements to be contributory to development of a health friendly living environment and healthful lifestyles, **≈81% of projects were deemed as contributing to healthful lifestyle and living environment** [26].⁸³ Considering that the rest of the projects were more related to contributing to social cohesion and most projects were aimed at people who are excluded or in a weaker situation, **all of the projects**

⁸³ As detailed in chapter 2.2, the fund conditions do not devote attention to contributing to shaping a healthy lifestyle and healthy living environment. In addition, as noted in chapter 2.2, the assessment regarding the preventive value of the projects is subjective.

contributed in terms of their planned activities to increasing social cohesion [27]. This is confirmed by the assessments of the representatives of public sector organizations that responded to the online survey: ≈83% found that the project did contribute to increasing social cohesion.⁸⁴ Considering that there were only 7⁸⁵ projects that directly focused on prevention (≈11%, n=64; projects that set as their goal e.g. through dealing with risk groups such as domestic violence prevention etc and youth work), health-friendliness was not treated separately in most projects and the number of projects that directly dealt with aspects of healthfulness were very few, **it is questionable to what extent NGO Fund contributed to the access and quality of services that contribute to health-friendly environments and healthful lifestyles.** At the same time, the representatives of public sector organizations were also positively disposed with regard to the contribution from the projects. ≈74% found that the project did indeed contribute to shaping a healthful lifestyle and living environment.⁸⁶

Fulfilment of the set indicators shows improvement of the general access to services, including the increase in the number of services and service consumers [29] and the sustainability of services provided [28]. As covered in chapter 5.2. **all of the supported NGOs that responded to the online survey and 70% of the public sector partner representatives said that services continued to be provided also after the project [28],** even though the access to and quality of the services depends mainly on the existence of financial resources.

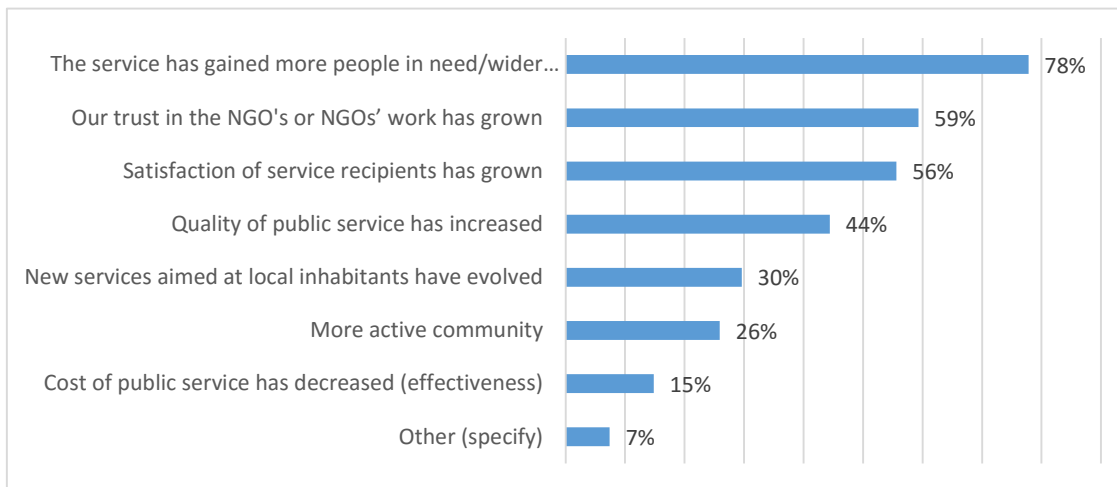
In the course of the assessment, the survey of public sector partners also examined general assessments of the impact of the supported project on developments in the field of the relevant service and cooperation with NGOs (Figure 18). The respondents found that the project allowed the service to reach a wider target group (78%) [29, 34], the satisfaction of service recipients has risen (56%) and service quality has increased (44%), with 71% of public sector partners answering the question “To what extent did the implementation of the supported project improve the quality of services in this field?” by saying that the quality of services had significantly or somewhat improved [14, 31]. Some 59% of the public sector partners said that their confidence in NGOs has grown thanks to the project [36]. As one of NGO Fund’s primary objectives was to **support cross-sector cooperation and improve access and quality of public services, the objectives can be considered to be fulfilled in the case of fund-supported services as a result of the project activities** (see chapter 5.2 for more).

⁸⁴ Close to 69% of respondents found that the project had a significant contribution and ≈14% that it contributed to a little extent.

⁸⁵ Of the NGOs that received support and responded to the online survey, nine said prevention was their field of service – close to one-third of the NGOs.

⁸⁶ Around 46% of respondents said the project had a significant contribution and ≈27% a low contribution.

Figure 18 What results have you achieved from providing public service in the field of the supported project in cooperation with (an) NGO(s)?



Source: Online survey of public sector partners, n=27

The lowest rating was given to the following potential outcomes of the projects – making services more economical (15%) and growth of community activity level (26%). The impact of the NGO Fund was not large enough in scale to influence the development of a more active community, likely also because of the fact that the focus lay mainly on social services, not community services. It was also to be expected that the cooperative provision of service has not necessarily reduced the cost of service. Previous studies in the field also show that although the supply of services in cooperation with NGOs allows, ideally, services to be supplied for less, often this is an influence that arises over a longer term. The beginning phase of development of service and cooperation includes many activities that require contribution to be made to creation of service quality and a trust-based cooperative relationship; thus the financial savings may not be apparent right away.

At the least, the support from NGO Fund has a significant impact during the project on the capability of the supported organisation on increasing capability and developing services. The assessment shows the sustainability of the supported projects and the NGOs to be quite high as well (see chapter 6). In addition, the NGO Fund has a significant broader impact as well. Based on information gathered in the interviews and case analyses, it can be concluded that **solely promoting opportunities offered by the fund and NFCS's activities has raised the awareness of the public sector, NGOs and all of society regarding the activities of the third sector and public-third sector cooperation opportunities as well as the awareness of the problems prevalent in the field and in society.** Based on the interviews, the Fund had a broader impact also because the application process took place in two stages – prospective applicants could apply for support also for preparing the business plan required in the SP call. Thus it can be presumed that even if the NGO did not submit an application in the call for SP or LP proposals, the awareness became widespread among NGOs and the public sector that **it is necessary to apply business thinking in the NGOs' activities and provision of public services** – analysis of factors related to service provision and thereby increasing sustainability and operational capacity.

Considering the particularities of NGOs and public-third sector cooperation, the objectives and indicators set for the fund can generally be considered to have been fulfilled. But the results achieved do not have large-scale significant importance. More important is the Fund's impact on raising the awareness of the public sector, NGOs and society regarding the activities of the third sector, the possibilities for cooperation between the public sector and third sector, problems prevalent in society and civic initiative.

5.2. Quality and access of public services

Earlier studies show that compared to the services provided by companies, provision of public service in cooperation with third sector allows the access and quality of services to be improved. First of all, in this case, the service can be provided by a local organization, which knows the target group's needs better and is capable of responding more efficiently and flexibly to changes taking place. Second, an NGO is not a profit-seeking organization – on one hand there is a possibility of lowering price of service and on the other, the gains earned can be re-invested into the NGO and service development, increasing service quality. Third, the NGO is more motivated to provide service because of personal contact with or interest in the topic, and this again has an effect on service quality. For the above reasons, the condition stipulated by the NGO Fund – that the applicant be an NGO and that service be provided in public and third sector cooperation – has a positive impact on public service access and quality.

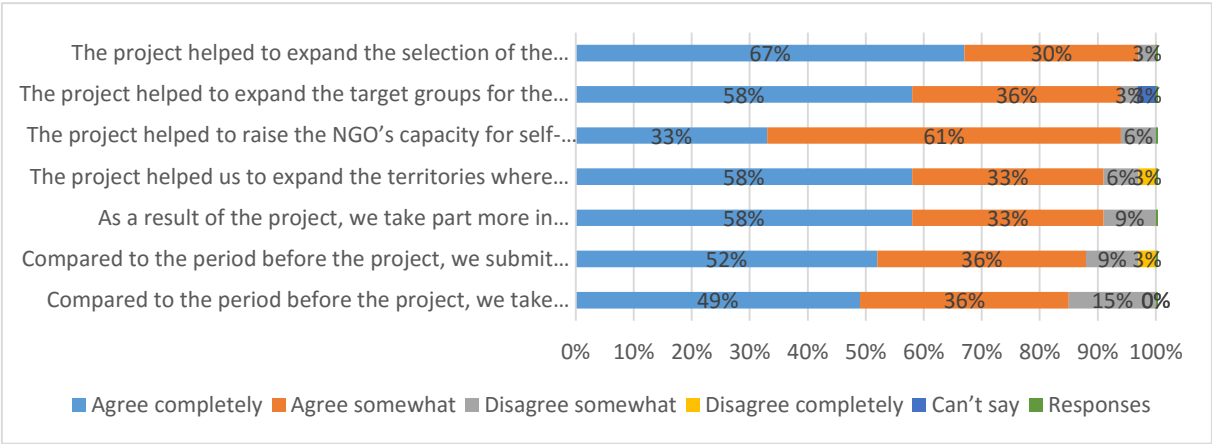
One of the biggest factors that increase access and quality of public services was the **requirement that the existing services have to be developed or expanded through the project or that services that are new for the NGO start to be provided**. Expanding the services allowed the services to be provided to more people, either through adding target groups or increasing the territory of operation. The basis for development of service was the objective of better responding to target groups' needs – i.e. the quality of services improves from the perspective of service recipients. For one thing, adding new services meant increased access to services through the emergence of a new service provider, and also improved the quality of service due to stiffer competition. Considering that the most support was channelled by the fund to new services or projects where existing services were developed further (see chapter 2.2, Figure 6), the access and quality of services could be at least presumably considered to have increased.

The access to and quality of services were impacted by the establishment of an environment necessary for providing services, increasing the competence of the service provider and eligibility of salary expenses. Depending on the project, alteration of premises needed to provide service, acquisition of equipment, development of new methodologies and training service providers allowed new services to start to be provided, target groups to be expanded and quality of services to be increased. Depending on the project and the NGO's priorities, the possibility of adding payroll costs to the project budget allowed services to be supplied to the target group free of charge or with only a small co-payment.

Thus, at least during the project period, the service became more accessible to people with lower purchasing power [34, 35]. Some public sector organizations also noted that without project support, the price of services is, as a result of limited resources, too high.

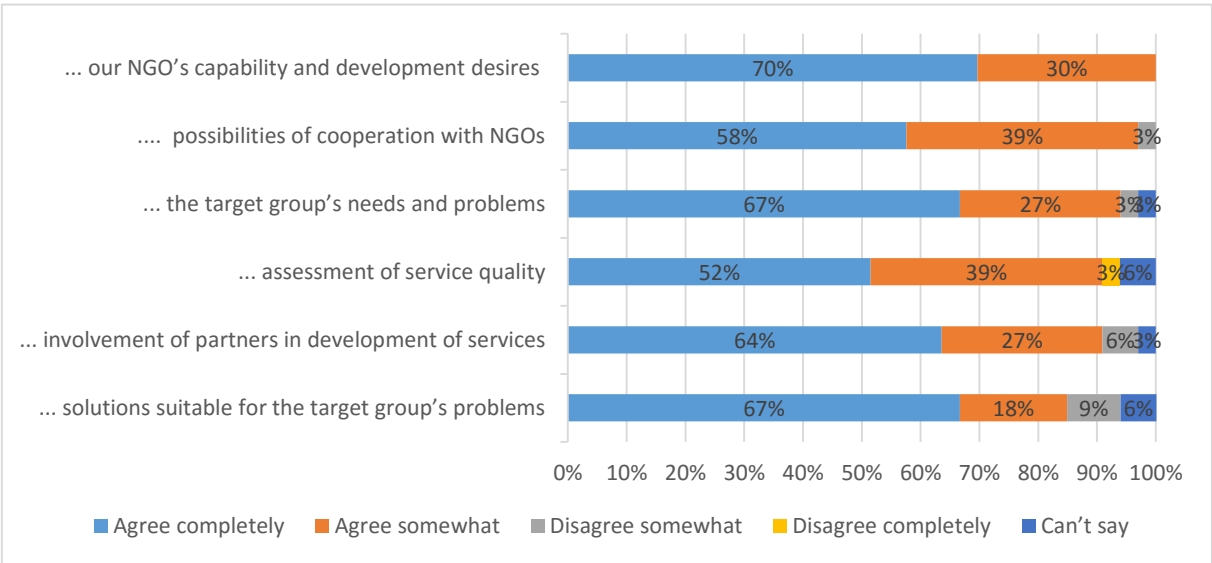
The project activities have had a noteworthy impact on fulfilment of the objectives set in NGO Fund: public sector partners considered the most important to be the fact that service reached a greater number of those in need – 78% (see Figure 18) [34]. The assessment of the NGOs as to the fulfilment of the NGO Fund’s objectives was high as well – they considered the service selection, penetration of service to target groups and size of service territory (Figure 19) as well as the public sector’s knowledge of target groups, their needs and the work done by NGOs (Figure 20) [37] all to have improved as a result of the projects.⁸⁷

Figure 19 How do you assess the impact of the supported project on the following aspects?



Source: Survey of supported NPOs, n=33

Figure 20 Indicate to what extent you agree with the following statements. The implementation of the project improved the awareness of the public sector organization(s) involved....



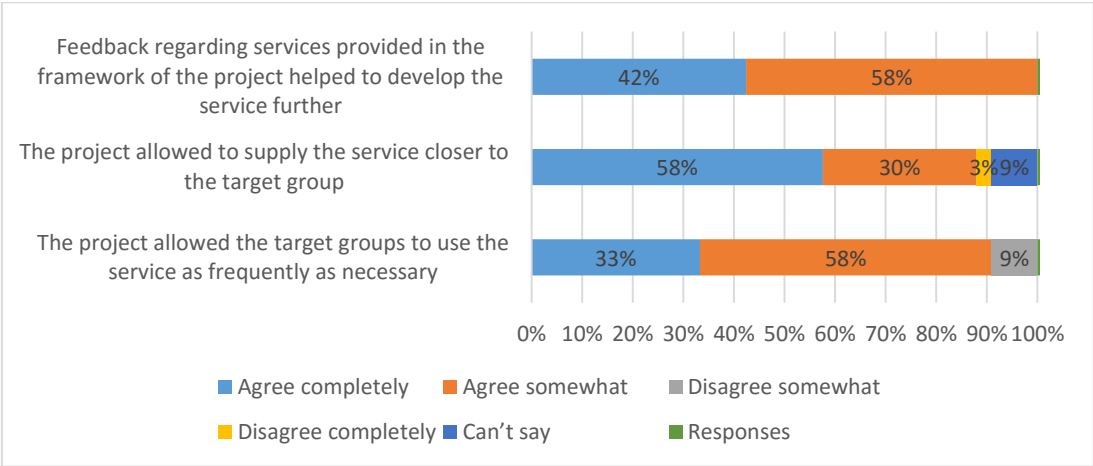
⁸⁷ An average of 50% of respondents agreed completely with the above, and an average of 35% agreed somewhat.

Source: Survey of supported NPOs, n=33

The improvement of access to services, and thus the conformity of supported projects to the objectives of the fund, is also confirmed by the abovementioned penetration of services to completely new target groups and the expanded number of people receiving the service. Close to 70% of the NPOs that received support and responded to the survey found that the project did reach target groups previously not reached and 94%/97%⁸⁸ found that the project made it possible to expand to some degree the number of people receiving the service [20]. 97% of respondents found the project helped to expand the selection of supplied services. The obstacles related to project activities that arose in developing the access to and quality of services are covered in chapter 4.2.

The following assessments also describe reaching target groups: ≈88% of NGOs (somewhat) agreed that the project enabled the service to be supplied to the target group in greater proximity to them, and ≈91% (somewhat) agreed that the project allowed target groups to use the service as frequently as necessary (Figure 21). The assessment of public sector organizations regarding access to services is slightly lower (Figure 22), indicating on one hand that NGOs were not aware of the size of the entire target group. Nor, judging by interviews, was it ensured that public sector organization had a full overview of what the NGO had accomplished and of the outcomes achieved. The interviews suggest that it is also possible that the public sector organization takes a much broader view of the problem – it wasn't possible to resolve the problem so extensively with the project carried out and the existing resources.

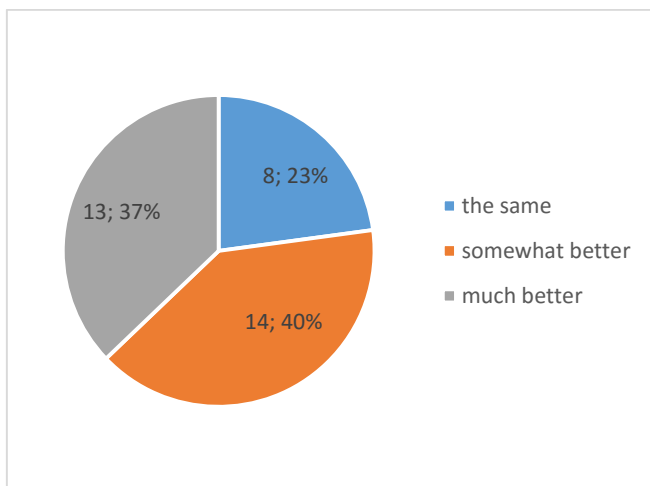
Figure 21 To what extent do you agree with the following statements about access and quality of services provided in the framework of the project?



Source: Survey of supported NPOs, n=33

Figure 22 To what extent did implementation of the supported project improve access to services in this field? Availability is...

⁸⁸ According to the control question in the survey aimed at NPOs, the assessment regarding reaching more target groups was higher.



Source: Survey of the public sector organization, n=35

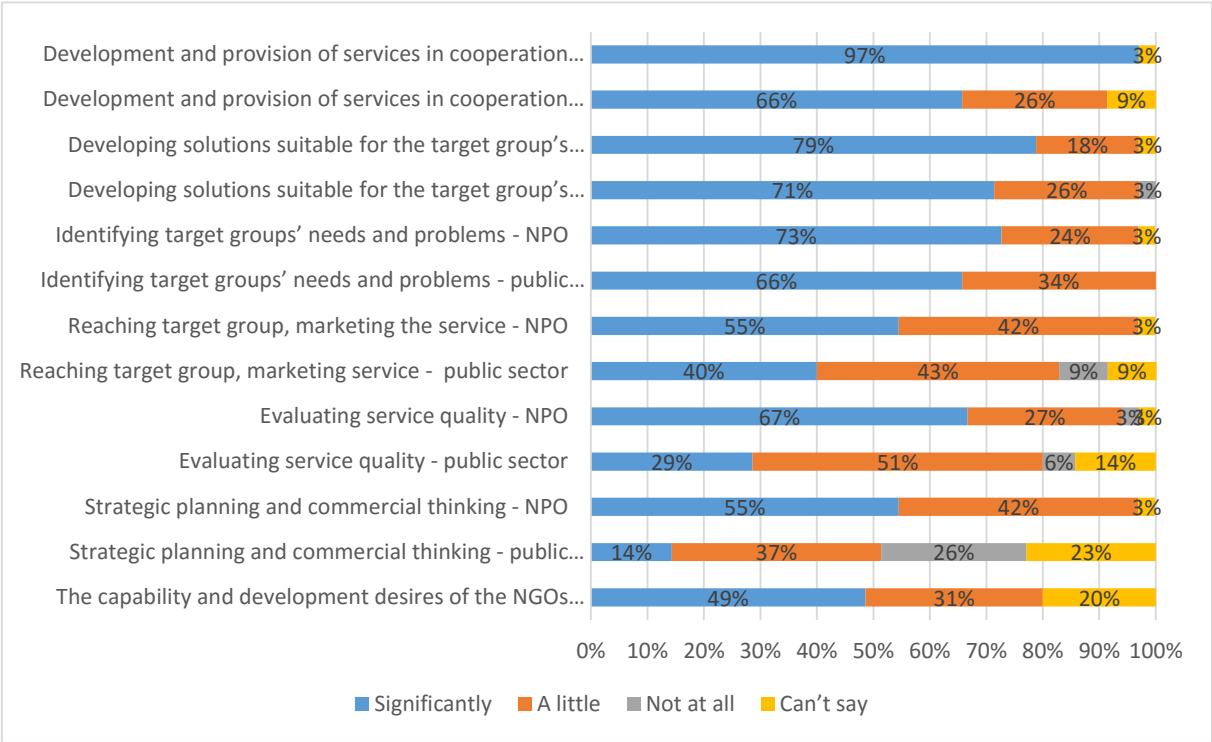
The results of the online survey confirm the improvement of quality of services provided: ≈91% of public sector organizations were satisfied with the quality of service provided their project partner NGO (Figure 35) [14] and about 44%(n=27) found that the quality of service in the field of the supported project had risen as a result of cooperative provision of service (Figure 18). In addition, ≈71% found that implementation of the project had a positive impact on the quality of other services in the field. The foregoing shows the broader impact of the project on the general growth in quality and confirms what was noted in the beginning of the subchapter – the addition of services or increase in quality of existing services has a positive effect on the quality of other services provided in the field.

The positive assessments mentioned in the foregoing is summarized by the satisfaction of NGOs with the access and achieved quality of the services provided in the framework of the projects supported. ≈36% of NGOs are very satisfied and ≈64% are somewhat satisfied (Figure 48). And ≈77% of public sector organizations also found that the access to services had significantly/somewhat improved (Figure 22) and ≈71% found that the service quality had significantly/somewhat improved.

In addition to the direct impact on access and quality of services, the knowledge and abilities of both the NGOs and public sector partners improved with regard to reaching target groups and providing quality service. The greatest impact from NGO Fund projects was on **development and provision of services in cooperation with partners** [8, 18] – 97% of NGOs and ≈66% of public sector partners considered the impact to be significant, with ≈26% of public sector partners considering the project impact low (Figure 23). To a significant or low degree, the knowledge of both the NGOs and public sector partners improved with regard to other fields pertaining to provision of service, such as service assessment, reaching target groups and identifying their needs [8]. The assessment of public sector partners was lower in this regard than that of the NGOs, with the greatest difference emerging in regard to assessment of the impact of the project on assessment of quality and development and cooperative provision of services. The reason for the differences in the assessments may be the fact that the public sector partner is not itself the one carrying out the project and does not generally

come into contact with what is being done, and the fact that NGOs analyze more thoroughly the project impacts due to the obligation of submitting project reports.

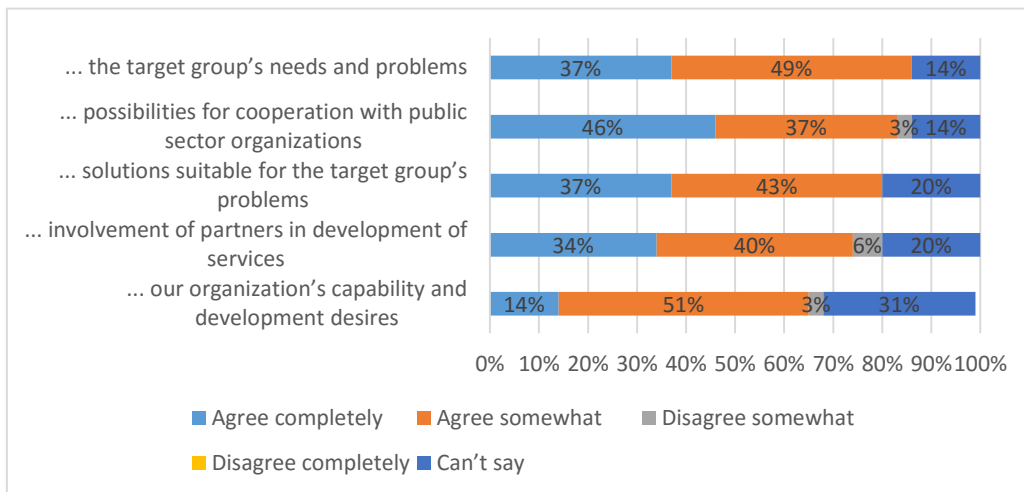
Figure 23 To what extent did carrying out the project help you to increase your organization’s knowledge and skills in the following aspects?



Source: Survey of public sector organization, n=35 and survey of supported NPO (n=33).

Also noteworthy is the NPOs’ assessment regarding their own strategic planning and commercial thinking ability [8] – ≈97% of respondents found that this capability improved (Figure 23). The assessment of public sector organizations, too, regarding the basis of strategic thinking components is positive – the awareness of associations regarding the target groups’ needs and problems, cooperation possibilities, involvement of partners and the public sector partner’s capability and development desires has grown (Figure 24).

Figure 24 Indicate to what extent you agree with the following statements. Implementation of project improved the awareness of the NGO involved....



Source: Survey of public sector partners, n=35

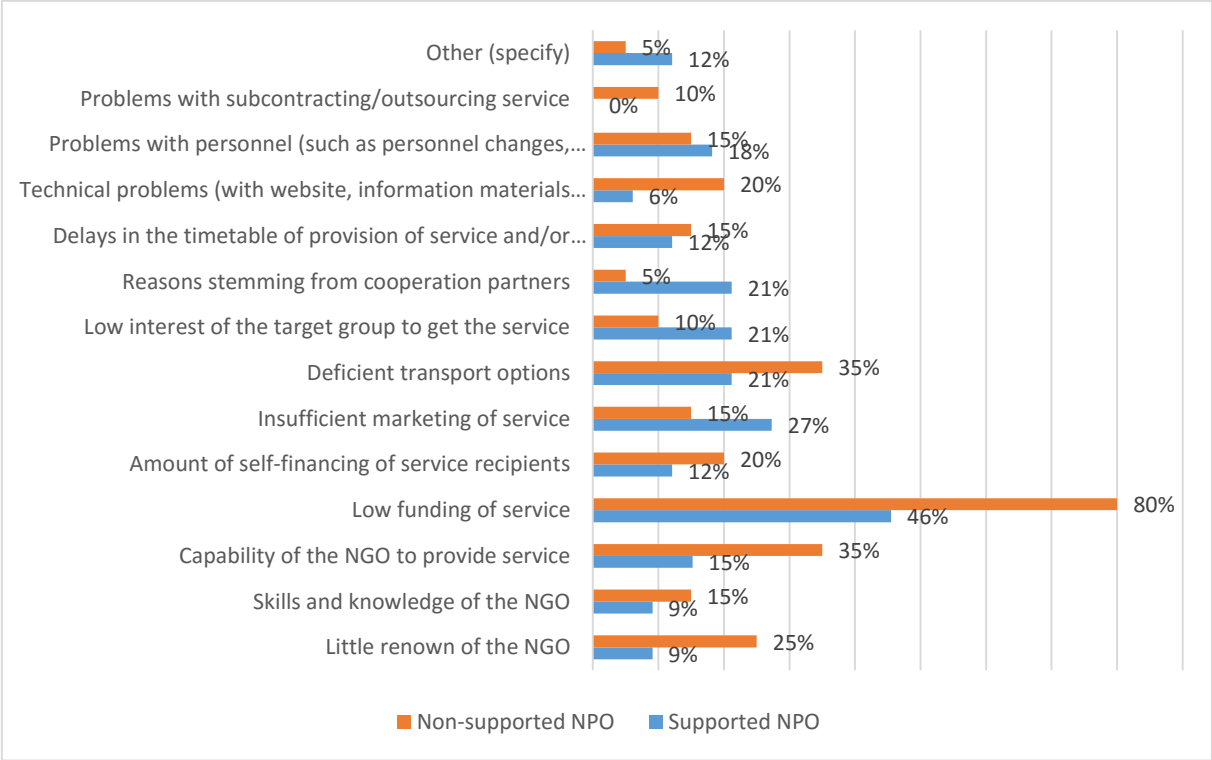
The maximum potential impact of NGO Fund on service quality and access is impeded, in the opinion of the study team, by the insufficient analysis being done by the NGO and the public sector partners. It is noteworthy that a considerable share of public sector partners and NGOs do not analyze the impact of what they have done on the quality of and access to public services. For instance, close to 23% of public sector partners were not able to assess the impact of the project on their strategic planning and commercial thinking skills, 20% the capability and development desires of the NGOs operating in the field, 14% on the change in the awareness of NGOs regarding the needs of target groups (Figure 23 and Figure 24).

Comparing the “can’t say” answers of the online survey respondents also reveals the impact of the project on the analysis of what the NGOs are doing. It is noteworthy that similarly to the public sector partners, non-supported applicants also selected “can’t say” more frequently. On one hand this could be explained by the fact that the option was often not provided on the survey of the supported applicants. Furthermore, it can be presumed that the analysis of achievements is also impacted by the obligation of submitting project reporting. This is also corroborated by the fact that “can’t say” was generally not the answer given regarding cooperation and impacts during supported projects – while on the other hand up to ≈18% responded “can’t say” to the questions pertaining to the post-project period (chapter 5.3.4, Figure 42) Observations were also made in the course of interviews. The lack of assessments from public sector partners can be, to some extent, explained by the large number of projects, lack of awareness of financing sources and changes in contact persons or responsibilities.

Both those who received and were denied NGO Fund support were asked in the online survey about the **primary obstacles/problems in developing access and quality of the service(s) provided through the supported projects** (Figure 25). In the case of both groups, **the biggest obstacle was the low share of financing of service** – as expected, for the majority of those who did not receive support, it was one of three main obstacles to access and quality of services and compared to support recipients, it was about a 50% more significant bottleneck. **This confirms that NGOs are**

dependent for developing services on project support and stable financing sources. Those who did not receive support made much more significant mention as a problem of the capability of the NGO to provide services, **confirming the importance of project support for increasing access and quality of public services and raising the organization’s capability to provide service.**

Figure 25 What in your opinion were the primary obstacles/problems in developing access and quality of the service(s) provided through the supported projects (up to three reasons).



Source: Survey of NPOs that received support, n=33; and survey of non-supported NPOs, n=20

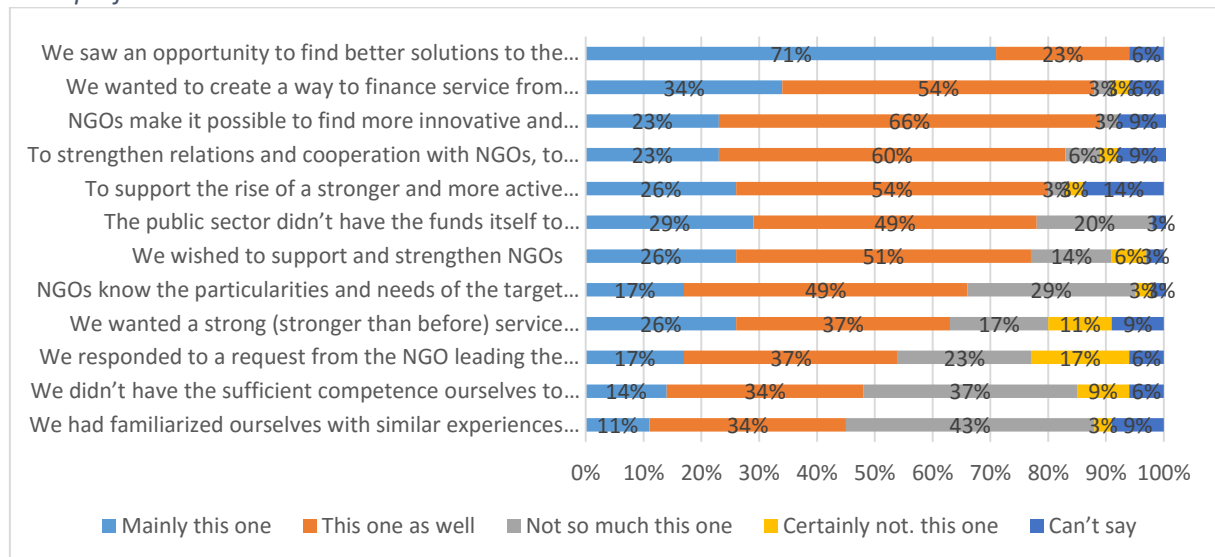
The support recipients experienced most often insufficient marketing of service [32], lacking transport opportunities, low interest from the target group [30] and problems stemming from cooperation partner [14] (Figure 25), and most of these obstacles were not completely within the control of the organization. Considering that 90% of non-recipients of support did not expand their service target groups to any extent [21] and did not have major problems marketing and reaching target groups, it can be concluded that the said problems arise from expansion of services.

Both recipients and non-recipients saw the biggest influence on quality and access to services as the existence of resources needed to provide and develop services. In addition, the assessment shows that a considerable share of public sector partners and NPOs do not analyze what they have done. Receiving project support and the obligation to submit reports force organizations to analyze what they have done, thus contributing to the development of the organization and the services provided.

5.3. Cooperation between public sector and third sector

One of the most important objectives of the Swiss NGO Fund was to strengthen public-third sector cooperation in supplying quality public services. One of the questions on the online survey polled public sector partners⁸⁹ that did not engage in cooperation with NGOs but participated in NGO Fund projects as to the reasons that they had not thus far engaged in cooperation. The primary reason stated was that local governments did not have sufficient capable NGOs to whom to delegate services, low financial or human resources for delegation of public services to civil associations and lack of practical guidelines, trainings and state support for facilitating cooperation. Considering these reasons and the NGO Fund’s objectives, the expected impact of the Fund on further cooperation is high. This is especially the case as the support made it possible to improve the necessary preconditions for provision of service – adapting premises, supplies and equipment, training, gaining the knowledge and experience for provision of service from a pilot project etc. The expectations of public sector partners on improved cooperation through NGO Fund projects were also high – without exception, the most important reason for cooperation was the possibility of finding better solutions to problems collectively (94% of respondents). In addition, ≈83% of public sector partners that responded to the online survey decided to participate in the project in order to strengthen cooperative relations with NGOs and shape common goals and values (Figure 26). As expected, and in line with previous studies, the desire of public sector partners was, as a result of cooperative provision of service, to fund the service from several sources; the shortage of financial resources to develop or expand the service oneself also came up.

Figure 26 For what reasons did your institution or organization decide to take part in the Swiss NGO Fund project?



Source: Online survey of public sector partners, n=35

In the following, we will examine more closely what the cooperation during the project consisted of, and how the Fund impacted cooperative relationships both during and after the project.

⁸⁹ Seven of 35 respondents – 20% – answered thus.

5.3.1. Impact of the Swiss NGO Fund on fostering closer cooperative ties

Throughout the study, both the NGOs and public sector partners indicated that **the opportunity of receiving support for provision of public services provided the impetus for cooperation between public sector partners and NGOs** [6]. Partially due to NGO Fund requirements⁹⁰ all of the NGOs that received support engaged in cooperation with some public sector partner [13], while according to the KUAK 2014 study⁹¹ only 42% of Estonian NGOs engages in cooperation with local governments⁹² (see Table 4). Compared to the indicators of NPOs that took part in KUAK in 2014, the NGOs that did not receive support from NGO Fund engaged to a greater extent in cooperation with public sector partners to implement the activities planned in the project application – ≈55% of the NGOs that responded to the online survey. Of the public sector partners that took part in this study, ≈21% (n=35) had not previously engaged in cooperation with NGOs [13, 25]. The impact of the NGO Fund support on establishing new cooperative ties is also indicated by the fact that ≈67% (n=33) of supported NGOs that responded to the online survey said they engaged in regular cooperation with more public sector partners more often after the project than they did before the project [6]. Close to 67% of the NGOs reported an increasing share of operating revenue on the public sector end, pointing to increased operational capacity and the possibility of providing services in a more stable manner. The addition of partners following the project also shows that the project has longer-term impact on the NGO's cooperative relationships – the NGOs succeeded in proving the capability for provision of services, increasing their operational capacity and establishing effective cooperative ties. At the same time, the feedback from the participants in the open calls for proposals showed that **good cooperation was achieved mainly with only a part of the partners mentioned in the report or only with one capable and interested partner** [15].

The foregoing shows that counting the number of partners is not necessarily relevant for assessing the strength of project cooperation. In a number of cases, the NGOs noted in the reports, surveys and interviews how cooperation with some public sector partners remained only symbolic and/or the partners were replaced due to misunderstandings and other hindrances to cooperation [14, 15]. At the same time, as **≈91% of NGOs said that cooperation with local governments increased somewhat or significantly as a result of the project** and **67% of NGOs engaged in regular cooperation after the project with more public sector partners than they did initially** [6, 15], the impact of the fund on public-third sector cooperation can be considered to fulfil the objectives of the NGO Fund. The **share of operating revenue on the public sector end was also larger after the project in the case of ≈67% of NGOs**. It is noteworthy, however, that compared to the assessments of NGOs, only 54% of the public sector partner respondents found that cooperation with NGOs

⁹⁰ One requirement for applying was that cooperation take place with at least two public sector partners. In exceptional cases, with a very influential partner, only one partner was permitted, with approval from NFCS. Based on project proposals, the **requirement for number of public sector partners was exceeded by more than twofold in nearly each call** (Tabel 2). Based on interviews and online surveys, cooperation was pursued with even more organizations in actually carrying out the project.

⁹¹ Kodanikualgatuse institutsionaliseerumine Eestis 2014 (2014) SA Kodanikuühiskonna Sihtkapital, (Institutionalization of Civic Initiative in Estonia 2014, NFCS) Tallinn University. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>.

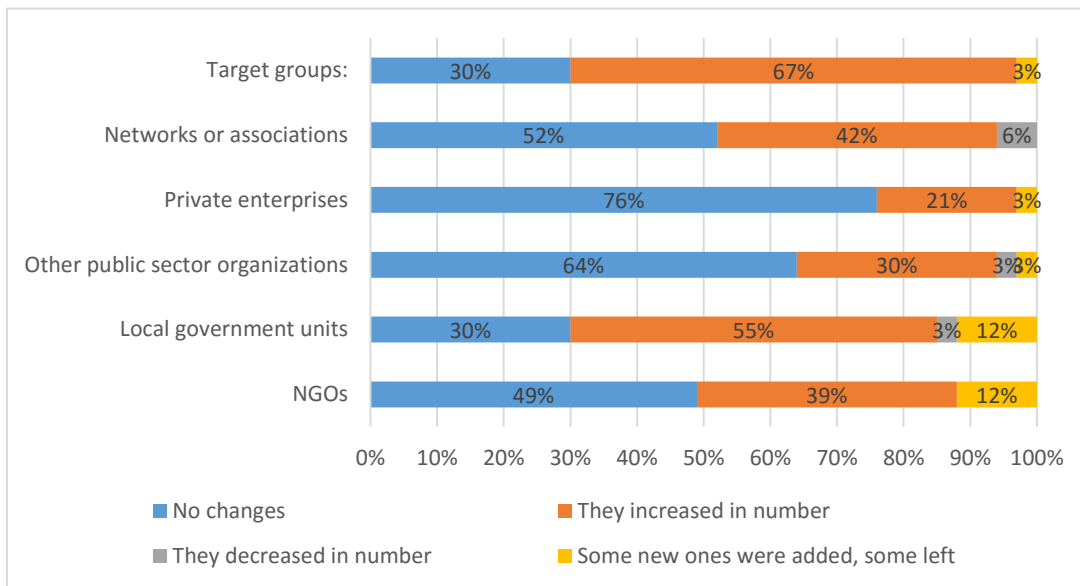
⁹² Public sector (organization) is considered to be local governments and other public sector organizations, including government agencies, boards etc. Where local governments are mentioned in the text, only local government units are meant. Thus the indicators provided here are not completely comparable.

increased as a result of the project. However, the assessment may be impacted by the fact that only ≈17% of the public sector partners in supported projects responded to the online survey – while the respective figure among NGOs was ≈53%.

The results of previous studies⁹³ were corroborated by this assessment insofar as the **establishment of cooperative relations and cooperative provision of public services is impacted by previous cooperation experience and trust in the NGO**. For one thing, this is indicated by the reasons that the public sector partners that responded to the online survey did not previously engage in cooperation with NPOs – 43% did not have sufficiently strong cooperative ties for jointly providing services [13] and 29% did not have a sense of confidence with regard to reliability, quality and sustainability of the NGOs operating in their area (n=7) [36]. The importance of trust and cooperation related aspects to launching the project is also borne out in Figure 26 – reasons such as seeking solutions to problems together, strengthening cooperative ties, strengthening NPO, and the desire to test out experiences of others learned previously were some of the primary ones for deciding to participate in the project. The more frequent changes/additions of local government partners during the project – seen in Figure 27 and Figure 28 – compared to the time after the project lead to the conclusion that before the project, organizations lack the conviction that the service is necessary and that the NGO is capable. As the project is launched, and as a result of positive developments, more organizations become interested in cooperation. The latter was evidenced also by the interviews with representatives of public sector partners and NGOs – the project gives the public sector partners and NGOs the opportunity to gain insight into each other’s abilities, needs and necessity of service [37]. Thus, while in the beginning of the project, many public sector partners were not prepared to launch cooperation, doubting in the NGO’s capacity and considering the risks too great, over the course of the project the NGO demonstrated its capacity and the necessity of service, which led to more organizations becoming ready to engage in cooperation [16, 17]. This is also borne out by the increase in confidence of public sector partners toward NGOs – **≈59% found that trust in NGOs’ work has grown as a result of the NGO Fund project** () [36]. In addition, public sector partners that ended (cooperative) provision of service (≈18% of public sector partner respondents) continued to engage in cooperation with the former NGO partner in some other manner [15].

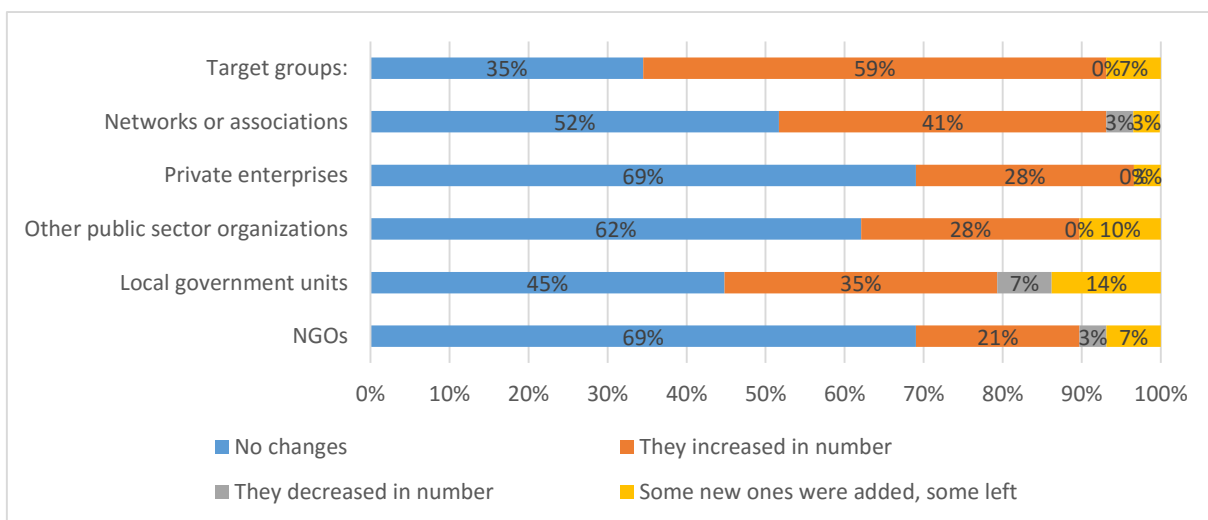
⁹³ Kodanikualgatuse institutsionaliseerumine Eestis 2014 (2014) SA Kodanikuühiskonna Sihtkapital, (Institutionalization of Civic Initiative in Estonia 2014, NFCS) Tallinn University. Accessible at: <http://www.kysk.ee/failid/Upload/files/KUAK%2014%20raport.pdf>; Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegeerimine vabäühendustele 2014. Tallinn: Praxis Centre for Policy Research.

Figure 27 To what extent did the participants in your project change during implementation of the project? [17, 33]



Source: Survey of supported NPOs, n=33

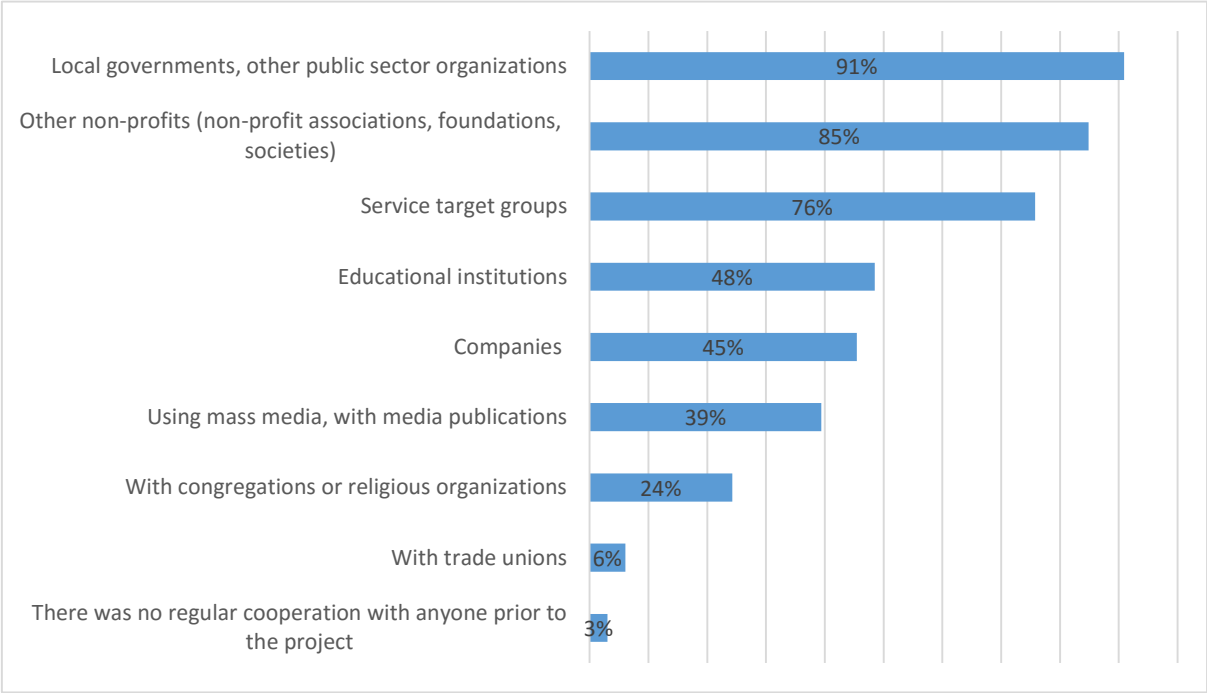
Figure 28 To what extent did the participants in your project change after implementation of project?



Source: Survey of supported NPOs, n=29

The growth in the level of cooperation of support recipients may be due to the higher than average operational capacity of NPOs that received a positive financing decision (Table 4) and closer cooperative relationships. Namely, already before the NGO Fund project, there was greater than average cooperation with different parties [13] – ≈91% engaged in cooperation with public sector partners, ≈85% with non-profit associations and ≈76% with service target groups (Figure 29). It is also noteworthy that cooperation was greatest with 4-5 groups of organizations – NGOs, public sector partners, companies, target groups etc.

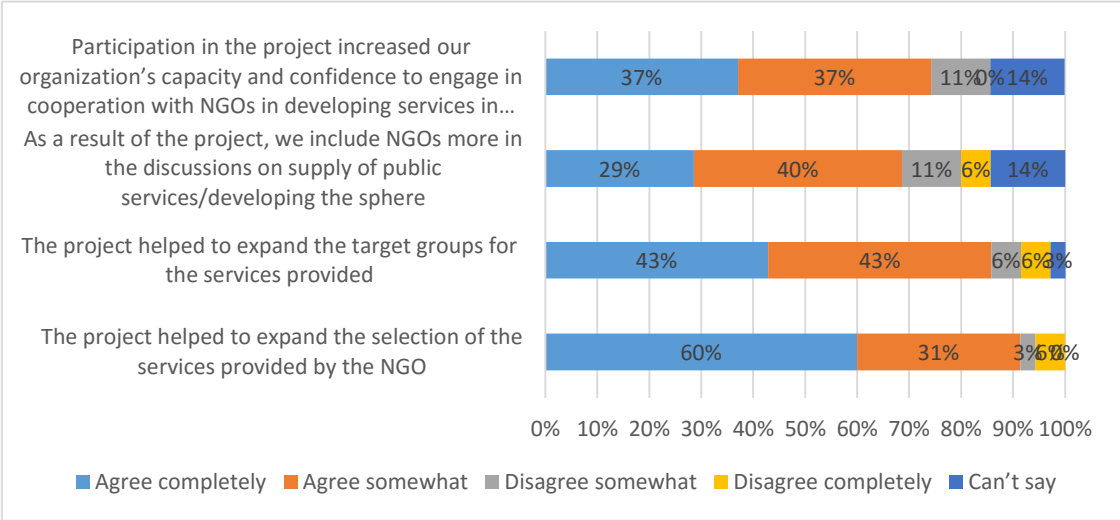
Figure 29 With which organizations did you engage in (regular) permanent cooperation prior to the project? List all of the organizations with which your NGO had lasting cooperative relationships.



Source: Survey of supported NPOs, n=33

Considering that the NGO Fund assistance had a positive impact during the project on the number of the volunteers at the associations, cooperation with other associations, private sector and umbrella organizations, **the fund has a positive impact on the supported NGOs’ institutional and operating capacity for providing public services.** The latter is confirmed by the fact that 97% of NGOs (32 of 33) found that the **project increased the knowledge and abilities to develop and provide services in cooperation with partners** [6-8]. The public sector partners had a slightly lower assessment of the impacts on NGOs – ≈74% and ≈83% somewhat or completely agreed with the aforementioned project impacts (see chapter 5.2 (Figure 24). NPOs also saw very positively the project’s impact on public sector partners’ awareness of involvement of partners into developing services (91%) and cooperative ties with NGOs (97%) (see chapter 5.2, Figure 20). Again, the public sector partners themselves considered these impacts to be slightly lower (Figure 30) – ≈69% of respondents found that the NGOs were involved more than previously in sectoral discussions and ≈74% found that the project increased their own capacity and confidence to engage in cooperation with NGOs in future. Thus, even if the number of partners did not stay the same or did not grow after the project, **both the NGO and public sector partners in the project received valuable knowledge and skills from carrying out the project for establishing future cooperative relationships.**

Figure 30 How do you assess the impact of the supported project on your organization’s operational capacity?

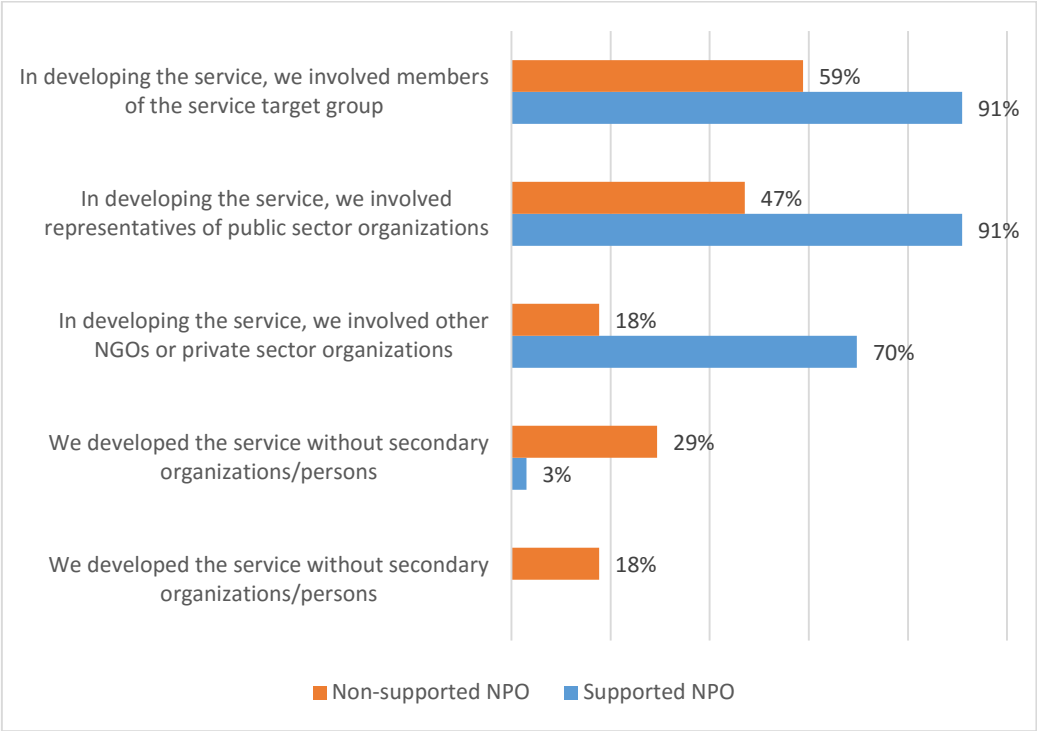


Source: Online survey of public sector partners, n=35

5.3.2. Role of partners in NGO Fund projects

The online survey and interviews indicated that, in the case of supported projects, the initiative for providing or developing services with the project support generally came from the NGOs. Figure 31 compares the processes of developing services at supported and non-supported non-profit associations. Patterns can be clearly be discerned, and these can be considered reasons for lack of success of projects that failed to receive funding – showing some deficiencies in the project preparation. **Namely, the supported NPOs carried out more than double the activities for supporting planning of services**, including involving members of other NGOs, private sector organizations, public sector and target groups into the developing the service and/or business plan [8]. The most common pre-project contact with partners in the case of both supported and non-supported organizations was involvement of the target group into development of the service, which fulfils the NGO Fund objective of increasing social cohesion and involvement of target groups. Nevertheless, while 91% of respondents who received support involved target groups in development of the project, the figure was 59% for non-recipients and a similar trend can be seen in the case of other partners involved [8%]. The disparity in this regard between supported and non-supported NGOs shows clearly that **insufficient involvement of target groups, public sector and other NGOs and private sector in development of service reduces the chances of this service being successful and/or sustainable** – it casts doubt on the relevance of what has been achieved. The results of this assessment show that **NGOs that are able to involve different parties – ones that are already more capable – are more successful in applying for support and implementing activities**. The importance of cooperation to developing service is also confirmed by the fact that ≈29% of the organizations not supported in the call for LP proposals developed the service alone – even while the relevant indicator for supported organizations was 3%.

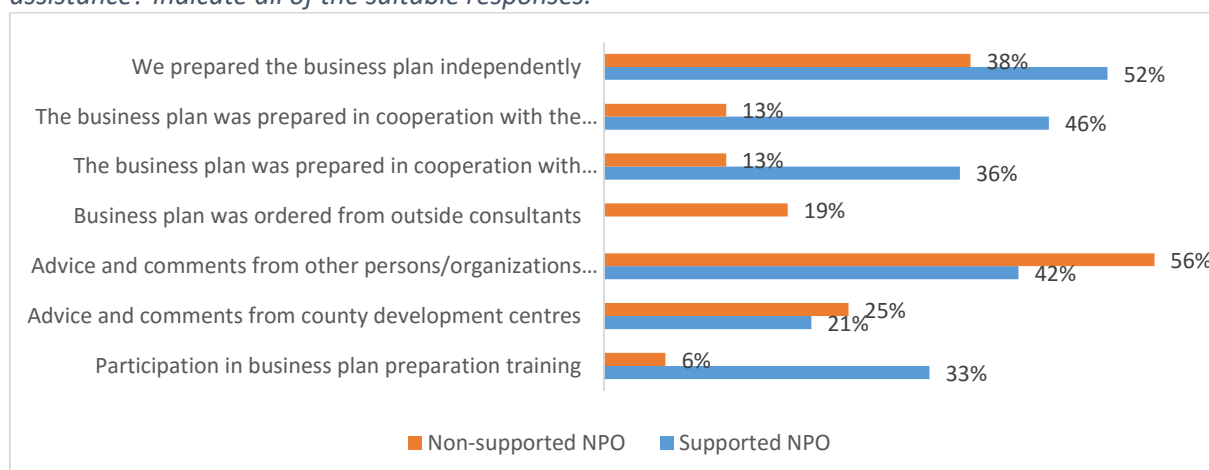
Figure 31 How would you describe the development of the service(s) planned in the project application/business plan? Indicate all of the suitable responses.



Source: Survey of non-supported NPOs, n=17 and survey of supported NPOs (n=33).

Considering that the business plan – which was the basis for applying for support from NGO Fund – is the basis for sustainable service, the preparation of the business plan was examined by the assessment as one part of development of service. Over half of the NPOs that received a positive financing decision and responded to the online survey prepared independently the service business plan needed for applying for the support, involving service target groups for this purpose – 45% of respondents. Only two respondents used this opportunity among the non-supported organizations. At the same time, it is evident that compared to the non-supported applicants, the support recipients used involved public sector partners more intensively in the business plan preparation (36%). The fact that only 9% of the public sector partners who responded to the survey cited their contribution to the business plan (Figure 34) may be influenced on one hand by the fact that the NGOs and public sector partners from the same project did not necessarily respond to the survey. Moreover, even if the survey was responded to by public sector organizations’ staff, it is possible they do not realize that the input or contribution elicited from them was actually used in the business plan. The third reason that little effort is put into preparation of the business plan and the one that most impacts service quality and cooperation is the public sector partners’ relatively low assessment of the importance of requirement of the business plan and involvement of the public sector with regard to provision of service (see chapter 4.3 and Figure 13 and Figure 14).

Figure 32 Did you use assistance for preparing the project business plan, and if so, what type of assistance? Indicate all of the suitable responses.



Source: Survey of non-supported NPOs, n=16 and survey of supported NPOs, n=33.

In general, external consultants were not used by support recipients for preparing the business plan. Less advice from out-of-house specialists was also used to develop service, compared to non-recipients. The fact that those that received a negative funding decision made more active use of (external) persons/organizations with expertise in preparing business plans may be attributable to the fact that ≈73% of supported organizations that responded to the survey received support also from the NGO Fund SP call, where preparation of business plan was supported in cooperation with the said parties. At the same time, it is surprising that, based on the online survey, receiving support from the call for SP proposals or participation in a business plan training held by speciality organizations did not increase the frequency of involvement of different parties in the preparation of business plan.⁹⁴ The low impact of participation in business plan preparation training may be due to the theoretical nature and short time span of the trainings. The interviewees noted repeatedly that based on existing experience, instead of receiving financial support for preparation of business plan (this was essentially support allocated via the SP call) or taking part in short-term theoretical trainings, more emphasis should be laid on practical business plan preparation training.

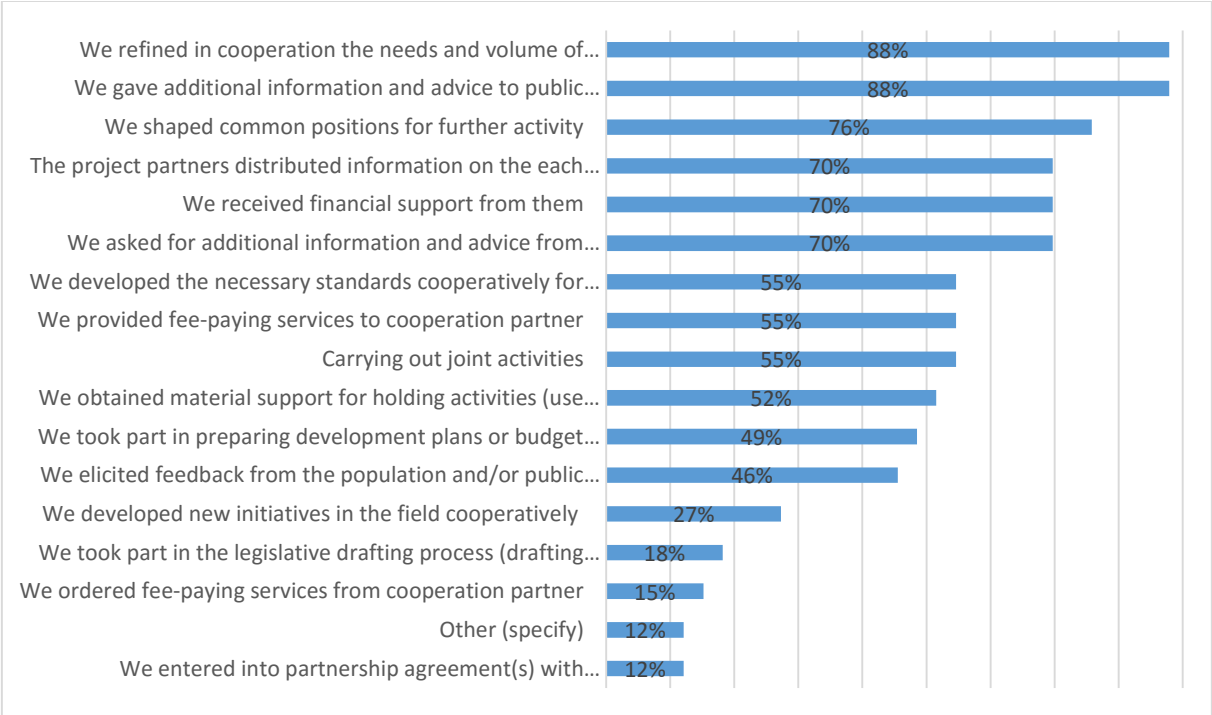
As the involvement of different parties into the preparatory work to develop service did not depend on the participation in the SP call or the business plan training, it can once again be concluded that **support was received by more capable applicants who have better relations and understanding of their target group, who involve different parties into developing and providing service, who dare ask for out of house advice if needed and who use opportunities for self-development.** Considering the frequency of involvement of different parties and the actual substantiveness of involvement mentioned in interviews – e.g., there is involvement in preparation of sectoral development plan but only in a stage where changes can no longer be made or the feedback is not taken into consideration – there is room for improvement in planning and developing services in cooperation with different parties for the purpose of raising service quality.

⁹⁴ The responses from supported organizations were examined in the cross-tables– 1) Did applying in the small sub-project call impact those included in the business plan 2) Did participation in the business plan training impact the inclusion of various parties in the preparation of business plan.

Although more than one-half of NGOs did not indicate cooperation input when it comes to preparing the business plan (Figure 32), most business plan elements – description of service, including target group analysis, cooperation with public sector partners, marketing activities etc – were documented in descriptions of cooperation taking place in the framework of the project (Figure 33). Namely, in the opinion of the NGOs, the most cooperation during the project was done with regard to exchange and distribution of information related to service provision, specifying the needs and volume of public services and formulating a more detailed action plan – and this generally aligns with the view of public sector partners as to their role in NGO FUND-supported projects (Figure 34).

In cooperation with the public sector, NGOs also considered financial and practical cooperation quite important: **70% of NGOs noted that cooperation lay in financial support and 52% said it lay in practical support** (Figure 33). Close to 55% of NGOs also indicated the contribution of the public sector in paying self-financing of the project, even as the public sector partners’ view was that this was one of the most important contributions during the project – ≈71% of public sector partner respondents supported the project financially, including paying self-financing (Figure 34).

Figure 33 What was the essence of the cooperation with public sector partner(s) taking place in the framework of the project?



Source: Survey of supported NPOs, n=32

Figure 34 What was the role of your institution in the supported project? Choose up to three of the most important roles.

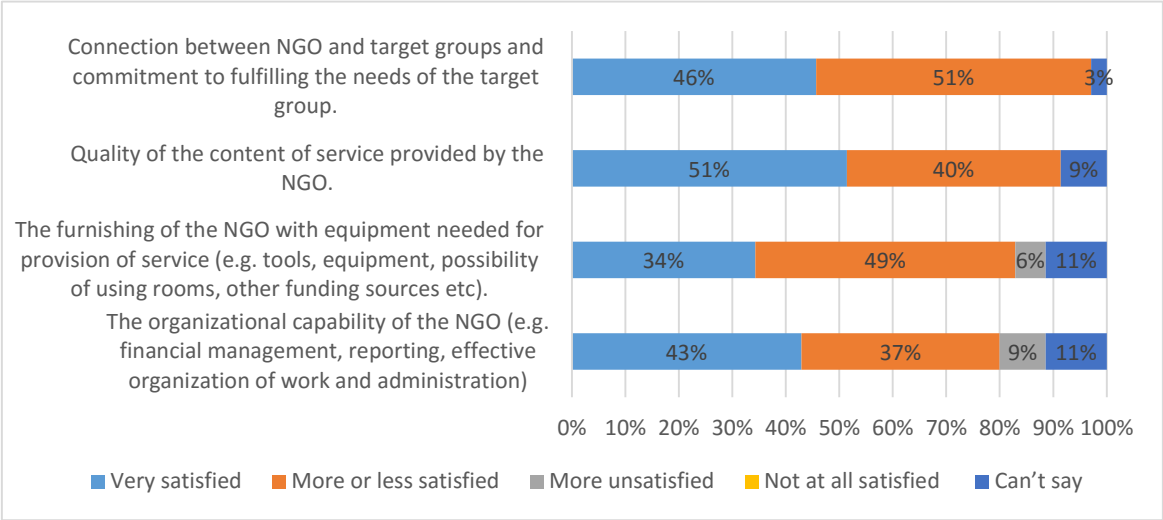


Source: Online survey of public sector partners, n=35

The general assessment of mutual cooperation was high from the viewpoint of the supported and non-supported NPOs as well as that of the public sector partners. A total of 88% of the supported and non-supported organizations found that they were very or somewhat satisfied with the cooperation, with more satisfied organizations seen among the non-recipients (see chapter 5.5 and Figure 45). The public sector partners also gave high ratings to the NGOs that implemented the service (Figure 35) [14], with ≈86% of the public sector partners generally very/somewhat satisfied with NGOs [24]. Comparing the average Estonian satisfaction level public sector partners with NGOs⁹⁵ the satisfaction with NGOs of the public sector partners taking part in the survey was higher than average – according to the Praxis 2014 study, 6% of public sector partners were very satisfied and 56% somewhat satisfied with NPOs’ capability, while the online survey indicated that 43% of public sector partners were very satisfied and 37% somewhat satisfied with the NGOs that received support from the NGO Fund. [16]. The experience with NGO Fund projects shows that in most cases, the cooperation justified itself, leading to positive experience, growth in mutual trust, closer relations and – as shown by follow-up queries – potential new initiatives [22].

⁹⁵ Uus, Maiu, Tatar, Merit, Vinni, Rauno. (2014) Avalike teenuste delegeerimine vabähendustele 2014. (Delegation of public services to NGOs 2014) Tallinn: Praxis Centre for Policy Research.

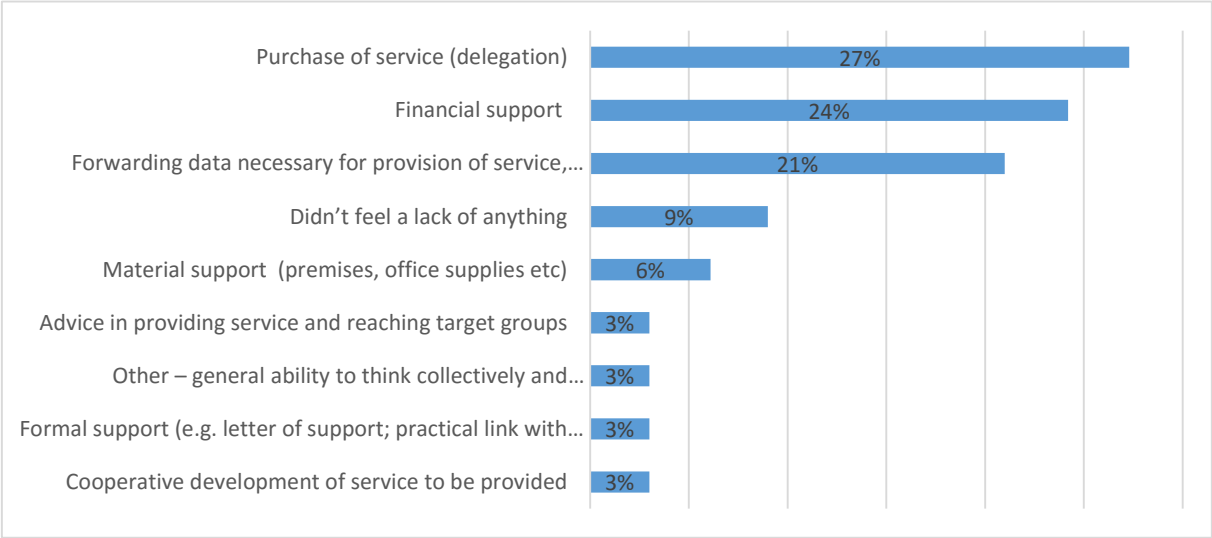
Figure 35 How satisfied are you with the NGO with which you cooperated in the NGO Fund-supported project?



Source: Online survey of public sector partners, n=35

While initially service delegation contracts were expected among the outcome indicators of the NGO Fund, such pure agreements practically did not develop at all. Likewise, the NGOs that responded to the survey noted that they sensed the greatest lack with regard to delegation contracts and financial support (Figure 36). Interviews and case analyses showed that the situation where public sector partners contribute the most monetarily (Figure 34) and NGOs continue to sense a shortage of financial support stems from uncertain (including short-term) and insufficient funding. Namely, public sector partners may provide financial support, but the amount of support is not necessarily sufficient considering the needs of NGOs and target groups.

Figure 36 What actions on the part of public sector organization(s) did you sense the greatest lack of during implementation of the project?



Source: Survey of supported NPOs, n=33

Assessment shows that the cooperative relations between supported NGOs and their public sector partners may be characterized as a strategic partnership – the NGO is the main developer of service and seeker of the resources needed for providing service, and the cooperation mainly consists of mutual information exchange, development of services (including service volumes, target groups etc) and provision of service pursuant to the cooperation agreement. Still, NGOs sense a lack of greater contribution from public sector partners in terms of forwarding necessary information on target groups, purchasing of service and financial support. This however suggests that NGOs would prefer to see, in cooperative relations with public sector partners, more partnership-based delegation of service.

5.3.3. Quality of cooperation and trust

Interviews with participants show that the satisfaction of the public and third sector organizations with each other's activities in the NGO Fund projects has generally been positive [14]: 21% of NPOs are very satisfied with the cooperation and 67% somewhat content (Figure 45); the corresponding indicators for local governments with regard to attitude to NGO partners is 31% and 57% (n=35) – i.e. **public sector partners' satisfaction with NGOs is greater than vice versa**. What is noteworthy is the satisfaction of NGOs not supported in the LP call with public sector partners – ≈44% of respondent NGOs (4 NGOs) were very satisfied with the cooperation and ≈44% were somewhat satisfied, with the remaining ≈11% responding "can't say". The fact that only about half of the non-recipients carried out their activities in cooperation with public sector partners and a majority of these were satisfied with the cooperation supports the conclusion that if the planned activities were carried out even to some extent and in cooperation with the public sector partners without receiving support, this is a case of a strong cooperative relationship. At the same time, as NGOs had more than one partner and based on online survey feedback and interviews, both the NGOs and their partners were very different, much as the means of cooperation used and functioning in the region, it is not possible to generalize the satisfaction results to all NGOs or public sector partners. **Satisfaction with project partners' cooperation was listed as one of the three main project success factors, but also as a main problem area** –≈44% of NGOs listed cooperation as a project strength and just as many NGOs – ≈36% of NGOs listed cooperation with project partners as a problem area. Above, too, we saw some discrepancy with regard to the responses from NGOs and public sector as to cooperation during the project, where on one hand, close financial and substantive cooperation took place (Figure 33 and Figure 34), but on the other hand, there was a perceived lack of financial support and relevant exchange of information (Figure 36).

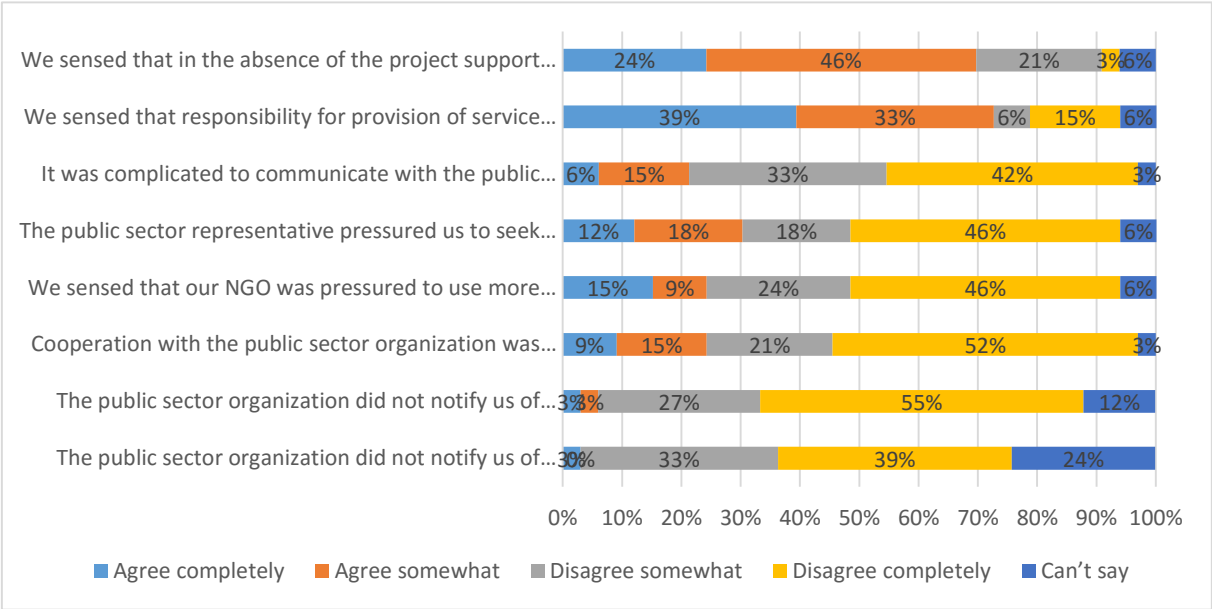
The responses to the survey evidence a number of reasons that some NGOs are less satisfied with the cooperation. The motivation of NGOs to provide services may be curtailed by the sense that **without project support, the public sector organization would likely not be interested in providing service** – 70% of NGOs (Figure 37). Notably, 72% of NGOs sensed, to a greater (39%) or lesser extent (33%) that, in providing service, the public sector partner passed on responsibility to the NGO (Figure 37). Previous studies revealed one of the most frequent bottlenecks with regard to contractual delegation and cooperative supply of public services to be the fact that the public sector did not have sufficient sense of its role as being responsible for supply and quality of service, which also manifests

in the case of cooperative relations with regard to the NGO Fund projects. On one hand, this result could be a sign of relatively high trust in the activity of NGOs, as the case analyses show (see chapter 7). On the other hand, the NGOs that receive the support see the trend as more of a problem: the public sector partner does not have a sufficient sense of its role in ensuring quality and access to service.

The quality of cooperation and service is also impacted by the awareness of the NGOs regarding the length of public sector partners’ decision-making processes and understanding of the limited nature of time and financial resources. Close to one-quarter of NGOs sensed during the implementation of the project that the public sector partner forwarded insufficient information needed for provision of service (Figure 36). Just as many NGOs felt that local governments were pressuring them to use volunteers and thereby to reduce financial resources (Figure 37). Of the NGOs that responded, 21% mentioned the complexity of communicating with public sector partners, including their availability and delayed responses. It is normal that public sector partners’ decision-making processes take time and that employees are busy with other duties, as a result of which people may not be available when needed.

“The contact persons on the project partner side are people who are so busy with everyday work that we see that they often did not manage to do the necessary preliminary work of referring young people to services or motivating them, and this ended up complicating provision of service.”

Figure 37 To what extent do you agree that these circumstances also occurred in your cooperation with the public sector partners that took part in the project?

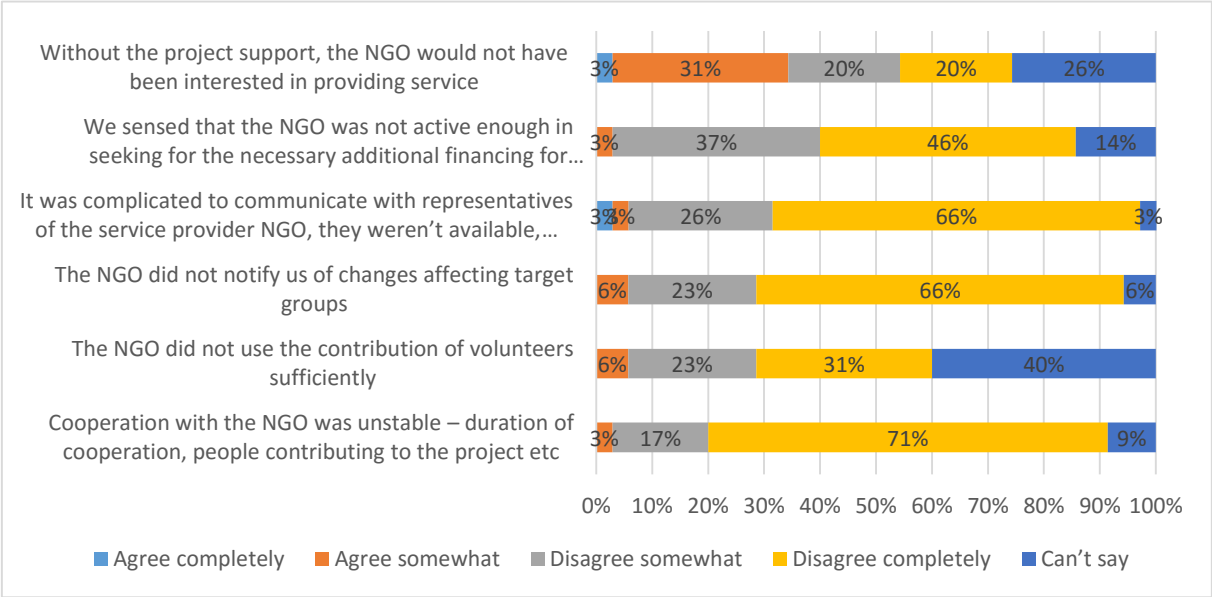


Source: Survey of supported NPOs, n=33

To sum up, confirms what is mentioned at the start of the chapter – **NGOs primarily give high ratings to the cooperation with the public sector.** The ratings of the public sector as to cooperation with NGO partners are also positive (Figure 38) [24]. Public sector organizations cited most the

opinion that NGOs would not be interested in providing public service were it not for the project support, with reference to the partners’ view that NGOs do not have the capability to provide service in the absence of cooperation. The fact that NGOs also felt the same about their public sector partners shows **the importance of support similar to NGO Fund in offering numerous public services in Estonia**. The assessment shows that in some cases, **public sector partners feel that NGOs themselves should be more motivated, committed and conscientious**.

Figure 38 To what extent do you agree that these circumstances also occurred in your cooperation during the project?



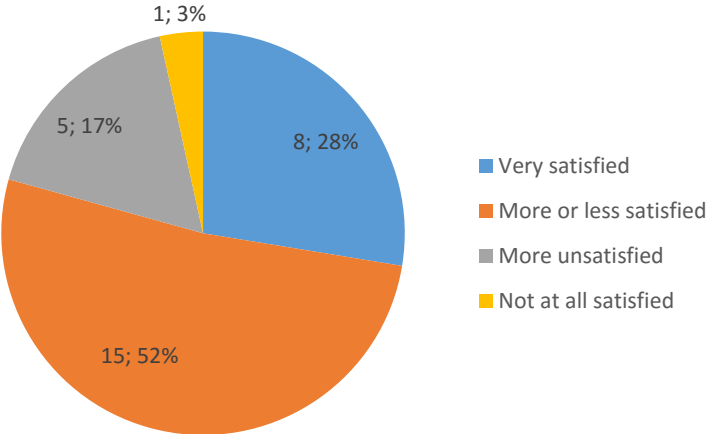
Online survey of public sector partners, n=35

Both supported NPOs and public sector partners generally have a high rating of cooperative relations with partners during the project. Nevertheless, NGOs feel that the public sector does not have a sufficient sense of its role and responsibility in providing public services in cooperation with the public sector.

5.3.4. Post-project cooperation

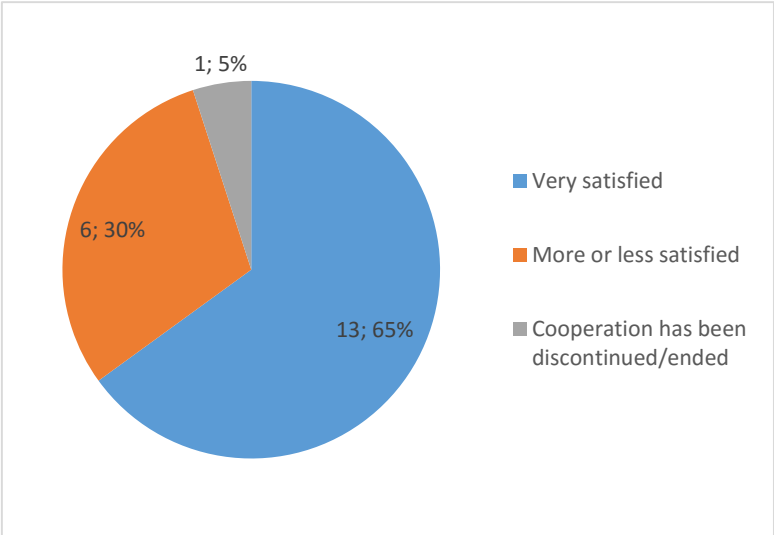
Similarly to satisfaction with cooperation during the project, the public sector partners are the ones who are more satisfied with post-project cooperation (Figure 39 and Figure 40) – while 79% of NGOs are very/somewhat satisfied with cooperation, 95% of public sector partners are very/somewhat satisfied with cooperation.

Figure 39 How do you generally assess POST-PROJECT cooperation with public sector partner(s)?



Source: Survey of supported NPOs, n=29

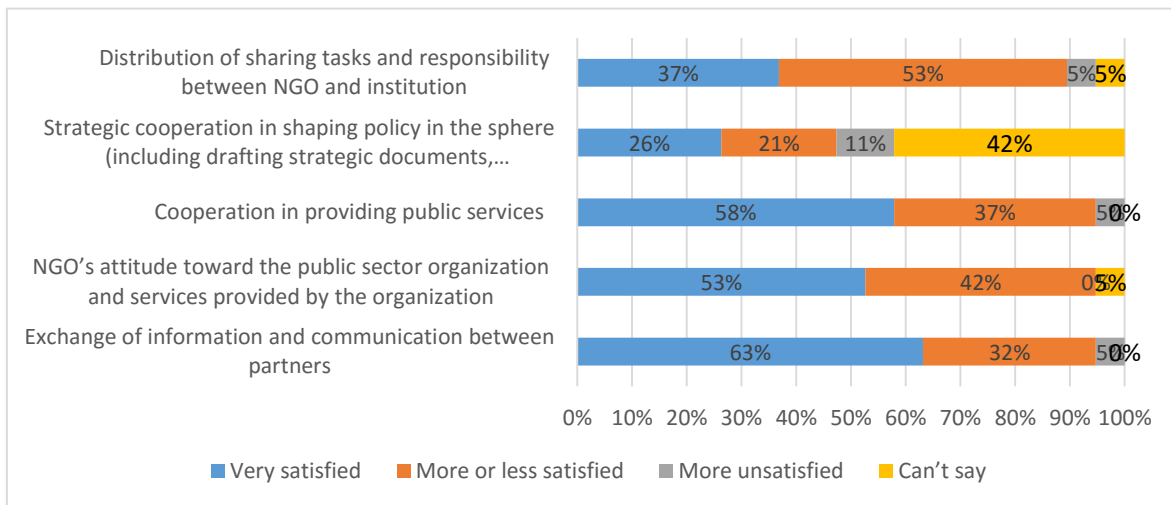
Figure 40 How do you assess the POST-PROJECT cooperation with the NGO project partner?



Source: Online survey of public sector partners, n=20

As can be seen from the figures, there are also more public sector partners who are very satisfied with cooperation. Figure 41 confirms the high satisfaction – throughout the study, ≈89-95% of public sector partners who responded to the survey were very/somewhat satisfied with the exchange of information and communication, the public sector partner’s attitude, the provision of service in cooperation and distribution of responsibility.

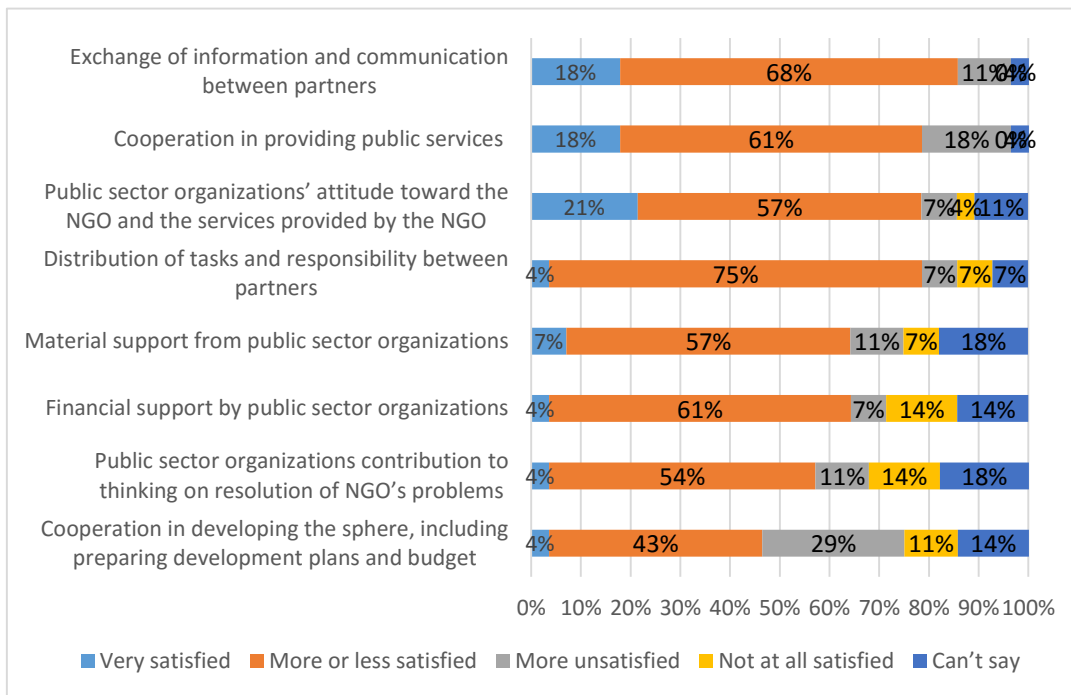
Figure 41 Please assess your satisfaction with POST-PROJECT cooperation with NGO partner in the following aspects:



Source: Online survey of public sector partners, n=19

As the satisfaction of NGOs with regard to cooperation was lower, it can be concluded that the **expectations of the NGOs with regard to post-project cooperation were higher**. This is also confirmed by Figure 42 – even though general satisfaction with cooperation is high, only a marginal number are very satisfied with cooperation. Greater **dissatisfaction with strategic substantive cooperation** can also be seen [8] – **cooperative development of the field and resolution of problems that arise**. Based on interviews and open-ended questions, dissatisfaction can also be explained with the fact that public sector partners' staff members have other obligations besides contributing to provision of service, even as service provision is one of the main activities for NGOs. Thus there is a better sense of the shortcomings as well.

Figure 42 Please assess the following aspects related to POST-PROJECT cooperation with public sector partners in general (including in the framework of other activities carried out by your NGO)



Source: Survey of supported NPOs, n=28

Satisfaction is lowest or respondents were least able to assess satisfaction with strategic cooperation (Figure 41 and Figure 42). Although close to half of the public sector partners as supported NGOs were content with strategic cooperation, public sector partners included more of those who were very satisfied. It is noteworthy that ≈42% of public sector partners had presumably not realized the need or objectives for involvement to be able to form an opinion as to satisfaction. On one hand, this could have been due to the fact that already prior to the project and during the project, involvement of NGOs in strategic activities and participation in the service provision business plan was low (see chapter 5.3.2 Figure 33 and Figure 34). Yet the lack of opinion may be impacted by the fact that the responding person had little contact with strategic cooperation and the fact that involvement was not practiced much in the respondent's organization.

Keeping in mind the delegation objectives set in the Block Grant, it is a noteworthy result that ≈73% of the projects are continuing the delegation by contract [25] this being one of the primary post-project forms of cooperation. Compared to the 2014 Praxis study, this is also a higher than average delegation figure for Estonian local governments⁹⁶[25]. Yet the result should be interpreted cautiously, taking into account that the respondents may not have been knowledgeable about the concept and conditions for delegation.⁹⁷ **The assessment showed that in general, cooperation with**

⁹⁶ According to the 2014 Praxis study, 80% of the local governments that took part in the LP11 and LP12 sub-projects supported from the fund "delegated public services for provision to NGOs – this is a much higher delegation rate than local governments who were not fund project partners (55%)."

⁹⁷ According to the 2014 Praxis study, the classic contractual delegation of public services was a sign that the local government determines the necessary volume of service, target group, time and place of service provision, and retains responsibility for service access and quality. Corroborating the Praxis study, this assessment also shows that often planning

the public sector both during and after the project has been, in the case of NGO Fund support recipients, more like a strategic partnership, which in most cases is also the most suitable and flexible mode of cooperation, even though in spite of this, elements and stability more characteristic of trust-based partnership are expected in cooperation.

NGOs have also cited other substantive forms of cooperation as post-project cooperation (see Figure 42). Involvement in development activity related in the field emerged as an important post-project form of cooperation – **≈55% of NGOs claimed that public sector partner(s) involve them in field-related development activity**, this being less than the rating given by public sector partners in the Praxis 2014 study – 88% of local governments involved NGOs. A positive aspect is that **≈47% of public sector partners are very/somewhat satisfied with the strategic cooperation being done to plan policy in the field**. At the same time, ≈42% of public sector partners are unable to assess their satisfaction with strategic cooperation, indicating that likely the objectives of involving NGOs has not been realized or the contribution of the NGOs analyzed. Thus NGOs could thus frequently be involved for the sake of involvement and the input gained is not analyzed or taken into consideration. This was also confirmed by interviews with different parties, where it was repeatedly noted that often there is no sense that their contribution is actually taken into consideration. As noted previously, strategic cooperation between NGOs and public sector to develop the field, which presupposes active involvement of NGOs, seems, in light of the outcomes of this assessment, to be lower than expected, even though a little over half of the supported NGOs claims to participate in such cooperation. At the same time, as Figure 43 shows, strategic cooperation in developing the field has met with the most dissatisfaction from NGOs (29% somewhat dissatisfied) as a result of which it can be presumed that the factual involvement does not automatically equate to substantive involvement.

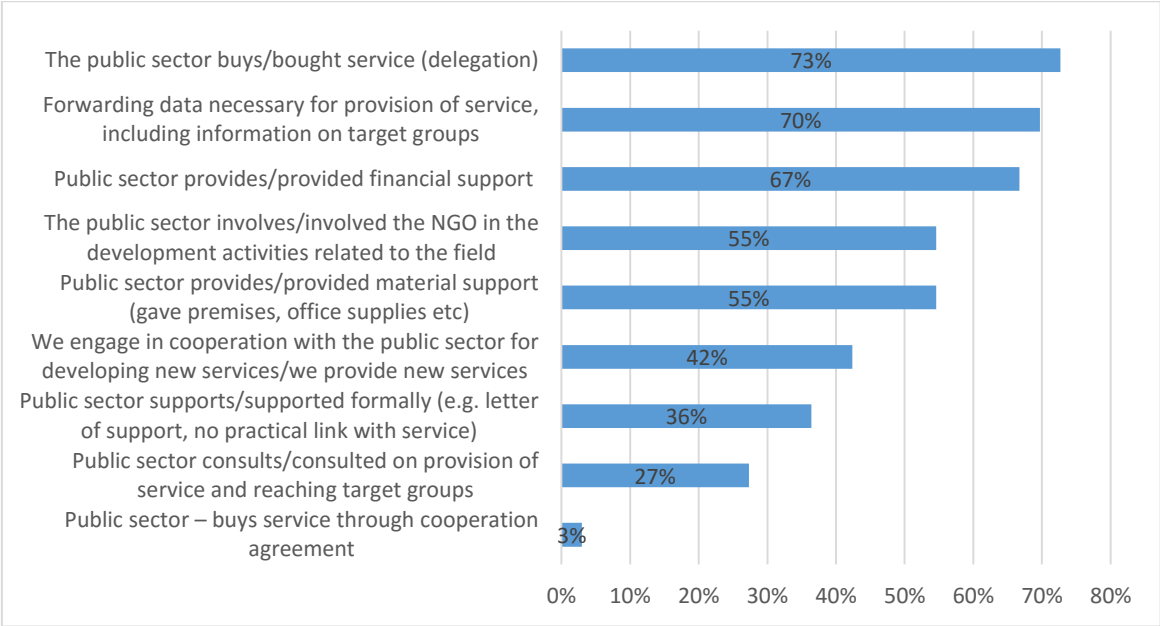
Public sector organizations are often not aware of the objective of involving NGOs in policy planning, nor do they analyze the input gained and its value for developing the field.

Figure 42 summarizes the general assessments from NGOs as to post-project cooperation with the public sector. The main reasons for dissatisfaction are related to the public sector’s attitude toward cooperation. Although cooperation is taking place (Figure 43), interest and active contribution and sustainability of maintaining ties is, alongside financial support, often poor. A quarter of the NGOs that responded found that the public sector is not interested and does not participate in thinking about the challenges confronting the service provider NGO. In addition, aspects mentioned in the interviews also illustrate the often “lax” attitude:

“They give money, but are lax in cooperation.”
“In the course of the project, all of the officials who dealt with the field left and were replaced by new ones. The explanatory work had to be done all over again.”

and provision of service take place at the initiative of the NGO, with the responsibility for provision of service passed to the NGO (see also Figure 37).

Figure 43 If, upon providing the service developed within the project, cooperation continues/continued with the public sector partners, how would you describe the cooperation AFTER THE PROJECT SUPPORT ENDED? If the project has not ended yet, please respond based on the discussions/agreements made to this point with project partners.



Source: Survey of supported NPOs, n=33

Although the assessment also highlights problems preset in post-project cooperation, these were not very noteworthy from the point of view of the NGOs and public sector partners that responded to the survey. This is also overwhelmingly confirmed by the support recipients’ final reports and follow-up queries. At the same time, what is noteworthy is the fact that **≈42% of NGOs developed or provided new services in cooperation with public sector organizations after the project was over [19, 20]**, pointing up strong cooperative relations and trust in each other’s capability. **Close to 52% of NGOs (n=33) developed, after the project, services independent of public sector funding [12]**. At the same time, these accounted for a low relative share of activities – in the case of ≈65% of NGOs, such services made up a quarter of the activities, and for ≈29% over a quarter (n=17). The LP11 and LP12 follow-up queries⁹⁸ made by NFCS itself confirm that NGOs were active in developing services after the project as well as service enhancements [19, 20]. **Thus the NGO Fund support has had an important role, at the least, in increasing the NGOs’ operating capacity and strengthening cooperative ties and as well as having potential long-term impact on sustainability of both the services developed in the project and new ones.**

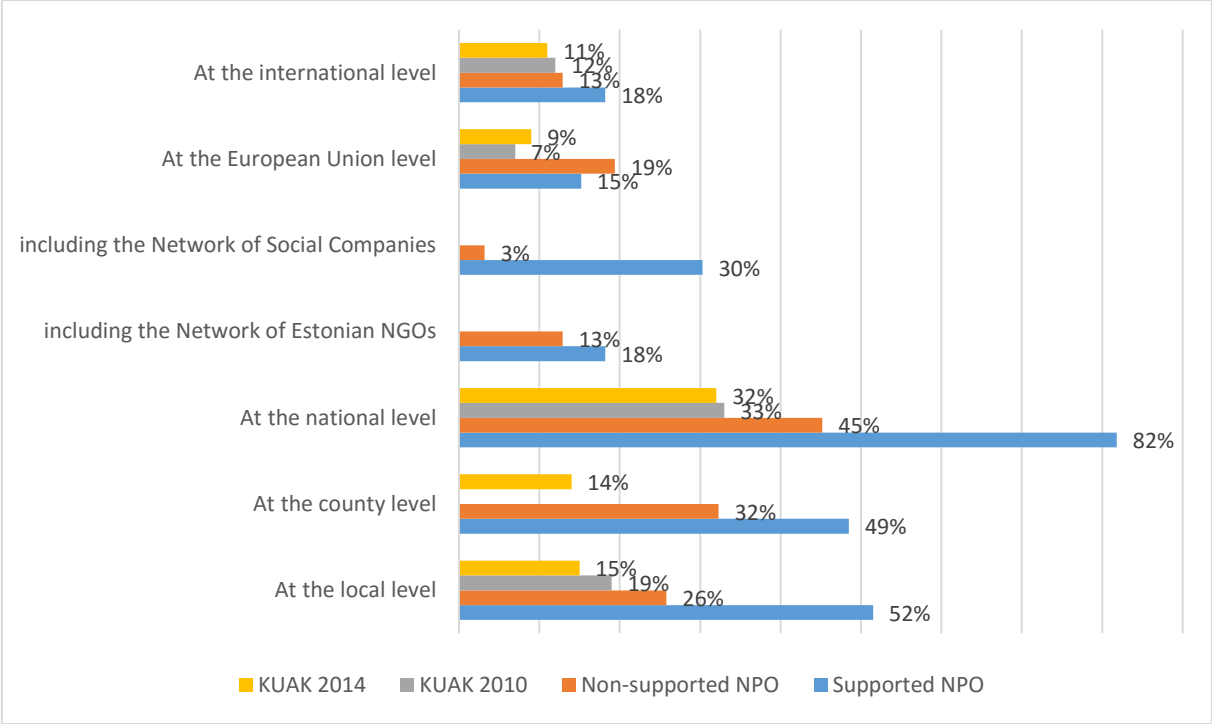
5.3.5. Improvement of other cooperation

NGOs that participated in the study – both the ones that received a positive funding decision and those that received a negative one – are more closely networked compared to the findings of the KUAK 2014 study (Figure 44). Whereas 32% of the participants in the KUAK 2014 study belonged to,

⁹⁸ In spring 2015, NFCS studied the sustainability of services provided from those supported from LP11 and LP12 – whether, to what extent and in cooperation with whom the services are provided. By the time of the assessment, 1-1.5 years had elapsed since the end of the project.

e.g. pan-Estonian umbrella organizations, the indicator for those that did not receive NGO Fund funding was 45% and those that did receive support, 82%. The share of NGOs that belonged to networks operating at the county and local level was also much greater among participants in the NGO Fund open calls.

Figure 44 Does your NGO belong to some umbrella organization or network?



Source: Survey of non-supported NPOs, n=33 and n=31) and KUAK 2010 and KUAK 2010 studies.

In addition, 85% of supported NGOs found that due to the project’s impact, they take part more than before in networking in their field [23]. Considering this and the fact that much greater share of supported NGOs belonged to umbrella organizations than did NGOs that received negative funding decisions, as well as the fact that more of the ones that received a negative decision belonged to networks than the average Estonian NGO, it can be concluded that support goes to NGOs that engage in more active networking and thereby are more capable (see also Table 4).

This assessment shows that the NGOs that took part in implementing the projects are more capable than the average Estonian NGO and that they are also more active networkers. Thanks to the support, participation in networking among project implementers has also seen noteworthy growth.

5.4. The impact of external factors on outcomes of NGO Fund projects

While the fourth chapter examined, among other things, implementation and support conditions of the NGO Fund and their impact on the performance of the projects, this subchapter will focus on other, external factors, which are independent of NFCS and NGO Fund but may impact the success and attained impact of a project. In general, based on all stages of the assessment, the foregoing

chapters can be summarized by saying that the **performance and impact of the projects is primarily impeded by the parties' lack of awareness of cooperation opportunities and possibilities for supporting activity, benefits of cooperation for the parties and each other's capabilities and expectations.** In the course of the assessment, a number of the parties noted that a great amount of resources is spent on communicating the nature of the services and cooperation opportunities and to understand how and whether precisely to engage in cooperation. **At the same time, the assessment results confirm that successful cooperation is possible through NGO Fund support.** In addition, NGO Fund support has a positive impact on the operational capacity of NGOs as well as in supplying services to public sector partners as well as improving quality and access of services.

External factors have a noteworthy role in maintaining the cooperative ties that are established and arise. According to the online surveys, the greatest number of changes in the case of the services provided with the help of NGO Fund took place in cooperative relationships. Interviews revealed that the **reason for changes in cooperative relations during and after the project was, first of all, the lack of substantive financial aid from the local government also following the contract; second, ending the contract due to non-allocation of funds that would ensure sustainability; and third, lack of need, as perceived by the NGO itself, to continue the contract.** Also according to the public sector partners who responded to the online survey, one of the reasons for ending the project activities was the fact that in the framework of the project, the NGO trained the public sector partner staff and thus, due to the nature of the project, it was not possible or reasonable to continue cooperation on the same conditions.

The curtailing influence of low funding on the achievement of project outcomes is also shown by a number of other problems brought out by NGOs. In interviews and online surveys, **purchasing of service was listed most often as a factor impeding the project's objectives** (≈27% of support recipients) **and financial support/budget** (≈24% of support recipients, chapter 5.3.2 Figure 36; sufficiency of support and problems with the budget are covered in more detail in chapter 4.4). As to the question asking for the three most important problems with the project, the aforesaid areas were the most popular – each being mentioned by ≈36% of respondents, referring to an even bigger impact to the project outcome. The assessment found that the problems obtaining information necessary for provision of service (≈21% of support recipients) were also partially related to financial resources – the cooperative readiness of public sector partners is impacted by their obligation to pay for the service (on the basis of the number of consumers of the service).

Corroborating previous studies, case analyses also showed that **in providing service, the NGOs depend more on the capacity of the local governments to outsource services and the financing system in force in the area – different for each local government.** Depending on the local government, the cooperative provision of service could take place as trust-based cooperation or as classic delegation. In the case of procurements, the service provider may be selected only according to price and the contracts may be very short-term and concluded on unfavourable terms for the NGOs.

In addition, it was also stated that the activities being carried out and the outcomes achieved were depended on legislation, good practices at NGO, employee migration (including elections, illnesses of

key persons or changes in workplace), the low budget of local governments or priorities incompatible with the NGO’s activity, interpersonal relationships among different parties, empathy of public sector partners to the target groups and desire to provide service to them, capability of target groups to pay for the services if necessary, capability of different parties to get the target groups to use the services, the service development stage, and previous cooperation relationships etc. **It is important to note that the aforementioned factors may actually promote or curtail achievement of the objectives; most of the factors require intensive communication to be undertaken to attain a favourable impact.**

Based on the different inputs of the assessment, it can be said that **the biggest factor promoting the impact of the projects and outcomes is the support in the framework of NGO Fund** – none of the support recipients would have carried out the activities to the same extent, and **≈70% of the NGOs would have carried out activities on a smaller scale/at a different time.** The significant impact of the support is also corroborated by the fact that ≈65% of NGOs that did not receive support in the LP call carried out the planned activities, while less than half (45%) of them did so in cooperation with the public sector and ≈70% carried out fewer activities than planned (the net effects of the fund are dealt with in more detail in chapter 5.5).

The main factors that impacted achievement of the set objectives are effective penetration to the target group, cooperation with public sector partner (including buying service) and the budget for activities (including the contribution from the public sector organization). The factor that has the greatest positive impact on fulfilment of objectives in the business plan is, without exception, the NGO Fund support. It is likely that most of the activities supported from the NGO Fund would not have been implemented in the absence of NGO Fund support.

5.5. Net effects of the Swiss NGO Fund

Where possible, the projected net effects of the activities supported through the Fund were also examined. This was done using a control group survey – that is, adding the relevant questions into the non-support recipient survey and other surveys – as to what outcomes and impacts can be associated directly with the NGO Fund and what results would not have been achieved in the absence of the support – the actuality was compared with the “non-implementation of measure scenario”.⁹⁹ A thorough impact assessment, especially in the long-range perspective, is nevertheless complicated in light of the nature of this assessment. Thus the project outcomes and impacts were

⁹⁹ Net effects = total impact – deadweight. **Gross impact** is the total change in the beneficiaries’ indicators that are used as criteria for assessment of the programme/measure (e.g. the number of service recipients before support compared to the number six months after receiving support). In assessing the net effects of the project, it is important to consider the actual additionality – the assessment of outcomes and impacts must ascertain the achievements that can be directly associated with the assistance from the programme/measure. If the outputs and outcomes had been established also without support, this would have been **deadweight** that cannot be considered in assessing the outcomes/impacts. The analysis of the programme’s net effects is based in this assessment mainly on the project implementers’ assessments as to what would have happened had they not received support and by use of the semi-experimental method where applicants who were denied support are also included in the study and queries as to whether the projects that did not receive support were carried out completely or partially. The assessment of net impact is also validated through interviews conducted in the course of the case analyses.

examined in the extent enabled by the available source data needed for assessment and what could be gathered additionally.

Strengthened institutional and operational capacity of NGOs in offering public services

It was not possible to thoroughly assess the net effects of the NGO Fund on institutional and operational capacity on the basis of the existing data and the set outcome indicators. The fact that all of the supported NGOs are still operational – while 7% of the non-supported recipients (2 NGOs) operate seasonally and one has wound up – permits some conclusions to be drawn. Even though the share of seasonal and wound-up NGOs is very low, it can be presumed that obtaining support will contribute to the growth of the NGO's operational capacity and thereby services can be supplied in a stable manner.

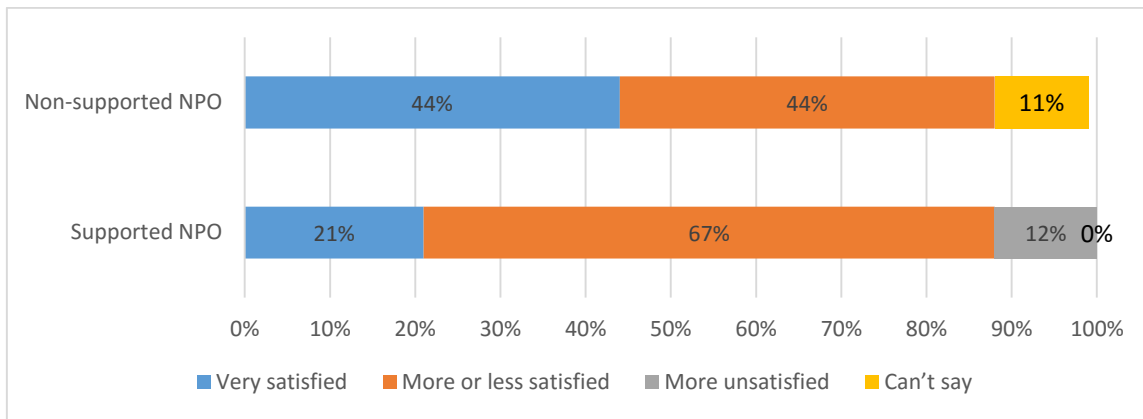
The positive net effects of the fund were also confirmed by interviews conducted and information gathered in the framework of the case analyses. The interviewees considered very necessary the NGO Fund's possibilities for providing services to create the necessary environment and to develop the services. As to what they would have done had they not received support, the overwhelming answer was that services would likely have provided to far fewer, in poorer conditions and likely in the more distant future. Thus **implementing projects contributed to more rapid growth of institutional and operational capacity of the NGOs.**

Cooperation between NGOs and the public sector

Obtaining support had a noteworthy positive impact on public-third sector cooperation. While non-recipients did not experience changes in cooperation partners with regard to activities carried out, 30% of the NGOs experienced a decrease in number of cooperation partners and not a single respondent reported an increase in partners (four NGOs both added partners and experienced a decrease), **at least one-quarter of the support recipients reported adding NGOs, private companies and networks as partners.** The most partners were added in the public sector and the decrease in partners was minimal.

Looking at the quality of the public-third sector cooperation, the impact of NGO Fund was lower. Even though both the support recipients and non-recipients are very or somewhat satisfied with cooperation with public sector organizations, the **non-recipients have twice the number of those who are very satisfied with cooperation** and there are none who are dissatisfied (Figure 45). From this, we may conclude that **the fund does stimulate cooperation, but the cooperation may not necessarily be the highest in quality or conducive to satisfaction.** From this, it can be presumed that in the case of non-recipients, activities were implemented to some extent by those who had the best/most trustworthy cooperation with local public sector partners. Satisfaction with cooperation may also be impacted by the fact that 55% of the non-recipients implemented activities without a public sector partner – if there was contact in the framework of provision of service, relationships may have been more stress-free due to lack of financial obligations.

Figure 45 How do you generally assess cooperation during the project/in the framework of activities with public sector partners?



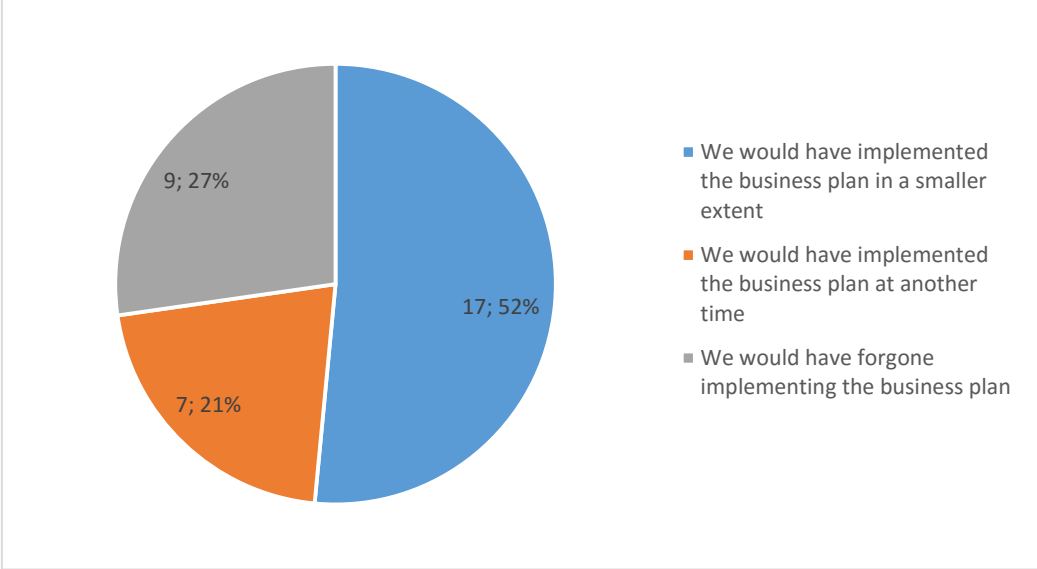
Source: Survey of non-supported NPOs, n=9 and survey of supported NPOs, n=33.

Receiving support is a stimulus that leads to closer cooperation with different parties. Fewer than half of the non-recipients provided the planned services in cooperation with public sector partners. If they provided services alone, the likelihood of reducing number of services, target groups, cooperation partners and access was somewhat higher than cooperative service provision, confirming the importance of cooperation and project support conducive to cooperation.

Quality and access to public services

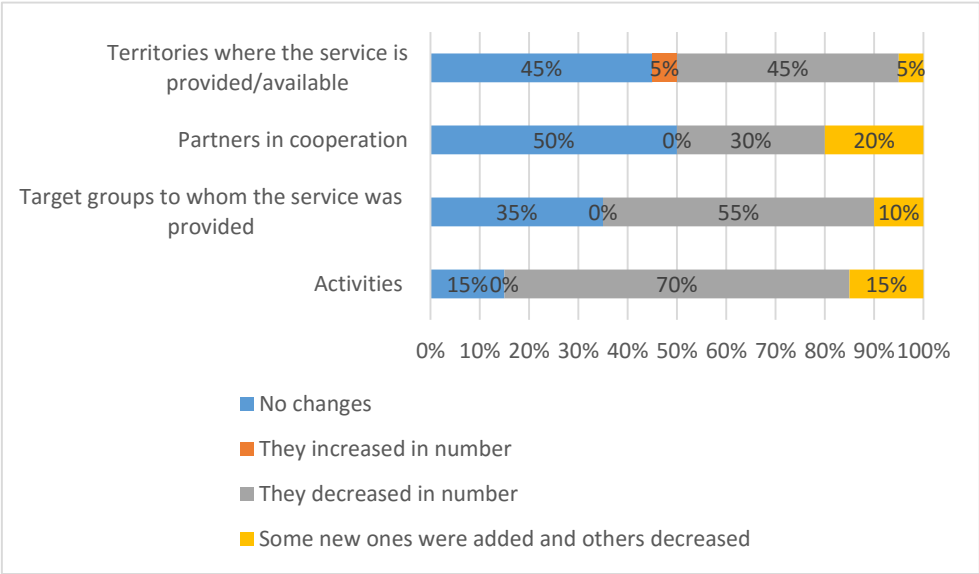
To assess the net effects of the fund, both the support recipients and non-recipients were asked about the non-implementation scenario. Close to **52% of support recipients would have carried out the business plan in a more limited extent and 27% of the NGOs would have abandoned the idea to implement the business plan** (Figure 46). The fact that **≈36% of non-recipients gave up on implementing the business plan** and at least 70% of non-recipients experienced changes in comparison to the business plan (Figure 47), shows that **actually the likelihood for non-implementation of activities was greater than could be presumed based on the assessment of the supported NGOs.**

Figure 46 What would you have done had you not received project support?



Source: Survey of supported NPOs, n=33

Figure 47 To what extent were there changes in the business plan and/or project application compared to the planned activities?



Source: Online survey of NPOs that did not receive support, n=20

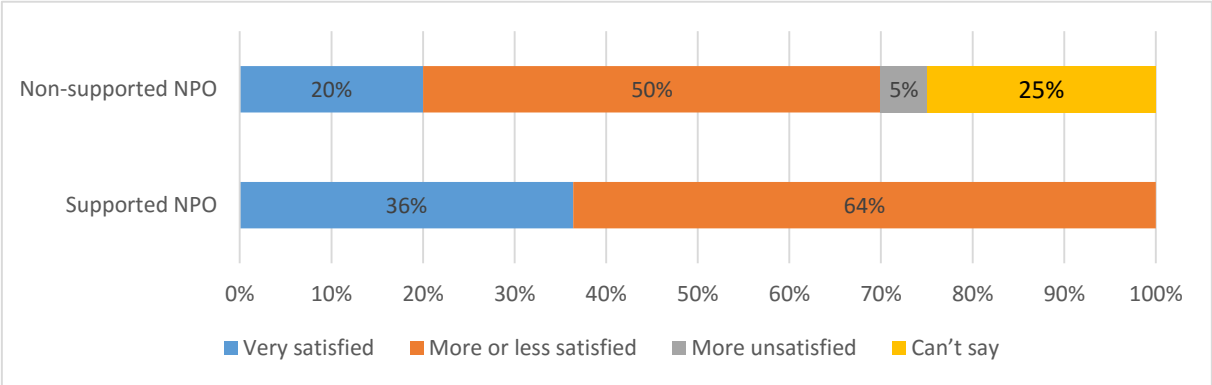
Without support, many business plans would not have been implemented and for most of them, changes would be made either in the areas where service was provided/accessible, cooperation partners, target groups or detailed activities. The access and quality of services would thus not achieve the equivalent results compared to the scenario where support is received. The noteworthy net effects of NGO Fund are evident.

The net effects on access to services also make it possible to assess the change in service target groups in the case of both support recipients and non-recipients. Of the NGOs that received support, ≈30% responded that there were no changes during implementation of project, with ≈67% of NGOs' services developing additional target groups and no NGOs reporting decrease in target groups (Figure 47). Of the non-recipients, target groups found themselves completely deprived of the planned activities in the case of ≈36% of projects – the activities planned in the business plan were not implemented to any extent. In addition, of the activities carried out, there was a decrease in target groups in the case of more than one-half of them (55%) and the service was either not expanded or there was no way of providing the services as planned to more people [21]. Thus, **without support, less than one-quarter of the NGOs supplied services to the target groups specified in the business plan, with more than half of the support recipients supplying service to more people than planned.**

Not receiving support meant a significantly reduced number of people receiving the service compared to the planned level; in other words the impact on increasing access to services was significantly less than expected.

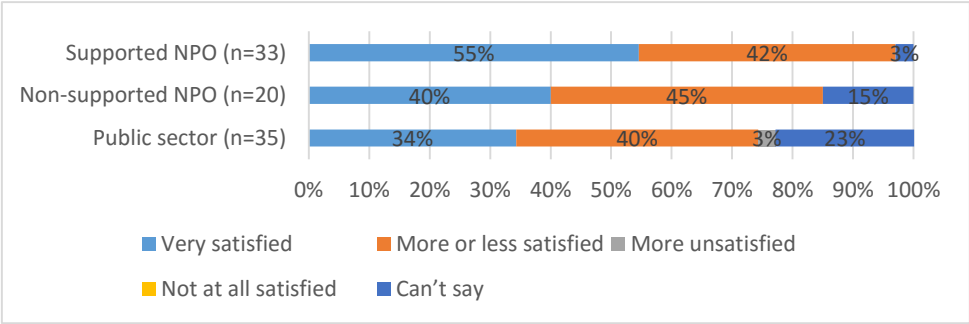
The net effects of access and quality of service also allows the satisfaction of the service provider and target group with access to services provided and achieved quality to be assessed [15]. While supported NGOs were predominantly very or somewhat satisfied with access and quality of services, satisfaction was slightly lower in the case of non-recipients (Figure 48). However, one-quarter of the non-recipients did not achieve results (Figure 48) nor have they analyzed cooperation for themselves (Figure 42), allowing us to presume that the analysis necessary for developing service is somewhat weak and shows that the NGO's own contribution to increasing quality of service is somewhat inadequate. At the same time, there is not as much disparity in the assessment of support recipients and non-recipients regarding target groups' satisfaction with services provided (Figure 49). Thus lower satisfaction among non-recipients may stem from the fact that support was not received in the LP call and inevitably, in the course of implementation, comparisons were drawn with the measures in the business plan – i.e. the ideal version. Yet there are a noteworthy number of those who are unaware of target group's satisfaction (Figure 49), indicating once again the potential positive impact of NGO Fund on analysis of activities carried out, including on querying for feedback. Namely, due to the obligation of documenting service users' satisfaction, the awareness of satisfaction among the supported NGOs was higher as well, even as the non-recipients ask for feedback only out of interest in developing service. The public sector partners do not have a reporting obligation, on the other hand, nor do they themselves provide service thus awareness of target groups' satisfaction is lower.

Figure 48 How satisfied are you with the access to the services provided and the quality achieved?



Source: Survey of non-supported NPOs, n=20 and survey of supported NPOs, n=33.

Figure 49 How, as far as you know, do the target groups rate (how did they rate) the services provided in the framework of the supported project?



Source: Survey of supported NPOs, non-supported NPOs and public sector partners

Based on the satisfaction with the service among service providers and the target group, the fund’s net effects are not noteworthy with regard to increasing access to and quality of services. But receiving support and the associated reporting obligation does have a more indirect impact – the activities carried out are analyzed and communicated better, which in turn contributes to the service quality and target group satisfaction.

6. Sustainability of the Swiss NGO Fund

The focus for assessing NGO Fund sustainability is the question of whether the outcomes achieved with the project will remain in place after the end of the project and what opportunities there will be for carrying out similar developments without the Fund's support. The sustainability of the implemented projects was assessed based on the outputs of the support allocated and the projected impact of the projects and the NGO Fund. To do this, the responses from NGOs and their public sector partners received through the online survey, among others, were taken into consideration regarding the period following the end of project and potential future activities. Considering that the basis of the assessment was primarily the information regarding the projects and sufficient time has not passed since the end of the projects, it was not possible in this assessment to measure the long-term sustainability perspective. At the same time, it was taken into consideration that the **Swiss NGO Fund is a key pilot project**, as interviewed parties have called it. It was hoped by this means to get activate the field, demonstrate the smoothness and benefits of cooperation and factors impacting success. As the volume of NGO Fund was still relatively small, it cannot be expected to have a large-scale impact on development of services and cooperation, but that means outcomes where the subsequent supply of services continued, were considered all the more positive, even if it was on a smaller scale or with fewer/other partners.

6.1. Role of the Swiss NGO Fund in sustainability of public-third sector cooperation and operational capacity

The basis for the Swiss NGO Fund is the Estonian-Swiss Cooperation Programme, which from 2011-2015 enabled support for improved access and quality of public services through public-third sector cooperation. **In developing the Swiss NGO Fund, it was known that it would be possible to apply for support from the support scheme only during a certain period.** It is not yet known whether and on what conditions it will be possible to support similar activities in future through a similar measure. But the interviewees and some of the respondents to the online survey expressed the desire, in open-ended responses, for a similar measure in the future.

"I was left with the impression that it was a /.../ very successful example. When they talked about what should be supported in the new financing period, it was mentioned on a number of occasions that it would be a good idea to support the aspects that the NGO Fund represented – cooperatively providing certain services – in the new period as well."

"Similar programmes should continue. People have many good ideas that are sustainable and that should be implemented."

"The NGOs of target groups that require services know the needs of the target groups the best, and thus the existence of such financing programmes that launch services is very important. It was also a very important project from the standpoint of the organization's development and notification activities."

"As we saw it, projects for launching social services in areas where access to services has not always existed are totally essential and indispensable, as during the launch period, the

participants get practical experience from the target group, its readiness/lack of readiness for consuming the service, motivation of the target group, and cooperation with service providers etc.”

Both in the early years of the NGO Fund and today, it is possible, depending on the NGO’s field of activity and target group, to apply for support e.g. from Innove, Gambling Tax Council, the Open Estonia Foundation and many other measures implemented by NFCS itself. But the measures implemented by these organizations are generally aimed at narrower target groups and activities. Thus, as **NGO Fund ends, it is not possible for NGOs operating in such a diverse array of fields to apply for support for such diverse and comprehensive activities.**

The Swiss NGO Fund is or was the only measure that allowed support to be applied for activities aimed at such diverse and comprehensive public services provided in public-third sector cooperation.

As the Swiss NGO Fund was created, sustainability of the supported projects was set as an objective. Depending on the open call, the applicant had to explain in the application and/or business plan how the sustainability of the services to be provided through the project was to be achieved. The requirement of submission of a business plan presumed that the NGO would thoroughly think through the circumstances related to its operations and the service target group, including the NGO’s capability to provide service, requirements in effect in the field, competitors, reaching target groups etc, in order to increase the competitiveness and sustainability of the NGO and the services offered. In addition, the requirement for receiving the support was cooperation with at least 1-2 public sector partners. The existence of two cooperation partners, it was hoped, would hedge risks potentially arising if one of the partners withdrew from cooperative provision of services. The requirement of a public sector partner, it was hoped, would avoid a situation where the supported NGO would not have anyone to provide service to. In determining the length of the project period as well¹⁰⁰, an attempt was made to take into account the time necessary for getting the service going and learning each other’s needs, so that the judiciousness of continued provision of service and necessary areas for development would become clear in the course of the pilot project. Thus, as **the Fund was developed, various factors impacting sustainability of the supported activities were considered.**

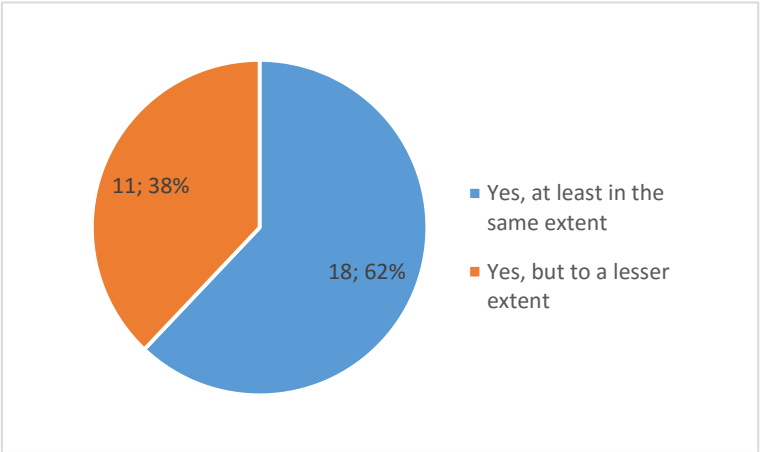
This assessment showed that the so-called cautionary measures paid off – **most of the supported services and the NGOs that received support are sustainable.** Namely, the online survey and follow-up query¹⁰¹ showed that **the implementers of all projects that received support and had ended by the time of assessment continued providing the supported services after the project as well.** According to the online survey, 38% of all NGOs provided the service in a lower extent than before (Figure 50). This is also confirmed by analysis based on the projects’ reporting, which showed that the 35% of LP11-LP13 projects had preconditions for continuity, with 8% of the projects (four

¹⁰⁰ The project periods of LP11-LP13 as planned calls for proposals were 15-18 months.

¹⁰¹ LP11 and LP12 projects that responded to the NFCS follow-up query.

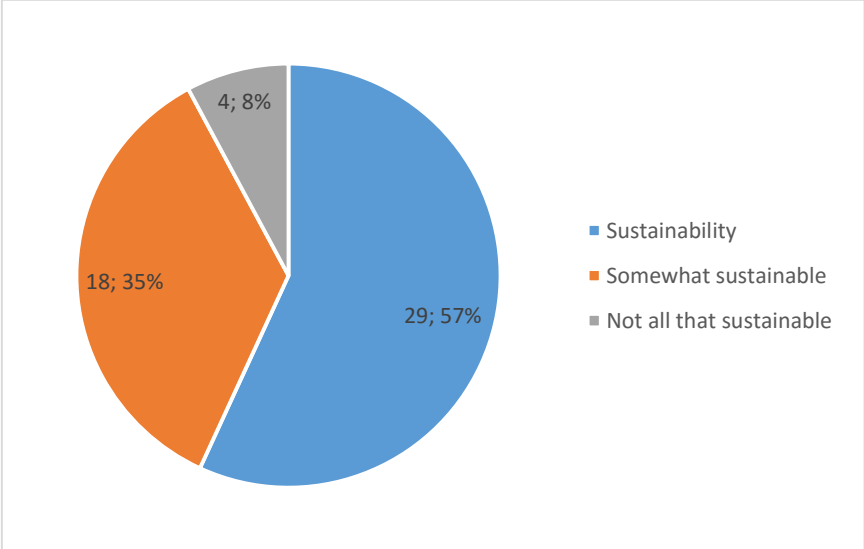
projects) being rated by evaluators at the end of the project as not likely to be sustainable¹⁰² (Figure 51). The follow-up queries suggest that the services provided/NGOs in the LP11 and LP12 projects are just as sustainable as at the end of the project – across two calls, the assessment team rated the activities of 56% of the projects as sustainable and 40% as somewhat sustainable (n=25). This is similar to the assessments based on post-project reporting in LP11-LP13 and shows the significant impact of the support on sustainability and establishing the experiences and cooperative relations that underlie sustainability.

Figure 50 Did you continue providing the services supplied during the project period after the project as well?



Source: Survey of supported NPOs, n=29

Figure 51 Sustainability of the LP11-LP13 projects based on final project reports

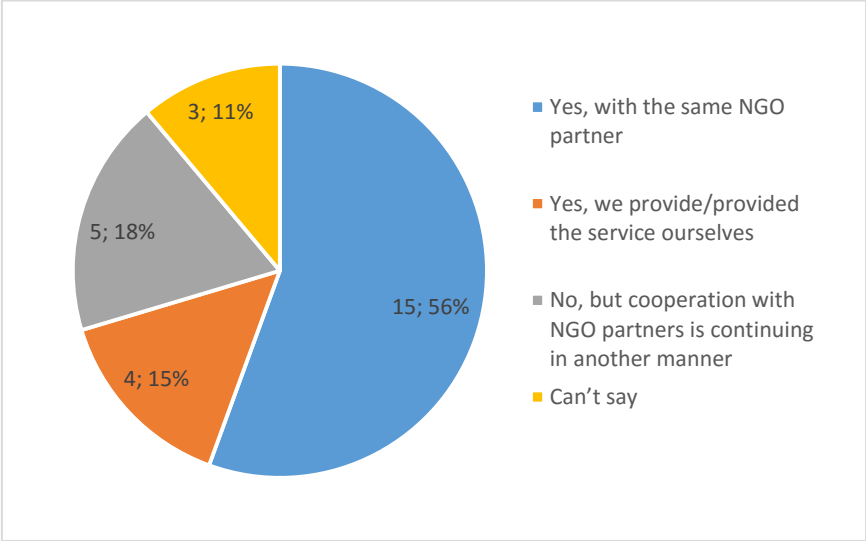


¹⁰² In providing an assessment, the following data documented in project reporting was examined: how large the support from the non-profit’s partners was, did they have funding, how did the project proceed, i.e. were there clients for the project to be continued etc. Based on some instances of inaccuracy and shortcomings in documentation of information, the ratings of projected sustainability of projects may have been incorrectly defined to some extent – they amount to more of a ballpark figure. This is a presumptive assessment of sustainability as it is based on the project final reports – assessment of actual sustainability requires a necessary amount of time to have elapsed since the end of the project.

Source: Compiled by the authors on the basis of the final project reports, LP11-LP13

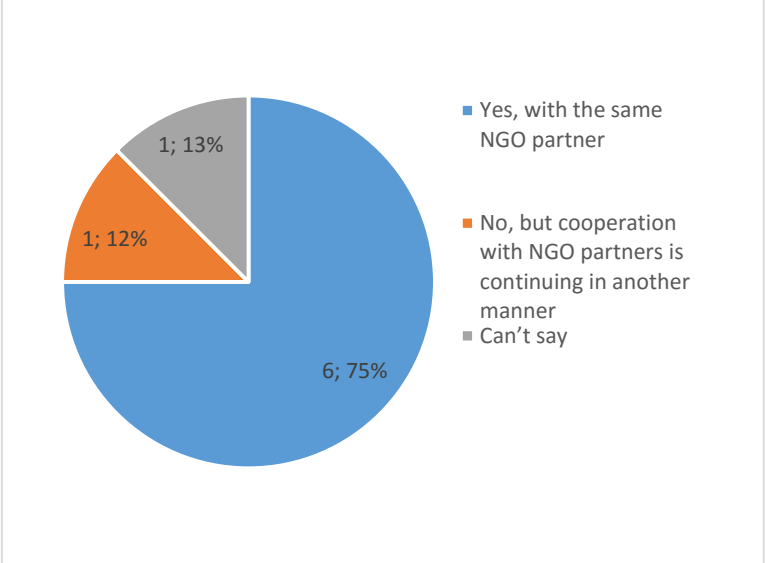
The responses of the NGOs' public sector partners that responded to the online survey regarding sustainability of services/cooperation were more diverse, however – 70% of the respondents said they continued providing services after the project, but 15% of respondents did so without an NGO partner; and **18% of respondents said that they no longer provided services in the framework of the supported project** (Figure 52 and Figure 53). At the same time, cooperation continues with the NGO in other ways, indicating the sustainability of the cooperative relationship and the possible positive impact of the project on sustainability.

Figure 52 Did you continue or are you continuing providing the services after the project?



Source: Online survey of public sector partners, n=27

Figure 53 Do you plan to continue providing the services after the project?



Source: Online survey of public sector partners, n=8

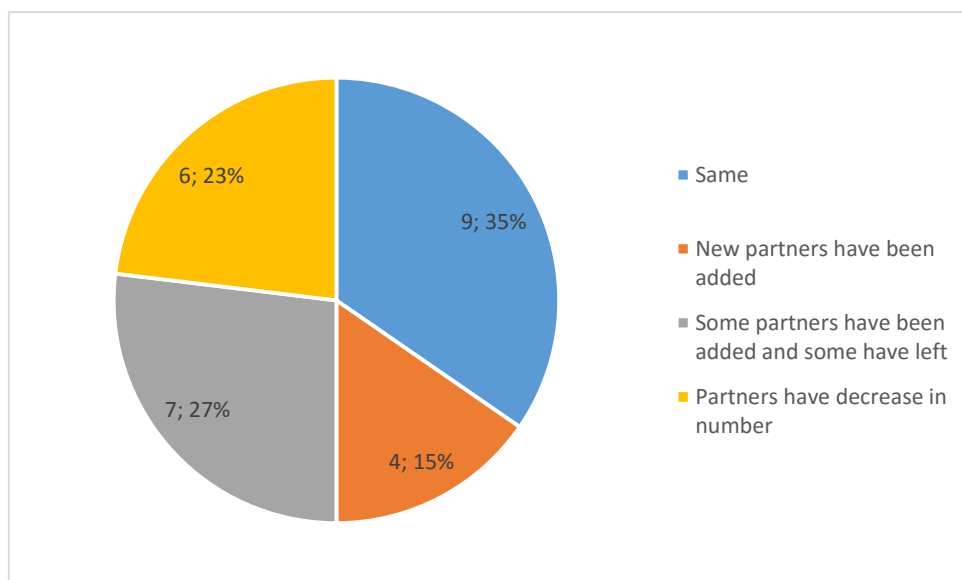
The outcomes achieved through the NGO Fund are sustainable – of the projects in the first two open calls, ≈56% were sustainable after 1-1.5 years time and ≈40% were somewhat sustainable. Considering that the projects’ reporting and responses to the online survey showed similar amount of sustainability, we can presume longer-term positive impact on the sustainability of the support recipients and services provided in the last calls for proposals.

In the following section, we will examine in more detail the permanence after the end of the project of the changes connected to the fund’s objectives – public-third sector cooperation, access and quality to public services, social cohesion, healthful living environment, capacity of NGOs, development of civil society, environment favourable to civic activity.

Cooperation of supported NGOs with the public sector and other parties

In accordance with follow-up queries regarding LP11 and LP12 projects – 1 and 1.5 years after the end of the project respectively – the **cooperative capacity of ≈77% of the NGOs with their partners can be considered sustainable**, as cooperative ties have persisted or new partners have been added (including to replace former partners (Figure 54). The relevant indicator for supported NGOs that responded to the online survey was much higher – cooperation can be considered sustainable in ≈97% of the projects. At the same time, the online survey result also includes projects that ended less than 6 months ago – in other words, this indicator does not show long-term sustainability of cooperative relations.

Figure 54 Public sector partners 1-1.5 years after the end of the project



Source: Responses to follow-up queries for LP11 and LP12 projects

The online survey indicates that cooperative relations with other NGOs, private companies, networks and target groups remained sustainable as well, with **the number of target groups or people receiving the service expanding after the project in the case of ≈59% of the supported NGOs** (see chapter 5.3.1 Figure 28). Thus, **the cooperative relations or ability to establish cooperative relations established through the fund persisted after the end of the project as well.**

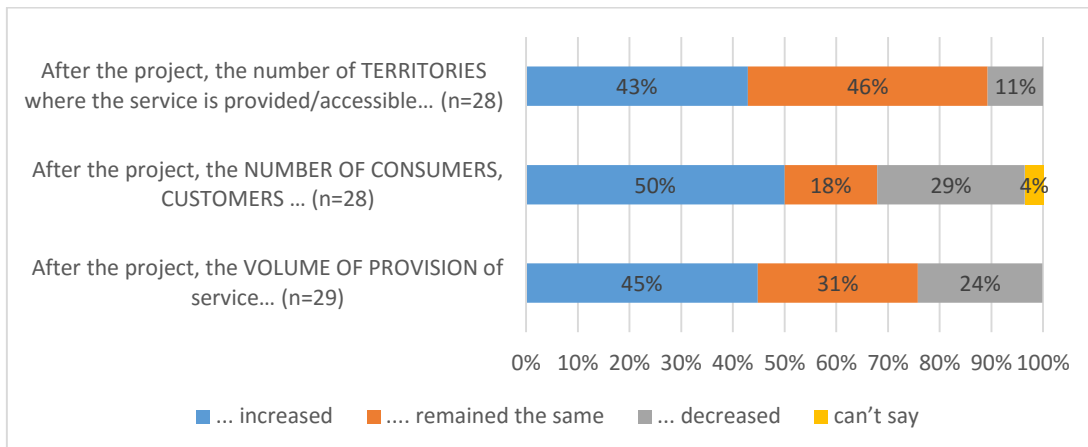
Even if the cooperative relations established during the project did not persist, both the NGOs and public sector partners gained knowledge and skills for establishing new cooperative relationships. It is noteworthy that 59% of the support recipients added service recipient target groups after the end of the project, which shows the potential expansion of fund-supported initiatives even after the project.

Access to public services and satisfaction with services developed/established

Based on the online survey, all 29 NGO respondents that received support and completed the project by the time of assessment also continued providing service after the project, but 38% of the NGOs did so on a smaller scale, as a result of which the access to service declined somewhat. The sustainability of provision of service is also corroborated by the follow-up queries regarding the projects in the first two open calls – **1-1.5 years after the end of the project, 96% of the support recipients are continuing to provide service**, over half (56%) provides service in at least the same volume. Although 18% of public sector partners (5 organizations) noted that the service provision had been discontinued, these organizations said they continued cooperation with NGOs in some other way. In addition, the response rate to the public sector survey was lower than expected (less than 20%) and thus caution should be exercised in generalizing these results.

In the opinion of the NGOs that received support and responded to the online survey, the access to the services provided through the project and the conditions have tended to persist or improve. To wit, ≈78% of NGOs found that **following the project, the volume of provision of services, the number of consumers and customers and the number of areas in which service is provided have grown or remained the same** (Figure 55). Furthermore, ≈62% of NGOs said the service is provided following the project under better conditions than before (Figure 56). The assessment from the NGOs' public sector partners is also positive with regard to post-project access to services – ≈79% of public sector partners found that the volume of provision of services, the number of consumers and customers and the number of areas in which service is provided have grown or remained the same (Figure 57).

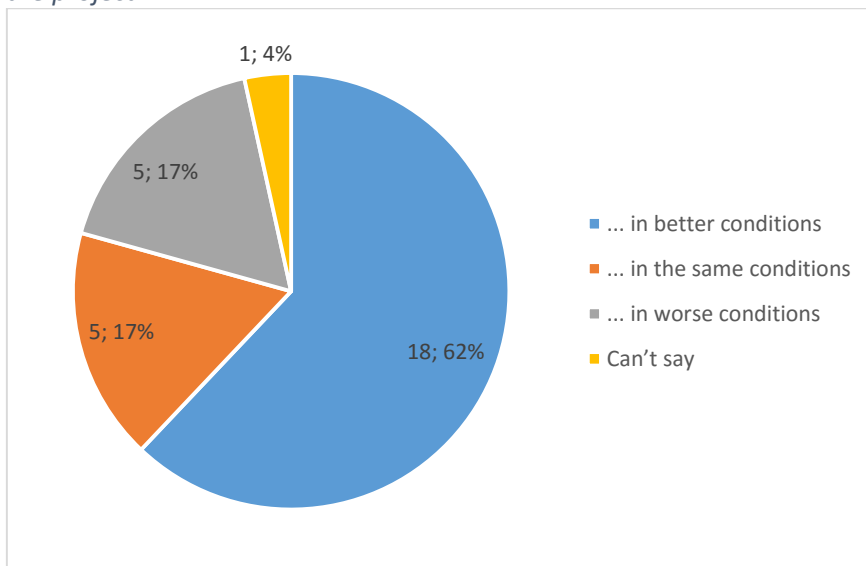
Figure 55 How would you describe the access to services provided through the project FOLLOWING THE PROJECT?



Source:

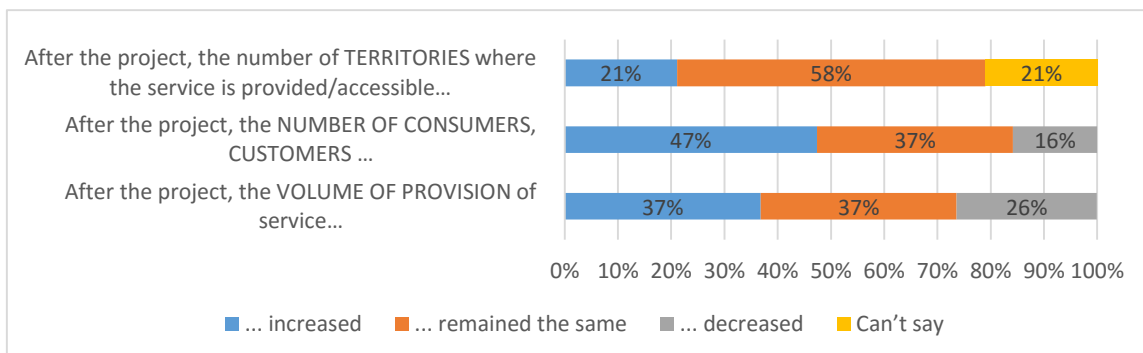
Survey of supported NPOs, n=28/29

Figure 56 From the perspective of the target group, the same service/services is/are provided after the project...



Source: Survey of supported NPOs, n=29

Figure 57 How would you describe the access to services provided through the project FOLLOWING THE PROJECT?



Source: Online survey of public sector partners, n=19

In the case of close to one-third of supported NGOs, the number of consumers and customers has nevertheless decreased following the end of the project, and one-quarter have a lower volume of service (Figure 55) [28, 34]. Of the public sector partners, close to one-quarter of respondents say that the service volume has decreased since the end of the project and 16% say that the number of service consumers has decreased (Figure 57). Due to the number of consumers and clients and the decrease in volume of service (Figure 55 and Figure 57), it is questionable whether retaining/improving the conditions for provision of service, as seen from the point of view of the target group, is reasonable in the financial sense, in light of the sustainability of the NGO's operational capacity. At the same time, the responses to the online survey do not allow us to assess more specifically what exactly causes the decrease in the target groups and volumes. Based on the general summary of the responses to the survey and interviews as well as on the case analyses, the said changes likely depend on the resources directed to provision of service – NGOs themselves do not have sufficient resources for providing service and without project support, the target group and the public sector organizations would not be interested or capable to use or buy the service. Thus it can be concluded that following the end of project funding, the access to services will decrease somewhat for the considerable majority of support recipients.

“In general, it often happens that after the end of the project, prices of services rise and then neither the local government nor the individual can afford to buy service.”

“It is unfortunate that all the service development and paying for it has been placed on the shoulders of the local governments, but only in large cities can we speak of use or funding of the service, but it is not realistic in small local governments.”

Judging by the online survey, information on post-project sustainable of services is occasionally conflicting. The project reporting and responses to follow-up queries do not permit assessment with 100% reliability to what extent the achievements have been sustainable. As a general assessment, however, the achievements in the framework of the projects has been maintained or even developed further. Still, close to one-third of support recipients have found it difficult to maintain the number of service recipients and service volume after the project.

The aforementioned reduced number of consumers and customers and decreased volume of service are somewhat surprising, however. On one hand, both the supported NGOs and their public sector partners found that the **service target groups were very or somewhat satisfied** (Figure 49) and public sector partners said that **satisfaction with the field among service recipients has grown through the project** (Figure 18). At the same time, the decrease in the said indicators confirms dependence of service provision on existence of financial resources.

Considering that the objective of NGO Fund is to improve both the access and quality of services by way of the project, it is noteworthy that ≈44% of public sector partners did not feel that service recipients' satisfaction had grown (Figure 18). The lack of knowledge about the satisfaction of service recipients may be related to the abovementioned shifting of responsibility for provision of service to the NGOs. **The interviews conducted in the course of assessment also confirmed the previous studies – public sector organizations often do not examine the quality of service and target groups'**

opinions. This is also shown by the project's impact on knowledge and skills for assessing service quality – supported NPOs gave the impact of the project on the relevant skill a much higher assessment than did public sector partners. The fact that the capability of NGOs to assess quality of services is higher, that target groups were satisfied on the basis of feedback requested in the course of case analyses¹⁰³ as well as in the opinions of various parties, and that services were seen by supported NGOs as corresponding to the needs of the target groups (chapter 4.1 Figure 8), all shows the **relative importance of the NGO's capability to ensure quality of services and thereby to maintain sustainability of the services and project outcomes.**

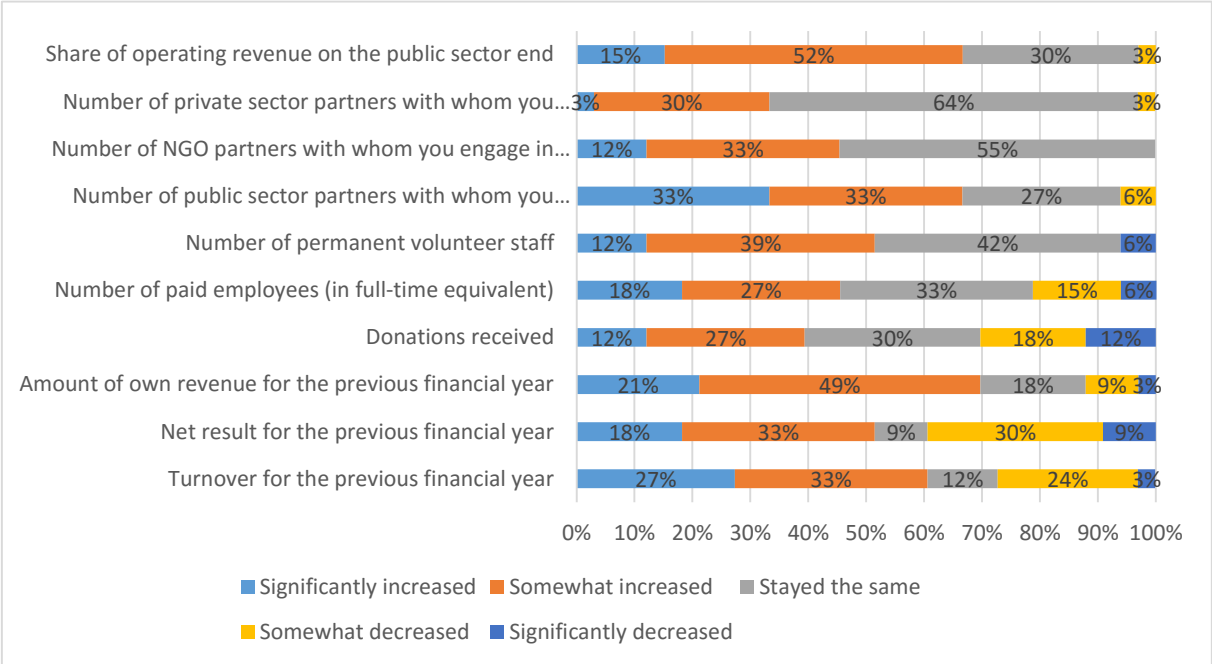
Even though less than a year had passed in the case of close to half of the NGO respondents, on the basis of the above, **the quality and access of public services following the project can, at least in the short run, be considered high** – especially as the NGO in some cases had to look for new opportunities to fund the services after the project ended.

Capability and vitality of NGOs

Based on the indicators brought out in chapter 3, the capability of NGOs can also, besides the foregoing, be assessed on the basis of number of employees, turnover, net gain, donations and engagement of volunteers. As the project could significantly impact the relevant indicators during the project period, NGOs were asked to assess the situation both as it existed prior to the project and during the time the survey was being conducted. Figure 58 shows that the NGO Fund project has had significant impact on fulfilling the Fund's objectives – close to half of the NPOs have had regular cooperation and operational capacity, including improvement in indicators for own revenue, operating income on the public sector side and growth in turnover, **which shows the sustainability of the project impacts on NGOs' capability.** This is also confirmed by the fact that in assessing the possibility of paying remuneration for work during and after the project, more than three-quarters of NGOs found that capability has to some extent been maintained (Figure 59) But a noteworthy finding is the fact that the **project did not have a positive impact on the sustainability of economic indicators of close to one-quarter of the NGOs.** This also ties in with the finding mentioned above – that nearly a third of the NGOs were not capable of supplying services in the same volume and to the same number of target groups. On one hand, these just could be fewer capable NGOs, in the case of which the project pointed up the limits of their competence, also impacting subsequent provision of services. On the other hand, these may be NGOs whose public sector partners are less capable both in outsourcing services and engaging in more intensive cooperation. For example, these problems were brought out in interviews specifically in the case of small local governments. At the same time, there may also be some reasons external to the project.

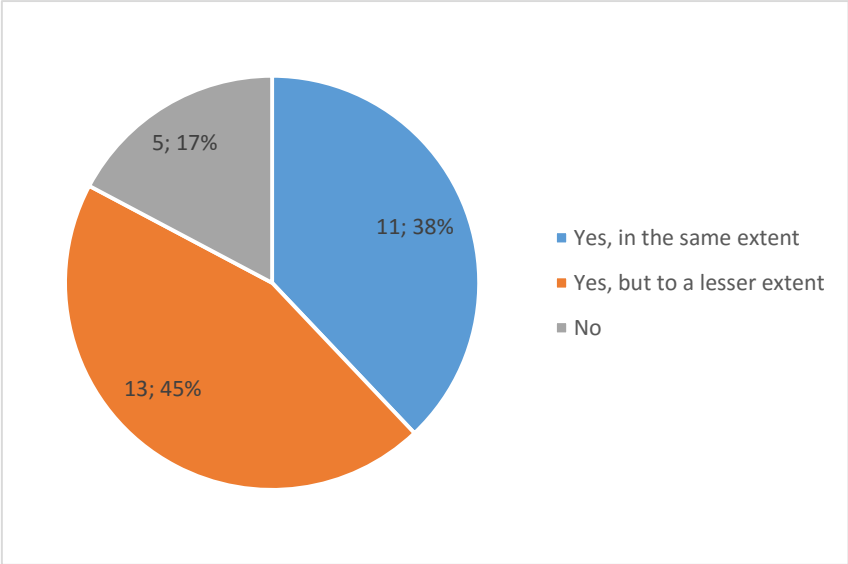
¹⁰³ In gathering information for preparing case analyses, service users were also queried regarding their satisfaction with the service provider and the service.

Figure 58 Please assess the following indicators, comparing the situation prior to the NFCS-supported project and the situation following the project/current situation.



Source: Survey of supported NPOs, n=33

Figure 59 Have the paid positions/possibility of paying remuneration created during the project been retained? Please respond regarding the current status



Source: Survey of supported NPOs, n=29

Based on expert interviews, **the vitality of NGOs and the sustainability of services also depend on the field in which the NGO operates and the manner in which funding is organized in the territory of provision of service.** For instance, considering development plans and population statistics, the need for social welfare services as one field of supported services should grow continuously and thus sustainability could be ensured in the case of well-functioning services. Based on expert interviews and case analyses, there are fields where the target group has low purchasing power and where the

necessity of providing services is not appreciated or prioritized. Coupled with a paucity of public sector financial resource, this could lead to the inability of the NGO to find the resources needed to provide services. At the same time, the high price of service and funding arrangements in effect in a locality – e.g. due to short-term or opaque nature – may also curtail sustainability of services and operational capacity of NGOs.

“If you have developed a necessary service at some point and been able to instil it in people’s minds and actually point to success... If no foreign aid is forthcoming, the funding should come from people and/or the local government. If you have been forced to explain to a local government that it is a very essential service, it helps the local government to become better as a result. Or people realize that the service is very necessary for them and are willing to pay for it. Then it seems to me that sustainability could be ensured (provided that need for social welfare services grows).

“[Sustainability of supported services depends on] how the funding of the service is organized – whether the local government conducts procurements or provides operational support through project grants, whether it provides them for a long term or by the year, whether it’s a priority for the local government.”

“After the end of the project, [sustainability] depends greatly on the local government, ministry, /.../ etc. whoever, and the conditions, structure, skills etc. If the NGO cannot, it will not win the next procurement, whether it is able to operate for that year with its own funds and project grants and keep on providing the service with project grants and take part in the next year’s procurement.”

In the course of assessment, it was noted repeatedly that the vitality of the NGO is impacted strongly by the public sector partner’s attitude to what the NGO is doing, the necessity of the services provided and the agreements reached.

“But well, we’ve always said in each application that we have to describe the sustainability side of it and the sustainability side is always that way... None of us can really guarantee sustainability, after all. We specify things in writing knowing full, well, that don’t depend on us, there’s nothing we can do about it. A local government could promise us, NGOs, whatever it wants in the beginning, if it knows it can use some service for some time or some local government service is being developed and it can use it during the pilot ... It is not within the power of the NGO to change the local government’s attitude. Even agreements don’t matter – a local government could say it will buy it but then say it doesn’t have the money. And again, we’re between a rock and a hard place.”

Based on the above, the survey confirms the findings of the interviews – **for most NGOs, the support is like a booster, increasing the organization's sustainability** just as there are NGOs who, due to the fact that they think only “within the box” of calls for projects and their own or the public sector partners ‘capability, are not sustainable for the long term after the project.

“You can’t be a vital partner in offering service if that’s the way you think – that our activity depends on what sorts of project tenders are open somewhere. That means a bit of change in the thought logic for organizations.”

The sustainability of the NGO and services offered by it depends greatly on the field in which it operates, the conditions for funding in the territory of operation and cooperation with the public sector partner, above all local governments. Throughout the open calls, receiving project support generally had a positive impact on the NGOs’ operational capacity – meaning it raised the sustainability of the NGOs and the services they offer.

Overall sustainability of the impact of the projects

Among the NGO Fund objectives, there are a number of more general objectives as well as ones that are more difficult to measure – social cohesion, healthful living environment [26], development of civil society – and all projects, through their activities, contributed to these objectives to a greater or lesser extent. Considering that, in the case of all of these topics, society’s awareness of different social strata and the service target groups’ awareness of the topics offered by the NGOs remains in place after the project as well, **the projects’ impact on the said fields is sustainable, at least in the short term.** The long-term permanence of the impact will require the topics offered and NGO itself to be sustainable, so as to continue to develop the field and raise the awareness of the surrounding population. At the same time, it can be presumed that people continue to disseminate their attitudes and behaviours in society and **even services or possible behavioural patterns provided or introduced through a one-time project (or the impact of such services and patterns) may have long-term sustainability.**

7. Case analyses

Three non-profits were selected for case analyses in this impact assessment: **MTÜ Tugi- ja Koolituskeskus USALDUS (NPO Support and Training Centre USALDUS)**, **MTÜ Sänna Kultuurimõis (NPO Sänna Culture Manor)** and the **Estonian Evangelical Lutheran Church's Viljandi St. John's (Jaani) congregation**. Semi-structured interviews were conducted with each non-profit's project manager, and a representative of one of their public sector partners. The interviews examined the nature of their cooperative relationship, the experience with NGO Fund, course of the project and how they fared subsequently. Two of the three organizations are professional NGOs that offer specific expertise in their field, and the third, MTÜ Sänna Kultuurimõis, is a grass-roots organization aimed at improving local life through a combination of different services.

7.1. MTÜ Tugi- ja Koolituskeskus USALDUS's services for the unemployed in Tallinn and Kohtla-Järve

The following introduces a professional NGO that, through the NGO Fund project, became sufficiently capable to compete at public procurements and win contracts for provision of service. The impact of the NGO Fund-supported project was positive for all parties. The set objectives were achieved, access and quality of services improved and a significant contribution was made to the coping of the target groups. The project had a positive impact on public-third sector cooperation as well.

The example of MTÜ Tugi- ja Koolituskeskus USALDUS confirms several classic hypotheses of delegating services to NGOs – the success of the NGO is ensured by the team's openness and motivation to assist the unemployed and the fact that people providing the services have come to grips with the target group's problems themselves. The NGO proved capable of learning from previous experiences and there is a systematic overview of the need for service.

At the same time, it appears that experience with previous activities, trust developed in the course of cooperation and contacts in the field do not make it easier to win the contracts for service. The success of the service provider NGO and impact on quality of services depends on the institutions that contract for the public services.

Project background

MTÜ Tugi- ja Koolituskeskus USALDUS (hereinafter MTÜ USALDUS) launched its activity in 1995 in Jõhvi. IN the early years, there was more dealing with youth and people with special needs, later career counselling was added. Immediately before the NGO Fund project, more attention began to be paid to labour market topics **and it was planned to use the NGO Fund support to develop two completely new services.**

A major project launched in 2012 with NGO Fund support aimed to help unemployed cope better in the working world, increasing the access and sustainability of support services corresponding to their needs on the modern (regional) labour market. By developing two new services, it was hoped to also

improve the organization's operational capacity: provision of services developed based on labour market expectations, a cooperation network corresponding to the needs of the labour market would take shape and former unemployed speakers of languages other than Estonian would develop greater civic awareness and responsibility and social cohesion.

Up to the start of the NGO Fund project, the NGO leaders carried out individual activities and monitored potential funding measures that would help establish a centre oriented to the unemployed. **The NGO Fund support allowed them to start dealing more systematically and extensively with the unemployed, increasing the professionalism and capability of the NGO to compete at tender.** The result: public services that increase social activity and enterprisingness and correspond to the needs of people who have been away from the labour market for a long period, including the environment necessary for providing such services in Tallinn and Kohtla-Järve. Methodologies for the new services were developed in the framework of the project – Unemployed Support Person Training and the Unemployed Advisory Centre.

Through the services provided (2 support person trainings, 14 Work Club, 26 Job Coaching and 2 Counselling Rooms) 783 unemployed were trained and about 60% of the participants were hired or enrolled in education/training. In addition, support persons for unemployed were trained. Thus the objectives set for the project were fulfilled¹⁰⁴. Today, the NGO operates primarily in Kohtla-Järve and Tallinn, training unemployed as experience counsellors and carrying out, on the basis of procurements, counselling rooms, work clubs and job coaching of unemployed.

Cooperative relations

The primary cooperation partners are Tallinn and Kohtla-Järve and the Estonian Unemployment Insurance Fund. Due to high demand and low number of service providers, dependency counselling has been offered to other local governments as well.

As the NGO Fund support measure opened up, the existing cooperation partners, representatives of the cities of Tallinn and Kohtla-Järve, were contacted, the project idea was introduced and thanks to the previous positive cooperation, consent was obtained for participating in the project aimed at the unemployed. The role of the local governments in the NGO Fund project was to provide mostly non-material support to the NPO, e.g. aid for finding premises allowed service centres to be opened and start competing with other service providers.

Although service providers are generally found at procurements, depending on need and public sector institution, prior cooperation takes place with the NGO so that the particularities of the field and needs of the target group would be adequately described in the call to tender, including descriptions of services. Thus MTÜ USALDUS also, in the framework of the project, defined in more detail the **service target groups and developed the methodology for services** in conjunction with the representatives of local governments, and the Unemployment Insurance Board's Tallinn and Ida-Viru County offices.

¹⁰⁴ Fewer clients participated in counselling sessions but this service was provided in more comprehensive fashion and the methodology developed was used in the case of other services as well.

Based on need, both local governments and the Unemployment Insurance Fund introduce to those in need the services offered by the NPO; the NPO keeps the public sector partners apprised of its activities, asks for running feedback from target groups and partners and examines options for making itself useful for public sector organizations.

In addition to preparing the desired service and convincing the target group to use the service, the NGO's partners (including in accordance to procurement procedure) also carry out supervision of the activities being carried out or completed activities. The Unemployment Insurance Fund, the main contracting authority for the service, obtains feedback for the services in the course of conversations with service users, asks the NGO for a service participant registration sheet and conducts unannounced inspections to the service provision site. Partners consider important the overviews prepared by the NGO itself regarding activities. The more precise supervision activities and sanctions are documented in the procurement contract in the case of both the Unemployment Insurance Fund and other contracting entities and financing processes.

The various partners all assess the cooperation between the parties as very good. The public sector organizations acknowledge the MTÜ USALDUS team's openness, motivations, adherence to agreements and common understanding of the unemployed target group and their needs. The NPO brought out examples for describing the cooperative relationship as to how public sector organizations have involved them in development of the services and identifying more detailed needs. At the same time, it was noted that cooperation was greater when services were only being developed and more intensive work started taking place in the labour market field. On one hand, existing services were developed after the project but **closer communication between partners, involvement and consideration of each other** – as well as at the ministry level – **would be required to develop new services and improve existing ones.** The project helped to establish relations with contracting entities for the service, but after the project, parties have contributed less to maintaining mutual cooperation.

Form and financing of provision of service

Support from the NGO Fund was sufficient in order to develop a centre for the unemployed to be developed in comprehensive manner in two cities: during the project, both the environment and means for provision of service were developed.

The main components of the services provided are methodologically in place and uniform. As services are procured by the public sector, the content of the service depends partially on the wishes of the contracting entity and the particularity of the local target groups. The service has to be adapted from time to time to suit the needs of the target group. Thus the MTÜ USALDUS primarily provides so-called **partially unharmonized services** to the unemployed, which are somewhat more labour intensive. At the same time, partial innovations are necessary to remain in competition, to keep up with changes in the situation on the labour market and offer a service more tailored to the needs to target groups.

After starting to compete at the NGO Fund project's open procurements, the MTÜ USALDUS realized that many competitors are operating on premises rented for free or at a discounted price. The Lasnamäe city district administration did help find space for MTÜ USALDUS's Tallinn centre, but following the rent price and compared to competitors, the NPO has greater rental costs. The Kohtla-Järve centre enjoys discounted rent on municipal owned premises.

The MTÜ USALDUS provides services to target groups mainly **in the framework of** Unemployment Insurance Fund procurements in Tallinn and Kohtla-Järve. Depending on the procurement, the goal of the contracts with a term of several months is to organize, say, a couple trainings. The service is free of charge for the target group and the NGO's income comes from the public sector. Thus the NGO provided services as a **professional service provider on a competitive footing** and has attained a new level in its operation.

The weakness of this situation, however, is the stiff competition and unfavourable conditions for procurement contracts. As **procurement contracts are short-term and cannot be predicted**, more time was spent on competing as well as maintaining good ties with the target group as well as on development of services and trainers. It could happen that the Unemployment Insurance Fund refers fewer people to training and that the NGO will thereby get a smaller fee than planned. Competitive tenders **are based mainly on the price criterion**, depending on the service and contracting authority, other conformity conditions and price criteria are imposed on tenderers. As service quality and previous experience have less weight in procurements, the NGO has limited opportunity to develop its advantages (i.e. advisers are the former unemployed themselves, who are well-abreast of the target group's needs), expand and improve its situation. From the standpoint of the buyer, it may appear reasonable to enter into short-term contracts for providing a definite number of trainings/services in order to respond more rapidly to changes in the labour market situation. Economically, it is wise to pay only based on the service recipients – those in attendance.

When procurement tenders are compiled, **the organization's development costs are included** in the procurement tender. Covering losses is questionable in a situation where fewer people than intended receives the service and based on the procurement contract, the fee receivable decreases as well, even as the organization's costs on providing service do not decrease as the number of participants declines. In the case of projects funded by foreign aid, the programme depends on the conditions for eligibility of renovation expenses and consultants' training costs. In the case of projects, self-financing is covered either from own funds or, as possible, from some sort of participation fees. **To sum up, the resources necessary for developing the organization are thus not ensured by the current business plan.** Were the MTÜ USALDUS to disappear from the market, this would mean a decline in the quality of services in the field. In Kohtla-Järve, the access to the service, which was improved due to the NGO Fund, would worsen.

On the state level, the current system for training the unemployed does not ensure a constant sense of security for the service provider's team, and this curtails their operational capacity and sustainability. With regard to the sustainability of the service provider, a representative of one of the service customers also noted that a government institution does not offer sense of security and is not a very reliable long-term partner. Thus the NGO has to hedge risks with longer-term projects,

which could bring up questions for project funders whether the measure and support are being used for the right purpose. This case showed well that the positive impact successfully preparing NGOs for providing public services in the framework of one fund may not transfer to other public sector structures and services.

The MTÜ USALDUS also engages in cooperation with Kohtla-Järve City Government and the Tallinn Enterprise Board to develop longer-term services.

In spite of this, the **target group recognizes the MTÜ USALDUS** – up to the present, when the organization provides service only under procurement, those in need still file in through the door of the NPO in search of advice. The satisfaction survey responses received from training participants also showed that most are satisfied or somewhat satisfied with both the service and service provider, the parties made a conscious decision to use USALDUS services due to their quality.

The NGO's **public sector partners, too, continue to praise the services provided by the NPO and the motivation of the organization's leaders to assist the unemployed and carry out the work ordered in line with agreements and requirements.** The partners have also expressed the wish for the NPO to expand into other areas, but solely competing with existing organizations is not a sufficient argument for expansion, especially in light of tight resources.

The impact of the NGO Fund project on the development of civil society, and sustainability and increase in the capability of public sector organizations and non-profit associations

Thanks to the NGO Fund project, a new professional service provider joined the ranks of suppliers of labour market and consultation services aimed at unemployed, one that is capable of developing the services it provides and **participate in dialogue toward resolving the problems in the field.** Thanks to the greater capability of the MTÜ USALDUS to act in a more far-reaching manner, cooperation with local governments and local government institutions became more substantive. Through the project, public sector organizations' **awareness of the problems pertaining the labour market and possible services** also increased – the information from the NPO is very valuable and compact also for inclusion in development plans. At the ministry level, cooperation remains weak, due to which it would be possible to develop their role further as a participant in dialogue and representative of NGOs in policy planning in this field.

In spite of the good results produced by the NGO FUND project, the good quality of service and positive contribution to the field, the MTÜ USALDUS is facing **sustainability questions** – overly short contract terms and uncertainty regarding the future make it hard to retain good employees, the competition to underbidding at tenders makes it hard to ensure quality.

The interviews with related parties show that the NGO Fund project contributed to **the growth in operational capacity of public sector organizations.** An extra organization was added alongside public sector organizations – it can be approached by those in need of assistance. The advantage that the MTÜ USALDUS holds over other trainers is the social mission of activating people who are away from the labour market and raising their self-concept, which in turn will help grow well-being. The

MTÜ USALDUS created the groundwork for improving the quality of services aimed at the unemployed, but **the impact on access to services depends on the contracting entities in the procurements and to how great an extent the unemployed were directed to the trainings and consultation of that specific NPO. The impact of the project on access and quality of services was stronger in Kohtla-Järve** (compared to Tallinn) as there are fewer service providers there. The NPO has also been more successful in procurements in Kohtla-Järve.

The flip side of the NGO Fund project is the fact that while public sector organizations can apply the knowledge and experience working together with other service providers, the **implementation of the NPO's experiences and knowledge is hindered by the insufficient possibility of providing service** due to the high cost expenses due to high quality of service and provision of unharmonized services. At the same time, the methodologies developed in the framework of the project can be used for providing other services.

The project also contributed to strengthening social cohesion by way of activating the unemployed. More broadly, the project contributed to the development of civil society as it brought the people around to work for the good of the NGO as trainers and experience counsellors.

Strengths:

- The NGO Fund project helped create the necessary preconditions for provision of service: a suitable environment in two regions, methodologies underlying the services and trainers that meet the needs.
- The advantage of the MTÜ USALDUS over other service providers is activation of the unemployed. The service providers – the trainers – are people who are themselves in a similar situation (e.g. long-term unemployed).
- The MTÜ USALDUS team's analytical overview of the field and service need, the motivation for operating in the labour market field and for developing and providing services corresponding to the needs of the unemployed and local governments.
- Readiness to provide services pursuant to the target group needs and changes in the labour market. This sort of flexibility for increasing the well-being of the target group and improving service quality is very important, although such a partially unharmonized service is more costly for the NGO itself.
- The most important guarantee of sustainability is that the primary cooperation partners of MTÜ USALDUS recognize the high quality of their services.

Weaknesses:

- The sustainability of the NGO and contribution to access to services depends on the delegators and contracting entities of the public services. The short-term nature of the procurement contracts and other conditions curtail the MTÜ USALDUS's impact on the field, to say nothing of potential and success to date.
- If the NPO is unable to ensure high quality at a lower price, they will not be able to compete at tender, either. There are many suppliers of substandard services for under

market price in this field. Such suppliers determine the market situation, especially in the capital.

- Local governments' limited budgetary possibilities and the time necessary to conclude an agreement on cooperation agreement or long-term operational support can complicate the substantive cooperation with local governments.

7.2. Jaani Lastemaja in Viljandi – a childcare centre operated by St. John's congregation

Analyzing Estonian civil society and NGOs, major attention has not thus far been devoted to churches and the congregations, even though they involve a large number of people and support communities all across Estonia. In many places, congregations are active service providers and they have a closer connection than other NPOs and associations with target groups in need. Thus the following case focuses on the experience of one congregation, the Estonian Evangelical Lutheran Church's St. John's congregation in Viljandi, in using the fund support to develop a public service.

Project background

The St. John's Lutheran Church congregation of Viljandi received NGO Fund support for realizing a LP13 project for providing childcare service in Viljandi County in order to support parenting. The objective of the project on the basis of a previously compiled business plan was to make childcare service (for kids age 1.5-6) available and sustainable in the city of Viljandi and municipalities in Viljandi County. An additional objective was to strengthen cohesion between different sectors of civil society in Viljandi County. As a result of the project, a parenting-supporting childcare service was launched in Viljandi in spring 2014, which has now been in operation for over a year, thus fulfilling the objectives set forth in the project description: to alleviate the lack of crèche openings¹⁰⁵ through supplying a childcare service that supports parenting.

The Estonian Evangelical Lutheran Church's St. John's congregation in Viljandi is a hybrid of two types of activity in providing childcare service: it is both a professional service provider, offering trained service providers and specific competence in the field of supporting childcare and parentage; the congregation has also been able to involve more of its members and strengthen relations with the community. The St. John's congregation of Viljandi is part of the Estonian Evangelical Lutheran Church, which creates an operating space different to other NGOs or children's institutions. For example, the life of the congregation is much more normalized and bureaucratic, it is somewhat harder to launch new initiatives, the congregation administration answers questions from all members of the congregation, the financial risk of the projects is borne by the congregation, thus there is more of a tendency to avoid projects.

¹⁰⁵ The agreement with the city of Viljandi was concluded for providing a crèche spot for 10 children, which is somewhat less than the objective set in the project (service provided to 12 clients after the project), as a result of which the objective can be viewed as partially fulfilled.

Child care service began to be provided in 2013 with support from Innove. At that time, the service was free of charge for the target group – unemployed parents. With the 2013 project supported by NGO Fund, the service moved to a fee-charging basis, and the project target group was expanded – employed parents could use the service, too. Counselling of parents was also added to childcare.

Cooperative relations

The public sector partner for the NGO Fund-funded project was the city of Viljandi¹⁰⁶ and the cooperation partners were the Viljandi Joint Vocational Secondary School, the diaconal and community work service of the Consistory of the Estonian Evangelical Lutheran Church, the Unemployment Insurance Fund's Viljandi County department, SA Väärtustades Elu and the EELC's Paistu Maarja (St. Mary's) congregation. The project's foreign partners were Diakonissen Mutterhaus St. Chrischona from Switzerland and the Salpausselkä congregation from Lahti, Finland.

In 2014, the city of Viljandi experienced a major shortage of crèche openings – 30 additional ones were needed – as a result of which the congregation opening the childcare service proved a major help, according to the representative of the Viljandi city government. The 10 places added contractually relieved one-third of the problem. The city of Viljandi learns of the target group's needs above all through direct communication with parents. When there was a shortage of crèche spots in 2014, many parents turned to the city themselves asking that they be referred to the service provider. At the same time, the initiative for the project came not from the city but the congregation – they also got wind of the same problem by talking directly to the parents. Neither the congregation nor the city has carried out official satisfaction or feedback surveys and/or studies for assessing the need of the various target groups for service.

The cooperation with the city of Viljandi consists of funding the childcare service. The city of Viljandi has not provided non-financial support to the childcare service providers as there has been no need for that.

Viljandi city government was familiar with St. John's congregation already before, as the city allocates operational support to the congregation – the relationship already prior to the NGO Fund project was trust-based and remained so after the end of the project. The activities of the congregation are not strictly controlled, mutual communication is by telephone, e-mail and from time to time in person at St. John's Children's House. The city of Viljandi is content that the congregation sticks to deadlines and sometimes also brings reports in person – this provides a way to communicate and exchange information about other aspects related to the service that are not apparent from the reporting. In general, both parties rate the cooperation very good. The only negative incident during the project was the plan by the city of Viljandi to change the conditions of childcare – to start referring parents to service providers in spite of allowing the parents to decide. Backed by parents, the three childcare institutions wrote an open letter to the city as a protest, after which the government relented.

¹⁰⁶ Paistu Rural Municipality also consented to cooperate with the project, but before the beginning of the project, the municipality merged with Viljandi Rural Municipality, with whom no cooperation agreement was signed.

The foreign partners from Finland and Switzerland shared their experiences and operating models, helping to develop St. John's congregation's counselling to support parenting. Cooperation between foreign partners and the EELK Family Centre led to a service that deals on two levels: professional counselling that requires separate preparation and methodology is based on the experience counselling model and spiritual counselling, which is carried out by the congregation's colleagues. The needs of and feedback from the target group – the parents – are learned on the running basis, mainly in the course of parents meetings.

Other project partners that fulfil different roles helped St. John's congregation to launch and provider service in the framework of the NGO Fund project. The project's objective was not to directly strengthen these cooperative relationships, but rather to help the congregation cover lacking resources in the early going, with the help of partners. For example, Viljandi Joint Vocational Secondary School helped carry out repair work in the Children's House building.

Form and financing of provision of service

According to the representative from Viljandi City Government, NGOs themselves usually contact them with a desire to cooperate, as the city does not have an overview of the NGOs operating in the region. Above all, the city's motivation for delegating service is the target group's need, and it mainly takes place through procurements. The suitable service provider is selected through direct communication – they visit to perform spot checks of the conformity of childcare service to the requirements and/or perform background checks. According to the representative of Viljandi City Government, it is easier to decide when there is previous contact with the NPO and the NPO has already been in operation for some time. No special additional requirements or rules resulted from delegation of childcare service to Viljandi's St. John's congregation, other than general principles and requirements related to opening and administering a childcare facility – the city representative said all of the conditions for provision of service were provided in the delegation contract.

The city currently has three childcare providers and Viljandi supports all of them on the same grounds, on the basis of a per capita price list system. The 2014 contract on funding childcare service, signed with the congregation, will remain in force until the EELC St. John's congregation has an activity licence for providing childcare service (the initial licence runs to 20 June 2018).

The congregation considers its biggest advantages to be its good location in the city centre, the focus on promotion of parenting¹⁰⁷ and the small size and limited spaces available on the staff, which among other things helps devote individualized attention to children and makes the service more attractive in comparison with competitors. In preparing the business plan, the congregation also specified the cost price of the service on the basis of calculations. Earlier, service was offered free of charge, but this was not sustainable. The service (fee for the child's spot) is paid for in part by the

¹⁰⁷ The support for parenting took place during the project on two levels in the course of supplying counselling service: professional (provided by a congregation clergyman) and spiritual, carried out by congregation colleagues. In total, 16 hours of counselling was provided, and to six clients.

local government and in part by the parent – the price for the parent is lower than the other providers of childcare service. This income covers the cost price of the service.

The biggest risk on change in the price of service is rise in the wage level, which could make it harder to hire teachers/minders. The other big risk is the decrease in the number of children, as the business plan is based on a per capita system and operating around the maximum range of capacity. As there were no problems either during or after the project in covering costs, the business plan thus worked. At the same time, the city of Viljandi has started to create additional crèche spots and resolve the problem, taking account of the services from St. John's in the future.

An important lesson was the fact that without an external expert and assistance from CDC the budget for the service would not have been sufficient. Preparation of the budget for the NGO Fund project was quite complicated and required the service provider to learn new skills.

By the end of the NGO Fund project, the congregation signed an agreement with Suure-Jaani rural municipality to alleviate the lack of crèche spots. No agreements have been entered into with the rest of the municipalities in the county – case-based cooperation takes place, i.e. local governments receive a separate confirmation regarding provision of childcare service for each child. The service is the same for all children and parents, though, regardless of the local government of their place of residence.

The impact of the NGO Fund project on the development of civil society, and sustainability and increase of the capability of public sector organizations and non-profit organizations

Both the city of Viljandi and the congregation consider the childcare service sustainable and the city will continue supporting it for as long as there is a need in the community. During the project period, 27 customer agreements were signed, including 12 long-term agreements. As such, maximum use of the Children's House has been made and in addition, four children are waiting for spaces to become freed up. Considering the cooperation launched with local governments in paying for a childcare spot, it can be forecasted that in the years ahead, the additional childcare service can manage to alleviate a large part of the need.

At the same time, even though six parents received parenting support counselling during the project, the adoption of counselling methodology and creation of a model that supports it is still in the development phase.

As to its own capability, the NPO highlighted that childcare is connected to the congregation – as children get acquainted with the church and congregation, the church's volunteers are occupied with them, which is important from the standpoint of the congregation's success and was listed as one of the project's objectives. The project manager says it shows the vitality of the congregation, which as a rule is measured by how engaged the congregation members are in various activities. The other important aspect in the growth of the NPO's capability is the broader introduction of the congregation through the Children's House. The information reached the local media, service was introduced and project partners intermediate information to the target group (such as the

Unemployment Insurance Fund). As a third benefit, the congregation's representative noted the increase in cooperation with Viljandi City Government and strengthened partnership. The congregation hopes that they will be involved in future in the preparation of the city's development plan. The city of Viljandi also sees the growth of the congregation's capability and gives a good rating to the activities funded from the NGO Fund project and their impact – the project was a big support for the community as a target group.

The feedback surveys conducted with the service users (9 responses received) also revealed that 8 of the parents who responded rated their satisfaction with the service and service provider as very good and one respondent as somewhat good. There were six regular service users among the respondents (bring their children to childcare at least five times a week) and the remaining 2 are so-called seasonal users. As one-third of respondents said that use of service was lower in cost for them than it was elsewhere, service providers have fulfilled their goal of keeping prices down for users. Ten months had passed since the end of the NGO Fund project when feedback was gathered, and over half of the long-term service users agreed that the quality of service had improved over time – the project-created capability for service development has been retained. Among the reasons that the services from particular service providers were used was the good location and suitable time and quality – this was a confirmation of the availability and quality of the services.

In the opinion of the NPO, the NGO Fund project gave a necessary push for development and expansion of the service. For instance, even though the congregation already had the necessary premises before, they needed repair and renovation, and NGO Fund financing was used, among other things. During the project, it helped keep the Jaani Lastemaja prices for parents lower than those of competitors. In the long term, this could increase the cost price of the service, as there is a need to collect money for the repair fund.

The NPO says the model of the childcare administered by the congregation can easily be transferred to other congregations and interest has been expressed. The representative of the city of Viljandi said the city has had positive experience engaging in cooperation with the congregation and in spite of their Christian orientation – which may not suit many potential service consumers – the feedback has so far been very good.

NFCS and the NGO Fund it manages get good ratings from the city and the congregation. Without NGO Fund support, it would have taken much longer to establish service or had the support not been found elsewhere, it would not have been launched at all. The project manager says NFCS is on the right track in developing civil society also in the sense that it is a “referee” between public and third sectors. The representative of the city of Viljandi also sees the NGO Fund as a major help for the congregation in increasing the capability of a service provider needed by the community. Although the city government is currently engaged in renovating the existing nursery school to add more crèche spots there in future, the St. John's children's house service was very essential for the city in 2014 in order to alleviate lack of places.

Strengths:

- Establishment of childcare service to alleviate the shortage of childcare spots by one-third, which is more favourable for parents compared to that of competitors, in a better location and able to offer more individual approach to children due to the small class size.
- Successful cooperation with the public sector, proving itself as a capable NGO and creating trust for expanding partnership. Basis laid for cooperation with other NPO childcare providers in the area (exchange of experience, joint appeals etc).
- Introducing the St. John's congregation to the general public.
- Through new activities and community role, increasing the activity level of the members of its own congregation – new output and motivation for action.
- Potential for expansion and increasing services (especially in the form of supplying parenting-support counselling service).

Weaknesses:

- The sustainability of service is jeopardized by the rise in wage level and expectations, decrease in number of children in county and the city's investments into creation of municipal nursery school crèche spots.
- Functioning of the service business plan and keeping price lower with NGO Fund support. In the future, a need to add development activities paid for by NGO Fund support to the service's cost price and in this connection, to increase the service fee for parents as well.
- The sustainability of lower price strategy is weak.

7.3. MTÜ Sänna projects that have received support from the NGO Fund

The following case is an example of partnership based delegation of public services – development and provision of services where local government and NGO engage in substantive based cooperation to offer local residents necessary services. The local government gets benefits from value added generated in the area and continues to finance the services originally developed using NGO Fund project funding.

MTÜ Sänna is one of four applicants supported for implementing two large sub-projects. The NGO Fund support helped the NPO to carry out completely all of the planned activities, and the projects have become outstanding success stories with a positive impact on Estonian civil society, the education sector, cross-sector cooperation and local life.

Project background

Founded in 2010, MTÜ Sänna Kultuurimõis (hereinafter MTÜ Sänna or NPO) primarily operates in the village of Sänna with population of 50 and the surrounding areas in Võru County, in Rõuge Rural Municipality. Operations launched at Sänna Manor as a service centre and good cooperation was achieved with Rõuge Rural Municipality. Due to the wish to make use of the full potential of the culture manor, support was sought from NGO Fund for two projects: "Development of the service centre in Sänna Culture Manor – stage II, implementation of business plan" and "Launching Inventor's Village School". Both services were aimed at the local community, but drew reactions from farther off as well.

In late 2012, the first activities in the large sub-project supported from NGO Fund began, with the goal of improving the access, quality and sustainability of public services needed by the community, at Sänna service centre. The plan was to take existing services a step further and create new ones, through which the NGO activity target group also expanded. The services already being provided by the MTÜ Sänna were developed further – the library, youth room, public Internet access point and adult hobby circles. As a result of the project, the manor premises were renovated and upgraded, technical equipment was purchased and new services were launched – childcare¹⁰⁸, teleworking centre¹⁰⁹ and self-help service¹¹⁰.

The second project by MTÜ Sänna Kultuurimõis took a more concrete focus and its main goal was to launch the Inventors Village School in the same location. As a result of the project, new hobby clubs have been launched at Sänna Culture Manor, a training licence has been obtained for operating Inventors Village School as a private school teaching at the first and second stage of basic education, a teacher residency programme and the EHE adult education chamber has been launched, a daylong conference was held for sharing experiences with other communities and actors on the educational landscape (hobbyists, officials etc).

The primary target group and beneficiary for both projects were the residents of the near vicinity of Sänna, but the project will result in broader benefits for all other civic initiatives operating in Estonia.

Cooperative relations

The basic public sector partner in the case of both projects was Rõuge Rural Municipality. The cooperation between Rõuge and MTÜ Sänna began when MTÜ Sänna opened the service centre on the premises of Sänna Culture Manor. According to the representative of Rõuge municipality, the service centre was a necessary addition to local life, offering services that had previously been lacking in the area. Thanks to the popularity of the service centre, the growing capability of the NPO and the good relations with the NPO, a procurement was also held for delegating library service. The only tender received was from MTÜ Sänna, which, among other things, offered the possibility of

¹⁰⁸ Children aged 4-12 took part in the childcare and six childcare workshop-lectures also took place. The childcare activities and workshops laid the necessary basis for developing the future Village School.

¹⁰⁹ For this purpose, the necessary means were purchased, the service was advertised and three Internet and computer use trainings were held.

¹¹⁰ Activities organized: art therapy, five rhythmic dance, songs of might concert seminar, vadzra dance seminar, songs of might evenings and much more.

merging with the library with the existing service centre, without the municipality having to increase the existing support. This solution was profitable for the municipality, as the volume of the services supplied by the manor expanded for the same amount.

Rõuge Rural Municipality, as the primary partner for Säenna in both projects, continues to be very satisfied with the services and the NPO itself. Services were delegated to the NPO, as they were seen as a capable and industrious organization and the change they were working in local life was seen as positive. The three-year delegation contract has been extended in the interim, as the cooperation between municipality and NPO has continued just as briskly since the end of the project and the mutual relations were trust-based. Based on the positive cooperation experience, the municipality supported the Inventors' Village School idea as well. Unlike the combination of library and service centre from the first project, which was co-creation of the NPO and Rõuge, the village school initiative also stemmed from the local community itself and since one of Rõuge's objectives was to support all facets of local initiatives, this endeavour was also supported. As parents and local residents were involved in the development of the Village School, it met with approval from the rural municipality – the representative of the rural municipality said: "The community knows what's good for them." The rural municipality's support for the village school (per capita funding per child) was even greater than provided by the state. The NPO's project manager describes the communication with the rural municipality government as "trusting and natural".

Roundtables are held regularly with the rural municipality's representatives and the NPO, with the rural municipality mayor and village elder also participating. Analysis is devoted to development of service provision and future plans are drawn up. As the rural municipality does not want to supervise the NPO's activities very stringently and trust is mutual, exchange of information takes place naturally and based on need. In the event of rare disagreements, a compromise is always found. The change of the rural municipality government did not change the communication dynamics – they knew about the NPO's activity and the rural municipality's support remained in place.

The NPO sees communication with the target groups as a natural process. As it is very important for the service centre employees to communicate individually with every customer and visitor, feedback is gathered above all in this manner. A suggestion book is also out at the manor, which visitors can add to. The rural municipality has not asked for feedback specifically about the service centre but in 2014, a sweeping survey was conducted about the services supplied generally by the rural municipality, which revealed that locals are satisfied with the offerings.

Besides Rõuge, the partners in the Inventors Village School project were Varstu, Võru and Antsla rural municipalities, the city of Võru and the Ministry of Education and Research. A number of different organizations¹¹¹ also take part as partners in the project activities.

As the NGO Fund project helped to develop the service centre, which fulfils community needs, and realize the community initiative idea Village School, which made Rõuge a more attractive place to live

¹¹¹ Allew magusameistrid, MTÜ Kõrgepalu mõis, Leiutajate Liit, Prostoodium OÜ, Creative Intelligence Group OÜ

for younger people and attracted a number of families to live here, the relationship between the NPO and the rural municipality are better than they were prior to the NGO Fund.

Form and financing of provision of service

In this case, and MTÜ Sänna in general, the public services are activities developed by the NGO for earning own revenue – an association with economic interests, not purely in the public interest. For instance, the library activities were initially managed by the rural municipality itself, but then it delegated it to the NPO when the service centre developed and the NPO had proven its commitment and capability. Every three years, a new tender call is held to find an administrator and service provider for Sänna Culture Manor, although the rural municipality hopes that the NPO will continue.

It is considered important by Rõuge that the non-profit organizations that provide the rural municipality-supported services be local – local service providers are preferred in the public tenders, as the rural municipality feels they know the local community's needs better. The rural municipality chooses the suitable NPO to which to delegate the service, above all in the course of meetings and negotiations with the NPO. To this point, the rural municipality has no experience with substandard provision of service and sanctions do not have to be applied in the case of any of the NPOs operating in the rural municipality.

The rural municipality pays MTÜ Sänna both operational support and, in the case of the village school, support per child, which is more than the amount set forth by the state. Both the rural municipality and the NPO believe that financially their relationship is in balance and the amounts payable are sufficient for sustainable provision of services. The cost prices of the NPO-provided services are based on calculations that take into account the expenses related to all manner of the services. The NPO is not bound by strict precepts on how it may use the support payments; it is allowed discretion.

Since the conclusion of the project, the service centre and school are free of the “shackles” of project funding. This is thanks to the support from Rõuge (per capita support and operational support, free use of manor premises) and the capability for autonomous management of paid services. The NPO covers all costs from the revenue they receive. This means it has the option of performing paid work and there is less need for volunteers. In the case of the NGO Fund projects as well, the budgeting process and related restrictions did not prove problematic for the NPO. It was noted that although no additional activities could be taken on, they felt that the amount of support was “just right” in the case of both projects.

The impact of the NGO FUND project on the development of civil society, and sustainability and increase of the capability of public sector organizations and non-profit associations

There has been interest in the Village School and the unique service and community model from all across Estonia – 13-14 groups were reported to have visited Sänna in May 2015 alone. The attitude toward the school from public sector partners, above all Rõuge Rural Municipality, has continued to

be very supportive and it is planned to continue the school activity for as long as there are enough children and families.

Both Rõuge and MTÜ Sänna see their achievements in the projects as sustainable and long-term. The impact of the NGO Fund project was long-lasting, according to both parties, and as long as the service has consumers, it is planned to continue providing service. The rural municipality says the service will remain in place even if there is change of service provider.

Both the rural municipality and the NPO rate the impact of the projects on the NPO's capability as positive. The access to services in the region, their selection and level of provision all improved as well. The geographic range of the service centre increased more than planned: today people from other municipalities and counties go there for events, trainings and hobby circles.

The impact on cross-sector cooperation was also positive: both NGO Fund projects and the cooperation between rural municipality and NPO prior to and following the projects have strengthened mutual trust. The cooperation experience taught the NPO that public services should be a focus and the representative of Rõuge rural municipality said that the experience raised the non-profits' trustworthiness.

The MTÜ Sänna led service centre and the Village School are relatively unique services in Estonia. Rõuge mayor Tiit Toots said the Sänna model could be imported to smaller and larger rural municipalities as it is very beneficial and necessary for the community and improves local quality of life. As one of the objectives of MTÜ Sänna was to further well-being of the local community and thereby show that modern life was possible on Estonia's periphery, the impact of the accomplishments in Sänna on the development of civil society was palpable – interest in the service centre and the school has come from all over Estonia with the desire expressed to apply both models elsewhere in Estonia.

Strengths:

- A strong example of partnership-based delegation and grass-roots level development of services that meet local needs into a service that supports the local government.
- The integration of the NPO's vision and grass-roots activity into the local development policy, as the services made the local area known and a model for other small municipalities and villages. As a broader impact, contributed to improving the attractiveness of living in countryside.
- Strong example of successful cooperation and trust-based communication with the public sector.
- Successful cooperation with many different organizations: in addition to the rural municipality, also with ministries (Ministry of Education in the case of the Village School) and OÜs (culture manor chocolate room).
- Innovative approach to the problem: went from running a small rural library, to establishing a novel community centre.

- Contribution into educational reform, by founding an innovative experience-based school and sharing the idea with interested people all over Estonia.
- Achieving sustainability of the services developed with both NGO FUND projects, in addition to business model included, besides public sector support, and earning of own revenue, capability to provide services at cost price.

Weaknesses:

- 6-7 children and 1 teacher in village school. The school's sustainability depends on further training licences, the number of children and, in part, the activity level of parents.

7.4. Summary of case analyses

The following is a description laid out by each impact level of what outcomes the case analysis confirmed.

7.4.1. Impact of the Swiss NGO Fund on cooperation and capability for providing service

The NGO Fund was aimed at reinforcing two types of assumptions: Functioning of cooperation between NPOs and local governments and the increased capability of NPOs to provide and develop public services.

As a common trait in all three cases, it can be noted that during the NGO Fund, all of the NPOs achieved their set objectives and laid the underpinning for sustainability.¹¹² More detailed analysis and interviews with participants revealed that in spite of the preparation and analysis of the previous business plans, the projects have fared differently from expectations following the project.

All three organizations have continued to supply the services developed during the project, backed by the same public sector partners. **Viljandi Jaani child care and MTÜ USALDUS have been able to retain the operational capacity they had during the project,** cooperation relations with public sector partners are good and trust-based. **Sänna Culture Manor has been able to increase its capability since the end of the project: they have added services and have development plans in store, the NPO has become self-managing** and the support from public sector partners continues to be very strong.

The case analysis did not show that the number of partners involved in the service development project had a significant impact on outcomes. The roles of the partners in cooperative relations are different, both formal and substantive, financial and non-financial. The cooperation relationship was impacted more by the particularities of the public sector and other partners. The difference in cooperation patterns could be traced based the size of the service provision area of the public sector

¹¹² For assessment, a scale with answers "yes", "somewhat yes", "somewhat no" and "no" was used in response to the question "Does the service have potential for sustainability?"

partner and the NPO. MTÜ USALDUS emphasized **problems in cooperation with major cities/local governments**¹¹³, which, among others, include problems proving oneself as a capable NGO, difficulties introducing oneself; frequent changes of civil servants, officials' party affiliation and other political problems are a hindrance; complexity of multi-tiered decision-making, in the case of which reaching the stage of ordering service through multi-level hierarchy is time-consuming and complicated and much more. Viljandi's St. John's congregation and Säanna Culture Manor have the opposite experience, both of which supply their services in a smaller area and have very trust-based relationships with local governments in their local area, as they are well-known as NPOs and valued service providers in their areas. It can be asserted that for **NPOs in smaller regions and localities, it is easier to contact local authorities and prove themselves to be valuable service providers than in large cities/local governments**. Cooperation with other service providers in these projects helped to **increase general quality of provision of similar services** (Säanna – service centre; USALDUS – activating the unemployed).

The general impact of the NGO Fund project on **NPOs' capability for providing service has been somewhat high**: in the case of all NPOs, the NGO Fund financing gave the necessary impetus for creating or developing the service and **all interviewees rated the impact of the measure as very positive**. The survey of target group in the case of MTÜ USALDUS and Viljandi's St. John's congregation showed that satisfaction is high with both the service provider and the service. **The quality of service is seen as customers as having improved somewhat over time, showing the positive impact of the financing in developing and supplying the service**. The interviewed public sector partners were also satisfied with the service providers, as they saw the NGO Fund support as a major help for the NPO as well as for the well-being of people in the operating area in general.

What was less evident from the cases was the impact of implementing NGO Fund projects and activities on the NGOs' operational capacity and the team's skills in general. The interviews rarely mentioned the growth of capability due to new knowledge and skills in connection with, e.g. financial management, preparation of business plan and management of the team and relations, establishing and maintaining partner relations, hiring new employees and finding volunteers. This could also stem from the inability of companies to draw, in the development of their specific services, general lessons about managing the NGO or the focus of this assessment process methodology on capability of service provision.

7.4.2. Short-term impact of the supported projects on access and quality of services and civil society

The preconditions established gave an input for achieving two types of short-term impacts: improving access to public services and rise in quality and the increase in capability of the NPOs and shaping an environment favourable to civic activity.

¹¹³ MTÜ USALDUS's operating territory is Tallinn and Kohtla-Järve.

The access to public services improved in general during the NGO Fund projects, as the set volumes of provision of service were achieved – thus it was possible to exert a positive impact on well-being of target groups. The supported projects dealt with development of new services and development and expansion of existing services. More of an emphasis was laid on establishing technical preconditions for the services than on new services, thinking through and documenting existing services and, on a larger scale, provision of existing services – **the focus was on reaching more people in need and increasing the activity level in the local area, not so much seeking innovative solutions.**

The projects supported from the NGO Fund include a few classic examples of public service delegation, while only one – MTÜ USALDUS – was included in the case analysis. The cases showed that the projects were brought into the fund at the initiative of the NGO and creation of new services took place mainly on the basis of analysis and information from the grass-roots level. Individual projects did achieve partnership-based delegation – i.e. a situation where the services initiated by the NGO evolved into substantive cooperation with the public sector and the local government supports service provision and development in future (by way of a per capita funding system, by outsourcing the service or providing operational support). With project support, MTÜ USALDUS developed the capability to compete at and win service procurements, being a good example of **delegation of public services at the national level.** Providing additional food for thought and leading to innovation is the fact that the delegated public service volumes may not necessarily cover the target group's actual need for the service and the NGO has to find/develop additional means of financing provision of service.

The cases describe different circumstances that impact access to and quality of public services, in particular the sustainability of service provision. For example, both Rõuge Rural Municipality and MTÜ Säanna see their achievements in the projects as sustainable and long-term. The impact of the NGO Fund project was long-lasting, according to both parties, and as long as the service has consumers, it is planned to continue providing service. In the estimation of local governments, the service will remain in place even if there is a change in service provider, as the benefits of the services to the area/target group are understood and there is a sense of responsibility for maintaining it – the service has essentially become a public service. The MTÜ USALDUS case focus on services that are less impacted by government institutions than by service providers and NGOs. For instance MTÜ USALDUS Training Centre does operate and win Unemployment Insurance Fund procurements for organizing training for unemployed, but due to close cooperation in Tallinn, the quality of the NGO does not impact the general quality of service. At the same time, in Kohtla-Järve, where there are fewer service providers, MTÜ USALDUS's service access and quality both suffer.

It can be seen clearly from the MTÜ USALDUS case that in spite of the **positive outcomes of the NGO Fund project, an NGO with improved operational capacity may not have a noteworthy impact on the access and quality of public services.** Namely, the NGO providing public services depends on the operating environment, which is created by the public sector as the customer ordering the service. This case is good food for thought for public service buyers and public servants who have few resources and control over the state budget but who have enough opportunities to develop effective and influential measures to utilize the existing resources. And it is also food for thought for NGOs for

whom the ultimate aim is to get a slot in the state budget and for whom success is equated to public sector funding. This comes with its own risks, as the NGO will be start to be governed by externally set conditions and frameworks, which may in turn weaken the existing strengths – the close, trust-based ties with those in need, knowledge of their target group and the motivation of the volunteers contributing to the NGO's activity. This case shows well that the positive impact from successfully preparing NGOs for providing public services in the framework of one fund may not transfer to other public sector structures and services.

Another expected short-term impact from the NGO Fund programme was the growth in the capability of NPOs and shaping of an environment favourable to civic activity – this is important precisely due to the mission and activities of the programme implementer, NFCS. An in-depth examination of the cases showed that the NGO Fund support helped to enrich Estonian civil society through the fact that the **service provider's increased success in its field and area was generally accompanied by the possibility of having greater input in resolving sectoral problems** (such as MTÜ USALDUS in the field of the labour market) **or regional life and development** (e.g. Säanna), **of raising awareness of the activities sand role of NGOs in different fields** (all three NGOs), **of inspiring other NGOs to take action and cooperate with each other** (e.g. Viljandi's St. John's congregation, Säanna).

8. Conclusions and recommendations

In 2011-2015, support was provided through the Swiss NGO Fund for ensuring access and quality of public services in cooperation with civic organizations and public authorities (local government, ministries). To increase the NGOs' operational capacity and sustainability of services provided, the support could be applied for in two stages: it was possible to apply for support from the small sub-projects call to prepare a business plan; from the large sub-project call, support could be applied for to implement the business plan for provision of service. The business plan could also be prepared without support from the small sub-project call. The condition for applying support was that 1) the project involves development of existing public services supplied by the civic organizations, expansion of activity or development of new services; 2) the service is being provided in cooperation with the public sector partner and the confirmation of this is letters of confirmation from at least two partners.¹¹⁴

This assessment focused on the large sub-project call. The fund assessment was organized along the bottom-up principle, meaning that interviews were conducted with fund implementers, evaluators, sectoral experts as the related parties; extensive feedback was requested from the support measure target group – supported NGOs and their public sector partners and NGOs that did not receive support. In addition, in-depth analysis of three projects was submitted as a case study. The evaluation report consolidates the analysis based on the project reports and various opinions and visions of the implementation and impacts of the fund to that point, based on which summaries and conclusions can be made regarding the support measure and relevance, performance, potential impacts and sustainability of the activities.

The general conclusion is that the NGO Fund was a well implemented support measure that enabled diverse activities, and which contributed to cooperation between the NPOs and public sector, primarily local governments, as well as raising the capability of the NPOs to provide public services. The NGO Fund support had at least a significant short-term impact in improving access to public services and increase in quality.

Based on the information revealed by the interviews as well as the responses to the online survey of the NGOs, public sector partners and non-supported NGOs, the primarily positive assessments regarding the necessity, conditions and implementation of the Fund can be brought out as a general conclusion. In addition, the findings obtained and the interviews with those who developed the fund and sectoral experts indicate that the assistance measure represented an important measure for the purpose of development of public services in cooperation between the public and third sector. The interviewed experts expressed the conviction that **NGO Fund helped fill a gap in public sector and third sector cooperation**. Even though opinions diverged as to whether the support was sufficient, the responses to the online survey and information gathered in the framework of case analyses show

¹¹⁴ Upon agreement with NFCS, exceptions could be made, where a letter of confirmation from larger local government was sufficient.

that without the fund, many activities would not have been carried out or they would have been carried out on a smaller scale.

The NGO Fund was a pilot measure in Estonia to promote public-third sector cooperation on one hand and on the other hand, to develop public services. For this reason, it was largely a learning process for the fund implementers and the target group of the support – NPOs and public sector partners, above all the local governments. Although the **NGO Fund has been a very successful measure both in terms of results and potential impacts on the development of the field**, as expected some bottlenecks in implementation of the fund have emerged.

The following sums up the main findings and conclusions of the NGO Fund assessment and, accordingly, the recommendations proposed to them. The objective of this assessment did not include preparation of recommendations, but as measures with a similar content and success rate would have to be implemented in Estonia in future as well, some recommendations under each sub-topic help draw attention to the important aspects in developing a similar future support measure.

Relevance of the objectives of the NGO Fund and supported projects

- Comparing the NGO Fund’s objectives with the problem areas related to NGOs that need to be addressed and activity guidelines disclosed in strategic documents, it can be concluded that the fund’s objectives are relevant and in line with national priorities.
- The objectives of the projects carried out meet the objectives of NGO Fund and the needs of target groups. Compared to the Estonian-Swiss Cooperation Programme’s general objectives, the fund implementers focused on narrower objectives relevant to the Estonian context – strengthening public sector and third sector cooperative relations and ensuring access and quality of public services. For that reason, the objective of ensuring a more balanced distribution of projects was not set as a goal in selecting projects. Neither do the NGO Fund, evaluation criteria or fund conditions devote attention to one of the main objectives of the Estonian-Swiss Cooperation Programme – reducing regional developmental disparity. The most support has gone to development and provision of services in Harju and Tartu counties. Considering the number of registered NGOs¹¹⁵ and the capability to implement services, the activity level of NGOs in applying for support was low. Thus it was not reasonable to include regional preferences as an evaluation criterion to be observed in the application conditions.
- Although healthfulness and social cohesion did not play a central role as a separate main topic in the projects, public sector partners ascribed a very high rating to the projects’ impact. In the assessment, it became evident that over 80% of the supported projects contribute to creating a healthy lifestyle and strengthened living environment and enhance social cohesion – thus all projects contributed to fulfilling the relevant fund objective.
- Fulfilling the Fund’s performance indicators, and in a number of cases, exceeding the goals set for the projects and continuing to provide services after the project are indicative not only of the performance of the fund but the relevance of the activities supported – the

¹¹⁵According to Statistics Estonia, there were 30,189 registered non-profit associations and foundations as of 2014.

activities supported in the projects conformed the objectives of the NGO Fund and contributed to their fulfilment.

- The project objectives and activities carried out were designated by the fund conditions, information requested in the application documents, and the objectives and action plan submitted in the application. The fund offered diverse options for activity and a more detailed eligibility of activities depended mainly on the applicant's business plan and action plan. As it was desired that NGO Fund should promote social innovation, it is noteworthy and positive that applicants had extremely few restrictions on how they designed and developed the service and it thus the service business plan was all the more important as a part of the application evaluation process. Thus NGO Fund's two-stage call for proposals was justified for implementing a support scheme with this orientation.
- The two-stage approach was new for NGO Fund.¹¹⁶ Applying for the two-stage support in NGO Fund, which made it possible to put together a quality service business plan, using the support to do so, was relevant and reasonable. Still, the assessment noted that often the project implementers encountered difficulties adhering to the business plan. Thus even greater support for the business plan and commercial thinking and planning of NPOs' marketing-related activities. In spite of the fact that the largest part of the business plan for supported services received support also in the SP call of the NGO Fund, which provided the opportunity and more flexibility to prepare a business plan in a manner that was more inclusive and informed, various impediments to reaching target groups and using the right marketing techniques cropped up implementation of the projects.
- One of the most important arguments in favour of delegating public services to NGOs in the literature in this field has been that NGOs have better contact with various social groups and those in need. In this context, it is noteworthy that close to 70% of NPOs found that one of the biggest problems that came up when implementing projects was reaching the target groups. At the same time, over 90% of the supported NPOs involved target group members and other parties in developing the service – at a rate nearly double that of the non-supported NPOs. Comparing these indicators to other sources analyzed in the assessment, it can be concluded nevertheless that supported NPOs were well abreast of the situation and needs of the target group and the developed services met the needs of the target group.
- In addition, one-third of the NGOs that received support found in responding to the online survey that it became evident in the course of the project that the target group needed the service in a greater volume or more diverse manner, which it was no longer possible to offer in the framework of the requested support (Figure 16). There may be many reasons for this: e.g., the NPOs often rely on the capability of the public sector partner or other related organizations in supplying their service, or in spite of active involvement of the parties, errors and flaws appear in the original marketing plan, amplified by scant marketing skills. This was corroborated by interviews with the fund implementers, project implementers and experts. Of the support recipients, 55% said that the project implementation gave them very

¹¹⁶ The first call for proposals – small sub-projects for analyzing service need and preparing business plan; the second call for proposals – large sub-project for implementing the plan.

important knowledge about reaching the target group and marketing service, as they were face to face with situations that they could not have foreseen. In addition, 42% of the NPOs that received support found that marketing-related knowledge did indeed develop, but to a low extent.

- More importantly, the project implementation yielded knowledge of the target group needs and ways of resolving them as well as skills for cooperation with the public sector. In the course of the assessment, it was noted repeatedly that often neither the target groups nor the local government units were aware of the various services and cooperation opportunities provided by NGOs. For this reason, a considerable part of the projects' human and time resources was spent on carrying out communication and PR. This also confirms the weak marketing skills and methods.
- The NGOs that involved target groups and public sector organizations in development of business plan were conspicuously more successful in applying and implementing the projects – the objectives of the projects and planned activities conformed better to the fund objectives and target groups' needs. In addition to developing service, 50% of the supported NGOs involved target groups directly into preparation of the business plan and 40% of them involved public sector partners. The projects supported from NGO Fund demonstrate the importance of involvement for establishing more lasting cooperative relations and sustainability of activities.

Recommendations

- In future, a similar support measure should devote separate attention to raising the general capability of NGOs in the framework of other NFCS measures, including assistance from the CDC network in relevant preliminary work and contributing to establishing cooperative relations. In looking to alleviate the consequences of peripheralization, a similar public services development and provision cooperation measure should be applied with regard to NGOs located and operating in peripheral areas.
- The assessment confirms that a key success factor in the project is thorough planning of the provision of service and a high-quality business plan prepared in a manner such that the parties are involve and based on analysis of service needs. Thus it is advisable to devote more attention to preparing for provision of service. In planning a support scheme with two stages similar to NGO Fund, the importance of different parts of the business plan and various ways of obtaining inputs for the business plan potential applicants should be introduced to the potential applicants, including obtaining an overview of and mapping the target groups' situation and identifying their actual needs. Close to 80% of the supported NPOs found that their relevant knowledge grew significantly during the project. This shows that in spite of the preparatory work with regard to involvement of parties, NGOs failed to sufficiently anticipate the necessary solutions and the target group's problems. Thus marketing plans also remained relatively weak prior to applying – good marketing plans require a very precise knowledge of the target group and their future needs.
- More attention needs to be paid to marketing services and increasing marketing related knowledge and skills. Various guiding methods can be used in this regard: adding

corresponding priorities to other support measures implemented by NFCS, such as prioritizing the Development Leap competition in a specific direction; organizing trainings with a suitable practical structure for service developers; making better use of the CDC structure in raising awareness etc.

- Where possible, it is advisable to establish a separate support service development measures for organizing PR/training, aimed at NGOs providing services and/or the umbrella organizations in their field. This helps keep the topic of service provision, social innovation and cooperation more visible and plan effective activities for developing this field.
- As the involvement of service target groups and partners is a necessary precondition for developing service that meets the needs of the target groups, it is recommended in implementing similar support in the future to specify **co-production** as a more specific prerequisite in the conditions for applying for support, and, in developing activities that civil society, to continue to devote attention to bringing the relevant knowledge to NPOs and public sector partners.

Implementation of the Swiss NGO Fund

- No narrow performance and impact indicators or necessary baseline levels were initially set in the Swiss NGO Fund for implementers of projects to fulfil using specific indicators. During the implementation period, the application forms were supplemented with some indicators that are important to assessment of the fund. The performance and impact indicators for assessment of the fund were set during this assessment in cooperation with the measure implementers and experts.
- Keeping in mind the fund's objectives, a very important application condition was the requirement that services be provide in cooperation with public sector organizations. The existence of two cooperation partners already during the time the project proposal is drawn up helps to reduce risks related to project implementation and increases the likelihood that the project will make a contribution to fulfilling the objectives of the support measure.
- The assessment clarified that the NGO Fund applying process, the conditions for applying, including eligibility of diverse expenses, and evaluation criteria contribute to achieving the basic objectives of the projects and the fund. The work of NFCS is rated highly, as is their flexibility in connection with problems that may arise. The most criticism was reserved for explanations as to granting or denying support, the volume of application process and reporting and ease of completing the application and reporting forms. As during the implementation of the NGO Fund, the fund implementers have also changed the Fund's conditions as needed, the experience in implementing the Fund was a key input for making subsequent NFCS activities more fluid.
- It turned out that important and indispensable parties in the projects – public sector partners – were not abreast of the fund's conditions and requirements and took a lax attitude to the requirement of the service business plan. A considerable share of public sector organizations does not understand the necessity of a service business plan (9% disagree, 17% somewhat disagree, 3% agree and 46% can't say) or the importance of developing and providing services cooperatively, or they are sceptical about the importance of this condition. This

shows that there is room for development in the public sector, above all among local governments, when it comes to awareness of strategic planning and modern ways to develop service.

- Although the fund implementers said the measure information days were open to both NPOs and public sector partners, the involve public sector partners often did not closely examine the preparation of the application. The role of the public sector partner during the application stage was also frequently limited to providing a letter of support. Although 90% of the NPOs that responded to the survey said that services were developed in conjunction with the public sector partner, only 36% of the respondents noted the assistance and role of the public sector partner specifically in preparing a business plan. If the measure requires closer cooperation between the partners, and the performance and success of the project depends on it, it is advisable to involve all of the important parties more actively in distributing information and reaching potential applicants. In the case of NGO Fund, the main exchange of information was with NPOs applying for support.
- The NGOs were least up to date with the possibilities of CDC counselling – 33% of the supported NPOs and over half of the non-recipients did not use assistance from a CDC. About 54% of the participating public sector partners who responded to the survey were not up to date with the assistance from CDC. Although CDC assistance was not obligatory or expected in preparing application, this finding should nevertheless be noted attentively. It is possible to make more effective use of the CDC structure in developing public-third sector cooperation in Estonia in distribution of information, counselling and matching up parties.
- The support recipients found that although the support was very important for both the organization and the service target groups, the amount of the support could have been bigger. This would have allowed a better response to the needs of the target group. At the same time, many support recipients had a financial surplus – it was not possible to use the support in the planned amount within the allotted action plan and timetable. Depending on the open call, the surplus was 5-8%¹¹⁷.
- The assessment did not confirm the relevance of the change in maximum support amount in the last two NGO Fund open calls.
- In addition to the problem with the amount of the NGO Fund support, NPOs had difficulty finding the necessary self-financing. The required self-financing of 10%, of which the required monetary contribution was at least 5% and of which 5% could be a non-monetary contribution, was still too high for some NGOs.

¹¹⁷ Does not include LP14 – final reports for the last call for proposals had not been approved by the time of the assessment.

Recommendations

- In planning a support measure similar to NGO Fund, it is recommended to include in the measure application documents all of the information that can help to assess fulfilment of the Fund's objectives later on. First, this will require agreeing on output, outcome and impact indicators. It is recommended that key basic data relevant to the indicators, such as the date of establishment of the NPO, number of employees, share of own revenue, number of service recipients etc (e.g. Table 5) be requested on application forms. Similar data need to be asked in project reports as well, and advisably in the follow-up queries of support recipients conducted 1-1.5 years after the end of the project. This will provide uniformly comparable indicators and a more concrete framework for carrying out similar assessments in the future. In doing this, it is recommended to review the ease of use of the NGO Fund's application and reporting forms and the necessity of information requested, so as to avoid asking for unnecessary information in similar measures in future and to focus chiefly on inputs that allow information necessary for assessment of fulfilment of indicators to be requested.
- It is advisable in similar support measures for applicants that do not receive support to send a longer explanation of the reasons for the decision. More substantive feedback will provide better development guidance for the future, motivate applicants to apply a second time for support, and increase further the impact of the support measure on the capability of the NPOs.
- In future, it is recommended to prioritize even further the strengthening of preconditions for commencing to provider service, in order to refine the objectives set for the projects and reinforce the sustainability of the services and service providers. In planning a support scheme with two stages similar to NGO Fund, it is advisable to better introduce to the potential applicants the necessity of the different parts of the business plan, different means of gathering inputs for the business plan and the importance of the marketing plan.
- It is advisable to devote more attention to allowing information in the field of similar support possibilities to reach the potential partners for the measure target groups, considering their needs and particularities. It is very important to aim communication outreach at public sector partners as well – above at local governments. Considering the Fund's objectives, support should be provided in planning similar future programmes not only for preparation of a business plan but also establishment of cooperative ties prior to the project.
- Cooperation between CDCs, NGOs and local governments in developing social innovation and services is important, and the efficacious implementation will lead to more cooperative relationships and development of new services. The assessment shows that it will be necessary to increase the parties' awareness of CDCs and CDCs' own capability to dialogue in developing public-third sector cooperation. It will be necessary to inform potential applicants further about the role of CDCs in providing advice on support opportunities and contributing to the operational capacity of NGOs. It will be necessary to analyze how the structure of the CDC can be used more effectively to distribute information and match up public and third sector parties in different regions of Estonia.

- To contribute to the inception of novel services and ideas, it will be reasonable, in developing a similar measure in future, to support diverse, comprehensive activities for allowing service to be provided, and to impose as few restrictions as possible on eligible activities. This supports the development of different forms of cooperation and the spread of social innovation.
- To increase the operational capacity of the NGOs, it is advisable to find other possibilities additional to the support open calls, in the form of trainings, development programmes, sending out information materials etc, where self-financing is advisably not necessary. The more capable NGOs have greater skill in diversifying revenues, capable of taking part in more calls for proposals and, in the longer term, able to increase the share of own revenue in their income.
- NGOs in Estonia are predominantly dependent on unstable income and various project supports. The relatively low rate of own contribution among the participants in the support measure may also prove a major obstacle for many NGOs when it comes to applying for support and successfully implementing the project. It is advisable in similar support measures to apply only a non-monetary contribution with suitable self-financing, to implement the option of prepayment from the fund to a greater extent¹¹⁸ and also communicate this option to applicants and support recipients more clearly.

Performance and impact of the Swiss NGO Fund

The assessment of the performance and impacts of the Swiss NGO Fund was rendered complicated due to the lack of relevant base and target indicators. It has not been possible to assess the long-term impact of the NGO Fund due to the passage of insufficient time since the end of the projects. In assessing the short-term/potential impact, attention was given to projects that had ended by the time of the assessment.

- The Fund's performance and impact indicators were originally expressed in long form and no separate performance and impact indicators were established for measuring them. Thus in the course of the assessment, the first task was to establish the respective indicators.
- Indicators devised during the assessment that show economic and institutional capacity are not the most suitable for assessing the Fund's impacts on every organization and thus the said information must be processed in subsequent similar assistance measures with certain reservations. The indicators provided in Table 5 need baseline indicators; furthermore, the possibility of assessing project outcomes depends largely on the field and activities of the NGO. Nevertheless, indicators must be requested in such a form both in application forms for elucidating the baseline level, and in reports and follow-up queries for assessing potential impact. The information must be validated with other related indicators; first of all, the indicators for the organization's capability must be viewed comprehensively, and analyzed in the light of cooperation experience and take into account possible external impact factors.

¹¹⁸ In actuality, a prepayment in a certain amount could also be used in the case of NFCS.

- Considering the particularities of NGOs and public-third sector cooperation, the objectives and indicators set for the fund can generally be considered to have been fulfilled. Yet the results achieved are not large in scale. More important is the fund's impact on raising the awareness of the public sector, NGOs and society regarding the activities of the third sector, the possibilities for cooperation between the public sector and third sector, and problems prevalent in the field. What has been positive is the direct impact on the quality and access of services developed by the projects and the cooperative relationships established between the specific organizations. As the volume of NGO Fund is low, the large-scale impact on the NGO Fund's general and sub-objectives (see Figure 2) and the general availability of public services remains modest and depends on several external factors – above all the capability of local governments to fund the services and the general development of civil society.
- The biggest promoter of the impact and outcomes of the projects is the support received in the framework of the NGO Fund. It is noteworthy that, in the absence of support funding, a large share of local governments are not interested in developing services and often the support offered is the precondition for the NGO to succeed in entering negotiations with the local government. This shows that in Estonia, the development of public-third sector cooperation in supplying services and social innovation still depends very highly on the existence of programme support.

Recommendations

- It is recommended to find ways of implementing measures similar to NGO Fund in future in Estonia. The experience implementing NGO Fund shows that without the support, most of the activities implemented and services developed would have not been carried out, carried out without public sector partners or on a much smaller scale. The existence of support was a stimulus for the launch or further development of many new public services, and satisfaction is generally very high with the cooperation experience. A large share of NGOs and local governments are not yet prepared to undertake cooperation without additional support, as the awareness and views of both parties (above all the local governments) regarding the possibilities and benefits of cooperation are still lacking. If NFCS continues increasing the capability of NGOs as its main activity, then it will be necessary to find resources and create measures for developing the knowledge and skills needed by local governments – there is no use in wise service providers if the competence of the contracting entities for the service does not improve.
- In developing a similar measure, it is advisable to set basic indicators from the outset and yet take into account particularities in the field – this evaluation report provides a starting path to doing so. Most of the indicators given in Table 5 were retrievable and informative.

Quality and access of public services

- The NGO Fund had a significant but likely short-term impact on service access and quality. This is confirmed by both an analysis of project reports and the results of the online surveys – all supported NPOs and close to 80% of public sector partners expressed high satisfaction. In

most projects, the assistance helped expand the range of target groups receiving service, offering service closer to the target group and with the necessary frequency.

- In addition, the supported projects gave the parties knowledge, skills and experiences that they can apply in providing and developing services and establishing cooperative relationships in future. Thus NGO Fund has established important preconditions for realization of potential long-term impacts.
- The flexibility of NGO Fund conditions was very important in ensuring better access and quality of public services, as support went specifically to projects that more clearly expressed and substantiated the need for the service.
- As most of the support recipients assigned a high rating to the amount of the support and the importance of the project to service quality and access, they were also asked to assess the biggest problems with implementing projects and developing services. Insufficient financing of service was one of three main obstacles to access and quality of services and comparing support recipients to non-recipients, it was about a 50% more important bottleneck. This corroborates that needs continue to be high and the efforts by NGOs to improve access and quality of services depend on the appropriateness of the project support amount and stable external source of funding – a role that continues to be filled mainly by the public sector partners.
- The impediments to developing access and quality of services provided most frequent identified by the supported NPOs were insufficient marketing (27% of respondents) and the target group's low interest in receiving service (21% of respondents), confirming the need to devote even more attention to the pre-phase of developing service and, if necessary, to offer greater support, knowledge and support in the service development phase. These observations have been repeatedly referred to in this assessment report.
- A major bottleneck that emerged was also the low capacity of service providers – NPOs and their public service partners – to analyze the activities, including with regard to asking for feedback from service recipients. Thanks to the regular reporting obligation, supported NPOs displayed greater analytical powers – they rated their activities higher than NPOs that did not receive assistance but implemented activities to some extent. As the end of the project also meant no more reporting obligations, the questionnaires contained more “can’t say” responses in the assessments in pertaining to the period following implementation of activities. This shows that the obligation of reporting to the funding provider had a positive impact on analysis of what had been done, but unfortunately it did not become an integral part of work for most service providers. The public sector partners analyze cooperation, service quality and access even less. Nor did they indicate that implementation of the project had had a noteworthy impact on the ability to assess service quality or confer the relevant knowledge – 51% of the public sector partners who responded said that the project had only slight impact in this regard, even as 67% of the NPOs supported said the impact had been significant.
- The NGO Fund’s experience confirms the circumstance brought out in previous sectoral studies that in the case of public-third sector cooperation, the public sector partner often passes responsibility for development, access and quality of the service to the NPO and fails

to sense its role as responsible for supply of service – 72% of the NPOs that responded to the online survey said it felt responsibility had been shifted solely onto the NGO partner. At the same time, the local government is responsible for finding solutions to satisfy the needs of the inhabitants and ensure well-being.

Recommendations

- The interviewees repeatedly mentioned the need to develop commercial and analytical thinking among the NPOs to keep them from thinking only within the bounds of the call for proposals. It is recommended to improve abilities for compiling business and marketing plans, knowledge of design and development of services, the particularities of target groups – increasing the awareness of NPOs and the necessity and possibilities for marketing service.
- It is necessary to raise the awareness of all parties but in particular the public sector regarding the nature and possibilities of cooperation and the necessity of involvement, self-analysis and service quality assessment.

Cooperation between public sector and third sector

- The impact of the NGO Fund on public-third sector cooperation conforms to the objectives desired by the fund. In the survey, 91% of supported NGOs said that cooperation with local governments increased somewhat or significantly as a result of the project and 67% of NGOs engaged in regular cooperation after the project with more public sector partners than initially. The share of operating revenue on the public sector side was also larger after the project in the case of 67% of NGOs.
- Providing public services in cooperation with the NPO increased the trust of public sector partners in the work of NGOs (59% of respondents and interviews with project participants) and contributed to the inception of new services aimed at local inhabitants.
- Nearly all NGOs found that a project supported from NGO Fund raised the NGO's knowledge and skills about development and provision of service in cooperation with partners, which lays a strong foundation for the outcomes and impacts of the project to last after the project and supported cooperation end. The project activities had a noteworthy impact on the quality and access to public services and the cooperative relations between parties.
- At the same time, the interviewed experts found that to contribute to the inception of new services, there should be more direct support for parts of the service/innovation development cycle or their precursors – establishing cooperation, generating ideas etc. Insufficient cooperation, including already in the service development stage, between the target groups, public sector and other NGOs and the private sector, reduces the chances that the service will succeed and/or be sustainable. The results of this assessment show that the NGOs that are able to involve different parties – ones that are more capable – are more successful in applying for support and implementing activities, which is why it is important to increase this capability for more NGOs, especially in the service development preparation stage.

- Both supported NPOs and public sector partners generally have a high rating of cooperative relations with partners during the project. Nevertheless, NGOs feel that the public sector does not have a sufficient sense of its role and responsibility in providing public services in cooperation with the public sector. Earlier studies have emphasized that the role of the public sector and officials in resolving the population's need for services is changing – the results suggest that no functional modern role and cooperation model has been found.
- The Fund does indeed stimulate cooperation, but the cooperation may not necessarily be the highest in quality or meet the expectations and needs of all parties. The public sector is the more passive party in developing and implementing services. At the same time, the impact of project implementation on improving the capability of public sector organizations was lower than hoped. This pertains above all to assessment of service quality and knowledge of reaching target groups and marketing. The impact of implemented projects on the capability of the local government for strategic planning has also been significantly low. Although public sector partners that responded to the online survey found that the project had impacted a rise in their awareness of NGOs as important partners as service providers, analysis of the project reports and interviews with different parties have confirmed that a number of problems – wide-ranging and highlighted by previous research – have persisted and were evident in implementation of the supported projects as well. These concerned mainly the local government's awareness of cooperation opportunities and, as a result, difficulties in negotiations, the capability of the local government in leading target groups to services, unwillingness to enter into longer agreements extending past one budgetary year with NGOs, shifting responsibility for the service to the NGO and underestimating their role in supplying the service.
- Assessment shows that the cooperative relations between supported NGOs and their public sector partners may be characterized as a strategic partnership – the NGO is the main developer of service and seeker of the resources needed for providing service, and the cooperation mainly consists of mutual information exchange, development of services (including service volumes, target groups etc) and provision of service pursuant to the cooperation agreement. Considering the at times low quality of cooperation and operational capacity of NGOs, NGOs sense a lack of greater contribution from public sector partners in terms of forwarding necessary information on target groups, purchasing of service and financial support. This however suggests that NGOs would prefer to see, in cooperative relations with public sector partners, more partnership-based delegation of service.

Recommendations

- In NGOs, awareness of the means and possibilities for provision of service has developed more rapidly than in local governments. In future, more effort should be placed into increasing the awareness and operational capacity of local governments in this field. The effective implementation of KODAR 2015-2020 is important to achieve noteworthy outcomes in the development of this field.
- Considering the Fund's primary objectives, in planning similar future measures, support should be provided more clearly not only for preparation of a business plan but also

establishment of cooperative ties prior to the project. It is important for awareness to reach both the NPOs and the potential public sector partners.

- To reduce the extent to which sustainability of services depends on the public sector, it is advisable to find ways of using a similar support measure in future to promote cooperation with socially responsible companies and for obtaining mentorship from the business sector.
- To hedge risks related to cooperation, the NGOs with NGO Fund experience recommend the following: systematic involvement of local government specialists and consistent exchange of information via seminars and face to face meetings, constant service quality assessment with local governments and maintaining the cooperative relationship, shaping the schemes for service provision based on each local government's needs; strengthening the role of local governments in mapping the need for services and the target group, brokering service provision, funding service, advocating at the local level for sustainability of service, supporting continuing use of the service by the customer (in cooperation with service provider) and providing feedback as to the quality of service.

As referred to in the Praxis 2014 study, all of the persistent problems revealed in the framework of the NGO Fund assessment have been referred to by a number of previous studies and papers in Estonia. **Thus there is a continuing need to deal with raising awareness and capability (for delegation) as well as with introduction of novel means of cooperation.** The professionalism of the actors will improve as experience accrues, but systematic development of knowledge and skills is one activity that in the longer term will help make public services more accessible, higher in quality and more effective.

Sustainability of the Swiss NGO Fund

- NGO Fund is or was the only measure that allowed NGOs to apply for support for activities aimed at such diverse and comprehensive activities aimed public-third sector cooperation in provision of public services.
- Judging from the project reports, follow-up queries and online surveys, most of the supported services and the NGOs that received support are sustainable. As the fund was developed, a number of conditions were considered for ensuring the sustainability of the supported projects – e.g. the requirement of two public sector partners, the obligation of submission of a substantive business plan. Such requirements contributed to ensuring the sustainability of the NGO Fund projects.
- The cooperation relations or ability to establish cooperative relations – a result of the fund support – persist after the end of the project: one-third of the NGOs say the number of public sector partners with which there is regular cooperation has grown since the end of the project.
- The sustainability of the NGO and services offered by it depends greatly on the field in which it operates (including the target group's purchasing power), the conditions for funding in the territory of operation and both the NGO and public sector partners' capability for cooperation and provision and delegation of service. Throughout the open calls, receiving

project support generally had a significant positive impact on the NGOs' operational capacity – meaning it resulted in an increase in the sustainability of the NGOs and the services they offer.

Recommendations

- The experience of implementation of the NGO Fund shows the importance of taking into account the projects' sustainability and necessity of laying down relevant criteria for applicants already in planning the fund conditions. "Definition" of sustainability should not be solely the task of the applicants. In implementing similar support measures in future, it is also advisable to establish the most crucial criteria for ensuring sustainability and to add them to the criteria for applying for support. In this way, both applicants and project funding instances and other parties will have a clear, uniform view of the most important factors for ensuring sustainability and, already in the project planning phase, it will be possible to determine the most important success factors and to monitor fulfilment of those factors during and after the project in cooperation with partners, applying timely cautionary measures where necessary.
- To improve the public sector's capability for buying services, it will be necessary to review the funding schemes in effect in localities along with state provisions for public services rendered in public-third sector cooperation, including financial ways and means.

To sum up, it can be said that the Swiss NGO Fund has been a very necessary support scheme for both NGOs and the public sector, above all for local governments, and that similar potential measures in future will have the same importance. It has been a way to establish stronger and more lasting cooperative relations, to develop services and to expand access to those services. In addition, the NGO Fund has helped to promote social innovation in Estonia, above all as pertains to incremental innovation. The supported projects led to a number of developments in services such as reaching out to new target groups, involvement of new (public sector) partners, improving service quality, development and supply of new services, expanding territory of operation, identifying needs and interests for in-service training, counselling and other continuing activities, etc.

The experience of participants in the NGO Fund-supported projects has proved that often it is difficult to establish cooperative relations with a public sector partner, but provided there is an appropriate support measure that alleviates the funding question, it is possible to "gain an audience" with the public sector partner and lay a basis for successful cooperation. This experience generally leads to greater trust and capability on both sides, thereby also ensuring future interest and sustainability of service – from that point on, the search for suitable solutions is already a cooperative process. Although the NGO Fund funding volumes are not massive enough to result in permanent changes in the development of the public service field in Estonia, the implementation of the fund has a number of side effects and auxiliary benefits for disseminating the necessary know-how in society and in demonstrating the possibility of successful public-third sector cooperation.

Major observations for various parties emerging from the assessment of the Swiss NGO Fund

I Major observations for NFCS

1. Implementation of the Swiss NGO Fund has given NFCS valuable additional experience in planning and implementation of a successful support measure. Flexibility has been a keyword in implementation of NGO Fund, and NFCS always applied this where necessary and possible. The support recipients considered flexibility and diversity of support to be the most important success factors behind the implementation of the fund. One lesson that can be brought out is the need for more detailed indicators for assessing performance and impacts of the measure in the fund development phase, and in the form of developing application documents, which would allow information to be provided during and following the implementation of the projects on the values of the corresponding indicators.
2. The implementation of the NGO Fund shows that it is important to achieve maximum flexibility in implementation of the fund, close communication and feedback between support applicants and support recipients. More attention should be paid to communication with other key parties in the project, which in NGO Fund were the public sector partners.
3. It is important to increase the capability of potential applicants in a measure such as NGO Fund, through sharing experiences, information events, dissemination of information, and trainings. It is necessary to involve a wide range of parties who have key importance in carrying out projects. In a similar measure, there will have to be stronger communication regarding expectations for the business plan, marketing plan and co-production of service. It is important for potential applicants to understand and realize the necessity of preparatory work, expected quality and its importance in implementing a successful project.
4. In future, it is advisable to pay separate attention to raising the general capability of NGOs in the framework of other NFCS measures, such as adding to the Development Leap call for proposals as a condition development of the necessary priority capabilities (above all service design and marketing).

II Major observations for the state

1. The projects supported from NGO Fund are predominantly examples of positive, functional public-third sector cooperation. The fund is a successful example where supported cooperation has actually helped to create or develop new services, to provide services to a broader group of target groups and to increase the quality and access to services. For the outcomes and impacts like NGO Fund to be large in scale and make a noteworthy contribution to the development of the field, it will be necessary to keep the topic of public-third sector cooperation salient and find opportunities to develop the relevant awareness and capacity in Estonia. In the near future, cooperation and cooperatively developed services will likely not move ahead in the absence of an additional support measure. Thus it is important to find additional resources to implement measures similar to NGO Fund in future, too.

2. The assessment of NGO Fund confirms that a number of problems with regard to public-third sector cooperation, highlighted by previous research in Estonia, are persistent. As a result, the realization of the implementation plan for Objective 2 of KODAR 2015-2020 (The impact of civic organizations on prevention and resolution of social problems and improvement of people's well-being) has great importance in the development of this field.

III Major observations for local governments

1. The cooperation projects implemented with NGO Fund funding are predominantly successful examples of effective cooperation with NGOs, which has helped to develop services and make them more accessible. In cooperation with NGOs, it is possible to resolve the problems facing local governments, but this will require awareness of the public sector, above local government, regarding the potential benefits of cooperation and factors that help keep the cooperation successful and high-performing. In limited financial conditions, too, it is possible for local governments to contribute to successful cooperation, engaging close cooperation with NGOs in development of service, sending out information and offering other opportunities for supplying service, such as premises, trainings etc.
2. Many of the implementers of projects supported by NGO Fund noted that without the absence the local government would not have been interested in the service they developed, even though there was a need for it in the locality. In the case of several cooperative relationships, the NGO partner was seen as merely as a "support recipient", and often full responsibility was passed on to the NGO – that is, the local government was not aware of the actual nature and objective of delegation. The attitude must change and local governments must become aware of the possibilities of partnership-based delegation, which presupposes an active contribution by the local government to establishing and maintaining successful cooperative relationships. In the longer term, this is expressed in more effective, accessible and higher-quality services for the population.
3. It is necessary to communicate the prioritization of service quality and the role of the local government in ensuring quality of service, even if a third-sector partner has been selected to supply the service. The public sector is responsible for the supply of the public service.
4. The assessment of NGO Fund brought out shortcomings in both the commercial thinking among NPOs and the public sector partners' strategic planning and involvement of NGOs in developing the field in general. NGOs often have very important knowledge of specific aspects of the target group and of innovative approaches in resolving problems. It is necessary to communicate the value of NGOs in strategic planning and the parties' active involvement in long-term planning, including seeking out cooperation opportunities with NGOs.

IV Major observations for NPOs

1. One of the biggest shortcomings in implementation of NGO Fund and projects was the commission of errors in the service business and marketing plan. The NGO Fund experience shows the importance of preparatory work to be done to develop service. It is important to

invest time and resources into development of service and to develop the service in co-production with other partners and service target groups. Assessment shows clearly the success of such well-functioning NGOs compared to applicants that invested less into preparatory work.

V Major observations for CDCs

1. The role of CDCs should be more active when it comes to providing advice to NGOs and the public sector, disseminating information and bringing parties together.

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