

Summary of BAPP-Lithuania 2006 Activities

External Environment

Support for NISC

BAPP's funding in this program area during 2006 supported the development of the Vilnius NGO Information and Support Center (NISC) and the consolidation of a mechanism for communication between NGOs and government institutions.

With BAPP's support in 2006, the NISC was able to strengthen its board, develop a strategic plan and improve relations with major government institutions and parliamentary committees. The NISC, which had undergone a period of restructuring following the departure of its executive director, faces further challenges in terms of long-term strategic planning and fundraising. Nevertheless, NISC was involved in a number of legislative and policy initiatives intended to benefit the NGO sector and local philanthropy:

- At the beginning of January 2007, the NISC initiated a campaign for collection of signatures by Lithuanian residents and NGO representatives to prevent political parties from becoming eligible for citizens' assignment of the 2% of their annually paid income tax to charities (see previous years' reports for a more complete description of the 2% income tax facility), and to exclude budgetary institutions from the list of organizations currently eligible for the 2% allocations. As of the date of this report, the campaign is ongoing, and some open hearings are to take place in March and April 2007.
- NISC has become one of the coordinators for the establishment of a Development Cooperation Platform. The major goals of the platform are to assist the Government in the implementation of the country's donor policy and programs, and advocating the interests of NGOs besides assisting them.
- Under the NISC coordination, an NGO coalition on poverty reduction was established in April 2006. With the initiative of the Civil Society Institute, the Coalition has been involved in implementing a large project supported by the EU on enabling citizens to participate more actively in advocacy related to social policies.

In 2006, BAPP supported several small-scale studies to equip the NISC and its partner institutions with relevant data, statistics, analysis, and other information:

- At the beginning of 2006, NISC administered a comparative analysis of the legal regulations of foundations in Lithuania which was carried out by the NGO Law Institute.
- As a result of the work of a NISC-coordinated special working group, two major surveys were carried out in the second half of 2006. One of them analyzes currently available financial possibilities for Lithuanian NGOs. The second survey (carried out by the NGO Law Institute, and several independent experts) analyzes the currently existing NGO and government consultation mechanisms and relevant legal regulations. Results of both surveys were presented at an NGO Forum, and are available on the NISC website.
- BAPP itself commissioned a survey on the 2% situation which was carried out by TNS Gallup, and was officially presented at a press conference in October 2006. The report has been of much help not only to NGOs, but also members of the Parliament,

representatives of the central and local government. The latter have launched negotiations aimed at obtaining the non-assigned share of the 2% facility for the needs of local governments.

NGO Institutional Development

The overall goal of BAPP Lithuania's NGO Institutional Capacity program is to create a core group of advocacy oriented NGOs that will be sustainable after BAPP concludes its grantmaking. In 2006, BAPP commissioned an evaluation of two year institutional development grants awarded to NGOs in 2005. The focus of the evaluation was upon the grantees' efforts to increase their financial sustainability through fundraising, donor outreach and fund generating activities.

The general conclusions of the evaluation were as follows:

- BAPP grantees have already accepted the fact that very few international funders have remained in the country, and that NGOs have to begin looking for new ways to attract resources;
- Since most of BAPP grantees in the past had one or more regular resources, and were used to project-based life-cycles, they have not managed to accumulate a reserve fund for the future, and therefore face a problem of change;
- Very few NGOs are really able to identify the services they can provide or the potential client groups that could benefit from these services;
- NGOs which have developed some kind of service have not engaged in rigorous analysis of potential income generated from such services.

Notwithstanding these challenges, BAPP grantees have worked to improve their financial sustainability prospects. Grantee accomplishments include the following:

- *Women Issues Information Centre*: BAPP support has enabled the organization to involve its board in a fundraising campaign. Efforts include the development of promotional materials together with a PR company negotiating for time on television for fundraising purposes.
- *Save the Children Lithuania*. In 2006, the organization began negotiations with two banks to develop a bank-card which would provide a certain percentage to Save the Children. The organization has also launched negotiations with three companies to introduce a payroll giving mechanism in support of Save the Children.
- *Youth Psychological Aid Center*. In 2006 the Centre launched several new fund-generating tools, organized two national level fund-raising campaigns, several small-scale campaigns, and signed numerous service contracts with schools, rehabilitation centers, and municipalities. In total, the organization today has 7 funding sources. BAPP's support enabled the organization to draft a service catalogue, and cover a considerable proportion of expenses related to its marketing which resulted in the regularly growing awareness about the organization within the business community (as a donor), and its potential clients.

Concerns and Lessons Learned

- During the last several years, NGOs in Lithuania have improved in several fields, such as program planning, implementation and monitoring, office administration, and

advocacy but a lot of NGOs are still quite weak in public and media relations, strategic planning and governance and board development.

- Due to a lack of skills and experience in working with donors, regional NGOs prefer to ask for in-kind support instead of cash.
- A majority of Lithuanian NGOs still find it difficult to get core support. Therefore, NGOs sometimes do not tend to apply for funding at all, since more projects do not necessarily mean more money for the organization.

In the future, BAPP will endeavor to provide further training to NGOs on entrepreneurship and fundraising, along the lines of a technical assistance program it offered in 2005.

Development of Indigenous Philanthropy

In 2006, BAPP Lithuania continued its support for two pilot community foundations, implemented a mini training and experience-sharing program, distributed endowment support funds for three CFs, and officially registered an indigenous philanthropic organization in Lithuania, a Charity and Support Fund “Civic Responsibility Foundation”.

Institutional Support for two pilot CFs

BAPP has focused the bulk of its assistance on the two community foundations of Samogitia and Utena that were selected in 2000 as pilot sites for BAPP's community philanthropy initiative. During the first two years, BAPP's grants included some funds for redistribution by the CFs, and starting from 2004 the pilot foundations were responsible for collecting funds for grantmaking locally. To date, both foundations have organized 4-5 grant competitions annually.

Samogitia CF: The foundation has been working with the guidance of a three-year (2005-2008) strategy plan. In March 2006, the board reviewed and slightly re-designed the CF's application process to make it easier for NGOs to apply. Today the CF offers advice to potential applicants and is doing its best to provide professional feedback to those that were unsuccessful. Following several joint CF and business activities held annually, the foundation managed to increase the number of its donors.

Utena Region CF. At the beginning of 2006, the foundation revised its three-year strategy plan, and improved its financial state following consultations and advice from Charities Aid Foundation-Russia. The foundation has worked on outreach to various groups and businesses in all its four geographic regions. The foundation has been running its traditional events each year, which enable the organization to not only fulfill its mission, but to also promote the foundation's name, honor its donors, and to fund-raise.

Endowment grants to CFs

The overall goal of the program was to promote the idea of endowments and to encourage CF boards to more actively discuss and consider endowment growing which would aim at ensuring the sustainability of individual CFs. In the spring of 2006, BAPP announced a targeted competition for endowment grants. Six community foundations were invited to take part in the competition, but only three CFs submitted applications in October 2006. The

following criteria were formulated for CFs participating in the competition: a) candidate CF shall have a certain endowment fund kept in a separate bank account or sub-account; b) availability of a draft endowment investment plan or policy approved by the board, c) collecting at least \$30,000 /or 70,000 Lt/ (between January 1 and November 1, 2006, d) the funds shall be collected mainly from business and individual donations, and assignments through the 2% facility; e) at least 50% of the collected amount shall be transferred to a candidate's endowment fund prior to the deadline of the competition.

Although none of the participating CFs succeeded in meeting the criteria fully, they did come close. The BAPP therefore allocated \$40,000 in total to the three CFs as follows: Samogitia CF was awarded the largest endowment grant (\$20,000), and Utena Regional CF and Visaginas CF were each given \$10,000.

On May 25, 2006 all eight community foundations in Lithuania signed a cooperation agreement to establish a formal Association of Lithuanian Community Foundations. The long-term goal is to increase the capacities and skills of community foundations through joint meetings, training events, peer exchanges and sharing of best practices and lessons learned. The Samogitia CF was asked by partner organizations to lead the group the first year of its work. In the future, either formal organization will be created, or the leadership role will rotate from CF to CF. To date, members of the informal organization have drafted the mission, goals of the organization and a two-year work plan. Members have discussed the issue of funding, and have all agreed to co-fund their activities in equal parts. At the beginning of 2007, the Samogitia CF submitted a project proposal to WINGS Global Fund for Community Foundations, aimed at strengthening the institutional structure of the informal organization and its individual member CFs.

Next Steps

In December 2006, BAPP commissioned a small-scale research study on endowment regulation in Lithuania which is being conducted by the NGO Law Institute. The major goal of the research is to analyze all legal acts related to the regulation of endowment or reserve funds. Based on the research results, in cooperation with CFs and the newly established foundation, BAPP will initiate adequate legal amendments in order to make endowment building an efficient fund-generating tool for both philanthropic organizations and regular NGOs in the country.

Philanthropy Task Force

In 2006, Charities Aid Foundation Russia continued to work on a consulting basis with BAPP Lithuania to promote indigenous philanthropy in Lithuania, to set up a new philanthropic institution in the country and transfer knowledge to its staff, as well as to a selected group of Lithuanian non-government organizations.

In 2005, CAF concentrated on strengthening the capacity of a group of NGO representatives that came together under the name of **Philanthropy Task Force (PTF)**. The group was selected according to the criteria proposed to BAPP by a consultant and represented different types of non-profits from across Lithuania, including a few community foundations and representatives from the business sector. In October 2005, a three-day training was organized for the selected group of non-profit organizations. The goal of the training was to provide the participants with a larger picture of philanthropy and current philanthropic trends in order for them to work with different types of donors and incorporate different models of giving in

Lithuania. About 20 mini-project assignments were given to the PTF to be completed in the course of the following six months.

The second training session took place in March 2006. All 20 mini-projects that were created at the previous training were in progress by March but only about 15 were completed by the meeting. Nevertheless, the session was a useful exchange of experience and forum for learning. Some participants agreed to exchange practices and adopt learning points from other projects into their strategies of strengthening organizations.

Internship for Philanthropy Taskforce (PTF) and Training Program

During the next stage of the program, based on individual internship plans developed by each participant of the PTF, ten finalists were given BAPP internship grants. BAPP support under this program exposed PTF members to skills in developing fund-raising strategies, identifying potential donors and building relationships with them, learning about NGO initiatives targeted at youth involvement in philanthropic activities, and developing endowment management strategies. BAPP grantees visited NGOs, including philanthropic organizations, in the following countries: Poland, Slovakia, Germany, Russia, Kaliningrad Region, Denmark, and France.

Institutional Development and Core Support for a Newly Established Philanthropy Institution

The overall goal of this program is to build up an effective indigenous philanthropic environment in Lithuania and prepare NGOs to work with local donors as the primary source of funding for their activities. In 2006, BAPP carried out a number of activities which yielded the following outcomes:

- Prior to formalizing a new foundation, BAPP carried out negotiations with a number of corporations (Hansabank, TEO – former Telecom, and one of the largest construction companies in Lithuania representing an informal initiative group of eleven different companies), who at the beginning of 2006 signed a cooperation agreement for philanthropy promotion in the country.
- Based upon a survey commissioned in 2005, BAPP began to explore the feasibility of establishing an indigenous philanthropic institution that could mobilize private sector resources in support of civil society organizations after BAPP completes its work in 2008. Following the selection of a “Philanthropy Taskforce” in 2005 which would assist in the development of a strategy for the new philanthropy institution, in 2006 BAPP drafted a concept paper for the new organization in Lithuania. The concept was intended to facilitate promotion of the idea of a foundation, and to serve as a starting point for BAPP discussions with various interested groups and/or individuals.
- In October 2006, BAPP registered “The Civic Responsibility Foundation” and a new director for the foundation was selected by the end of the year. Further planning and initiation of the foundation’s activities will take place in the course of 2007, with BAPP’s active involvement.
- In November of 2006, together with the UNDP and the Investors’ Forum (an association of over 30 largest and most active investors in the Lithuanian economy, founded in 1999), BAPP facilitated the organization of an annual conference on the

UN Global Compact in Lithuania. Over 120 representatives from the business community participated. The forum included a separate working session titled “Corporate Social Responsibility and philanthropy: differences, commonalities and linkages” which was organized by CAF - Russia. A British speaker, Graham Leigh, Development Director of the Directory of Change (London, UK) was invited to speak on “Communities as infrastructure – investment for long term shared benefit”. The main goal of the session was to engage businesses in working with non-profits and provide the audience with information on different models of such collaboration. In organizing this session, BAPP wanted to highlight for the business community underlying themes such as challenges that business faces when ready to invest into communities and the essence of philanthropy and CSR. BAPP’s intention was to also share some good examples of strategic investment in the solution of societal problems, and to suggest some effective means for promotion of collaboration between business and civil society organizations, and development of joint projects by representatives of the two sectors.