

# CSO Development Effectiveness

## Georgian National Consultation

Vere Palasi Hotel, Bakuriani,  
25-27 June, 2010

# CSO Development Effectiveness Georgian National Consultation



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## I. Summary



Date and venue of the Consultation:  
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Agenda - Annex 1

Participant's list - Annex 2

Working Group – Annex 3

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## II. The Consultation Process and Political Context



### 2.1 Political Context

The development of Civil Society Organizations (CSOs) in Georgia has undergone three main stages, which encompasses the periods of the sector establishment and development, weakening of the sector, and the new challenges facing it.

Period since 1990 until 2001 was the start-up period of the civil sector, when the sector has been formed and developed, and it has established itself in the society. The years of 2001-2003 were the so-called "oasis" period for the sector. These years have been the most significant and active for the CSOs and have been marked with the highest level of CSO activities, strength, and unity of the sector. This period has witnessed utmost demand on and interest towards CSOs on behalf of the donors. All of this has led to considerable growth of the sector and has facilitated the formation of CSOs as the development actors.

Next stage of the sector development commences after the "Rose Revolution" that had occurred in Georgia in 2003, and

this period may be characterized as the beginning period of critical weakening of the sector. Following the revolution the sector has remarkably declined, owing on one hand to significant brain drain from the sector to the authorities and business, and on the other hand to the shift of the donor aid vector to the state. During this period the main demand on CSOs originates from the authorities and the resource of non-governmental organizations is mainly invested in building the state institutions.

Since 2009 a new turning-point is emerging for the civil sector. State demand on CSOs is declining, and the need for sector involvement in building the institutions and systems is abating. Donor interest to the sector has not increased either. Part of important donors is leaving the country, which in the conditions of homogeneity of sector funding poses threat to its stability and obviously exercises considerable impact on the sector development.

Currently the CSOs are facing the especially tough issue of self-determination - as to what role and function should the sector carry, what are its weaknesses and strengths today and what are the prospects of its development. Therefore, holding the national consultations and identifying the major trends of development effectiveness of CSOs have been especially significant and timely for the Georgian non-governmental sector.

### 2.2 Process of Consultations

Georgian National Consultation on CSO Development Effectiveness was held in Bakuriani on 25-27 June. The meeting had two main objectives: on one hand, the involvement of Georgian CSOs in the global process of development effectiveness, which is underway under the aegis of an Open Forum for CSO Development Effectiveness, and on the other hand, the determination of main trends of CSO Development Effectiveness in Georgia.

The Civil Society Institute has organized the consultation. Financial support was provided by the European NGO Confederation – CONCORD and the Open Society – Georgia Foundation.

35 representatives have attended the workshop, 27 out of them from CSOs, 7 from donor organizations, and 2 from the authorities and local self-government.

Broad spectrum of CSOs operating in the country was represented at the workshop: watch dogs, think tanks, service providers, regional, women's, welfare, environmental, grassroots, and mixed type organizations.



## II. The Consultation Process and Political Context

Represented at the workshop also were major international and local donor organizations operating in Georgia: the EC Delegation to Georgia, USAID, OXFAM GB, Open Society Georgia Foundation (OSGF), Eurasia Partnership Foundation (EPF), Black Sea Trust (BST).

Attending the workshop from the authorities were the member of the Committee for Education, Science and Culture of the Parliament of Georgia, and the Head of the Chokhatauri Municipality.

In light of the existing context, national consultations in Georgia have been held in a different context. Two and a half-day consultation process has run in a multi stakeholder dialogue regime - with active participation and engagement of all interested parties.

At the outset of the meeting the participants have discussed the chief components of the Paris Declaration and the Accra Agenda for Action. It was noted that the shift of emphasis from the aid effectiveness to the development effectiveness and recognition of CSOs as equal partners in this process was a progressive and a rather significant step in the Accra document. This in its turn rests even more responsibility on CSOs for them to be more effective and engage actively in the development process.

The participants have discussed the role of CSOs in the development process. It was observed that the Georgian CSOs are actively engaged in various areas of the development process and they have a cooperative advantages in a number of aspects. In particular, the knowledge on various aspects of development is



accumulated in the sector, developed mechanisms for passing on this knowledge exist, organizations are well aware of local and thematic problems, they possess research skills, and often they propose new and innovative initiatives. Yet, there are numerous challenges that the sector faces at the moment. Among others it was particularly stressed that the sector has been considerably weakened, public recognition and feedback with the population is low, no consistent vision on development exists, partnership and sector solidarity are poor, and more attention should be paid to transparency and accountability.

The participants have discussed in individual groups the internal and external factors that have impact on the effectiveness of development of the CSOs. At the plenary session each group has presented the analysis of chief factors, which are of most concern in the given reality.

Four consolidated issues have been identified among the internal factors: institutional development, accountability and transparency, effectiveness, and partnership. Existing situation and challenges have been analyzed in respect of each factor. The importance and priority was stressed of issues such as the new leaders and faces, homogeneity of funding, lack of monitoring and evaluation systems and skills, low degree of involvement of target groups, ineffective practice of accountability to the public, shortage of platforms, networks, and coalitions, etc.



## II. The Consultation Process and Political Context

Three main issues have been identified during the analysis of external factors: relations with the authorities, policy of the donors and international organizations, and funding sources. Priority challenges have been outlined based on the discussion and the analysis – need for institutionalization of relations with the authorities, robustness of the authorities in the dialogue concerning the issues of political importance, lack of effective communication with the donors and international organizations, and the homogeneity of funding sources.

On the next day of the meeting the participants have discussed the valuable principles that determine CSOs effectiveness. 26 principles have been pinpointed, which in the opinion of participants are most significant in the Georgian reality. Namely, focus on the public, solidarity, communication with the population, orientation on sustainable results, accountability, transparency, focus on overcoming the poverty, consistency, partnership/cooperation, cost-effectiveness, human rights and social justice, sustainable impact, good faith, drive, representativeness/legitimacy, civil courage, rule of law, self-development, high quality services, involvement of target groups, volunteerism, independence/impartiality, equality/equal opportunities/tolerance, adherence to principles, gender equality, coordination of activities. Out of pinpointed principles, 6 most priority principles have been selected by the participative ranking method: focus on the public, human rights and social justice, partnership, orientation on sustainable results, civil courage/responsibility, and the high quality service. Participants in the groups have

developed the ways of effective realization of the priority principles.

In addition, the meeting participants have discussed the standards of enabling environment and have elaborated the steps necessary for improving the environment. In respect of the donors' policy they have identified issues like the improvement of communication between the CSOs and donors, fitting the programs in existing problems more effectively, programmatic funding and promotion of institutional development, need for more effective coordination among the donors, minimization of bureaucratic procedures, and orientation on long-term policies.

It was observed with respect to the legislation that the legislative base is quite developed; however, it requires further improvement for it to gain the mode that promotes the CSO development. Importantly, this requires the improvement of tax legislation and introduction in it of provisions stimulating the development of CSOs, as well as more stimulation of support of the sector from the business at the legislative level. Legal regulation of volunteerism, absence of which considerably hinders the development of this institute in Georgia, is necessary. It is equally important to establish effective mechanisms/forms of state funding of publicly beneficial activities, and its institutionalization and founding on the principles of transparency and civil sector participation.

The participants have identified the accountability and transparency as a separate issue. Major issues such as accountability to the public, donors, and the state, transparency, trust building and raising of awareness have been discussed. It was noted that the accountability to the donors and the state is functioning properly as this issue is regulated under the legislation and the contracts. As for the accountability to the public and the target groups, challenges in this field are still weighty. Proposals for resolving the issue have been developed. It was observed that it is necessary to develop a uniform strategy of CSOs on the accountability and to introduce the culture of the so-called sectoral accountability.

At the end of the meeting the work carried out has been summarized. It was noted that the work on the effectiveness of development of CSOs is a rather significant process and shifting emphases on it was timely. As the development of the public sector, as well as the effectiveness of the country's development will benefit considerably from continuing the process and heading it in the right direction. It was stressed that the processes should head towards building the national platform on CSO Development Effectiveness. A working group has been set up from the meeting participants (See Annex 3), which has undertaken responsibility for drafting the report on the workshop and further development of the processes.



## III. Issues

*In the course of national consultation the chief internal and external factors, which are of most concern and have impact on the CSO development effectiveness, have been identified. Identified among the internal factors were institutional development, effectiveness, partnership, accountability and transparency, while among the external factors - relations with the authorities, policy of donors and international organizations, funding sources.*

### 3.1 External Factors

#### 3.1.1 Policy of the Authorities

The participants have noted that the level of institutionalization of relations between the state and the civil society is weak. The agreed strategic vision on cooperation is absent, while the degree of recognition of CSOs as equal partners and policy actors by the authorities is low. This in itself leaves less room for the policy dialogue and constructive cooperation. A part of participants of national consultations indicated that the sector exerts influence on the authorities and this leads to concrete results (lobbying of draft laws and specific examples of cooperation with the authorities), however, most participants noted that despite concrete successful examples, the sector exerts minimum influence on the authorities. The authorities are constructive and active when the issues discussed concern the implementation of visions formulated by the authorities, while they are rigid when the matter concerns new visions and reallocation of resources. It could be said that there are individual examples of successful cooperation, however, the degree of impact of the sector as a single actor on the authorities is low.

To enhance and achieve effectiveness of relations between the authorities and the civil sector, it is crucial to institutionalize these relations, form a holistic vision on the country's development, strengthen cooperation within the sector and establish platform-type relations, enhance links between the sector and public and media, and to achieve more legitimization of the sector on behalf of the public.



#### 3.1.2 Policy of Donors and International Organizations

Donor and international organizations were traditionally viewed as the partners and lobbyists of CSOs, while the international organizations treated CSOs as a trustworthy partner. Following the 2003 "Rose Revolution", this link has weakened and the vector of the donor/international organizations has shifted towards the authorities. Relations between CSOs and donor/international organizations have abated, donors have shifted focus on cooperation with the authorities, and the influence of the authorities on the policy of donors has grown.

Currently this situation is undergoing changes again and the vector of donor/international organizations is changing towards enhancing the sector, however, to achieve its sustainability it is necessary to form strategic approaches by the sector and donor organizations, stimulate the development of new generation that had come to the sector, promote the development of community organizations, and to increase the degree of competitiveness, impartiality and accountability of CSOs.

#### 3.1.3 Sources of Funding of CSOs

Sources of funding of CSOs have been identified as a separate issue in the course of analysis of environment. Homogeneity of funding of CSOs has a negative impact on the stability of the sector. CSOs are almost entirely funded by the grants of foreign donor organizations, while the share of contributions from state, business, and individual donations in the overall volume of funding is miserable.

It is crucial to activate the work towards diversification of sources of funding of the sector, to boost in it the role and contribution of the state, business and other sources, and to establish and institutionalize relevant mechanisms.



### 3.2 Internal Factors

#### 3.2.1 Institutional Development

The management and governing structures in CSOs are fragile, the governing bodies - boards are mostly playing the formal role, and the sector experiences the lack of qualified human resources. All of this has a negative impact on the development effectiveness of the organizations. After the 2003 "Rose Revolution" the brain drain has taken place from the sector, the deficit of new faces/leaders and qualified staff has emerged, which obviously has negative consequences on the process of further development of the sector.

CSOs have to often change their priorities and activities in line with the requirements of donor organizations, as the source of funding of organizations is homogeneous and the 95% of funding still flows from the donor funds. Organizations have to worry about self-survival, which in itself renders the formation of strategic visions by them impossible.

#### 3.2.2 Effectiveness

CSOs in Georgia have a rich experience of sector expertise. This concerns various fields, including the organizations that are focused on gender issues and protection of interests of vulnerable groups. Apparently, the experience of sector expertise has a positive impact on the effectiveness of their activities.

To improve the effectiveness of activities it is crucial that the CSOs evaluate the implemented activities. Unfortunately, the sector in Georgia experiences the lack of monitoring, evaluation system, and skills. CSOs monitor and measure the impact of their activities to a lesser extent, referring mainly to the scarcity of resources, which mostly is not groundless.

Direct involvement and co-participation of target groups in the activities is an important factor for achieving the increase of effectiveness and sustainability of results of CSOs. Target groups should be involved not only in the course of planning, but throughout the entire process of activities and the evaluation process.

#### 3.2.3 Accountability and Transparency

Conducted studies demonstrate that public awareness of CSOs and the degree of trust towards them is low (awareness - 14%; trust - 7%). Further, there is a problem of legitimization of CSOs on behalf of the public. In a number of cases the priorities of CSOs and the problems of the society are inconsistent, the main reasons of which are as follows:

Organizations often put on the agenda the solution of issues that are problematic to the society, but which are not highly demanded. For instance, gender, domestic violence, problem of contamination, etc. In such case the organizations are in the vanguard and provoke the demand on behalf of the public themselves, since this problem is indeed tangible and existing.

Organizations act in line with the agenda of the donors and take into account the real problems and priorities facing the public to a lesser extent. Based on the above, it is important to boost the degree of legitimization of CSOs, which requires the consolidation of links with the public and information provision and activating of reporting mechanisms in this direction.

#### 3.2.4 Partnership

The sector has witnessed numerous examples of unsound competition; the organizations do not share among each other useful experience and information for the entire sector, which naturally leads to the duplication of activities and ineffective utilization of resources.

As already noted, CSOs manage to have individual successful occasions of lobbying. Nevertheless, in the recent period the "voice" of the sector as a single group can be barely heard. The scarcity of issue based coalitions and the coalition activities in general is apparent. This issue has been of less concern as long as the donors had actively supported the coalition projects. After the decline of demand from the donors, part of which has shifted their vector to the authorities, the sector itself is less active in this direction. The ongoing constitutional reform in Georgia is a good example of sector unity and lack of coalitions. Involved in this process are only the experts of separate organizations and the broad involvement of the sector is not noticeable, which is a serious weakness in the course of such significant reforms.

CSOs experience the deficit of effective dialogue and partnership with the donors and international organizations, based on which the donors place on the agenda the issues that are inadequate with the local reality. The effectiveness of CSOs requires working on this issue and improving the situation.



## IV. Analysis and Recommendations

### 4.1 Principles of Effectiveness of CSO Development, Guidelines and Indicators of their Realization

Participants of national consultation have discussed the valuable principles that determine the effectiveness of the CSOs. 26 important principles have been pinpointed, for which the participatory sorting in plenary methodology has been applied. In particular, the following principles have been named: focus on the public; solidarity; communication with the population; orientation on sustainable results; accountability; transparency; focus on overcoming the poverty; consistency; partnership/cooperation; cost-effectiveness; human rights and social justice; sustainable impact; good faith; drive; representativeness/legitimacy; civil courage; rule of law; self-development; high quality services; involvement of target group; volunteerism; independence/impartiality; equality/equal opportunities/tolerance; adherence to principles; gender equality; coordination of activities.



Out of pinpointed 26 principles, through the application of the participatory scoring methodology, the 6 most priority principles of equal importance for the Georgian reality have been selected:

1. Focus on the public;
2. Human rights and social justice;
3. Partnership/cooperation among CSOs;
4. Orientation on sustainable results;
5. Civil courage/responsibility;
6. High quality services.

The guidelines for realization of these principles have been developed:

#### 4.1.1 Focus on the Public

Cooperative relations between CSOs and the public are one of the factors stimulating the democratic development of the civil sector and the state. Such relations are intertwined with the degree of communication and dialogue with the public and ensuring the fulfillment and diversity of their social demands. In the Georgian reality the function of CSOs is to create the room for communication and social dialogue between various public groups through the engagement, participation, representation and accountability.

#### Guidelines of realization of the principle:

1. Planning/development of diversified approaches towards target groups by the CSOs – activating work with the target groups, raising awareness on CSOs among the public, formulation of diversified approaches towards those environment factors, in which the beneficiaries and the organizations themselves are present;
2. Studying by the CSOs of public needs and values on a regular basis, setting up with them the effective mechanisms of feedback;
3. Reflecting the work with target groups and the methods and ways of their establishment in the environment in the functional documents of CSOs (mission, procedures, strategy, action plan);
4. Promoting the increased acceptance of discourse on diversity by the CSOs through raising the public awareness.

#### Indicators:

1. Degree of studying the needs of target groups;
2. Participation of target groups in the management process of CSOs;
3. Setting up the communication mechanisms with the public and their legalization in internal regulations of the CSOs;
4. Frequency of consultations with the target groups;
5. Level of public awareness;
6. Degree of trust from the public.

## IV. Analysis and Recommendations

### 4.1 Principles of Effectiveness of CSO Development, Guidelines and Indicators of their Realization

#### 4.1.2 Human Rights and Social Justice

A degree of democratic development of the state depends on the level of human rights protection and social justice. Observance of this principle is of pivotal importance and it represents the foundation of other values and principles.



#### Guidelines of realization of the principle:

1. Popularization of legislation on protection of human rights, identifying the legislative gaps, lobbying and monitoring of fulfillment of relevant proposals, as well as promoting the raising of public awareness on human rights protection;
2. Promoting harmonization of Georgian legislation with international documents, periodic monitoring of condition of its observance;
3. Establishing high standards of rendering consultation/legal services to the public and provision of services;
4. Close coordination and active cooperation among the CSOs on the human rights issues;
5. Promoting the establishment of high standards of human rights protection in the CSOs;
6. Protecting the rights of vulnerable groups through the development-establishment of available standards and policies, monitoring of fulfillment of developed standards.

#### Indicators:

1. High standards of human rights protection in the CSOs;
2. Number of campaigns and occasions of successful lobbying directed at improving the legislation regulating human rights and social justice;
3. Number of organizations and coalitions working on the issues of human rights and social justice;
4. Number of monitorings held on human rights issues;
5. Number of successful cases of human rights protection;
6. Diversity of methods applied for protecting the human rights;
7. Focus on social justice, including overcoming of poverty;
8. Protection of interests of groups in marginal and unfavorable environment.

#### 4.1.3 Partnership/Cooperation among CSOs

Partnership/cooperation among the CSOs is one of the main and significant principles for ensuring the effectiveness of the sector as a whole. Coalitions and platforms based on thematic or value, or sector partnerships ensure exchange of opinions among them, mutual complementing and success of activities, make it easier to hold a dialogue and partner with other actors - state, donors, public - as well as lobbying, advocacy, and achievement of sustainable results.

#### Guidelines of realization of the principle:

1. Setting up platforms based on the values, sector or thematic issues;
2. Developing the integrated national platform based on various types of platforms;
3. Developing the strategies in accordance with various platforms and integrated platform and upgrading them periodically;
4. Developing the effective system of internal evaluation of the work of CSOs.

#### Indicators:

1. Number of platforms based on the values, sector or thematic issues;
2. Number of issue based coalitions;
3. Campaigns carried out successfully by the coalitions;
4. Number of jointly implemented projects, activities, developed policies;
5. Shared resources and information.



## IV. Analysis and Recommendations

### 4.1 Principles of Effectiveness of CSO Development, Guidelines and Indicators of their Realization

#### 4.1.4 Orientation on Sustainable Results

Successful work of CSOs is often predetermined by the orientation on sustainable results, as the effective activities of organizations are unimaginable without achieving the sustainable results.



#### Guidelines of realization of the principle:

1. Founding the work of CSOs on the real needs and demands of the public;
2. To boost the degree of legitimization of CSOs, actively involving the public representatives in the process of activity planning, implementation and advocacy of the organizations;
3. Developing strategic development plans by the CSOs, as well as developing and introducing effective mechanisms for measuring the achieved results;
4. Establishing the consistent system of cooperation between the CSOs and other actors;
5. Institutionalizing the cooperation system between the state and the civil sector, increasing the role of the state as a donor and institutionalization of this system;
6. Promoting the establishment of coalitions and platforms;
7. Enhancing the membership-based activities to boost the support of companions and the public.

#### Indicators:

1. Number of organizations that possess the strategic development and action plans and operate based on them;
2. Shifting the focus on durable and sustainable results;
3. Level and degree of introducing the measurement and evaluation methods of short-term and long-term results;
4. Degree of cooperation with other actors of the society (state, business).

#### 4.1.5 Civil Courage / Responsibility

The success of activities of the CSOs largely depends on their civil courage and responsibility, as a rapid reaction to certain issues within the sector, communication, gaining the support and cooperation with various sectors defines the role and place of the sector to a significant extent.

#### Guidelines of realization of the principle:

1. Setting up the coordination unit for ensuring the solidarity mechanisms and rapid communication within the sector;
2. Increasing the degree of public trust towards the sector through boosting the activities oriented on establishment of public co-participation and civil responsibility;
3. Consolidating links of CSOs with the business, media and other actors, setting up effective mechanisms of coordination and promoting its implementation.

#### Indicators:

1. Existence of rapid and adequate reaction mechanisms of CSOs on ongoing events and the degree of their application;
2. Degree of sector solidarity;
3. Volume and degree of work on the issues of civil responsibility with the public;
4. Degree of cooperation with the media.





## IV. Analysis and Recommendations

### 4.1 Principles of Effectiveness of CSO Development, Guidelines and Indicators of their Realization

#### 4.1.6 High Quality Services

Relations with the authorities, donors, and within the sector largely depend on the observance of this principle. In addition, the principle of high quality services is closely entwined with other principles and should be examined to a full extent.



#### Guidelines of realization of the principle:

1. Founding the activity planning of organizations on the analysis of environment, as from the standpoint of real needs of target groups, as well as from studying the implementation of similar activities by other organizations;
2. Introducing the effective system of motivating the staff within the organizations and ensuring their periodic upgrade;
3. Introducing the effective system of evaluating the degree and monitoring the fulfillment of activities by the CSOs;
4. Availability of services provided by the organizations and their usability by the public at large;
5. Ensuring self-development and periodic upgrade of the organization, as from the point of personnel, as well as strategic planning;
6. Ensuring constant feedback with the target groups, both in the process of planning the provision of services and the provision itself;
7. Ensuring the adequacy of services provided by the organizations with the tangible capabilities of the organization, as in light of professionalism, as well as in view of available resources;
8. Ensuring the thoroughness, clarity, adaptability, viability and usability of the service package.

#### Indicators:

1. High standards of management, including the human resources;
2. Level of implementation of modern systems of quality management;
3. Level of implementation of methods evaluating the quality of activities;
4. Feedback with target groups to study and measure the quality of services;
5. Level of implementation of systems and mechanisms raising the qualification of human resources.

## 4.2 Minimum Standards of Enabling Environment of CSOs

### 4.2.1 Legislative Environment

*Existing tax legislation* – effective tax legislation of Georgia cannot be viewed as essentially impeding, however, it does not stimulate the development of CSOs either. The legislation foresees certain benefits for the CSOs in respect of certain revenues received by them, however, in other part it does not foresee exceptions despite the link between the

activities and the organization's mission. One part of participants of the consultations believes that the tax benefits should be available on the activities linked with the mission of CSOs (import of literature, printing of literature, etc.), while in the opinion of the other part imposition of such benefits at this stage is not reasonable. Similar attitude has been expressed concerning the imposition of tax benefits on the economic activities of CSOs as well. Apart from the abovementioned, legislation to a certain extent is discriminatory towards the CSOs, which has to be remedied (taxation of dividends of CSOs, when the dividends gained by enterprises are not being taxed).



## IV. Analysis and Recommendations

### 4.2 Minimum Standards of Enabling Environment of CSOs

*Legal regulation of the volunteerism institute* – establishment and development of the volunteerism institute is of extreme importance in Georgia, in light of the scarce human and financial resources in the CSOs. Implementation of the volunteerism institute on the base of the CSOs is accompanied by an array of legal problems, as this institute is not legally regulated. Legislation of Georgia provides no legal framework whatsoever in respect of the status and nature of the volunteerism institute.

*Possibility of direct funding of the sector by the state* – share of the state in the funding of CSOs is very minimum. Important reason for that lies in the fact that the general procedure of funding is associated with state procurements, which represent more procurement of services rather than funding (is not oriented on the development of the sector). Grants issued by the non-entrepreneurial legal entity founded by the state - Civil Institutionalism Development Fund (whose revenues at this stage are entirely generated from the state budget) - are not sufficient for the civil society and community organizations. Various state agencies and local self-governments (municipalities) are devoid of possibility to issue grants. All of this leaves the local self-governments without the possibility to fund various socially useful activities through issuing the grants to CSOs. In the opinion of part of participants of the consultations, the institutionalization of this mechanism and ensuring of transparency are equally important.

*Possibility to classify non-entrepreneurial organizations* – pursuant to the effective legislation, all types of CSOs are united under one status (non-entrepreneurial legal entity), while the existing forms and the policy on statistics make it impossible for the interested persons to classify the CSOs by their missions (religious organizations, etc.). Described problem

becomes especially apparent in the process of carrying out various studies.

*Enforcement of legislation in the field of CSO operations* – apart from the general legislation, CSOs by the fields of their activities fall under the effect of legislation regulating various fields/issues. Part of participants of the consultations believes that a number of normative acts in the domain of their activities are flawed in practice. Brought as an example were the regulations in the field of disabled persons. It was noted that a number of established standards are not observed in practice.

*Stimulating welfare activities* – in the opinion of part of participants of the consultations, although the existing legislation foresees certain tax benefits for the business on undertaken welfare activities (the right to set-off the donated amount from the certain amount of expenses), it is insufficient for achieving the essential breakthrough in this area. There are issues that should be examined from this standpoint and newly regulated. This issue was particularly emphasized in respect of the advertising and tax legislation. One of the participants of the consultations believed that the business should enjoy certain tax benefits in cases when the business facilitates the employing of the disabled persons.

#### *Ways to achieve favorable legislative environment:*

- ➔ Achievement of favorable legislative environment requires active work oriented on improvement of legislative environment in the described directions, including the examination of foreign successful examples, and drafting and lobbying of respective legislative initiatives. In particular, the following main aspects of the improvement of existing environment and achievement of set objectives have been identified:
- ➔ It is necessary to improve the tax legislation with the focus on stimulating the development of CSOs, and it should reflect the specificities of the CSOs. Tax legislation should be developed in direction of stimulating the welfare activities;
- ➔ In view of the best international practices, legal regulations should be developed concerning the volunteerism institute, which shall define the legal status of this institute, delimit it from the labor relations, and set up the base for its development;
- ➔ Legislative base should be set up that would enable various state agencies and local self-governments to ensure funding of various socially useful activities through the grant issuing mechanisms. Application of this mechanism should be based on the principles of efficiency and transparency;
- ➔ Work should be initiated with responsible state agencies, including the National Agency of Statistics of Georgia, concerning the development of methodology, forms, and classifiers, which will make it possible to classify the CSOs by their missions and fields of activities. Should the need be, relevant methodology must be subject to legal regulation;
- ➔ To enforce the legislation in the field of CSO operations, it is important on one hand to revise this legislation and eradicate weaknesses that undermine its enforcement, and on the other hand it is crucial to ensure more control on enforcement by the responsible agencies.

## IV. Analysis and Recommendations

### 4.2 Minimum Standards of Enabling Environment of CSOs

#### 4.2.2 Relations between CSOs and Donors

*Coordination among the donors and programs* – 95% of funding of CSOs fall on the grants issued by the donors; thus, priorities of the organizations are mostly based on the priorities determined by the donors. There is a lack of coordination among the donors, which is a reason of overlap of activities between the donors and CSOs respectively. All of this leads to ineffective spending of financial and human resources. Apart from this, priorities set by the donors in a number of cases do not correspond to the real problems and needs. Hence, the activities of CSOs in a number of cases do not reflect the problems existing among the public, which causes negative attitude of the public towards the organizations.

*Programmatic funding and promotion of institutional development* – to ensure the sustainability and viability of CSOs it is important that the donors support the institutional development of organizations and fund the long-term projects/programs. Unfortunately, there is a low degree of such funding from the donors, while the CSOs do not possess the source of alternative funding for institutional development. This in itself results in the low level of institutional development of organizations.

*Transparency and cooperation* – to establish favorable environment for the CSOs, it is important to achieve transparency and cooperation at all levels, including more openness on behalf of the donors. In practice, often the donors and international organizations do not make the important information related to joint activities available to their own partners. Further, it is important that donors are more transparent in respect of information such as the new priorities of donors, program evaluation criteria, etc.

*Adequacy of allocated resources with set requirements* – the policy of donor organizations plays a tremendous role on one hand in the establishment of favorable environment for the CSOs, and on the other hand in the determination of quality of projects implemented by the CSOs. Qualitative fulfillment of projects implemented by the CSOs largely depends on the sufficiency of allocated resources for their implementation. Often the requirements set by the donors before the CSOs exceed the resources allocated by them for the fulfillment of these requirements, which obviously has a negative impact on the quality of final results.

*Bureaucratic procedures of funding* – often donor organizations have rather bureaucratic mechanisms and procedures for issuing the grants, which, in the conditions of scarce resources as it is, makes the CSOs to spend extra resources.

*Ensuring support of grassroot CSOs* – development and strengthening of the civil sector requires the mushrooming of new organizations in the sector and promotion of their development as from the donors, as well as from the developed CSOs.

*Ways to achieve favorable environment:*

- ➔ For the donors to take into account the vision of CSOs and to shift tangible needs and emphasis on real problems of concern, it is crucial to enhance the degree of coordination within the sector. CSOs should hold an active dialogue among each other, agree on existing needs and problems among themselves, set up their own platform and present a uniform vision of the sector to the donor;
- ➔ Achievement of more and qualitative feedback with the donor organizations requires more creativity in this direction and improvement of the feedback mechanisms;
- ➔ It is important on one hand that the CSOs actively provide the donors with information on the ongoing processes and activities within the sector, while on the other hand that CSOs get well familiar with the policies, approaches and strategies of the donors. To this end it is important to organize various joint presentations, discussions, round tables and workshops;
- ➔ To achieve donor emphasis on the institutional development and long-term funding of CSOs, it is important that this issue becomes an integral part of the uniform strategy or platform of the sector. It is crucial that the sector formulates firm and grounded arguments, which will make the receipt of this challenge by the donors possible;
- ➔ Sustainability and development of the civil sector requires that the donors define their own priorities in the long-term perspective, which in itself requires the formulation of uniform approaches and visions of the sector;
- ➔ To diversify and develop the civil sector, it is significant that the donors ensure funding of grassroots CSOs and simplify the mechanisms for their funding.



### 4.3 Accountability and Transparency

Accountability and transparency represent important valuable principle, which increases the degree of legitimization of the civil sector and obviously exerts influence on the development effectiveness of CSOs. Based on the fact that the accountability of CSOs to the donors is regulated under the contracts executed between them, while the accountability to the state is regulated under the legislation, during the consultations special attention was drawn to the accountability and transparency of the sector in respect of the public. Participants of consultations have recognized that to achieve a high degree of legitimization of the sector it is important to raise awareness on the CSOs, increase public trust towards them, and create a positive image. All of this is achievable through the introduction of effective and elaborate mechanisms of accountability towards the public. Number of measures should be carried out so that the accountability and transparency of the sector becomes more effective and result-oriented:

#### 4.3.1 Sector Accountability and Uniform Strategy of Accountability

Accountability of organizations before the public is reflected mostly in informing of beneficiaries of specific projects only, which obviously carries a fragmentary character and does not draw a whole picture on the activities of the sector among the public. In other words, there is no culture of sector accountability, one of the important reasons of which is the absence of uniform vision on the accountability to the public.

To establish the effective system of accountability, it is crucial: on one hand - to develop uniform strategy of the sector, which will incorporate the mechanisms, forms and periodicity of accountability to the public; on the other hand - to hold

periodic joint forums of CSOs, which will facilitate the unification of the sector and will give the public a broad perspective on the activities of the sector.

The issue of rehabilitation of the Ethics Code adopted by the CSOs in 2004 has been raised separately.

#### 4.3.2 Integrated Web-Portal

Web pages and printed annual reports of organizations represent widely spread forms of provision of information to the public in Georgia. Yet, there are organizations that owing mostly to the lack of resources are unable to apply these forms of informing, which reduces the degree of accountability even further. Thus, every organization should be able to set up the web page and publish annual reports.

Apart from the abovementioned, an integrated web-portal of the sector should be created, which will host information not on the activities of some project (like it is on the organization's web page), but on the activities of the sector in general. Creation of integrated web-portal will facilitate the implementation of the culture of sector accountability and boost the degree of awareness of the citizens.

#### 4.3.3 Involvement of Regions in the Processes

Level of public awareness on the sector is even lower in the regions of Georgia, which is driven on one hand by the limited interest, and on the other hand by rare application of such form of informing as a web page. Therefore, it is important to apply in the regions a more effective form of informing such as meetings with the population. Such meetings should become systematic and consistent. In addition, population in the capital is less informed about the activities of CSOs operating in the regions. Hence, similar meetings with participation of regional organizations should be held in the capital also.

#### 4.3.4 Setting up Coalitions and Platforms

More effectiveness of CSOs requires the formation of coalitions and platforms, function of which among other many functions will be to develop effective mechanisms of accountability and ensure their fulfillment. Similar unions will enliven the sector, simplify the formation of uniform vision of the sector on issues of concern, which on its part will play a key role in the formation of a positive image of the CSOs.

#### 4.3.5 Improving Cooperation with the Media

Ineffective communication between the CSOs and media is one of the reasons of low awareness on the sector among the public. Interest of the media itself towards the sector is low, which prevents the popularization of the sector. Based on the above, it is crucial to develop a uniform strategy of cooperation with the media, actively utilize the resources of the Public Broadcaster of Georgia, and to prepare informative programs on the civil sector.

# CSO Development Effectiveness Georgian National Consultation



## CSO Development Effectiveness Georgian Consultation June 25-27, 2010 Vere Palace Hotel, Bakuriani Agenda

## Annex 1 -Agenda

### Day One - June 25

- 15:00 Departure to Bakuriani
- 17:30 Hotel Check in
- 17:45 Registration
- 18:00 – 19:00 Dinner
- 20:15 – 21:45 Introduction  
Vaja Salamadze,  
Chairman of Board, CSI

### Day Two – June 26

- 8:00-9:00 Breakfast
- 9:00-10:00 Introducing CSO Development Effectiveness  
Concept – Content and Process  
Vaja Salamadze, Chairman of Board, CSI
- 10:00 – 10:30 Introducing The Open Forum on CSO  
Development Effectiveness  
Ia Gabunia, Project Manager, CSI
- 10:30 – 11:00 Coffee Break
- 11:00 – 11:30 Discussion
- 11:30-13:00 CSOs and Development Effectiveness  
Process. Plenary
- 13:00 – 14:00 Lunch
- 14:00 – 14:15 Overview of Internal and External  
Dimensions  
Guranda Romanadze, Project Manager, CSI
- 14:15 – 15:45 Exploring Dimensions of CSO Development  
Effectiveness. Group work (separate groups  
working on internal and external factors)
- 15:45 – 16:15 Coffee Break
- 16:15– 16:45 Feedback from Groups. Plenary
- 16:45 – 17:15 Reviewing Outcomes. Plenary
- 17:15 – 17:30 Summarizing
- 18:30-19:30 Dinner

### Day Three – June 27

- 8:00-9:00 Breakfast
- 9:00- 9:30 Presentation of Principles for CSO  
Development Effectiveness  
Ia Gabunia, Project Manager, CSI
- 9:30 – 11:00 Generating and Participatory Sorting of  
Principles on CSO Development  
Effectiveness. Participatory sorting in  
plenary
- 11:00 – 11:30 Coffee Break
- 11:30 – 12:00 Validating and Ranking of Generated  
Principles. Participatory scoring in  
plenary
- 12:00 – 13:00 Guidelines for Applying the Agreed  
Principles. Roundtables organized by  
principle
- 13:00– 14:00 Lunch
- 14:00 – 14:30 Feedback from Groups
- 14:30 - 15:00 Presentation on CSOs Enabling  
Environment  
Levan Paniashvili, Deputy Director, CSI
- 15:00 – 15:30 Coffee Break
- 15:30 – 17:00 Discussions on Minimum Standards for  
an Enabling Environment  
World cafe: table discussions drawing  
out minimum standards for an enabling  
environment
- 17:00 – 17:15 Feedback from Groups
- 17:15 – 17:30 Reviewing Outcomes
- 17:30 – 18:00 Summarizing and Evaluating  
Conference
- 18:00 – 19:00 Dinner
- 19:00 Departure



## Annex 2 - Participant's list

	Organization	Name/position	Contact info
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## Annex 3 – Working group

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