Final Report

Evaluation of the
Phare and Tacis
Democracy Programme

1992 - 1997

Tacis

Phare

Final Report

Evaluation of the PHARE and TACIS Democracy Programme

1992 - 1997

prepared by

ISA Consult
European Institute, Sussex University
GJW Europe

Project leaders:
Mary Kaldor, European Institute
Dr. Peter Wilke, ISA Consult

Team members:
Volker Böge, ISA Consult
Anne Le Huerou, European Institute
Zdenek Kavan, European Institute
Witold Sartorius, ISA Consult
Dr. Eberhard Schneider, GJW

Brighton, Hamburg
November 1997

Acknowledgements

Contents

ISA CONSULT

Summary

ISA Consult; European Institute, University of Sussex; GJW Europe
September 1997

A process of democratisation has been underway in Central and Eastern Europe since the end of the 1980s. The countries of Central Europe have moved fastest towards democracy and, indeed, in most of these countries, the formal procedures of democracy are in place. This is not the case further to the East even though progress has been made in nearly all countries. In all countries, there are major weaknesses in substantive democracy, that is say, the extent to which individual citizens can participate in decision-making and influence the situation in which they live. In most countries, there are efforts to correct these weaknesses. In a few countries, for example Slovakia, a struggle to sustain democracy is going on, and some countries, notably Belarus and Kazakhstan in Central Asia, are moving towards new types of dictatorship.

Western countries have provided considerable amounts of assistance to Central and Eastern Europe to stimulate the process of democratisation. The PTDP, the European Union's programme of democracy assistance, began in 1992 on an initiative of the European Parliament. From 1993 to 1996, the overall budget line was 76 mio ECU; 56% was spent in Phare countries and 44% in Tacis countries. The PTDP includes three types of projects: ad hoc projects decided by the Commission to meet a specific need; macro-projects which involve partnerships between NGOs in East and West and are decided through bi-annual competitions by the Commission; and smaller micro-projects which are approved in the countries concerned.

ISA Consult, the Sussex European Institute, and GJW Europe were asked to evaluate the political impact of the PTDP in nine countries - five Phare countries and four Tacis countries. This is a very difficult task given the relatively small size of the programme in relation to the enormity of the challenge of democratisation, and given the short time available to undertake the study. Our approach was first to assess the weaknesses and strengths of the process of democratisation using a methodology developed in a previous project for the Commission and secondly to examine particular projects and programmes in each of the nine countries to assess how far they contributed to strengths and addressed weaknesses. Although our terms of reference were to evaluate the political impact, we found it necessary also to investigate procedures and management because these were affecting the political impact.

To carry out the study, we used a combination of quantitative and qualitative methods. In addition to a statistical and documentary analysis, we did background studies for each of the nine countries partly commissioned to local experts, we undertook extensive interviews with recipients as well as with officials and others engaged in the programme, and we organised round tables in Brussels and in each of the nine countries. Our conclusions can be summarised as follows:

Political Impact

The most significant impact of Western democracy assistance in general, and the PTDP in particular, has been the contribution to the growth of a lively NGO sector in all countries. The NGO sector has been important in lobbying for political reform to correct weaknesses in both formal and substantive democracy, in providing a bulwark against the reversion to authoritarianism, in changing political culture particularly where it has spread to the countryside, and in providing a form of critical monitoring of the evolution of democracy. What has been created with the help of foreign funds is a moral community in all these countries, including groups and individuals who are essential to the construction of a democratic political culture, who lobby for democratic change and who constitute an ongoing form of public discussion and education.

In general, the NGO sector is more developed in Phare countries than in Tacis countries. NGOs are more numerous and the proportion of NGOs outside capital cities is greater. This is partly a reflection of political culture; the totalitarian experience has been not so long and perhaps less deep. And partly it reflects levels of economic development. Where incomes are very low, there is very little voluntary activity and few sources of internally generated funding.

Western assistance has not only been important for financial reasons. It has been important psychologically; it represents an affirmation of the value of the projects that are supported. It has been important politically both in raising the visibility of recipient NGOs and, in more authoritarian countries, by providing a form of protection. And it has been important in practical terms, in providing training and offering a learning experience in planning, implementing and evaluating projects.

It is difficult to distinguish the effects of the PTDP from other forms of Western assistance. Nevertheless, certain features of the PTDP can be singled out:

a) The EU label is very important. It raises the prestige and credibility of the recipient projects. It represents a stamp of legitimacy. This has been especially important in the Phare countries,

the aspiring members of the EU. It also offers protection against arbitrary action by the authorities. This has been particularly important in Slovakia and in Tacis countries.

b) European partnerships are important. The PTDP has allowed and speeded up the exchange of know how between east and west and the building up of highly valuable networks. This includes Human Rights and Peace movements like the Helsinki family, but also many less known groups from Western Europe.

c) The bottom-up approach in the selection of macro- and micro-projects and the fact that these projects do not have to be approved by recipient governments, in contrast to other EU programmes, is also very important. Potential applicants are likely to have a better understanding of their own society than outsiders; the composition of applications tends to reflect the priorities for democracy as seen from within society. Moreover, the kinds of projects that are supported by the PTDP represent a political signal about the character of the EU especially since they do not have to be approved by governments. The call for applications, the conferences on PTDP, etc., involve quite a wide group of people and guarantees visibility within a broader public.

The impact of the PTDP seems to have been greater in the Phare countries than in the Tacis countries. There are several reasons for this. First, more money has been spent both absolutely and in relation to population in the Phare countries. Secondly, because indigenous NGO capacities are greater in the Phare countries, the multiplier effect of democracy assistance is also greater. Thirdly, the approach to the Phare countries has put more emphasis on a bottom-up-approach. The micro-projects have been a big success and the top-down ad hoc projects have accounted for a much smaller share of the total. Finally, in some cases, projects in Tacis countries were dominated by Western partners and local partners were rather weak. This partly reflects the greater weaknesses of the NGO sector in these countries - reinforcing the point about the enabling character of such assistance. The absence of micro-projects in Tacis countries has meant the absence of a learning process through which NGOs could acquire the necessary knowledge to graduate to macro-project.

The division between micro-, macro-, and ad hoc projects seems to be appropriate. Micro-projects have developed in a very positive way in those countries where they exist. Micro-projects are far easier to handle than macro-projects, they cover the whole country (and especially rural regions), they meet local grassroots demands, they actively involve many people, they considerably contribute to the visibility of the Programme, and they have a positive impact on the reputation of the European Union. They are especially useful in assisting the „second generation" of NGOs.

But macro-projects remain relevant, too. Many NGOs which have applied for micro-projects successfully „risk" applying for a macro-projects as a second or third step. These projects are especially valuable because of their international character and the opportunities for cross-border cooperation and also because of the way they contribute to the professionalisation and institutionalisation of NGOs. The partnership element is highly appreciated, and NGOs generally have had good experience with their partners, and the latter can transfer skills and know-how. The multi-country or horizontal ad hoc projects are also valuable. A substantial part of the ad hoc projects consists of joint programmes with other international institutions, for example for election monitoring; these might be better funded under a separate budget.

Procedures and Management

The selection of projects seems to have been managed relatively well. Although areas of activity are not balanced, in general the selection does seem to reflect the needs of the countries concerned. There has been a remarkably low rate of failure.

The main problem concerns contracting and payments for macro-projects and ad hoc projects. Recipients complain about complicated application procedures, delays in contracting and in payments, lack of transparency and communication problems. These administrative difficulties cause considerable frustration and damage the image of the PTDP and the European Union. There is a need to overhaul contracting and payments procedures and to increase transparency and improve communications, especially in the case of ad hoc projects.

Recommendations

Our main conclusion is that the PTDP has been of considerable value for the development of democracy and civil society in Central and Eastern Europe. It has contributed to the growth of an NGO sector in the countries of Central and Eastern Europe which plays a crucial role in the process of democratisation. Moreover, the programme is equally important for the European Union itself. Overall, it contributes positively to the image of the EU in Central and Eastern Europe; recipients constitute a valuable source of critical knowledge about these countries which can assist policy-making; European partnerships help to build trans-European links at the level of society. Because of the inadequacy of internally generated funding for NGOs, for some time to come, the NGO sector in Central and Eastern Europe will be dependent on foreign funding and it is important that the European Union plays a prominent role both in those countries that are to begin negotiations for membership as well as these countries for whom mem-

bership is a more distant prospect. For these reasons, there remains an urgent need for the PTDP in Central and Eastern Europe in the future.

Thus we conclude that the PTDP should be maintained and further expanded and improved. Detailed recommendations for improvement are contained in the last chapter.

1. Introduction:

The Development of the Phare and Tacis Democracy Programme and the Purpose of Evaluation

1.1 The Development of the Phare and Tacis Democracy Programme

The relations of the European Union with the countries in Central and Eastern Europe have changed dramatically since 1989. The peaceful change in Central Europe and the former Soviet Union has opened new opportunities for economic and political development which were previously unthinkable. The debate in the European Union has moved very fast from a situation in which first help programmes had been created (the original Phare programme in 1989 - Poland Hungary Aid for the Reconstruction of the Economy) to one in which pre-accession strategies for new EU members from Central and Eastern Europe (Agenda 2000) are being considered.

From the beginning the EU decided to support the process of economic and political change through aid programmes. Although the main emphasis of Phare and Tacis was on the transfer of economic know how and skills related to the private sector and privatisation, both programmes also included help for preparing new legislation, developing new administrative structures and institutions and other elements which can constitute a fully democratic and civic society. By the end of 1996 the EU had altogether provided ECU 6.6 billion under Phare and ECU 2.8 billion under Tacis.

The political basis of Phare and Tacis is the Europe Agreement (agreed first with Hungary and Poland and later on with all applicants for EU Membership) which enshrines a commitment by all parties "to pluralist democracy based on the rule of law, human

rights and fundamental freedoms, a multiparty system involving free democratic elections, to the principle of a market economy and to social justice, which constitutes the basis for the association."

The overall goals of the Phare and Tacis programmes are the reorientation of the economies in these countries and support for the establishment of market economies and the development of pluralistic political systems. The internal priorities of the programmes and instruments used to fulfil these goals changed as the reforms began taking hold in most countries. Both Phare and Tacis have adapted to the changing economic and social needs in the course of the transition process and, in particular, have increased support for public administration reform and institutional development. New types of programmes within the Phare and Tacis framework were introduced which aimed at more specific social and political goals. One of these programmes started on the initiative of the European Parliament in 1992 was the Democracy Programme.

The original proposal for a "European Democracy Fund" changed during the political debate in the Parliament into a vote to establish a specific budget line under Phare starting in 1992. (Blackman 1996: 23pp) In its first announcement of the programme the Commission stated that:

"The main aim of the programme is to contribute to the development of pluralist democratic procedures and practices and the rule of law.... While Western attention and assistance has been focused largely on the creation of market economies in the CEECs, support is also required to help establish the political, legal and civic institutions which are crucial to achieving the political consensus and stability required for economic reforms. In addition to work on economic restructuring and policy reforms, Phare has begun to provide assistance for the reform of public

administration, for local government development and for strengthening civil society. The Democracy Programme, which will seek to complement these and other bilateral or multilateral aid operations, will co-finance projects submitted by both public and private bodies bringing together partner organisations in the CEECs and in the Member States of the European Community.

The specific objectives of the Phare Democracy Programme are to support:

a) the acquisition of knowledge and techniques about democratic practices and the rule of law by relevant bodies and professionals in the CEECs,

b) the strengthening of local associations and institutions which, by their vocation, can make a continuing contribution to the promoting of a pluralistic society." (EU Information note on the Phare Democracy Programme, August 1992)

The Commission also decided to set up the Programme differently from other Phare instruments:

- the democracy programme does not operate by any country quotas

- it is not agreed between the Commission and the governments of the CEECs. The Commission deals directly with applicants from individual groups, bodies and private NGOs and specifically encourages "grass roots" developments as part of its general policy to support the development of civil society.

The programme was successful implemented and developed in 1992. In the first year 52 projects in 11 Phare countries were funded for a total of 5 mio ECU . In 1993 the Programme was extended to all Phare countries as well as to the Tacis countries and the budget was raised to 10 mio ECU. In the same year, the

Commission decided to hand the practical management and monitoring of the Programme over to the European Human Rights Foundation. And it introduced two new instruments: so called micro-projects and ad-hoc/own initiative actions.

Today assistance in the framework of the Phare and Tacis Democracy Programme (PTDP) is channelled through:

a) Macro-projects (max. 200.000 ECU) for which NGOs can apply twice a year. Projects should have a European dimension and involve normally both local and EU-based organisations. Publicity, pre-selection, contract management and monitoring is done by the EHRF.

b) Micro-projects (max. 10.000 ECU) which are given to local NGOs, mainly in Phare countries. The EU delegations in each country manage independently the publicity, selection, contract management and monitoring.

c) Ad-hoc support/ own initiatives which are selected and managed by the Commission. Ad-hoc-projects may be horizontal, or may concern unforeseen needs, where a prompt response is required.

The Commission has defined eight areas of activity on which the PTDP should focus:

1. Parliamentary practice and procedures,
2. Transparency of public administration and public management
3. Development of NGOs and representative structures
4. Independent, pluralistic and responsible media,
5. Awareness building and civic education,
6. Promoting and monitoring human rights,
7. Civilian monitoring of security structures,
8. Minority rights, equal opportunities and non-discrimination.

The original objectives of the programme have been slightly reformulated under three points:

a) the acquisition of knowledge and techniques of parliamentary practice and procedures by multi-party groups of politicians and by parliamentary staff,

b) the strengthening of Non-Governmental Organisations (NGOs) and associations which by their vocation and activities can make a contribution to the promotion of a pluralist society,

c) the transfer of specific expertise and technical skills about democratic practice and the rule of law to professional groups and associations in the CEEC and NIS concerned.

For all macro- and micro-projects only NGOs are eligible. In macro-projects a specific East-West or (later on) East-East co-operation is required in order to guarantee a transfer of know how

Table 1: Development of the PTDP Programme

Year	Countries targeted	Budget	Management/Instruments
1992	all Phare	5 mio ECU	52 macro-projects Commission, Phare Programme Unit and Consultant
1993	Phare and Tacis	14 mio ECU	Macro-projects, ad-hoc initiatives EHRF, consultant, Commission Phare and Tacis Programme Units
1994	Phare and Tacis	20 mio ECU	Macro-projects, ad-hoc initiatives, micro-projects Phare EHRF, Commission Phare and Tacis Programme Units
1995	Phare and Tacis	22 mio ECU	Macro-projects, ad-hoc initiatives, micro-projects Phare EHRF, Commission Phare and Tacis Programme Units
1996	Phare and Tacis	20 mio ECU	Macro-projects, ad-hoc initiatives, micro-projects Phare EHRF, Commission PTDP Programme Unit

Although the programme remained small in terms of level of funding (about 1% of the whole Phare and Tacis budget) it had from the beginning a high political profile and received consider-

5

able attention from the European Parliament, the Council of Europe as well as from a large number of national and international NGOs, who submitted proposals to the PTDP. It operated in a fast changing environment in which many other institutions were engaged in similar initiatives. Among them are the private Soros Foundation, and programmes undertaken by almost all Western Governments (the most important is the US).

The Commission therefore decided in 1996 to undertake an independent evaluation of the PTDP, which started in April 1997.

1.2 The Evaluation Framework

1.2.1 Terms of Reference

According to the terms of reference defined by the Commission, the impact of the EU funded operations in the framework of the PTDP were to be analysed using nine selected countries as an example. Out of the 13 Phare countries the Commission chose Poland, Hungary, Slovakia, Estonia and Romania. Out of 13 Tacis countries, Russia, Belarus, Georgia and Kazakhstan were selected.

The terms of reference specified that the impact of the PTDP should be measured in terms of its contribution to the achievement of the political objectives and its role in promoting the development of more democratic societies, the rule of law, respect for human rights, as well as the establishment of institutional frameworks and the introduction of new procedures and practices.

The evaluation of the PTDP and the projects funded under this budget line are seen as an objective ex-post examination of the background, objectives, and impact of projects, as well as the means deployed during project implementation. The key question

is: Has the project effected real change in line with the objectives of the original programme?

Therefore eight key indicators were identified for the evaluation:

1. Relevance of the interventions to the problem to be addressed,
2. Consistency with policy guidelines,
3. Adequacy of procedures including the implementation of project selection procedures,
4. Cost-Effectiveness of a selected number of activities undertaken in terms of addressing needs,
5. The longer-term impact, both intended and unintended,
6. Sustainability,
7. Replicability,
8. Visibility.

The main purpose of the evaluation is to improve the impact of EU funded operations under PTDP. A second key question for the evaluation therefore is: What actions should be taken to improve the effectiveness of the PTDP in future?

1.2.2 Methodological Approach - Questions for Evaluation

The criteria for evaluating the impact of the PTDP funding have to be developed on two levels:

• First, the evaluation of the impact and effectiveness of the PTDP overall. Has the PTDP effected real changes in line with the objectives of the original programme and the political goals of the EU?

• Second, the evaluation of single elements and projects funded under PTDP. Have selected single projects effected real changes in line with the objectives of their original proposals?

As far as the impact of the whole PTDP is concerned any evaluation has to follow a differentiated approach taking into account the specific obstacles to democracy in each individual country, the extent to which the programme is directed towards the removal of these specific obstacles and the way in which the programme has been implemented.

Core questions for an evaluation are:

- Is the Programme defined properly to address relevant questions in the Phare and Tacis countries?
- Does it relate the specific country context to overall EU goals?
- Is the Programme definition adequately translated into policy guidelines and levels of funding?
- Is the Programme effectively implemented?
- Does the selection of projects fit the definition of the programme?
- Is the particular mix of projects for all countries and in selected countries appropriate?
- Is the intervention relevant to particular needs in a country?
- How far has the programme contributed to the furtherance and the development of a democratic civil society?

This evaluation involved a two stage process. First, it was necessary to identify the strengths and weaknesses of the process of democratisation in each country using a methodology developed in an earlier project which distinguished between formal and substantive democracy. (Kaldor and Vejvoda 1997). Secondly, it was necessary to examine the programme in each country in the light of the findings at the first stage.

For the evaluation of selected projects funded under PTDP partly the same questions are relevant. However, these projects have to be measured by their own objectives put forward in their applica-

tions and also by their contribution to substantive democracy in their countries. Questions are:

- Did the project meet its objectives?
- What valuable consequences did it have?
- Did it empower target groups?
- Did it contribute to new networks of NGOs?
- Did it provide a medium for civic education and participation?
- Has it strengthened organisational capacities of a NGO and extended range and type of activities?
- Was the project visible in public?
- Can it sustain itself?

Additionally a third factor is relevant for the impact of the programme and therefore also for this evaluation. The organisation and management of the PTDP itself. The programme is comparatively small and has three almost independent categories of projects, which are managed by different institutions: the macro-projects by the EHRF; the micro-projects by the EU delegations in the different countries; and the ad-hoc-projects by the Commission itself. The impact of all these elements is directly related to management and implementation. Questions are:

- Are the procedures of grant allocation clear and efficient?
- How do the different parts of PTDP operate in practice?
- What is the feedback from its customers?
- How are selection processes?
- How cost effective is the management?
- How does planning and monitoring of the PTDP work?

Methodological constraints:
How to measure the impact of PTDP?

The development of democracy and civil societies is influenced by a multitude of factors which can not be separated from each other. First, it is linked closely to the development of democratic institutions and procedures. Second, it also depends on the development of the economic situation and the institutions of markets. Third, democracy and civil society are processes which have to be reproduced in the everyday lives of ordinary people. One could call this "transferring democratic genes into society" (Quigley, 1996) or more simply, building up inside a society democratic practices, including citizen participation and new thinking.

The impact of a single programme like PTDP on this complex process can never be measured exactly. There exist no clear set indicators by which one can single out the impact of a special project. In the recently finished interim evaluation of the whole Phare programme these methodological problems are correctly described: "First, it is seldom possible to compare "with/without" project scenarios, especially in the turbulent economic and institutional context of transition economies. This makes it hard to estimate the impact of a programme: what would have happened without it?

Second, technical assistance outputs are intangibles, identifiable through indirect indicators only. ... Typical outputs are trained staff, advisory documents, legal drafts and organisational proposals. ...The lack of counterfactual evidence renders it difficult to know the outcome for the institutions if these programmes had not been established." (Interim Evaluation Phare, 1997)

Third, the outputs of PTDP may be indistinguishable from outputs of other programmes sponsored by other donors (like Soros for example).

Fourth, possible outputs can easily be contradicted if they are not supported by appropriate local policies. In general, establishing a link between changes in individual behaviour or institutional behaviour and specific programmes will always be a complicated endeavour.

Bearing these limitations in mind it is nevertheless possible to describe specific results and draw conclusions on the impact of single projects and elements of PTDP. In our evaluation we will describe the impact on six different levels, mainly using general observations and examples from single projects as a proof. Impact is described on the level of:

- the overall development of democracy and civil society
- the development of specific policy areas - like media, law etc.
- the growth of the NGO sector
- single project outcomes (people involved, social & political outreach etc.)
- visibility of EU policy in favour of democratic institutions
- know how transfer and East-West network building

1.2.3 Evaluation Steps - Participation in the Evaluation

In the terms of reference a number of instruments were described which were used throughout the evaluation. These include:

- an in-house workshop with members of the Programme Unit, the EHRF and other key personnel in Brussels
- expert interviews with the "co-ordinators" of the PTDP, the EHRF and other experts
- review of existing project reports
- review of existing monitoring and assessment reports

- analysis of statistical material available at the EHRF and the Programme Unit
- desk review of existing documents and evaluation reports related to PTDP
- background studies on the development of democracy and civil society in the countries under evaluation
- roundtable discussions with NGO representatives, members of EU delegations, and other experts in nine countries on the impact of PTDP
- interviews with key persons in the nine selected countries
- project visits and discussions with NGOs which undertook projects under PTDP

Additionally we have used a broad range of literature available on the general topic of societies in transition and the development of democracy. The background studies, which are part of the materials in the appendix to this evaluation report, either have been written by members of the evaluation team or by experts from the country under evaluation. For all project interviews an open questionnaire was used.

We have tried to involve as many key stakeholders related to the PTDP as possible. The evaluation was planned to be undertaken in a collaborative way, involving as much as possible all groups working with the PTDP. Beside the research and interviews in Brussels, the report is mainly based on 11 country visits, 10 roundtables with 155 persons participating and a total of 94 project interviews, which took place between mid May and early July 1997. (Table 2 gives an overview on the number of interviews and people contacted).

In this report, we begin with an assessment of the evolution of democracy in the nine countries against which the impact of the PTDP is to be assessed. We then provide a statistical overview of the PTDP, followed by a summary of our findings about the impact of the PTDP in the nine countries. This is followed by a sepa-

rate chapter on the management and organisation of the PTDP. Our conclusions and recommendations are contained in the final chapter.

Table 2: Interviews, Roundtables and Project Visits

Country	Roundtable participants	Expert Interviews	Project Interviews	other activities
Brussels	In-house workshop 6th May, 20 persons	18	---	participation in workshop conflict prevention network
Russia	Roundtable Moscow, 19 May, 15 people; Roundt. Petersburg, 26 June, 16 people	Moscow 12 Petersburg 6	Moscow 10 Petersburg 8	two background studies on general development and NGO situation
Georgia	Roundtable, 1 July, 16 people	8	10	background study
Kazakhstan	Roundtable, 3 June, 12 people	6	10	background study
Belarus	Roundtable 19 June, 16 people	6	8	background study
Hungary	Roundtable 26 June, 22 people	4	10	background study
Poland	Roundtable 30 May, 14 people	6	8	background study
Estonia	Roundtable 10 July, 16 people	3	10	background study
Romania	Roundtable 10 July, 10 people	7	10	background study
Slovakia	Roundtable 20 June, 18 people	6	10	background study

2. The Evolution of Democracy: An Overview

2.1 Formal and Substantive Democracy

In order to assess progress towards democracy, we used a methodology developed in an earlier project for the European Commission. (Kaldor and Vejvoda 1996). We drew a distinction between formal and substantive democracy. Formal democracy concerns the procedures and institutions of democracy and is a necessary condition for substantive democracy. Substantive democracy is about the empowerment of citizens, the degree to which citizens are able to participate in political life and influence the situation in which they live.

It is possible to draw up a list of criteria for formal democracy which can be used, for example, as a way of measuring eligibility to join organisations of democratic countries or for various kinds of conditionality. These formal criteria are: inclusive citizenship - nearly all residents can acquire citizenship; the rule of law; the separation of powers between the executive, the legislature and the judiciary; the election of powerholders; free and fair elections in which all citizens can vote; freedom of expression and the availability of alternative sources of information; associational autonomy; and democratic control of the security services. Table 3 summarises our findings about formal democracy, using material from commissioned background studies and our own missions.

The five Phare countries included in the study have all more or less attained formal democracy. The main exception is Estonia which does not have an inclusive citizenship. A very substantial minority of Russian residents of Estonia have not been able to acquire citizenship. Consequently, they cannot vote in national elections and they have difficulty in obtaining travel documents. Formally, they are eligible for citizenship on the basis of residency

but there are many bureaucratic obstacles to naturalisation, in-
cluding the Estonian language requirement. Estonians were
automatically granted citizenship on the basis that they or their
parents were citizens before 1940. Among the Phare countries,
formal democracy is weakest in Slovakia and Romania although
there have been dramatic improvements in Romania since the
1996 elections in which a coalition of democratic parties defeated
the post-communist government that had ruled since 1989.

Table 3: Formal Democracy: Main Criteria

	Belarus	Estonia	Georgia	Hungary	Kazakh-stan	Poland	Romania	Russia	Slovakia
Inclusive Citizenship	B	C	A	A	A	A	A	A	A
Rule of Law	D	B/C	C	A/B	C	A/B	A/B	C	B
Separation of Powers	D	A	B	A	D	A	B	B	B
Elected Pow-erholders	C	A*	A	A	C	A	A	A	A
Free and Fair Elections	C	A*	B	A	D	A	A/B	B	A
Freedom of Expression and alt. Inform.	D	A	B	A	B/C	A	A	A/B	A
Associational Autonomy	B/C	A	A	A	B/C	A	A	A/B	A
Democratic control of Sec. Forces	D	A	B/C	A	D	A	A	C	A/B

A= Formal Procedures are in place and mostly implemented,
B= Formal Procedures are in place but incomplete implementation,
C= Formal procedures are in place but hindrances to implementation,
D= Formal procedures are not in place.
*   Excluding the Russian minority

The situation of the four Tacis countries that we investigated is very different. Belarus and Kazakhstan are both characterised by personal dictatorships around post-communist leaders - Alexander Lukashenko and Nultan Nuzarbaev respectively. Indeed in Belarus, the situation has dramatically deteriorated since the election of Lukashenko in 1994 when he began his war against first the media, then the Parliament and then the constitutional court. The new constitution promulgated by Lukashenko in 1996 and then "legitimised" in a fraudulent referendum gives the President more or less unlimited powers. He has a monopoly on the media. (The then head of the Parliament was not allowed to give an election broadcast when parliament was dissolved in December 1995. When he arranged to give his broadcast on Russian channels, these were jammed). He has arranged for the election of a puppet parliament, he disregards the decisions of the constitutional court, and he has totally manipulated elections and referenda. Demonstrators and opposition leaders have been arrested and imprisoned. A General is appointed to head the Ministry of Defence, according to old-style Soviet practice. Currently he is trying to control the NGO sector, especially youth organisations and humanitarian groups.

The situation has parallels with Kazakhstan where Nuzarbaev has recently promulgated a new constitution which is described as "Presidential Democracy" and which gives great power to the President. As in Belarus, Nuzarbaev disregards the decisions of the constitutional court. He has created a "mock parliament" in which there is only one known critic of the President. The media is totally dominated by the Government although it is possible to get access to Russian media. The elections have been fraudulent starting with the original election of Nuzarbaev as President in 1991 when he was the only candidate." According to the election laws, a potential candidate had to collect 100,000 signatures in

eight weeks but this period was then restricted to nine days. One interested party who attempted this nonetheless, was attacked and the collected signatures were stolen." (Quoted from Background Study)

The situation is better in Russia and Georgia. In both countries the rule of law is weak, less because the government disregards the law, although this has happened on occasion in both countries but not systematically as in Belarus and Kazakhstan. Rather it is mainly because of widespread criminality and weak law enforcement and/or justice. The separation of powers is not fully established both because of the strong role of the President and because of the weakness of the judiciary. In both countries, fraud has been observed in elections but, except perhaps in the case of the Russian regional elections, this has not been sufficiently widespread to nullify the results of the elections. Freedom of expression exists in both countries although the television is state-dominated in Georgia and in Russia the regional press is under the control of regional governors. Democratic control of the security services is weak not so much because of the behaviour of the government. In Russia, inadequate finance, failure to pay wages, and the profound breakdown of morale has led to disintegration and privatisation of security. In Georgia, the police have considerable autonomy.

In all nine countries we studied, there are weaknesses in substantive democracy although the combination of weaknesses is specific to each country. It might be possible to paraphrase Tolstoy's remark about happy and unhappy families. Successful democracies are very similar; weak democracies are all weak in their own individual ways. The main characteristics of substantive democracy in the nine countries are summarised in Table 4. All nine countries in varying degrees are weak in the implementation of the rule of law. In some cases, e.g. Belarus, Kazakhstan and Slo-

vakia, this is because of government disregard for the rule of law. In other countries, reasons include the growth of criminality as the state retreats and as poverty and inequality increase, the weakness of law enforcement (often because of lack of resources), and the weakness and /or arbitrariness of the judiciary both because of inadequate resources and because of lack of independent legal traditions. In most countries, there is a tendency towards clientilism, patronage and corruption in the administration and most countries lack a public service ethos. Reform is proceeding in the Phare countries, especially Poland and Hungary.

Apart from the post-communist parties, political parties tend to be small and fragmented, centred around an individual personality rather than an ideology or philosophy. In the Phare countries, some consolidation is beginning to occur. The consolidation of the opposition parties in Romania contributed to their victory in 1996 and something similar appears to be happening in Slovakia. In most countries the electronic media is dominated or strongly influenced by the state although this is not true of Poland or Russia.

There are serious human rights violations in all the Tacis countries mainly connected to the weakness of the rule of law. Torture in prisons is widespread in Russia and Belarus. The main problem in Phare countries is the lack of an active human rights policy. There are minority problems in nearly all the countries except Poland and Kazakhstan. Sexual minorities are discriminated against in all the Tacis countries and in Romania.

In all nine countries, there is a tendency to centralise power. There are active and lively elected local governments in Poland, Estonia and Hungary. Local autonomy has greatly increased in Romania since the elections. The main problems have to do with inadequate local finance and (often) the existence of non-elected regional tiers of government between the local and the national levels which restricts local autonomy.

Table 4: Substantive Democracy: Main Features

	Belarus	Estonia	Georgia	Hungary	Kazakhstan	Poland	Romania	Russia	Slovakia
Rule of Law	Large numbers of prisoners. Terrible prison conditions	Criminality. Weak law enforcement	Corruption. Police brutality. Criminality. Weak courts	Increased criminality	Old-style stability. Control by police. No independent judiciary	Increased criminality	Increased criminality. Effective police. Distrust of justice	Big increase in criminality. Dominance of mafia. Weak poorly financed law enforcement	Gov disregard for rule of law, e.g. kidnapping, pressure on courts
Political Parties	All outside parl. part of opposition weak and fragmented	weak party structures, corporative tendencies	Personality based	Consolidating	Personality based. Facade opposition. Other opposition parties not registered	Consolidating. Divisions between post-Communist/post Solidarity, pro and anti-Church, pro and anti-economic reform	Small, clientilistic with little mass support	Large numbers of small parties. Mass parties include Communists, Lebed's party, and Zhirinovsky's party	Leading party is personality based movement held together by power. Other parties weak but engaged in coalition-building
NGOs and Representative Structures	Strong NGO community esp. trade unions. Gov tries to control them	Extensive growth of NGOs. 30-40% rural. More dynamic outside Tallinn	Growing fast. Mainly in Tbilisi	Very active. Some 50,000 NGOs registered	Very few, mainly cultural and trade unions. New opposition alliance 'Azamat'	Many and active; some 45,000 registered	Active and lively, 12,000 registered. 10,000 outside Bucharest	Growing; independent trade unions, human rights groups, Soldiers Mothers	Impressive, well-organised, growing
Media	Total State Control	Pluralistic	TV still state dominated. Physical abuse of journalists	Pluralistic	State control but can listen to Russian media	Pluralistic, lively	Many private radio and TV stations	Central press doesn't reach everywhere. Regional press under control of governors. Pluralistic electronic media	Mixed. Gove monopoly over electronic media. Press pluralism
Human Rights	No Freedom of Assembly. Police Brutality	No active policy	No active state policy. Restrictions on Assembly	No active state policy	No active policy	Generally good... No action against prostitution and trade in women	mainly related to minorities and weak justice	Widespread torture in prisons, especially against minorities, e.g. Chechens. Arbitrary arrest in Chechnya	Problems related to Gov disregard for rule of law. Good legislation and human rights education by NGOs
Minorities	Attacks on Poles and Ukrainians. Harassment of gays and lesbians	Discrimination against Russian minority	No role in political life apart from secessionist states. preferential treatment for traditional religion	Discrimination against Roma and foreign students	Ethnically mixed - balance maintained. Ban on homosexuality	Anti-Semitism without Jews	Minority rights improved after Treaty; still problems with Roma.	Discrimination against Caucasians especially	Conflict with Hungarian minority persists, stalling over language laws
Local and Regional Government	Centralised control	Relatively decentralised. Democratic local Gov. Inadequate resources	No elected local bodies	Active local government	Centralised power	Active local govt. Needs middle tier of gov't	Greatly increased autonomy	Complicated federal structure. Lower levels elected but numerous violations in elections	Restrictions on power and competences of local authorities. Relatively high degree of centralisation
Political Culture	Mixed	Polarisation of society between citizens and non-citizens. Absence of civic engagement beyond NGOs	Slowly changing. Collectivist authoritarian mentality persists outside Tbilisi	Increasingly tolerant and civic minded	Passive	Developing democratic culture.	Changing. But old attitudes persist	Widespread distrust of politics	Changing. Still authoritarianism and apathy

The aspect of substantive democracy that is hardest and slowest to achieve is a democratic political culture. In all countries, the collectivist authoritarian legacy of totalitarianism persists. Distrust of politics, lack of confidence in the power of the individual, passivity, apathy and resignation are all widespread. Nevertheless, these attitudes are changing starting with the urban elite and slowly spreading outwards. The most striking and positive finding of our study is the growth of a substantial and active NGO sector in all countries and it can be argued that this can make a significant contribution to changing political culture. For this reason, the NGO sector is described at greater length in the next section.

To sum up, in all the nine countries, except Belarus, Kazakhstan and Slovakia, democracy is developing in a positive direction despite weaknesses and hiccoughs. This is summarised in Table 5. In the case of Slovakia, there is a chance that the ruling party will

Table 5: Development of Democracy overall Assessment

	Direction of development	Comments
Estonia	↗	unsolved problems with Russian population
Poland	↑	stable development towards democratic society
Slovakia	→	potential for deterioration, new legislation on foundations
Hungary	↑	stable development towards democratic society
Romania	↑	fast improvements since last elections
Russia	↗	improving, but unsolved problems (rule of law, democratic control of military)
Georgia	↗	conflict areas / war; rule of law
Belarus	↓	autocratic presidential rule
Kazakhstan	↙	autocratic presidential rule

be defeated in the next election which could dramatically change the situation as happened in Romania. After describing the NGO sector in greater detail, the last section will summarise our conclusions about the main ways in which Western governments and institutions may have contributed to this positive development as a background to a consideration of the specific impact of the PTDP.

2.2 The NGO Sector and Civil Society

One of the most remarkable features of the post-communist transition is the rapid growth of a lively NGO sector.

All post-communist countries saw a massive rise in the number of NGOs of different types. Table 6 summarises the information

Table 6: Numbers of NGOs in Selected Countries

	Registered NGOs	Share outside capital city
Belarus	3,000	Very few
Estonia	6,000	Around 30%
Georgia	2,500	Very few
Hungary	50,000	n.a.
Poland	45,000	80%
Romania	12,000	75%
Slovakia	15,000	Very High

available to us on numbers of NGOs. The table indicates two significant trends. First, those countries with fewest registered NGOs also tend to be those with the highest concentration of NGOs in capital cities. The growth in the number of NGOs appears to be associated with the tendency to spread beyond the capital cities. Secondly, there appears to be a relationship between the growth of the number NGOs and the evolution of democracy. Thus those countries where formal democracy is firmly in place and where substantive democracy is strongest have the

largest numbers of NGOs. Thus Poland and Hungary have easily the largest NGO sectors, while the smallest numbers of NGOs are registered in Belarus and Georgia.

The causal direction of this relationship needs to be investigated. Our hypothesis is that a set of virtuous and vicious circles can be identified. In those countries where democracy is most developed, NGOs enjoy more favourable conditions; they are reported in the media, they have access to political institutions and therefore they attract people. At the same time, the growth and spread of NGOs has a significant effect on political processes and public participation. In societies where political parties are weak and generally viewed with suspicion because of the legacy of communism, NGOs can became the mechanism for transmitting the everyday concerns of ordinary people into the public arena and for spreading democratic values. On the other hand, in situations where democracy is weak or non-existent, the NGO sector is tightly constrained. Yet at the same time, the NGO sector is of crucial important to check authoritarian tendencies.

Unfortunately, we do not have figures on sources of finance. In general, East European NGOs are heavily dependent on Western sources of finance. But it also seems to be the case that where there are large numbers of NGOs, there are also more possibilities for internally generated resources, from individual donations, income-generating activities like running courses and seminars, the sale of publications and support from private enterprise. In the Polish case, an interesting innovation is the annual prize offered by the municipalities of Gdansk and Donetsk (equivalent to about 4000 ECU) for the NGO voted to be the best in the town by other NGOs.

(3)

Theoretical reflections on the growth of NGOs

The phenomenon of a growing importance of NGOs to some extent mirrors the developments in the West since the 1970s. Analysts in both East and West have struggled to explain this phenomenon and to ascertain its importance for the development of democracy. Both sides have approached the issue from a somewhat different angle, though it is interesting to note how recent Western thought on the development of civil society and its importance for democracy was influenced by the ideas and practices that came out of the Central European dissident movements in the 1980s.

The dissident thinkers such as Havel, Michnik and Konrad emphasised the importance of civil society based on active citizenship as a crucial defence mechanism against an all powerful state. This needs to be understood in the context of the de-ideologisation of the real socialist state in the 1970s and 1980s where obedience but not real belief were required and where an implicit social contract provided security of work and relatively bearable standard of living in exchange for obedience and apathy. The demoralisation of these societies was one of the central issues tackled by the dissidents. Rebuilt civil society in which the citizens actively expressed their values, beliefs and interests cut through the pretence game that the 'social contract' established. Pushing back the state from a variety of social and political spheres was an emancipatory strategy crucial for the regeneration of these societies.

The dissident movement and the dissident thinkers were not the only contributors to the civil society developments in the East. The ossified but powerful rule of communist party oligarchies and their suppression or neglect of issues affecting the daily lives of people stimulated a growth of groups of activists particularly among the young (less burdened by the past) in areas such as the environment, culture and peace. The environmental movement is particularly interesting as the environmental catastrophe in Central Europe could not be hidden from the inhabitants and the effect it had on them (declining health, higher child mortality, etc.) made it more difficult for the government to pretend that this is not something which is of legitimate interest to the people. It is noteworthy that a number of people active in NGOs in Central Europe today were originally involved in environmental activities in the 1980s.

There is little doubt that Western thinkers were influenced by the Eastern developments and the growing contacts between the Eastern dissidents and Western peace movements for instance were an important factor in the growing popularisation of the concept of civil society.

As noted above, the state is in retreat in both East and West. Nevertheless, it still remains a powerful institution and the main source of security for its citizens. The state's impact on the economy, real and potential, is not negligible and its political pre-eminence in spite of the emergence of regional organisations such as the EU is still relatively unchallenged. In these circumstances the question of the power of the state in relation to both the economy and civil society is crucial. If the state is weakened to the extent that it cannot provide the kind of security that its citizens require and if it is not replaced by some regional superstate the consequences can be disastrous to ordinary citizens as the experience in the Balkans would suggest. A state that is too strong, however, stifles the economy and tends to be destructive of democracy. A right balance is required and civil society plays a crucial role in the establishment and maintenance of this balance.

The state also retains a powerful role in the post communist transition. Privatisation for instance is not unrelated to clientelism (Slovakia being a good example of this phenomenon) and corruption (affecting most). Powerful positions in the state apparatus or in the government provide opportunities for enrichment not just through overt corruption but also through having privileged access to information, important contacts and even capital. A political career in some of the new fledgling parties could be a sound move towards establishing a basis for a good business. This phenomenon coupled with the persistent suspicion of political parties inherited from communism helps to explain why it is civil society and the NGO sector that become the sources of rules of social and political conduct that has an ethical content. It can certainly be argued that this sector provides a better and more constructive training ground for democratic public participation that do the political parties. And it is in this sense that it can be argued that civil society is important not only because it is the source of underlying rules and limitation on the power of both the state and potentially the market but also that in contemporary East European conditions this is the sector where democrats are trained and established. Crucially also the development of the NGO sector provides an important antidote to the pervasive tradition of etatism it this region.

The countries with the smallest numbers of NGOs also tend to be those with low incomes. In particular, educated people who are the people most likely to get involved in NGOs usually have inadequate fixed salaries (in the Georgian case, an average of $14 a month). It is therefore very difficult to be active in NGOs on a purely voluntary basis because of the need to seek additional employment in order to survive; likewise, it is very difficult to raise funds internally. It is sometimes argued, therefore, that many of the NGOs are artificial, established for economic reasons as a form of employment creation. Our impression was that while NGOs do offer a way of making a living, it is only those active democratically minded people who choose this option, rather than say doing translations or starting a small business. In general we were impressed by the number of committed and engaged individuals that we met.

The ability of East European NGOs to attract volunteers is uneven. Many of them do not even seek to do so believing that in circumstances where most people are preoccupied with existential matters this would not work. There are others that are top down oriented (transfers of knowledge, skills, etc.) or operate within the intellectual elites who have no need of volunteers. However in most countries there are at least some who have successfully recruited volunteers and are beginning to establish a basis for voluntary work as part of normal social activity. Another interesting feature is that in most of these countries the NGO sector is predominantly staffed by women. This is worth paying serious attention to as there is at least an argument that this provides a basis for some long term redress of gender relations.

NGOs working in the field of democracy, citizenship and human rights tend to be a small proportion of the total. In those countries, where breakdowns of the types of NGOs are available, the big-

gest proportion of NGOs are usually cultural or religious organisa-
tions or groups concerned with sport or other hobbies, e.g. gar-
dening. Even these relatively non-political NGOs do affect the
political culture through encouraging self-organisation and a
sense of individual empowerment. Most NGOs are very small al-
though in nearly every country, larger, more visible NGOs with
mass membership can be found. Soldiers Mothers in Russia
which was formed during the Chechen conflict or the Association
of Young Lawyers in Georgia, composed of committed young
lawyers who provide free legal advice and public education espe-
cially in human rights, are both examples of substantial, indige-
nously based NGOs. In Kazakhstan, Belarus, Russia, and, of
course, Poland, independent trades unions, with mass member-
ship, are also very important.

In a number of countries, there are problems relating to the legis-
lation on NGOs and the tax status. In several countries, for ex-
ample, Georgia, Poland, Romania, the requisite legislation has
not yet been passed. In some countries, for example, Belarus,
Kazakhstan and Russia, registration procedures have been used
to try to control the sector. This has been most extreme in Belarus
where the government decided to tax humanitarian activities and
imposed a fine of $ 3 mio on the Soros foundation for non-
payment of tax which led to its closure. In Russia, religious or-
ganisations can only register if they have 15 years of effective
activity. Moreover, new NGOs have to give a certified copy of the
passports of the ten founder members which altogether costs
$600 in legal costs. In Kazakhstan, a gay rights group was unable
to apply for PTDP funding because it was not registered officially;
this was because the Kazak authorities do not recognise homo-
sexuality.

Certain useful distinctions which help in the assessment of these
NGOs can be made. Bearing in mind the origin of a lot of NGOs

one such distinction is between an established organisation and a
looser form of association more akin to a social movement and
related to that between those that stress growing professionalism
as against those who stress social engagement. Other useful dis-
tinctions are between policy oriented NGOs and non-policy ori-
ented NGOs (Carothers, 1996), between service providers and
civil advocacy groups, and between those concerned with creat-
ing specific outcomes and those concerned with developing
specific processes. These distinctions should make it clear that
the same measurement of success cannot be applied to all of
them. Whereas service providers can be judged by whether a
particular service has actually been delivered and at what cost,
social advocacy groups cannot be judged in the same way, par-
ticularly those whose main concern is with changing public atti-
tudes. The latter are engaged in a slow long term process in
which advances are not easily ascertained and where only a
qualitative judgement can be made as to the importance of this
work. The distinction is also important for the financing of such
groups and particularly for establishing their financial independ-
ence. Service providers have some advantages over social advo-
cacy groups in this context. The former are much more likely to be
able to successfully appeal to the domestic funders and to devel-
oping self-financing potential involving sale of services, expertise,
etc. than the social advocacy groups.

Many types of NGO are necessary for a healthy NGO sector. Co-
operation between the more professionalised output oriented
NGOs and the more movement type of process oriented NGOs is
very important. The former provide advice, training and other
types of assistance to the latter; while the latter are more likely to
set the political agenda and attract new recruits.

An important issue confronting NGOs is what kind of relationship
they should have with the government. Given the origins of the

NGO sector in Eastern Europe it is not surprising that particularly the social advocacy groups tend to perceive the government with some suspicion as at least a potential enemy. It is also to be noted that a number of the post-communist governments treated the NGO sector with suspicion and hostility too or worse, some because they perceived this sector as a threat to its power (Belarus, Kazakhstan and to a lesser extent Slovakia, and Romania before November 1996) and some because they perceived the NGO sector as a threat to representative democracy (Czech Republic). Curiously in some sense hostility from the government made life easier. Cooperation was sought from other NGOs and the government was to be opposed (Slovakia and Belarus). In circumstances when the government is sympathetic towards the NGO sector a more complex policy is required which combines a degree of partnership with a degree of monitoring and pressure. The development of such a partnership is not an easy process and takes both sides considerable time to develop the necessary practices and rules of the game (Hungary and now Romania are interesting examples).

This question is probably the most contested issue among NGOs in Russia, especially since summer 1996, when President Yeltsin officially declared 1998 the year of human rights. He decided to support human rights activities and to create a "public-state human right commission" in each region. The very term sounds strange in Russian as society and state were always very cut off from one another. The question is "is it possible to work with a state that violates human rights?". For some NGOs and activists, the answer is categorically no, but these are very few and are victims of the state structures and security services (like Nikitin, Padalko in Irkutsk, and some in Magadan, Omsk, Arkhangelsk in the last few months where there have been cases of false arrest and imprisonment).

NGOs unlike political parties do not necessarily seek public popularity and are therefore more likely to raise and advocate relatively unpopular issues such as feminism, gay rights, abolition of capital punishment and so on. In any democracy this is important but in the post-communist countries with their long authoritarian traditions, relative absence of tolerance and low levels of public debate this is crucial.

An important characteristic of the growing NGO sector is its transnational character. This is partly because of external finance and partly because of an increasing number of partnerships with NGOs in other countries both East and West. This is a relatively recent phenomenon that can be associated with globalisation and the increased opportunities for transnational communication. The transnational character of some parts of the NGO sector helps to promote an internationalist outlook and contributes to international integration at a societal level.

2.3 The Role of Western Governments and Institutions

Western governments and institutions have played a crucial role in the development of democracy in Central and Eastern Europe. Most obviously, Western democracies have offered a model to be emulated at least in some degree. Moreover, the new ruling elites are, in general, concerned about how their country is perceived internationally and this influences their behaviour. In policy terms , there have been three ways in which Western institutions have influenced the evolution of democracy.

First of all, Western governments have exerted pressure on governments in Central and Eastern Europe to adopt reforms. This has taken several forms: the promise of membership in Western institutions should the prerequisites of formal democracy be met; conditionality attached to economic assistance; and moral sua-

sion. Thus it was the lure of NATO membership which persuaded the Hungarian government to drop the demand for ethnic autonomy for Hungarians in Transylvania; this made possible the Hungarian-Romanian Treaty which has enormously improved relations between Romanians and Hungarians in Romania. It was also Western pressure that led to the reopening of Rustaveni-2, the only private television station in Georgia which had been closed down by the Government. The abolition of capital punishment, the legalisation of homosexuality are all examples of measures taken to comply with the demands of the Council of Europe.

Western policy is not, of course, always favourable for democracy. In some cases, Western governments have chosen to support certain leaders despite infringements of democracy because these leaders are viewed as the best hope for stability. Examples include the failure to criticise Russian policy in Chechnya or continued support for Berisha in Albania after gross electoral irregularities. NGOs offer an important counterweight to this kind of approach. They draw attention to infringements of democracy and they represent potentially an alternative societal form of stability.

Secondly, Western assistance in general has contributed to the reform process, in particular, assistance for public administration or education. The role of economic reform is more controversial. On the one hand, liberalisation opens up space for independent economic initiatives and reduces the overwhelming weight of state activity in society. On the other hand, economic reform has also contributed to poverty, inequality and the transformation of former nomenclature into the new rich; this has often led to disillusion with democracy. More investigation is needed to assess the impact of economic assistance on politics and the ways in which such assistance could be better designed to contribute to democracy goals.

Thirdly, Western countries have provided considerable amounts of democracy assistance since 1989 Democracy assistance began in the 1980s with the transitions to democracy in Latin America and Africa although German party foundations had been active earlier in Spain, Portugal and Greece. Major public donors were the US, Sweden and the Netherlands. Assistance to Central and Eastern Europe began after 1989. The exact amounts of democracy assistance are rather difficult to calculate because they appear under different headings in aid budgets. Quigley suggests that US AID provided some $339 million in democracy assistance to Central Europe between 1989 and 1993. In addition, independent foundations provided a further $450 million upwards (Quigley 1996). Extrapolating from these figures, it seems likely that total democracy assistance from both private and public donors to Phare and Tacis countries was upwards of $ 2 billion since 1989.

In this context, EU spending on democracy has been a relatively small proportion of the total. As well as the PTDP, there are other budget lines in Phare and Tacis which are directly or indirectly linked to the development of a civil society. It is impossible to extract from the national budgets exactly how much is related to the development of democracy. However, a simple comparison shows that under several technical assistance titles a much larger amount is spent than under the PTDP. For policy advice Tacis has spent 86.88 mio ECU between 1991 and 1995, for public administration reform, social service and education 388.14 mio ECU. Under Phare 233.9 mio ECU has been spent for public institutions and administrative reform between 1990 and 1995. Even including these different budget headings, the totals are relatively small.

Private foundations, particularly American foundations, have played a pioneering role in democracy assistance. They are much more flexible than public donors and are able to offer assistance rapidly without burdensome technical requirements. Often the private foundations provide the initial funding that allows NGOs to learn the techniques that enables them to go on to apply for public funding. In particular, the Soros family of foundations have played a key role in most Central and Eastern European countries. The amounts provided have been much greater than that provided by most public institutions including the European Union.

Studies of democracy assistance all suggest that the major impact of such assistance is the creation of an NGO sector. (Quigley 1996, Carothers 1996, Robinson, 1996). These studies also suggest that such assistance is most effective where the recipients are already committed and engaged. Very few artificially created NGOs survive, although one good example is the Society for Fair Elections in Georgia, which was established by the US government funded National Endowment for Democracy. Likewise training programmes and seminars are only useful in so far as the participants are keen to make use of what they learn. This is why familiarity with the local situation is more important when making grants than the quality of formal grant applications.

Support to the NGO sector has been important in part for the reasons given above - the role of NGOs in spreading democratic ideas and values and in preventing a reversion to authoritarianism. It is also important because NGOs draw attention to the weaknesses of the democratisation process and represent a repository of knowledge about the specificities of their society which can be used by the donors, for example, to put pressure on governments. There is a tendency for policy-makers and experts to rely on top-down information which always tends to conceal weaknesses and makes it difficult to anticipate change. One of

the main reason for the unpreparedness of governments and so-
cial scientists for the 1989 elections was their preoccupation with
the behaviour of ruling elites. NGOs offer a critical way of monitor-
ing the progress towards democracy. Moreover through commu-
nication with Western partners they are able to make this infor-
mation publicly available both in the West and domestically.

From the point of view of the recipients, Western assistance is
important not just because of the provision of money. On the
contrary, most recipients stress the importance of moral support,
the sense of empowerment offered by the knowledge that West-
ern donors recognise the worth of their activities. A point that is
emphasised by Carothers is the subjective way in which democ-
racy is viewed in Eastern Europe. Whereas, Western donors tend
to like concrete measurable and visible outcomes which can
demonstrate the cost-effectiveness of their programmes, the re-
cipients tend to see democracy in terms of its impact on personal
development. In several of the roundtables, we were struck by
this kind of personal interpretation of democracy. Democracy was
seen in terms of a widening of horizons and opportunities, as
giving individual citizens a sense of dignity even if this is not re-
spected, of learning how to act and think as an individual and not
as a member of a collectivity, of taking personal responsibility for
life choices.

Two other aspects of democracy assistance are also considered
important. One is the learning process, not just the formal training
programmes but the experience of applying for funds; carrying out
a project, writing a report. In this respect, partnerships are very
important. The other is the protection provided by Western sup-
port. Precisely because governments are concerned about their
international image, they are hesitant to oppose, crack down on,
or repress organisations supported by prominent Western donors.

In the context of overall Western democracy assistance and indeed other EU budget lines, it is rather difficult to distinguish the specific impact of the PTDP on the development of democracy. We have tried to do this by studying the concrete content of the programme. Our conclusions are summarised in the rest of this report.

3. Quantitative Impact of the PTDP

3.1 Overall Statistics on PTDP

For 1992 the Phare Democracy Programme had a budget of 5 mio ECU. For the years from 1993 to 1996 the Phare and Tacis Democracy Programme had an overall budget line of 76 mio ECU[1]. Over the whole period 59% of these budgets was spent on projects within the Phare Programme, leaving 41% for the Tacis Programme. This disproportion is due to Phare having begun ear-

Grants 1993-1996 under Phare and Tacis
per Budget Year and Type of Project
(Graphic 1)
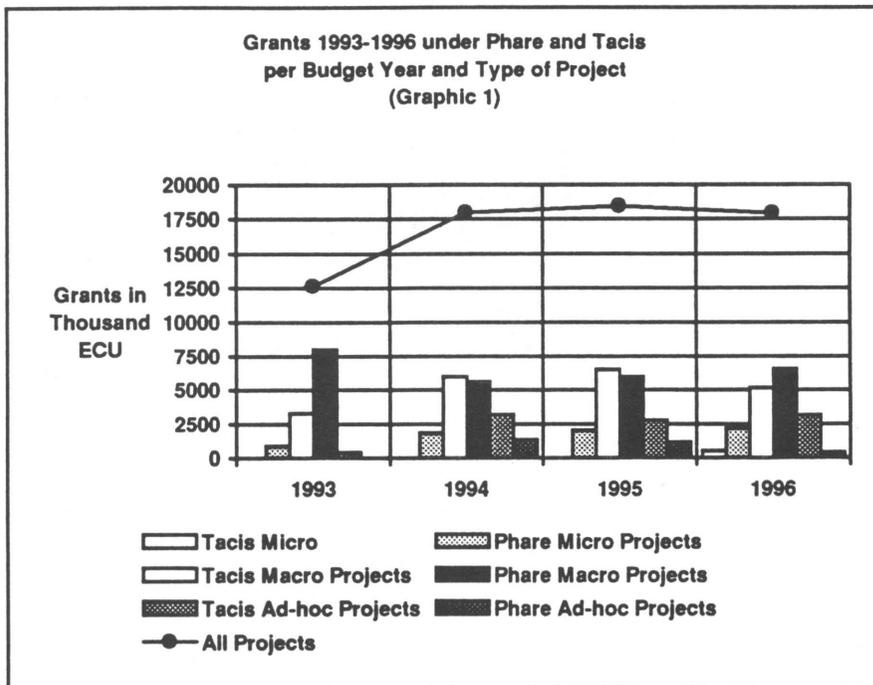
lier. In 1993 the Phare budget amounted to 11 mio ECU, as compared to the four mio ECU of the 1993 Tacis budget. In the following years, however, both Programmes were equipped with the same budget lines of 10 mio ECU each in 1994 and 1995 and 11 mio in 1996. Thus, in view of the project contracts that have been

---

[1] The following quantitative evaluation will cover only the budget years 1993 to 1996. Projects financed under the budget year 1992 are not included. Their data is in some respects - for example with regard to the areas of activity - inconsistent with those of the following years.

concluded under these budgets the Phare and the Tacis Democracy Programmes have been generally of the same size since 1994[2].

The greatest part of the Phare and Tacis budgets from 1993 to 1996 has been spent on macro-projects. With a total amount of

Share of Macro Project Grants 1993-1996
under Phare and Tacis
per Area of Activity
(Graphic 2)

3: Development of NGOs

1: Parl. Practice
7: Sec. Structures

8: Minority Rights...

2: Public Admin.

6: Human Rights

4: Independent Media

5: Awareness Building
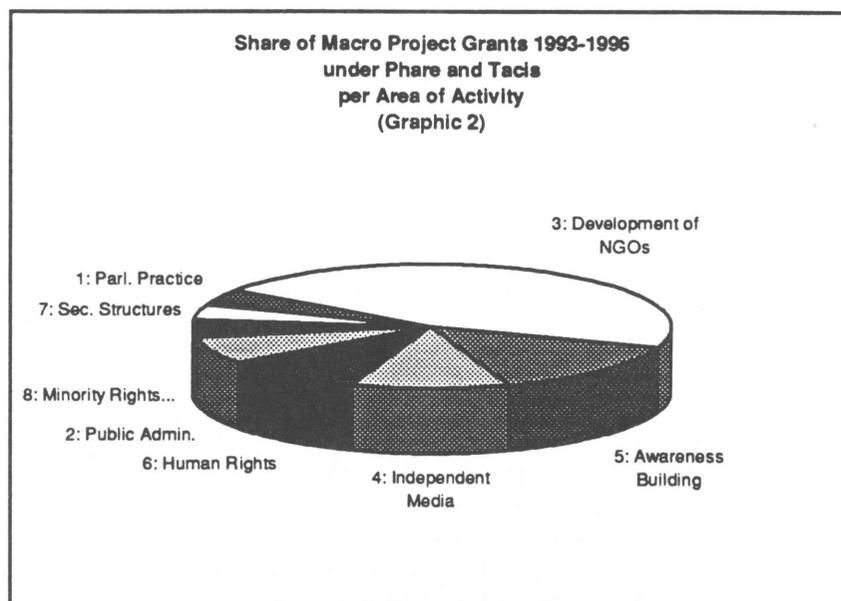
more than 47 mio ECU the macro-projects made up about 70% of the Democracy Programmes. However, ad-hoc projects amounted to more than 12 mio ECU, or nearly 20% of the Programme's budget. 7.4 mio ECU has been spent on micro-projects, which until 1995 have been financed only under the Phare Programme. This meant the share of micro-projects in the Phare and Tacis Democracy Programme from 1993 to 1996 was 11%.[3]

---

[2] The statistics are based on the amount of contracts that have been concluded for projects in the Phare and Tacis countries. The statistics therefore do not include budgets for the management of the PTDP nor do they include the factor of project failures.

[3] Tacis micro-project budgets had been assigned to some countries but had not been spent by June 1997.
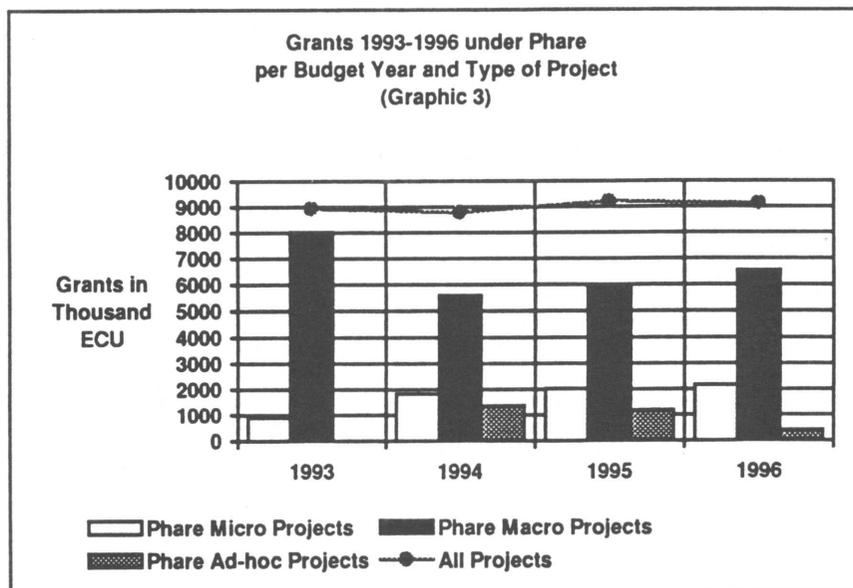
The PTDP's funding of macro-projects concentrated on a few Areas of Activity. The Development of NGOs received the largest share of the budget; more than 20 mio ECU has been spent on macro-projects for the Development of NGOs and Representative Structures, accounting for nearly half of the macro-project budget from 1993 to 1996. Eight mio ECU was spent on Awareness Building and Education which accounted for almost 15% of the total. The two Areas of Activity - Independent, Pluralistic and Responsible Media and Promoting and Monitoring Human Rights - each accounted for about 5 mio ECU or 10% of the total. The remaining 20% of the macro-project budget has been used for projects in the other Areas of Activity, namely Public Administration, Minority Rights and Equal Opportunity; Security Structures; and Parliamentary Practice.

3.2 The Phare Countries

The importance of macro-projects in the Phare Democracy Programme is very clear. With 26 mio ECU devoted to them, macro-project contracts made up almost three quarters of the Phare budget. Micro-projects have had a significant part in the Phare Programme. Nearly 7 mio ECU has been spent for Phare micro-projects, making up almost 20% of the Phare budget. The ad-hoc-project scheme has amounted to only 10% or almost 3 mio ECU of the Phare budget.

The quantitatively significant role of the micro-project scheme and the lesser significance of ad-hoc-projects within the Phare Programme has been a constant feature of each of the years under review, and indeed the difference between these two types of projects increased during the last three years. Since 1994, when the first ad-hoc-projects were initiated under the Phare Programme, the share of ad-hoc-projects has been continuously re-

duced in relation to the micro and macro-project schemes. While in 1994 the ad-hoc-project contracts of 1.3 mio ECU amounted to almost the same as the budget for micro-projects (1.8 mio ECU)

**Grants 1993-1996 under Phare
per Budget Year and Type of Project
(Graphic 3)**

Grants in
Thousand
ECU

10000
9000
8000
7000
6000
5000
4000
3000
2000
1000
0

1993   1994   1995   1996

☐ Phare Micro Projects   ■ Phare Macro Projects
▨ Phare Ad-hoc Projects   —●— All Projects

and a quarter of the budget for macro-projects (5.6 mio ECU), the ad-hoc-projects in the 1996 budget year only accounted for 0.4 mio ECU, that is to say, only 20% of the budget for micro-projects (2.1 mio ECU) and 6% of the budget for macro-projects (6.5 mio ECU).

3.2.1 Project Countries

The distribution of project grants among the 11 Phare countries indicates that they all have been involved in the Phare Programme's activities. Viewed in terms of the macro-project grants, Poland had the highest share of the Phare Programme. 18% of the Phare macro-project grants was spent on projects in Poland. Poland is followed by the Czech Republic, Romania, Hungary and Bulgaria, each of which received 11-13% of macro-projects grants. 9% was spent on projects in the Slovak Republic. The

remaining Phare countries of Albania, Estonia, Lithuania, Slovenia and Latvia, had a share of 4% to 6% each.

The distribution of macro-project grants in general reflects the different population sizes in the Phare countries. Only Poland, despite its leading rank in view of absolute figures, and Romania, have had a share of macro-projects lower, in relation to the size of their population, than that of the other countries[4]. Poland's share of macro-projects has continuously declined since 1993. Similarly, Romania and Hungary could not retain their starting share in 1993, which was nearly as large as that of Poland. On the other hand, grants for macro-projects in Bulgaria have steadily increased over the years. In 1996 they by far outnumbered the share in each of the other Phare countries.

Macro Project Grants 1993-1996 under Phare
per Target Country in Relation to Population
(Graphic 4)

---
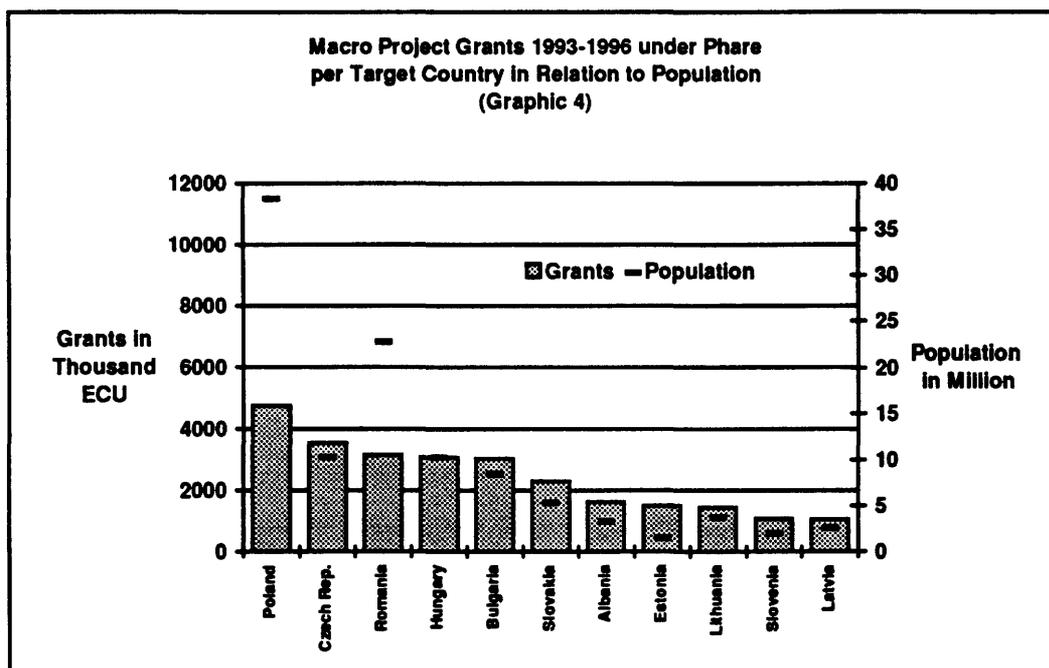
[4] This finding, however, has to be mitigated by the fact that in total projects grants have been evenly ascribed to the participating countries in our statistics. However, it can be reasonably assumed that in fact larger countries, such as Poland and Romania, often received a larger share of project grants than smaller countries, such as Estonia.

The share of the micro-project budgets, which is determined by the national budget lines fixed by the European Commission, is generally in line with the distribution of macro-project grants among the Phare countries. Significant exceptions here, however, apply to the Czech Republic and Romania. While the Czech Republic has had a micro-project line (7%) which was much lower than its share of the macro-project budget (13%), Romania's micro-project line (21%) was well above the level of its participation in the macro-project scheme (12%).

3.2.2 Areas of Activity

The distribution of the macro-project grants among the eight Areas of Activity by and large follows the general pattern of the PTDP. One important difference is most of the micro-projects (35%) concentrate their activity on Awareness Building while the Development of NGOs is only the second most often selected subject (22%). The third most selected Area of Activity in the micro-project scheme is Minority Rights and Equal Opportunity, which has a share of 12% in the micro-project scheme compared with 7% in the Phare macro-project scheme.

3.3 The Tacis Countries

As in the Phare Programme, two thirds of the Tacis budget has been spent on macro-projects. In contrast to Phare, however, the remaining one third has not been used for the micro-project scheme, but has been almost entirely confined to ad-hoc-projects. At a total amount of almost 10 mio ECU, ad-hoc-projects come to more than 30% of the Tacis Programme. This is far more than the share of ad-hoc-projects in Phare (2.942 mio ECU and less than 10%). Micro-projects were only introduced (0.5 mio ECU) into

Tacis in the 1996 budget year. They are less than 2% of the Tacis budget, and were still not in place in early 1997.

**Grants 1993-1996 under Tacis
per Budget Year and Type of Project
(Graphic 5)**
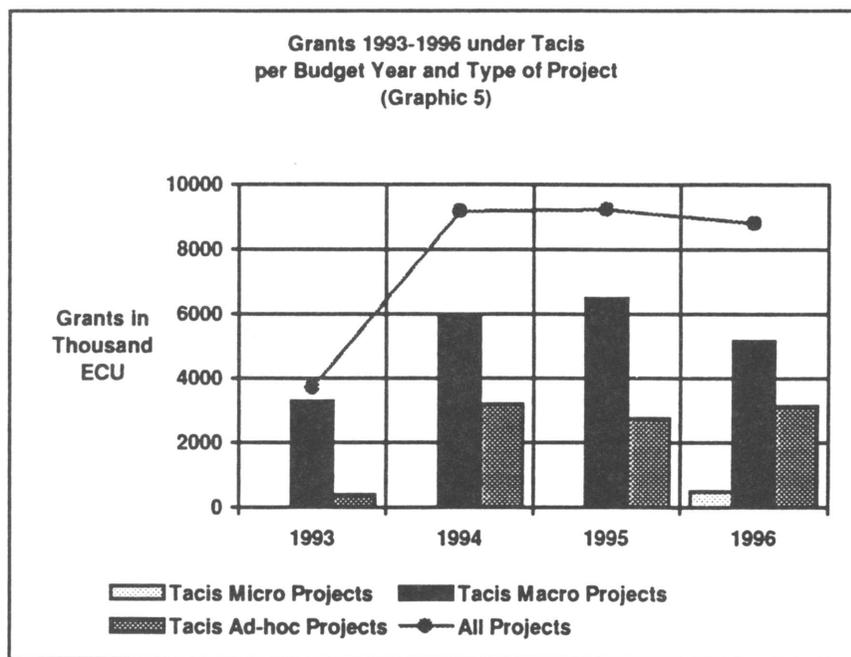
3.3.1 *Project Countries*

The 13 Tacis Countries are of extremely different sizes in terms of their population, ranging from 150 mio in Russia to 2.3 mio in Mongolia. Accordingly, project grants have been distributed heavily unequally. Projects in the Russian Federation received almost half of the whole Tacis budget from 1993 to 1996[5]. Projects in the Ukraine received another large proportion, nearly 20%, of the Tacis macro-project grants, followed by Belarus and Georgia with about 7% each. The remaining 20% or so are distributed among the other nine Tacis countries, namely Kyrgistan, Kazakhstan, Moldavia, Mongolia, Armenia, Tajikistan, Azerbaijan, Uzbekistan and finally Turkmenistan, their shares ranging from 4% to under 1%. In relation to their population, however, only in Uzbekistan

---

[5] This amount can be expected to be even higher: see footnote no. 3.

and Kazakhstan is the amount of macro-project grants clearly too small.

**Macro Project Grants 1993-1996 under Tacis
per Target Country in Relation to Population
(Graphic 6)**
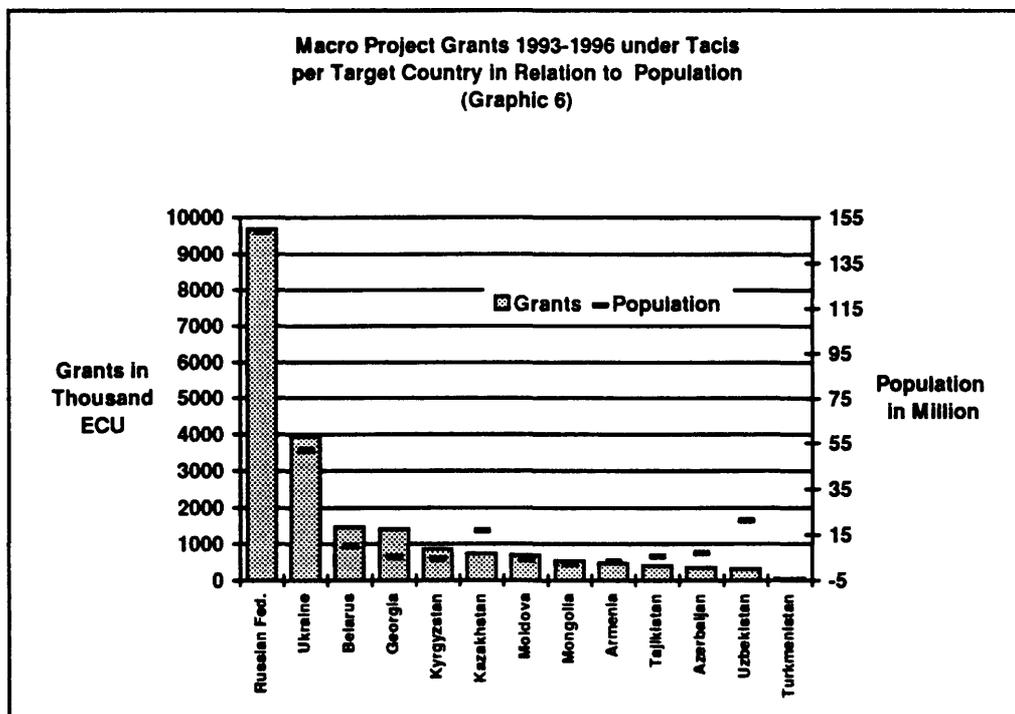
The dominant role of the Russian Federation and Ukraine has increased continuously over the years and has been accompanied by a steady decline of regional integration. Whereas the relation of national and multinational macro-projects has been even and relatively constant in the Phare Programme, Tacis national projects amounted to 70% of the total, leaving only 30% of the project grants to multinational macro-projects. And this disproportion has continually increased. Multinational projects came to about 60% when compared to national projects in 1993. In 1996 they were only 30% of national macro-projects, with most being projects in the Russian Federation.

3.3.2 Areas of Activity

The distribution of macro-project grants among the eight Areas of Activity is generally congruent with that of the whole PTDP. De-

velopment of NGOs has had a predominant position with a share of nearly 50%, followed by Awareness Building, Independent Media and Human Rights, each of which amounted to 12%-13%. The remaining Areas make up 3%-5% each. Only the Area Minority Rights and Equal Opportunity, with a 1% share, has been virtually unrepresented within the Tacis Programme; this compared with a 7% share in the Phare macro scheme and 12% in the Phare micro scheme.

3.4 Conclusions

Based on our quantitative analysis of the PTDP we can draw several conclusions on the programme implementation, distribution over countries and acceptance in specific areas of programme activities.

1. There are major differences between the Phare and the Tacis part of the programme. The Phare part is dominated by the bottom up approach, favouring macro-projects which are more or less equally distributed among all countries and which - to a large degree - involve multi-country activities. In addition, under Phare a micro-project approach which is also 'bottom up' has been successfully introduced. The Ad hoc/Own initiative projects do exist, but never had a dominant influence. They are used in special, defined areas.

2. The Tacis part of the programme has a strong impact on ad hoc/ own initiative projects, covering a broader range of areas. Micro-projects are still not in operation, although the budgets are partly available for 1997. The Tacis macro-projects are to a large degree concentrated on Russia and Ukraine and are not very multi national in their approach. The greater importance of ad hoc projects has influenced the areas of activities under PTDP. Ad hoc projects mainly exist in areas like parliamentary practice,

election support and rule of law, areas which play a minor role in a bottom up approach.

3. The statistical distribution of projects over the eight areas of activity show a clear dominance of the development of NGOs as a main aspect of the programme both in Phare and in Tacis. The ranking is:

- Development of NGOs (46%)
- Awareness building (14%)
- Independent Media (10%)
- Human Rights (10%).

These four areas account for 80% of all projects. Even if the distribution over all eight areas is a little bit more even under Phare, the dominant share of NGO development remains significant. The instrument of bottom up initiated macro-projects run by NGOs and the special political situation in transformation states set limits to which the eight areas of activities can be realised.

4. In several Tacis countries some areas of activity are completely missing, e.g. parliamentary practice. The distribution of micro-projects over areas of activity under Phare shows that critical areas like minority rights, public administration play statistically a larger role than under the macro facility scheme. If there is truth in the argument that NGOs learn to manage larger projects from managing smaller ones, the non-existence of micro-project facilities in Tacis countries is harming the success of the PTDP.

5. Analysing specific countries, the distribution of projects partly reflects the size of the countries. This is true for Russia and the Tacis countries. Under Phare the projects are distributed more equally over all countries, which leaves comparatively large countries like Poland in a less favourable position. However, the distribution over countries does not seem to reflect any specific political situation or main focus for single countries.

43

6. For Phare the PTDP is represented by at least one project in each area of activity in each country. The Tacis programme has many more gaps in most countries, which can be explained by the fact that PTDP is still in a process of advertising and establishing itself in these countries and the NGO sector is less well developed.

7. The development of total grants for each country is very different, which seems natural with the bottom up approach of macro-projects. For the nine countries we have evaluated there are growing budgets for Estonia, Georgia, Kazakhstan and Russia, and decreasing budgets for Hungary, Poland, Romania, Slovakia and Belarus. However, a period of four years is not long enough to permit more than a tentative generalisation.

4. Qualitative Impact of PTDP in Evaluated Countries

4.1 Evaluation Framework

The following chapter summarises our overall findings concerning the qualitative impact of the PTDP. These findings are based on:

- evaluations of 65 projects including 3 ad hoc projects, 41 macro-projects and 21 micro projects using interviews, project reports and monitoring reports

- 10 round tables in the nine selected countries, including two in Russia

- interviews with individuals involved in the PTDP including the Commission, the local EU delegations and Phare and Tacis offices, the European Human Rights Foundation

- interviews with other donors, e.g. Soros or the Know-How Fund, independent experts and NGOs not supported by the PTDP.

We have assessed the projects according to the criteria set out in Chapter 1 (p. 6/7). In this chapter, we summarise our conclusions for each criterion. A more detailed description by country is contained in the annex to this report.

Evaluation Criteria

Relevance: the extent to which the PTDP addressed the strengths and weaknesses of democracy in each country.

Consistency: the extent to which projects are consistent with guidelines of PTDP and their own project proposals.

Efficiency: whether projects have been implemented efficiently.

Adequacy of procedures: the extent to which the operational guidelines and practices are adequate.

Impact: contributions of PTDP to the development of democracy. Analysed as impact on individuals, groups, networks and politics.

Visibility: Visibility of projects, PTDP and the EU.

Replicability: to what extent did projects contribute to institution building which will enable similar projects in the future.

Sustainability: ability to continue the project after initial funding.

Given the character of the PTDP, it is not possible to measure the cost-effectiveness of individual projects or programmes, as we emphasise in the first chapter. By combining these evaluation criteria, however, we are able to make some overall judgements about the political impact of the programme and the separate components of the programme. This combination is summarised in Table 7 at the end of this chapter.

4.2 Relevance

By relevance, we mean the extent to which the PTDP addressed the strengths and weaknesses of democracy as outlined in Chapter 2.

In all the Tacis countries there are deficits in formal democratic procedures. By and large, the top-down ad hoc projects are largely designed to correct weaknesses in formal democracy. Therefore, the relative emphasis on ad hoc projects was clearly relevant; a much higher proportion of the total assistance pro-gramme consisted of ad hoc projects in these countries as is the case in Phare countries. The largest share of the ad hoc budget for Tacis countries, just over a quarter of the total, was spent on joint programmes with the Council of Europe designed to improve the quality of the participation of these countries in the Council of Europe. These programmes included assistance in preparing legislation, such as the Convention on torture, in accordance with European norms, training of judges, as well as assistance to im-prove the implementation of human rights. The second largest share, almost 20% was spent on parliamentary practise and some 16% was spent on election monitoring, often in conjunction with other international institutions, e.g. the OSCE. The remainder was spent on media monitoring before and during elections, training of journalists, support for legal development and civic education. In

particular, the innovative media monitoring project was clearly relevant in countries where lack of a pluralistic media is a key obstacle to free and fair elections.

In the Phare countries, the ad hoc projects are less important. Those ad hoc projects concerned with minorities and with anti-corruption were clearly relevant to the problems faced in all the Phare countries, especially Estonia, Romania and Slovakia.

Regional Roma Programme

Under the 1994 Ad Hoc facility for Phare a regional Roma programme was funded in Hungary. The contractor was the Autonomia Foundation, which developed through this and other projects into a very influential and stable institution in Hungary.

The project had three components: leadership and management training, the training of radio journalists and the establishment of legal defence bureaux.

The leadership training took place over three modules separated in time; the aim was to address the complexes that arise from the tendency to accept self-images created by others because of inadequate history and lack of pride. Many of those trained have now established themselves as Roma leaders in their villages.

The radio training was especially successful in Bulgaria where local Roma radio broadcasts have been started in six places. Roma journalists who were trained under the programme won a prize for the best production dialogue with local people.

The legal defence bureaux were replicated. Initially, two were created in Bulgaria and Hungary. Then two more were created in Bulgaria and Slovakia. The Bulgarians assisted in the establishment of the Romanian bureau and the Hungarians in the establishment of the Slovak bureau.

This project was very relevant. It drew attention to an important emerging issue in Central Europe. It helped to create a Roma network and mechanisms for Roma representation and defence at a time when discrimination against Roma is growing. The multi-country character of the project was also important.

As far as the macro- and the micro-projects are concerned, in all countries, the predominant emphasis was on the development of the NGO sector and awareness-building and civic education. By and large, the balance of projects in different countries does seem to have reflected the specific needs in those countries. Democratic reform, human rights and penal reform have all received emphasis in Belarus. Human rights have received greatest prioritisation in Belarus, Russia and Kazakhstan. In Russia, more is devoted to the monitoring of security structures than in other

countries. Hungary and Poland have received relatively more than other countries for transparency of public administration. The independent media have received emphasis in Georgia, Romania and Poland. The priority given to minority issues and/or disadvantaged groups in Kazakhstan, Romania and Slovakia is also appropriate. Indeed, in only one case, Estonia, where greater emphasis could have been accorded to the status of the Russian minority, is the relevance of the choice of projects open to question.

Analysis of the programme by areas of activity does not fully capture the priorities of the programme, however, since many projects cover a number of different areas and/or do not exactly fit any one of the defined areas. Thus conflict resolution and confidence building measures in conflict areas were an important and highly relevant component of the programme in Georgia although the projects were categorised as NGO development, awareness building and independent media. Similarly projects aimed at solving social problems and representing marginalised groups or special interest groups are a relatively important component of the overall programme. Thus trade unions have been supported in Belarus, Russia and Georgia; the association of landowners and agricultural entrepreneurs in Slovakia, disabled groups in Slovakia, prisoners in Romania, and projects aimed at poverty alleviation in Kazakhstan. Womens groups have also received priority in most countries. These projects come under NGO development, awareness-building and minorities and disadvantaged groups. Thus the category for minorities and disadvantaged groups is, like NGO development, somewhat of a holdall category which includes projects aimed at coping with ethnic problems - Hungarians and Slovaks in Slovakia, refugee projects in Poland, or Roma projects in several countries- as well as social issues, gender issues and sexual minorities.

Conflict Resolution in Georgia

A major obstacle to democracy in the Transcaucasus region is the continuation of unsolved or frozen conflicts, in particular - Abkhazia, South Ossetia, and Ngorno Karabakh. All the countries of the region have to cope with large numbers of refugees, disrupted economies, ethnic tension, and the menace of renewed war. Several projects in Georgia have been supported by Tacis which are aimed at contributing to conflict resolution.

VERTIC (Verification Technology Information Centre), a British-based NGO, has been involved in three Tacis projects. Two of the projects were in partnership with the Youth Council and one was in partnership with the Caucasian Institute for Peace and Democracy and the Institute for War and Peace Reporting in London. The aims of the first two projects were NGO development and confidence building measures in the conflict zones, particularly South Ossetia. VERTIC was instrumental in establishing the youth council, an umbrella organisation of 67 youth groups. Initially, the confidence building measures were targeted at young people but gradually VERTIC has moved to a more elite level involving parliamentarians and economists. The third project involved the training of journalists, conferences and discussion groups involving journalists and others in the whole Transcaucasian region and the publication of an English language media digest. VERTIC organised a visit for the Speaker of the Ossetian parliament to Tibilisi in January which enabled him to meet both Zhvania and Shevardnadze. They also helped to establish cooperation among Ossetian and Georgian economists who produced a report about economic co-operation which is thought to have made an input into the agreement signed in Moscow in March.

The Helsinki Citizens Assembly had a Tacis wide project on building transnational civil society in conflict areas. In the Caucasus region, this involved local branches in Georgia, Armenia, Azerbaijan, and Ngorno Karabakh as well as a Caucasus wide refugee committee. The groups have been able to co-operate successfully in pressing for the release of prisoners of war and hostages, and working together on refugee problems. The Georgian Round Table and Organisers workshops funded under the macro-project, helped to build links with Abkhazia and Northern Caucasus and led to a meeting of NGOs and refugee groups in Pitsander, Abkhazia which led to the establishment of an Abkhazian branch.

The International Center on Conflict and Negotiation is about to start a conflict resolution project in Abkhazia together with the British-based International Alert.

In our view, the way in which the PTDP has been able to adapt to the specific circumstances in each country has been largely due to the bottom-up character of the programme. Since grantees put forward their own ideas through the competition process, they influence the pattern of grants. Those inside the country are much more likely to have a clear idea of the problems of their countries and their proposals reflect the needs of their countries as they perceive them. The criteria for selection and the selection process

itself is also important since many projects get turned down; this allows for some outside input into priority setting.
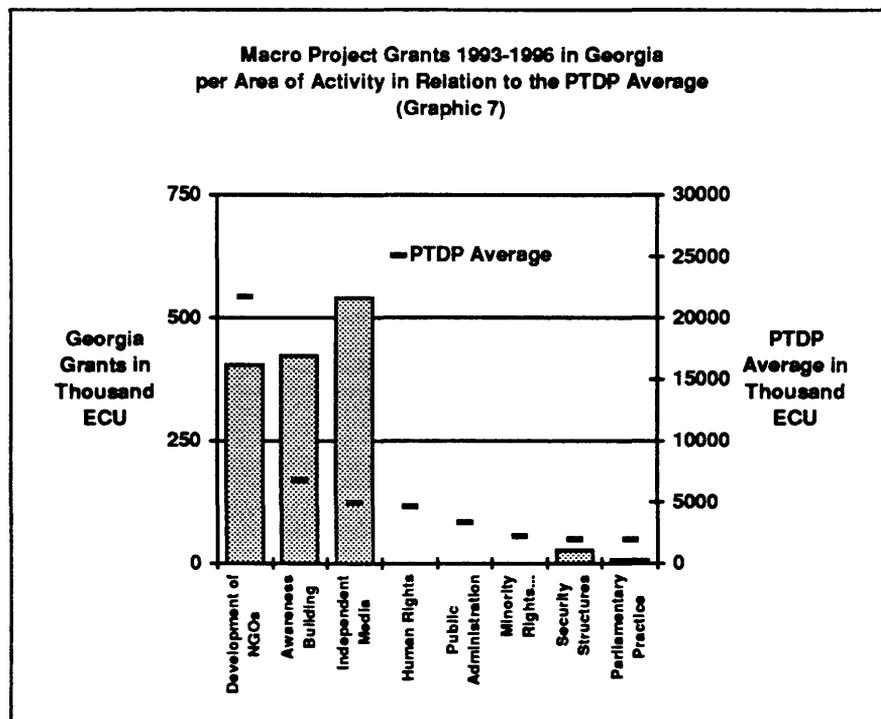
4.3 Implementation of Projects -

Consistency, Efficiency, and Adequacy of Procedures

By **consistency** we mean the extent to which projects were consistent with the guidelines of the PTDP and the extent to which projects were consistent along the lines proposed. In all countries, our finding was that consistency was generally good.

By **efficiency**, we are referring to the efficiency of implementation of the projects. This depends both on the nature of the recipient organisations and on the overall environment for NGOs.

As regards the recipient organisations two factors are important. One is the level of professional capacity; experience in management, accounting, proposal and report writing. The other is what

Macro Project Grants 1993-1996 in Georgia
per Area of Activity in Relation to the PTDP Average
(Graphic 7)

might be described as movement capacity - the ability to mobilise people, to attract volunteers, and to make a public impact.

These two factors are very rarely compatible. The most professional organisations are often the least likely to display movement capacities. Especially, but not only, in Tacis countries, post-Communist structures are often best able technically to implement projects but are rarely able to provide added social dynamism. Thus, for example, projects aimed at modernising Georgian trade unions or at training Georgian journalists were adequately implemented within the terms of reference of the original projects but their impact was limited because of the inflexibility of the institutions which were responsible for implementation. On the other hand, more movement type organisations often have difficulty

---

95/2172 Bi-media Skills and Management Training - Georgia

This project, undertaken by the BBC and Deutsche Welle - Radio Training Centre together with Georgian TV and Radio, the state broadcasting company, is a good example of the problems that arise from the inflexibility of post-Communist organisations. The aim of the project was to provide training in news programming for both radio and television so 'that the broadcast media can provide their audiences with the reliable and impartial information needed to make informed choices about all aspects of life'. The training programmes were successful in the sense that those journalists who participated felt that they learned a great deal and that the experience had been very rewarding. The trainers joined the journalists in preparing news packages and these were shown on national television. Moreover, the management training courses were also highly appreciated - one manager commented 'This has been a week of dreams'. The project also helped to build bridges between the Georgian broadcasters and the European partners.

The problems arose from the reluctance of news editors to participate in the programmes, the inadequacy of equipment, the lack of professional experience and the limited room for manoeuvre for managers. According to the final report of the project:

'Television journalists can be shown how to produce effective and interesting stories but if the editors will not put them on air, nor organise work schedules to enable good journalism to take place, nor accept the need for change in editorial values, ambitious young journalists will become disillusioned.

Radio journalists can be taught interviewing and packaging techniques, but without the technology to process audio quickly and efficiently, they will choose the only real option - the written single-voice report.

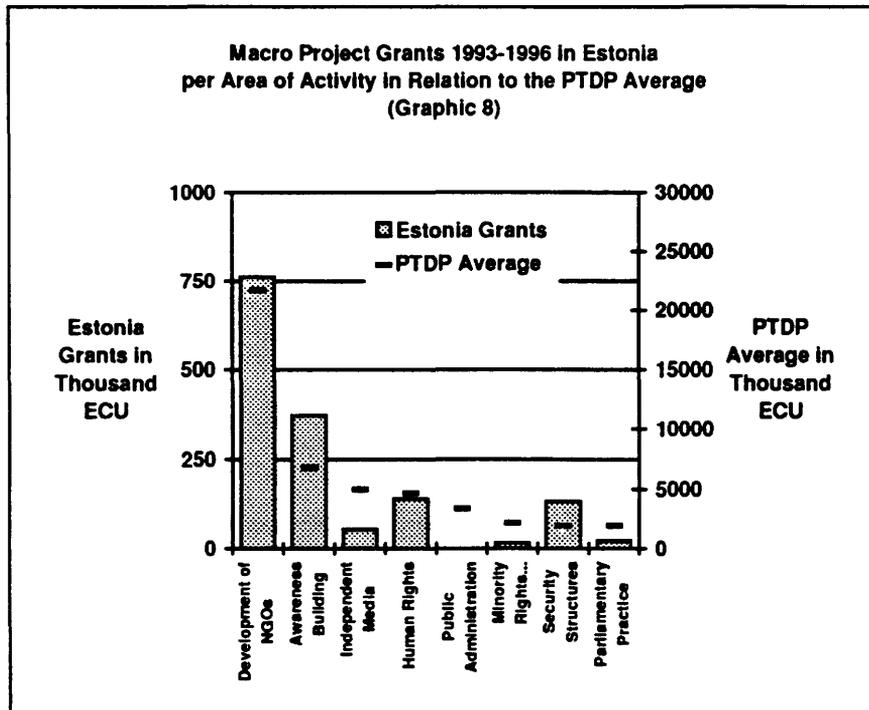Managers cannot put into effect lessons on organisation and managerial best practise unless empowered to do so.'

After the training, television news 'reverted back to the old sterile format'. More success was achieved in training commercial radio and television stations.

complying with PTDP requirements. We did come across some examples of organisations which were able to straddle both worlds and to combine a professional approach with movement-type dynamism. These include the Civic Institute in Slovakia, the Pro-Democracy Association in Romania, the Central Asian Sustainable Development Network (CASDIN) in Kazakhstan.

In terms of the environment in which NGOs operate, many NGOs face constraints which are not always appreciated by donor organisations. These include:

- Difficulties of registration, especially in Kazakhstan and Belarus. In Russia, the fee for registration is very high.

- High taxation of NGOs which is not taken into account in budgeting. Slovak NGOs have to pay VAT, for example.

- Problems of postage in Tacis countries. For Russia, it is very difficult to send original documents to Brussels since these are required by the local tax office.

- Difficulties of opening a foreign currency bank account.

- Lack of allowance for inflation which is very high in some countries.

- Problems of co-financing and of coping with a system of final payments.

As can be seen from Table 7 at the end of this chapter, efficiency of implementation seems to have been higher in the Phare countries than in the Tacis countries. Among the Phare countries, it was weakest in Estonia at least as regards the projects that were evaluated and among the Tacis countries, it was greatest in Kazakhstan. The difference between Phare and Tacis countries is partly due to the more advanced development of NGOs and partly due to the fact that NGOs in Tacis countries are operating under greater constraints than in Phare countries.

**Macro Project Grants 1993-1996 in Estonia
per Area of Activity in Relation to the PTDP Average
(Graphic 8)**

There are complaints about the **adequacy of procedures** in all
the countries we visited. These include complaints about delays in
signing contracts and payments, most frequent, complaints about
the complexity of requirements for proposals, reports and budget-
ing, and complaints about the difficulty of communication and the
lack of feedback. The management of the programme as a whole
is dealt with in Chapter 5. But it is worth noting that complaints
about procedures seem to be greater where efficiency is weakest.
This may be because weak recipient organisations are least able
to cope with complex administrative requirements and with delays
in contracts and payments. It may also be partly explained by the
natural attempt to find scapegoats for weaknesses.

(5)

4.4 Short-term Impact -

on Individuals, Networking, and Visibility

Perhaps the most important immediate impact of PTDP projects is the **impact on individuals** engaged in the projects. First and perhaps most importantly, the projects enable those employed by the projects to become professionals and to work full-time on civic activity. In every country, we came across individuals whose lives and career patterns had been changed by participation in PTDP projects. In the Tacis countries, where incomes are very low and the struggle for survival is all-encompassing, this is especially important. It is sometimes argued that the growth of the NGO sector is artificially stimulated by foreign funds. Although we found many individuals who were able to devote time to NGO work only because of the availability of funding, we did not come across anyone for whom this was a primary motivation. Those whose

---

GRADO - Romanian Group for the Defence of Human Rights

This organisation was founded in 1994 by Mihai Popescu. It is a relatively small organisation with 12 employees (3-4 on each project). It is located in a run down apartment bloc where it has three small offices. They have received three Phare micro-projects. The first project was concerned with the reintegration of returning Romanian migrants into Romanian society and of women who have served prison sentences. The second project was concerned with minors and their relationship to authority. They produced information leaflets on penal law and other information material relevant to offenders and prisoners. The third project is about legal monitoring of human rights in prisons. They have also received support from LIEN for their work with women and minors in prison, especially as regards human rights and rehabilitation. Other work includes therapy for reoffenders and theatre in prison.

This NGO is involved in prison work on an every day basis and in this respect performs a vital service. It is the daily involvement that is so crucial in a system that was traditionally closed and authoritarian. The NGO is able to facilitate communication between prisoners and prison officers and contribute to opening up the prison system. Though it is located in Bucharest, it tries to operate on a nation wide basis. It is difficult unglamorous work on an issue which has not yet generated much public support.

The president, Mihai Popescu is an engineer by profession who formerly had his own business. He had done volunteer work in prisons before starting GRADO. He is an impressive man, highly articulate, dedicated and energetic who is obviously not motivated by financial gain, nor by prestige. His moral authority has attracted many young volunteers.
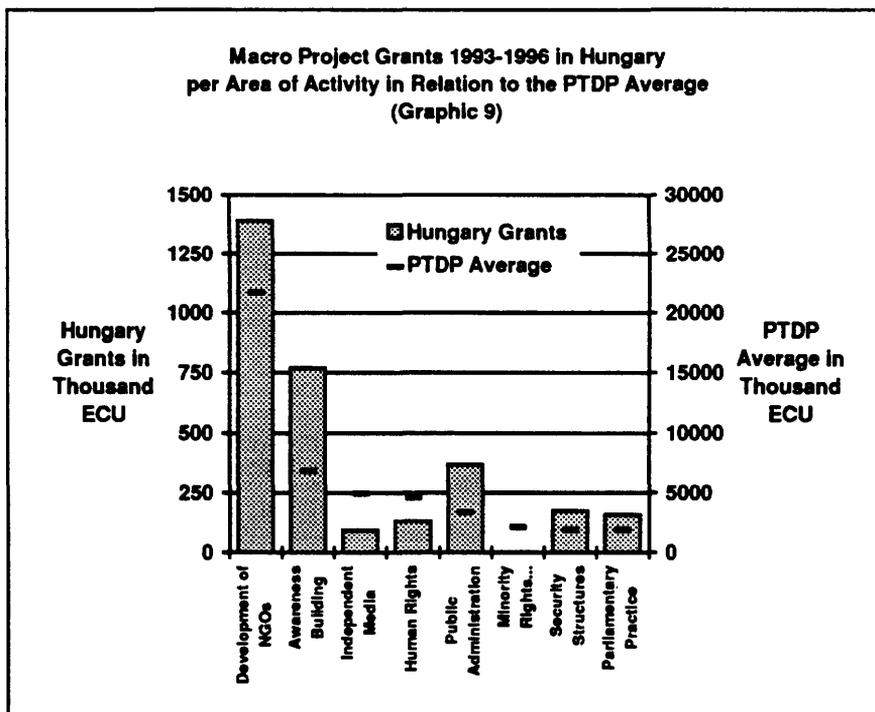
---

primary motivation is financial are more likely to turn to business or other occupations. We met a number of extraordinary individuals who were able, thanks to the PTDP, to devote their lives to trying to improve their societies.

As well as funding, PTDP projects provide a learning experience. In addition to those projects explicitly aimed at training for NGOs or civic education, the process of implementing the projects provides on-the-job training which many recipients have stressed. Indeed, several individuals suggested that this is a much more effective form of learning than formal training courses where the techniques are often forgotten if not immediately utilised. In particular in several countries, notably Hungary and Slovakia, participation in micro-projects has provided the necessary experience to enable individuals and NGOs to 'graduate' to macro-projects.

Perhaps the most important and least measurable impact of PTDP projects has been to stimulate civic attitudes and activities. In several of the Round Tables, participants from Central and Eastern Europe stressed the subjective character of democracy. In Poland, democracy was defined in terms of the dignity of citizens; the knowledge that sovereignty belongs to the citizen and that officials are the servants of citizens even if they are not aware of this. A participant at the Romanian Round Table stressed that democracy, for her, meant a widening of horizons, an opening up of opportunities, a sense that you as an individual can choose your future. In Georgia, young people stressed how difficult it is to learn to act as an individual, to make your own decisions, to take responsibility, to be able to act differently from everyone else, to follow your conscience and not the collective will. PTDP projects have contributed to this changing mentality, partly through open discussions and seminars, partly through contacts with partners, and most importantly through the sense of

empowerment that develops when implementing a project successfully.

Networking is an important aspect of macro-projects because these projects have to involve a transnational partnership to be eligible. Initially, these were East-West partnerships but now East-East partnerships are encouraged. In general, the transfer of know-how and skills, the interaction with Western partners, and the mutual support, is welcomed. It should be stressed that the Western partners also benefit. For many Western NGOs, involvement in the PTDP has helped to attract other funding and to add new dimensions and ways of working. Involvement in the

Macro Project Grants 1993-1996 in Hungary per Area of Activity in Relation to the PTDP Average (Graphic 9)

PTDP raises consciousness about Central and Eastern Europe and introduces new perspectives about democracy which are relevant in Western Europe as well. The East-West communication fostered by the PTDP has led to new ideas and concepts concerning European integration and helps to draw attention to
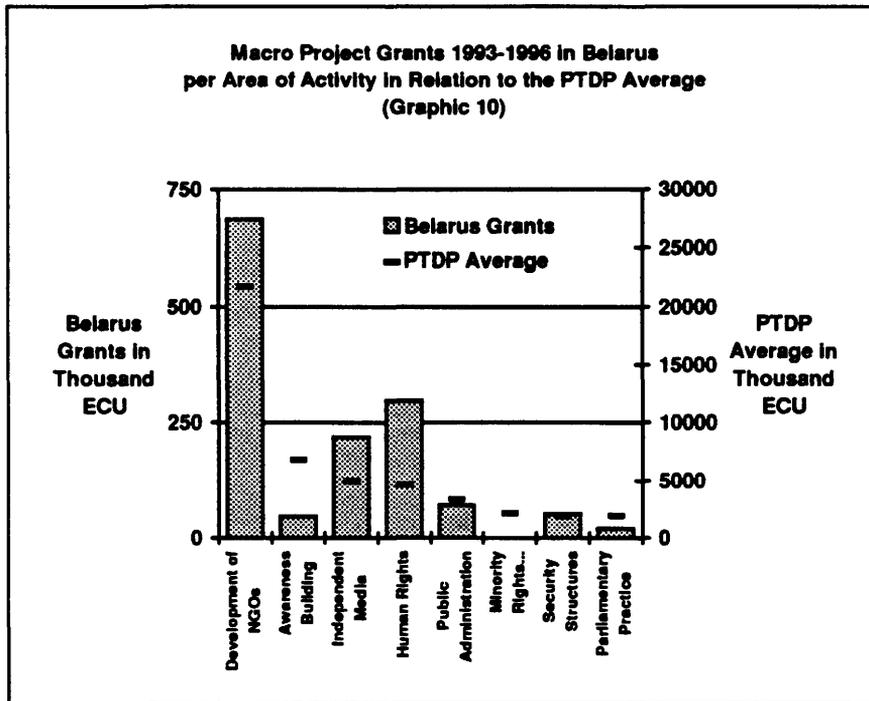
specific issues in recipient countries both through greater publicity in the West and through the lobbying activities of Western NGOs.

SODICOBA - Social Dialogue and International Cooperation in the Baltic Sea Region

This macro project (95/3145) put forward jointly by a large number of trade union organisations in almost all Baltic Sea countries aims to strengthen the social influence and the organisational capacities of trade unions in the region of St. Petersburg and in the Baltic states. At the same time it provides a new way of networking among trade unions between East and West. Joint training, seminars and conferences have led to a series of important programmes which have attracted funding from other Phare programmes (Phare Partnership) as well as from governments to support this network.

In a number of cases, recipients complained of dominance by the Western partner. This was often the case where the Western partner was the lead organisation and where the local organisation was relatively weak. Moreover, there seems to have been a learning process. In the first few rounds of PTDP projects, the lead was taken by Western partners but in later rounds, the local partners became the lead organisations and the division of the budget and the tasks was negotiated in a more satisfactory way.

Complaints about the dominance of Western partners were more frequent in Tacis countries than in Phare countries. This is partly to be explained by the weakness of local organisations and the shorter time in which the programme has been running. An additional problem for Tacis countries has been the difficulty of finding appropriate partners. This is partly due to distance. NGOs in remote parts of Russia have a hard enough time finding partners in Moscow let alone Western Europe. But it is also the case that on many of the issues which concern Tacis NGOs - human rights and democratic development - the most appropriate Western partners are those most likely to be preoccupied with their domestic situation and least interested in international links. Partnership conferences might be one way of solving this problem.

**Macro Project Grants 1993-1996 In Belarus
per Area of Activity In Relation to the PTDP Average
(Graphic 10)**

In both Phare and Tacis countries, East-East partnerships are particularly valued because they offer an opportunity to share common experiences and learn from each other. As yet, East-East partnerships have not been very developed although Polish NGOs have been very active in Belarus and the Baltic states. While there have also been complaints of Polish dominance, these efforts have been highly appreciated.

95/3270 Belarussian NGO development project

This macro-project is led by the Institute for Democracy in Eastern Europe (IDEE) in Warsaw with the participation of the Civil Society Centre 'Supolnosc' of Belarus and a number of other Belarussian NGOs. The project has achieved a great deal of support among Belarussian NGOs and enjoys an excellent reputation. It involves a large number of NGOs, it is not confined to Minsk and, indeed, it reaches many small organisations in the provinces and offers real support. It has very high visibility and the Polish partner, building on experience in Central Europe, has made an effort to spend resources so as to directly benefit Belarussian NGOs.
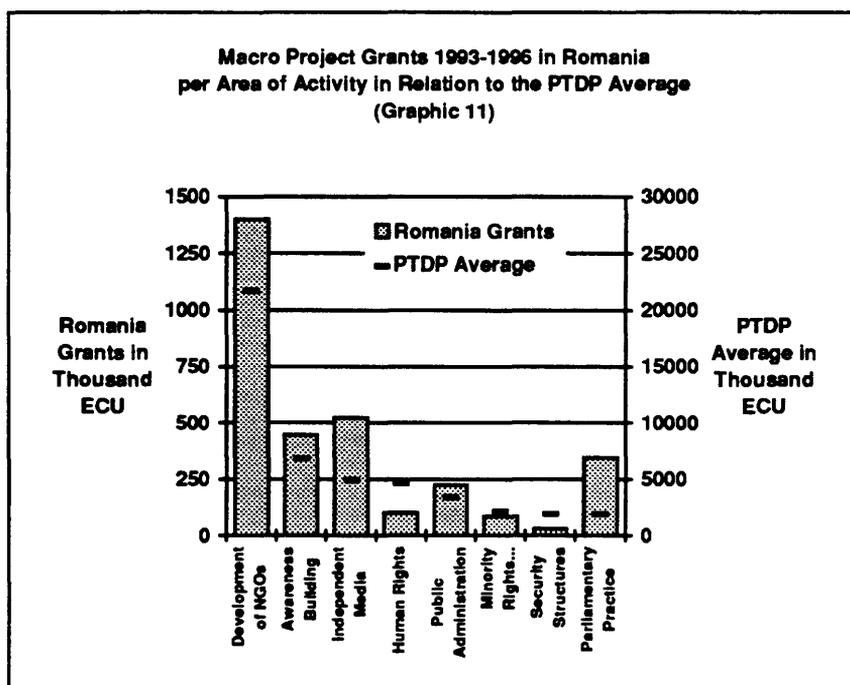
By **visibility** we mean both the visibility of the projects - how many people are reached and the impact on the media - and the visibility of the EU. The visibility of projects varies considerably. Some projects aimed at training or the transfer of techniques do not aim for visibility. Other projects have been highly visible, have attracted many volunteers and really made a public impact. In many cases, micro-projects have been more visible than macro-projects because they are undertaken by the more movement type of NGO. Moreover, where there have been large numbers of micro-projects, as in Hungary or Romania, the programme involves large numbers of people and becomes widely known. In Hungary, some tens of thousands of people have participated in one way or another in the Phare democracy programme.

272/ROM/95 Women in Modern Society

This micro-project was run by the XXI Century Foundation which is centred around a cultural magazine which has a very high profile among the Romanian intelligentsia. This gives the foundation a focus and an outlet and its projects are geared towards the publication of special issues for a wide audience. The project concerned the position of women in Romanian society and feminism. Four workshops and a colloquium were held attended by leading public figures, social scientists and journalists and the issue in which the debates and proceedings were published was a great success and was quickly sold out. The colloquium generated a great deal of publicity involving radio and TV and this helped to propagandise the issue of gender in a much wider milieu. This is important in a country such as Romania where very little public awareness of this issue exists. The project was, therefore, successful, visible with both tangible and less tangible social outcomes. For this NGO the project was part of a learning process and the accumulation of such experience will, they hope, enable them to run much larger projects in the future.

Since some projects have been highly visible in almost all countries, the programme as a whole seems to have rather high visibility. An exception is Georgia perhaps because projects have been rather few and often dominated by Western partners.

The high visibility of the programme as well as seminars, round tables and conferences aimed at explaining and promoting the programme also contributes to the visibility of the European Union. In every country, the importance of the EU label was emphasised for a number of reasons. First of all, the EU label adds to the prestige of the project. It is a kind of stamp of legitimacy which helps to attract funding and other kind of support. In Poland particularly, it was argued that the EU label greatly increases the credibility of the NGO sector. In all countries but especially in those countries with an authoritarian past, there is a tendency for the elites to dismiss citizens groups as unserious and not worth listening to. Democracy is understood in formal terms and citizens groups are often considered a nuisance interfering in the normal parliamentary processes. Support from the EU helps to change those attitudes which is an important element in the evolving political culture.

Macro Project Grants 1993-1996 in Romania per Area of Activity in Relation to the PTDP Average (Graphic 11)

Secondly, the EU label offers a form of protection in countries with authoritarian tendencies. This has been very important in Romania before the 1996 elections, in Slovakia, in Belarus and in Kazakhstan. In Belarus, the government has tried to interfere in

the NGO sector particularly as regards youth organisations and humanitarian organisations and has actually succeeded in closing down the Soros Foundation. But it has not been able to interfere with EU funded projects. In Slovakia, the NGO sector which is very visibly supported by the EU has become the main form of opposition to the Meciar government.

Thirdly, and very importantly, the PTDP offers a signal about the character of the EU -its values and goals. The PTDP is probably more visible at a local community level than other EU programmes. The fact that the programme is independent of the government and that it is clearly seen to support civic activities helps to popularise the EU as a democratic, multi-cultural organisation (even though this is sometimes offset by the negative image resulting from bad experiences with contracts and payments).

4.5 Long-term Impact - Replicability and Sustainability

By **replicability,** we mean replicability in institutional terms. To what extent have the projects contributed to institution-building which will enable both the grantees and other NGOs to undertake similar projects in the future?

Undoubtedly, the PTDP has significantly contributed to institution-building. In particular, micro-projects have been very important in helping to establish new NGOs especially outside of capital cities. The micro-projects have had a wide outreach and have contributed to the growth of what are known as 'second generation' NGOs. After successfully completing a micro-project, a number of NGOs have acquired the capacity to apply for larger macro-projects.

However, macro-projects are equally important. In every country, it is possible to identify one or two 'first generation' NGOs who act as 'mother organisations' to the second generation - providing advice, information, organising networking and co-operation. Thus the Helsinki Committee/Helsinki Citizens Assembly/Group for Social Dialogue, led by Gabriel Andrescu, plays such a role in Romania. In Russia, the Moscow Centre for Human Rights was able to contribute to the development of many new NGOs through the macro-project *Organisation of Human Rights Network* (93/0398) and the work continued after the projects was completed. The project *Armed Forces and Society* (95/210) had a similar 'snowball' effect and led to the creation of regional human rights groups. In Slovakia, the larger NGOs, which depend on macro-projects, have played an important role in organising forms of association (gremium) among NGOs which has helped to protect them from government interference.

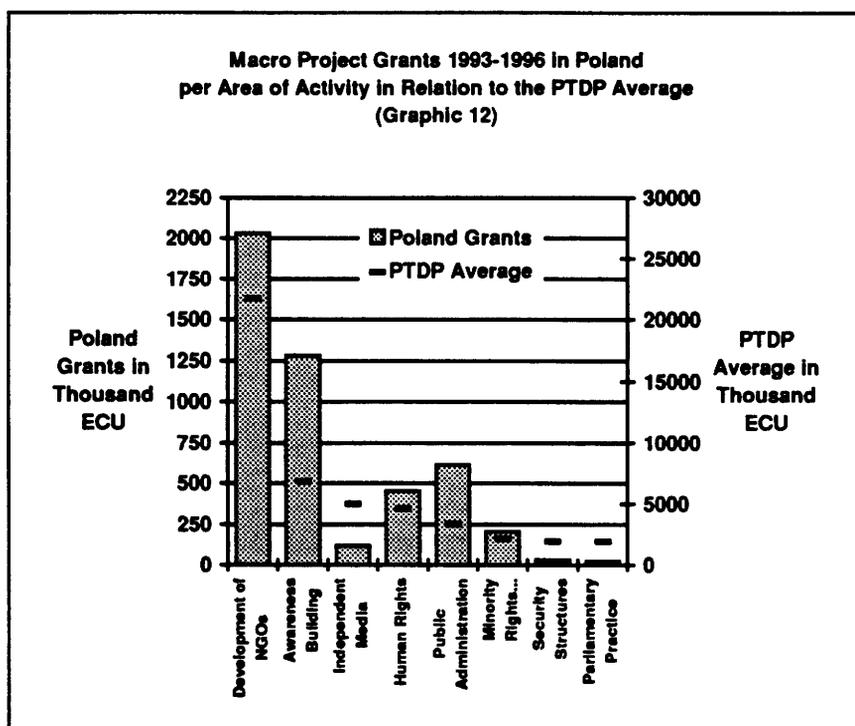**NGOs and Poverty Alleviation in Central Asia (94/1004)**

The Central Asian Sustainable Development Network in Kazakhstan came into being with support from private donors. Through the Tacis project, undertaken in partnership with the International NGO Training and Research Centre in Oxford (INTRAC), CASDIN provides support to other NGOs - collecting and disseminating information, providing technical assistance and establishing contacts to other NGOs, government and the business sector. It publishes the bi-monthly Sustainable Development, which provides information on local, regional, and international NGOs and holds seminars and workshops. It trains other NGOs in project management and organising conferences and seminars. It maintains a library and database on the whole of Central Asia and on international NGOs who have projects in Kazakhstan.

At the end of 1996, CASDIN inaugurated the Charter of the Association of Non-Commercial Non-Governmental Organisations of Kazakhstan (ANCGOK) a coalition of NGOs from every region of Kazakhstan. Given that the tertiary sector has grown considerably in Kazakhstan in the last few years but the NGOs lack training, expertise and experience and are often struggling in a hostile environment, the achievement of CASDIN is noteworthy.

By **sustainability** we mean the ability to find financial support after the project ends. Most NGOs in Central and Eastern Europe are dependent on foreign funding. This is both due to the legacy of totalitarianism where people were forced to engage in political

activity and donations to trade unions or peace committees were compulsory; hence there is no tradition and in some cases active reluctance towards voluntary contributions. In addition these countries are poorer than Western countries and there are fewer available resources. The ability to generate internal sources of finance is weakest in the Tacis countries both because the legacy of totalitarianism is greater and because these countries are in the midst of severe economic crises. Few people can afford to offer services or to give money.

Among NGOs, there is currently considerable debate about how to generate internal funding. A number of NGOs are beginning to undertake income-generating activities such as running confer-

Macro Project Grants 1993-1996 In Poland
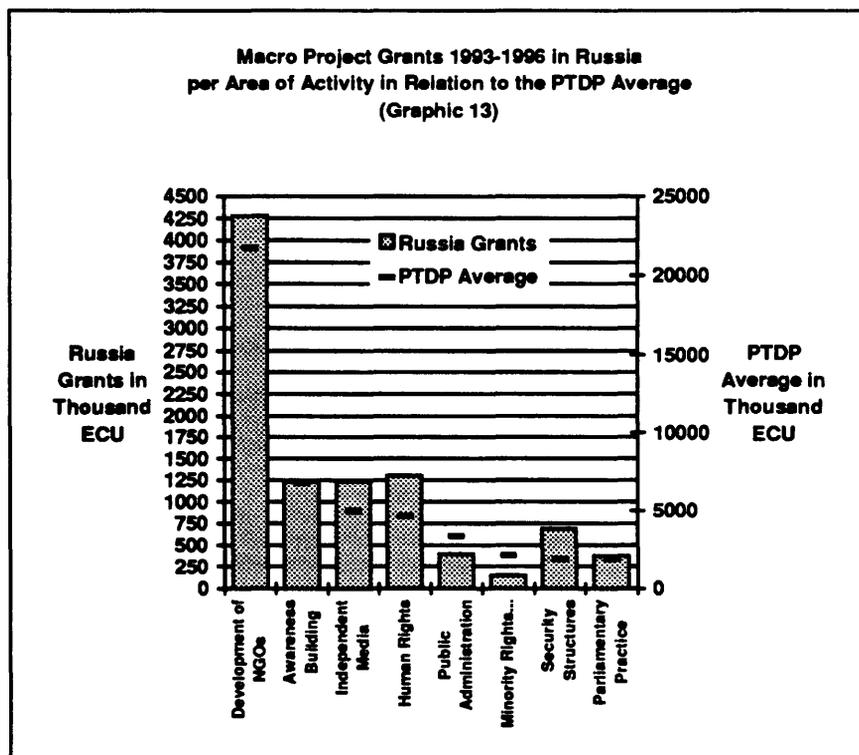per Area of Activity In Relation to the PTDP Average
(Graphic 12)

ences or seminars or training programmes or other services, or selling literature, although the legal status of these activities is unclear in several countries. Some organisations have membership although this rarely generates sufficient resources. Other donors are local businesses who are beginning to realise the link between a market economy and the development of civil society and local governments. In Central Europe, successful projects have sometimes been able to attract local government funding.

13/POL/94 Integration programme: Rights of Refugees

This micro-project was run by the 'Podkowa Klub' Cultural Centre in Podkowa Lesna (near Warsaw). It helps Armenian refugees living in refugee camps in Podkowa Lesna to better adapt to the Polish environment and improve their psychological condition. The project has provided a lot of support to the refugees including reliable first-hand news from their home towns and areas. It was also rather successful in establishing personal contacts between refugees and the local population and building trust and better understanding on both sides. The visibility of the project in Podkowa Lesna has been very high. Its sustainability is also high since the Centre is continuing the work with local government funding.

An innovative example of sustainability was the macro-project *Coordination Centre for NGOs in North-West Russia* (95/3449) which ran workshops and advisory sessions for NGOs in Archangelsk, Pskov, Novgorod and Petrovodsk. Instead of charging a fee for its consultancy work a 'voucher' was given. This could be 'worked off' by the NGO in turn helping other NGOs in their region and giving proof of this.

Macro Project Grants 1993-1996 in Russia per Area of Activity in Relation to the PTDP Average (Graphic 13)

Despite these efforts, foreign funding will remain crucial for some time to come. Undoubtedly, PTDP funding helps sustainability because the EU label often attracts other foreign funding. Successful projects are able to continue their work by diversifying their sources of finance. It should be stressed, however, that many Western donors, particularly American donors, are moving eastwards, on the grounds that democratisation has been achieved in Central Europe. Thus in Central Europe, dependence on the PTDP is greater than before and it is very important that the Phare programme is continued.

4.6 Overall Political Impact

Our overall conclusion is that the main impact of the PTDP is on the growth of the NGO sector and therefore the political impact is largely indirect via the political influence of the NGO sector. Of course, the NGO sector itself is a key component of substantive democracy; an important medium through which individual citizens can participate in public affairs. In several countries we were told that, after the first flush of democratisation when political activists engaged directly in party politics, democratically minded people who are committed to changing their societies have chosen instead to become involved in NGOs. Apart from the post-Communist parties, membership in political parties is low. Therefore, the NGOs have become the main forum for civic participation. The NGOs constitute a form of access to government and international institutions, through which individuals can develop ideas and put forward proposals.
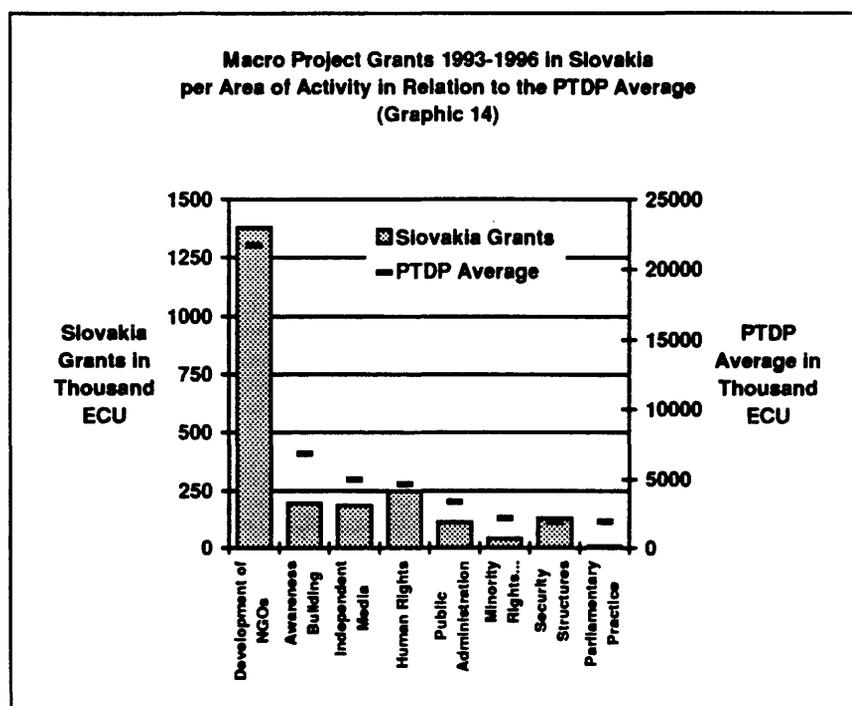
There are several reasons why the main impact of the PTDP is on the NGO sector. First of all, only NGOs are eligible for macro- and micro-projects. Secondly, NGO development is easily the most important component of the programme. Thirdly, the emphasis of

the programme is itself indirect; the aim is to offer technical assistance, to provide the know-how to engage in democracy rather than to engage in political issues directly.

The NGO sector contributes to the process of democratisation in three ways. First of all, the NGOs represent a pressure from below for democratic reform. NGOs in Belarus and Russia, for example supported by Tacis, campaign for penal reform and against torture in prisons. In Slovakia, NGOs supported by Phare have campaigned against the Language Laws which discriminate against Hungarians and against the Law on Foundations which would restrict the autonomy of NGOs.

Secondly, NGOs draw attention to problems in their society and represent a form of critical monitoring of the process of democratisation. This is why the partnership element of the PTDP is so important. Via partners, NGOs can alert the international community and influence public opinion in other countries as well as policymakers. Belarus, for example, is not a country that receives much Western public attention. It has been largely the NGOs and their partners, particularly in Poland and Germany, who have raised concerns about the reversal of the democratic process.

Thirdly, and perhaps most importantly, the NGO sector contributes to the development of a democratic political culture. The NGOs represent a 'reservoir for the spread of democratic ideas' (Georgian Background Study), a medium for transmitting civic values. It seems very likely that the changed atmosphere, particularly in Central Europe, on issues like racism or gender can, at least in part, be attributed to the growth of NGOs. These changing attitudes do affect politics and voting behaviour. Totalitarianism always involved a degree of tacit consent; these changing attitudes help to prevent a reversion to totalitarianism especially in places like Belarus or Kazakhstan where old-style leaders are in power.

**Macro Project Grants 1993-1996 in Slovakia
per Area of Activity in Relation to the PTDP Average
(Graphic 14)**

In our view, Romania and Slovakia represent particular successes for the PTDP. In Slovakia, it is the NGO sector, strongly supported by the PTDP, which has carried the main burden of opposition to Meciar's authoritarian tendencies. The sector is exemplary, in terms of effectiveness, outreach and co-operation. Through a variety of programmes aimed at education for democracy or human rights or through providing platforms for political debates, attitudes in Slovakia are changing. Although this has to be partly explained in terms of the increased co-operation among the opposition parties, recent opinion polls which show Meciar strongly under challenge from the opposition can at least in part be attributed to the activities of NGOs.

In Romania, some participants at the Round Table attributed the success of the democratic opposition in the 1996 elections to the growth of the NGO sector. First of all, the growth of NGOs in the countryside where Ilescu depended for most of his support may have contributed to changing traditional attitudes. Secondly,

NGOs helped during the elections providing the activist man-
power which opposition parties lacked. Thirdly, the elections were
much fairer than previous elections. Although fraud was probably

---

Project 95/2259 Permanent Civic Institute Conference

The Civic Institute has its roots in the original civic organisation in Slovakia in
1989, Public Against Violence - this was the Slovak counterpart of Civic Forum
which led the 1989 revolution. The institute has some links with the parliamen-
tary democratic opposition, particularly the Democratic Party, the Christian
Democratic Movement and the Hungarian Independent Initiative. Their macro-
project is fully focused on the weakest aspects of Slovak democracy - lack of
public awareness, political apathy even cynicism, deficits in democratic practice,
racism and particularly the culturally inherited anti-Semitism. The project aims
at establishing democratic civic clubs holding regular meetings in most of the
urban centres. They have surpassed the 20 towns they have specified in the
project and have already established 50 of them. In each of these places, local
activists, recruited and trained by the Institute, are responsible for the organisa-
tion of meetings on important aspects of civic culture and human rights with well
known persons and experts. Attendances have varied so far between 30 and
400. Media coverage has been good and the clubs are becoming a significant
public platform for debate about democracy especially after the abortive referen-
dum on the constitution. The Western partner is the Westminster Foundation for
Democracy.

---

minor in previous elections and did not distort the election results,
there was no fraud in the 1996 elections both because the op-
position vote was too large to manipulate in minor ways and be-
cause of monitoring efforts by the NGO community.

The overall impact on Tacis countries has been much less than
the overall impact on Phare countries. In part, this is to be ex-
plained by the fact that Tacis countries have received lower levels
of funding and the programme started later. It also has to be ex-
plained by the fact that indigenous NGO capacities are weaker
reducing the efficiency, visibility, sustainability and replicability of
Tacis projects. Another reason is that projects have been more
top-down. There have been more ad hoc projects and macro-
projects, especially in Russia, have put more emphasis on the
interaction between NGOs and state institutions and/or training of
officials. Undoubtedly these projects have been useful but we are
not convinced that this is the most effective way to stimulate the

democratisation process; moreover, it does not enhance the reputation of the democracy programme to a similar degree. A considerable amount has been spent on the training of parliamentarians. Clearly, this is important but given our findings that, in general training is most successful where the experience can be applied, it could be argued that outside pressure to reform parliaments may be more effective. Official election monitoring has also received a large share of the budget. We have come across some very interesting and effective examples of non-official election monitoring undertaken by the Society for Free Elections in Georgia, for example (funded by the National Endowment for Democracy) or the Pro-Democracy Association in Romania (see below). Clearly official international election monitoring has to be done but it might be better funded under a separate budget especially for the purpose.

95/2297, Voter Education for 1996 Elections

The Pro-Democracy Association is probably the most successful Romanian NGO of its type. It has had major advantages over some of the other NGOs in that they received substantial financial assistance as well as training from an American organisation - National Democracy Institute - from its very inception. Though this support is now coming to an end it has achieved its purpose in establishing a powerful, efficient and successful NGO which due to the training received developed a professional approach before other NGOs. This NGO has the experience and know how to run large projects in a leading capacity and to attract large numbers of volunteers. The primary goal of this organisation is citizens participation in public affairs and for this purpose the association has engaged in numerous activities and projects involving public education such as publication of information and educational materials, and organisation of public debates, colloquia and meetings. The association also monitors government activities and lobbies for change of legislation particularly in the human rights area. Apart from the macro project they have also done 5-6 micro projects.

The macro project was on voter education and monitoring of the 1996 local, parliamentary and presidential elections. The project recruited 6000 volunteers who monitored the elections and helped with voter education. (The project was, however, seriously handicapped by the delays in the Commission. The money for the monitoring of the parliamentary and presidential elections, for instance, arrived after the elections had been held forcing both a change in the project and financial difficulties for the NGO -they had to borrow).

As well as the impact on the NGO sector, the other major impact of the PTDP has been to popularise the European Union especially in countries which have micro-projects. The programme has

made a link between the idea of Europe and the values of toler-
ance and openness promoted by the programme. The European
commitment to democracy and to the goals of the NGOs sup-
ported - social responsibility, anti-racism, human rights, minority
rights, etc.- is seen to be more than just rhetoric currently
mouthed by all governments. If the problems with contracts, which
have contributed to a perception of the EU as overly bureau-
cratic, could be solved, then perhaps the PTDP's most important
asset is as a cost-effective way of promoting an idea of Europe
based on democracy, citizenship and human rights.

Table 7 Overall Findings: Impact of PTDP

Country	Projects evaluated	Relevance	Consistency	Effectiveness of Implementation	Adequacy of Procedures	Impact on Individuals	Networking	Visibility	Replicability	Sustainability	Political Impact
Belarus	5 macro projects	Focus on civic education, human rights and trade unions	generally good	Variable	widespread criticism of EU administrative procedures particularly delays in contracts and payments	Helped improve organisational capacities and involved more people where organisations were already established	Tendency for dominance of Western partners; one project misused to influence western participants	Generally very high. EU label very important form of protection	Support for stronger NGOs helps protect smaller NGOs especially outside Minsk	High dependence on foreign funds. EU label helps to attract other funds	Key role of NGO sector as main form of opposition. Tacis support essential for funding and label Where NGOs are strong. High multiplier effect
Estonia	2 macro and 4 micro projects	Focus on NGO development and awareness building. Not enough on minorities	generally good	Weak	Delays of contracts and payments; loss of contract in one case; difficult application procedures; problems of communication and transparency; inadequate feedback	Has helped to support individuals in NGOs	Strongly influenced by Western partners and donors but in general welcomed	Generally high; EU label important	Variable. Some projects contributed to co-operation among NGOs	Dependence on foreign funds	Has helped to develop NGO sector and to popularise European label and European idea. Impact greatly weakened by administrative problems -both EU and recipients
Georgia	7 macro projects	Emphasis on conflict resolution important. Not much on internal democracy issues	generally good	Viable	Problems with application procedures, finding partners, and feedback	Benefitted individuals but impact sometimes constrained by post-Communist character of organisational structures	Dominance of Western partners; although networking opportunities welcomed	Not very high	Variable. Has helped establish one indigenous NGO which acts as umbrella organisation	Dependence on foreign funds	Significant and unique political impact on networking in conflict regions. Helped to develop NGO sector though not as much as other donors
Hungary	3 macro projects, 7 micro, 1 ad hoc	Focus on NGO development. Not enough on minorities. Local outreach important	generally good	mostly good, some weak	delays in contracting and payments with macro-projects	Helped develop NGO related skills, involved many people	Western Partners useful	Generally high	Wide outreach. Micro projects cover local areas, micros supported second generation of NGOs	still dependence on foreign funding, however NGOs look also for national sources	Helped to institutionalise NGO sector important for political culture; popularised the European Union
Kazakhstan	4 macro projects	Emphasis on NGOs and disadvantaged groups, eg women and poverty. very relevant	generally good	With one exception, good	Problems with delays in contracts and payments and application procedures	Important for individuals and for professionall skills	Western partners useful	Very high visibility	Wide outreach which helps to involve new people	EU label helps to attract other funds	Tacis funding has had a high multiplier effect; helped to develop and protect NGO sector which is main form of opposition
Poland	3 macro and 3 micro projects	Emphasis on civic education and minority rights reflects priorities	generally good	Mainly good.	Problems with delays in contracts and payments for macro projects. Micro projects too bureaucratic	High individual satisfaction and consequent strengthening of organisations	Some criticism of dominance of Western partners	Generally high visibility. EU label helps to increase the credibility of the NGO sector	Wide outreach; involvement of new people and NGOs	Some internally generated funds from income generating activities and local government	Spread of NGO sector has affected political culture. Important influence on minority relations and civic awareness
Romania	3 macro projects and 5 micro projects	high emphasis on marginalised groups minorities, women, prisoners, and civic education. Highly relevant to Romanian needs	generally good	Generally good	Some criticism of administrative procedures in relation to macro-projects	Big impact on individuals in widening horizons; micro projects especially important	Western participation welcomed for transfer of know-how; interest in increasing partnership element	Very high visibility. EU label helps to give legitimacy to NGOs	Wide Outreach; stimulating new NGOs. NGOs with macro-projects support smaller NGOs	Heavy dependence on foreign funds. Big interest and discussion about how to generate internal funding	Important consequences for political culture; NGO sector was main form of opposition and helped to defeat Iliescu. Now co-operative relation with gov in implementing reform
Russia	9 macro projects and 2 ad hoc projects	Focus on NGO development, training of officials including armed forces; and minorities	generally good	Variable	Criticisms of delays in contracts and payments and lack of feedback	Important impact on individuals especially in official structures	Welcome partnerships; would like more East-East partnerships	High visibility	NGOs supported by Tacis tend to act as 'mother'organisations and stimulate other NGOs	Innovative approaches to internal generation of funding, eg 'voucher'system	Interaction with official structures has had an important political impact
Slovakia	4 macro projects and 3 micro projects	Focus on NGO development, civic education, and minorities appropriate	generally good	Generally good	Criticism of delays in contracts and payments on macro-projects. Concern about co-ordination of Phare programmes. Role of EHRF valuable	Has helped individuals who have influenced institutions.	Western networking important both for transfer of skills and mutual support	High visibility. EU label important for protection and legitimacy	Good co-operation and networking among NGOs macro projects help institutions which support smaller NGOs	Dependence on foreign funds, Phare crucial since other Western donors are moving eastwards	NGO sector main form of civic opposition; bulwark against authoritarianism. Phare funding critical for sector.

5. Organisation and Procedures of PTDP

5.1 1992-1997: A Continuous Development
of Programme and Management Structures

The Democracy Programme was developed in 1992 out of an initiative of the European Parliament. It was first integrated into the Phare Programme as a separate budget line and managed under the responsibility of the Unit PHOS 3, later renamed L/5 in DGI of the Commission. After producing and circulating guidelines for the new programme in August 1992, an unexpected high number of 350 proposals were turned in by November 1992. With help from an external consultant the Unit handled the process of registering and classifying the proposals. By the end of April 1993, 52 projects had been selected, which covered a broad area of activities.

For the preparation of the programme guidelines and the selection process a special expert group was created, the so-called Advisory Group. This group was composed of representatives from DGI, Phare and other interested Commission services. Representa-

Advisory Group Members (1997)	
Helmut Lohan	DG1A/B5
Sven Kjellstrom	DG1A/C6
Jeremy Lester	DG1A/A/2
John Penny	"
Ernst Piehl	"
Fraser Cameron	DG1A/A/3
Gerard Legris	DGX/4
Edward McMillan-Scott	European Parliament
Barry Waters	"
Dirk Toornstra	"
Jean-Louis Laurens	Council of Europe
Thomas Ouchterlony	"
Chris Zyman	"
Eva Eberhardt	INBAS, Observer
Peter Ashman	EHRF, Secr. function
David Geer	" "
Arturo Rodriguez	" "

tives of the European Parliament, members of staff from services of the European Parliament, and members of the Council of Europe were also associated with the group. This Advisory Group

has since then continued and played an important role in the further development of the PTDP.

The selection process during the first year made it very clear that the Commission internally did not have the capacity to run a bottom-up designed programme like PTDP in which hundreds of project proposals were submitted by NGOs from Western and Eastern Europe. However, the programme itself had generated such a positive response and a high political interest that it was decided in 1993 also to include the Tacis countries. An internal budget of 2 million was allocated for Tacis countries. Because the response to the call for proposals was so overwhelming, it was decided to increase the allocation from Tacis up to 4 million and to commission the management of the Programme to an external institution, the European Human Right Foundation.

The European Human Rights Foundation

The EHRF was founded in 1980 by the Commission on an initiative of the European Parliament to establish an organisation of Human Rights experts, which should help the Commission in organising NGO and Human Right Programmes. The Foundation has the following objects:
- "the promotion and protection throughout the world of civil, political, economic, social and cultural rights - collectively referred to as human rights - as they are at present laid down in international instruments;
- the furtherance of endeavours to realise aims of a humanitarian nature in general."

Since 1994 the EHRF has been providing technical assistance to the European Commission in the management of the PTDP. After a contract for the first year the EHRF won a second contract for the following years as a result of a restricted tender. The EHRF offered the lowest price for the requested service.

In addition the EHRF provides technical assistance to the Human Rights Unit of the Directorate General and to the Secretariat-General on issues of bioethics.

The EHRF is managing a European Human Rights Fund which is open to applications from NGOs from around the world. The grants seldom exceed 10.000 ECU a year per grant.

The EHRF manages the PTDP with appr. 17 people, 11 in Brussels, 3 in the Prague office and 3 in the Warsaw office. Additionally the EHRF has contracted 12 local agents who help in different countries. The personnel situation at the EHRF has been very stable since the beginning of the contract for managing the PTDP (which contrasts with the Programme Unit itself). The management of PTDP accounts for 60% of the EHRF activities.

EHRF Budget 1996

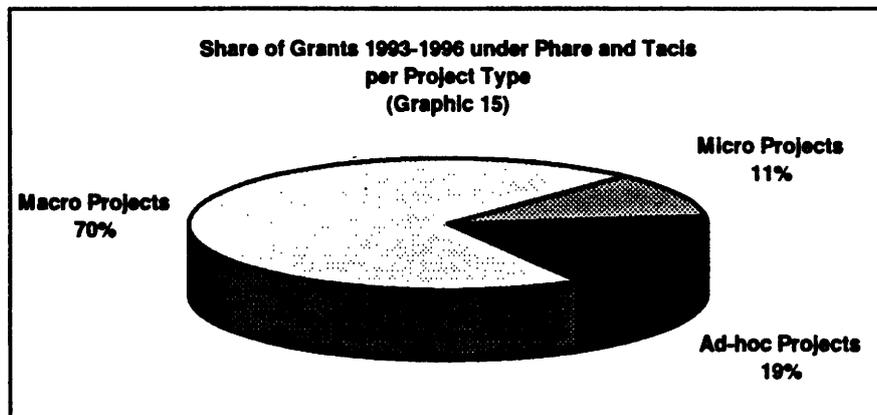|	
European Human Right Funds	770.000 ECU
Techn. Assistance Unit	850.000 ECU
PTDP Technical Assistance	1.200.000 ECU
Other Activities	100.000 ECU
Total:	2.930.000 ECU

The Programme Units in Phare and Tacis functioned from then on as programme coordinators. The EHRF was providing technical assistance to the NGO part of these programme coordinators in Phare and Tacis, for the advertising of the NGO part of the programme, the assessment of applications, the contract preparation and the supervision process. This role was restricted to the so-called macro project scheme.

With the extension to Tacis countries the Commission started in 1993 also to select and support projects on an ad hoc base. For these so-called ad hoc or own initiative projects no formal selection process was set up. Beginning in 1993 Commission funded projects in the field of democracy proposed by EU delegations, the Parliament and internal services in Phare and Tacis countries. According to the interregulations the Head of Unit was the responsible signatory for projects under 300.000 ECU and for projects above 300.000 ECU, responsibility went up to Director level. The Advisory Group was informed about the ad-hoc-projects but not involved in the decision process.

Also in 1993 the Commission included a so-called micro project facility into the PTDP. These are projects up to 10.000 ECU funding which are normally selected and managed under the responsibility of the European Union's delegations in these countries.

By the end of 1993 the threefold structure had been developed under PTDP which since then has been improved step by step and extended to more countries but not changed in principle.

In 1997 macro-projects were implemented in all Phare and Tacis countries, micro project facilities are in place only in Phare countries. For Russia the micro project facility will start in autumn 1997. Ad-hoc-projects are more common in Tacis countries but

**Share of Grants 1993-1996 under Phare and Tacis
per Project Type
(Graphic 15)**

Micro Projects
11%

Macro Projects
70%

Ad-hoc Projects
19%

they also exist for Phare. In February 1997 the formerly separated internal management of the Phare and the Tacis part of PTDP was integrated into a new PTDP Programme unit.

Since 1992, the PTDP has continuously changed both its management structure but also its funding schemes. New types of instruments have been developed with the micro-projects and the ad-hoc-projects. And the management has been partly contracted out to an external institution and partly reorganised.

While the guidelines and procedures are very clear and elaborated for the macro project facility and the micro project facilities, the ad hoc/ own initiative facility has no comparable formal structure and procedures due to its more flexible needs.

5.2 Macro-projects: A Successful Bottom Up Approach

Macro-projects are the most well- known part of the PTDP. Macro-projects are projects for non-governmental organisations (NGOs), managed with technical assistance through the European Human Rights Foundation, operated through a call for proposals twice a year and responding to needs identified by NGOs. The available funding is at a maximum 200.000 ECU per project and the NGO

has to contribute 20% of all funds. 10% of the NGO contribution can be made in kind. Roughly 70% of all available funds of the PTDP have been given away as macro-projects.

The macro project facility follows a bottom-up logic. After publicising calls for proposals twice a year NGOs turn in independently their proposals for projects. The EHRF will help them through local offices in Warsaw and Prague or the main office in Brussels to complete the proposals and it also encourages an increase of

---

Management Costs of PTDP

Since the EHRF has managed the PTDP, a total of 63.30.889 ECU have been given as grants for macro-projects. The shares for Phare and Tacis and the administration costs for the EHRF have been:

PTDP macro grants and administration costs EHRF

Phare   34.683.580 ECU   Administration costs EHRF: 8.48 %
Tacis   28.625.319 ECU   Administration costs EHRF: 8.81 %

This figures do not give a complete picture of the overall administration cost of the program, because one has to add the internal costs of the Program Unit (3 Programme manager, 1 secretary), the costs the Tacis Democracy unit in Moscow (appr. 300.000 ECU per year), and the costs of running the micro project facilities in the Phare countries as part of the work of the EU delegations.

For the internal costs in the Commission and the delegations no figures are available. Because the PTDP is a comparatively complex programme with several local offices in Central Europe and a established administration structure in Brussels, any attempt to change the external contractor is bound to create technical, management and cost problems.

(all data based on information EHRF and Programme Unit)

---

applications through an active information policy (national and regional seminars, publicising of material and PTDP newsletter etc.). Since the start of PTDP the number of project proposals has increased continuously over the years, which is an indicator of success. The average number of applicants per round is between 400 and 600.

5.2.1 The Selection Process

The proposals are examined by the EHRF and divided into three groups: (1) Recommended, (2) Not recommended and (3) Ineligible. Ineligible project proposals normally count for about 20% of the total and are usually outside the program guidelines (i.e. no NGO and/or democracy relation).

Eligibility

In discussions with members of parliament, NGO organisations in Brussels and in the countries evaluated we often found a great deal of misinterpretation of the criteria of eligibility for the PTDP. Some of the criticisms of the PTDP are related to the exclusion of political (party) projects from funding. Although this is expressed very clearly in the regulations for the PTDP obviously there still exist false perceptions about what can be funded under PTDP. Although parties cannot be recipients of PTDP funding, party foundations, for example, can be partners in supporting NGO projects.

Projects recommended for funding go through a detailed process. Each proposal is examined by different evaluators at a number of stages. The process of evaluation starts at the EHRF where all team members read each proposal. After a group discussion including all EHRF team members an initial assessment of the proposals on the basis of agreed criteria is made. These criteria are already indicated in the application form together with their respective weighting. These criteria are: quality of the project (55%), partnership (35%) and specific aspects (10%, i.e. minorities etc.). The projects are not explicitly balanced by countries or regional areas or areas of activities. However, these criteria nevertheless play an implicit role.

Where proposals seek to build on existing projects for which no report has been received at the time of the deadline, the project is evaluated on its merits, but subsequently not recommended for this reason. The criteria have been amended by the Advisory Group in the light of experience.

After the first assessment by the EHRF a list with short project descriptions for all eligible projects is produced and forwarded with the scoring of the assessment to the Advisory Group. The Advisory Group discusses the suggested projects and makes an overall recommendation. This can and does include changes in the list of projects proposed by EHRF. The suggestions of the Advisory Group are then sent to the Commission for approval.

Table 8: Number and Selection Relation of Applications

Application rounds	Number of proposals	Relation successful/ total
1992	350	1:7
1993	399	1:3
1994	573	1:6
April 1995	406	1:7
October 1995	559	1:14
April 1996	350	1:7
October 1996	377	1:8
May 1997	270	1:6

After receiving an approved list of projects from the Commission the EHRF starts informing the applicants and preparing the contracts. This includes renegotiating the budgets to meet EU regulations. In total the process from turning in the proposal until the actual start of the project takes on average 18 months. In some cases it takes up to 36 months. This is a permanent and well known point of criticism. However, a more detailed analysis shows that from this time the DG I A/ Commission itself needs on average between 10 and twelve months for agreeing on the prepared list, signing the contracts and paying the first instalment. After finishing the project a NGO will wait for the final payment for another two to three months.

Although we have not done an in depth analysis of the procedure in the DG 1 A, in all interviews the main problems identified were in the areas of contracting and financial control. The selection process of projects was criticised on occasion. However, we were unable to identify concrete examples to substantiate these criticisms and, in some instances, the criticisms seem to have been linked to very specific interests of the person or institution involved. In general the selection of projects - and this impression

Table 9: Time-frame for Accepting and Starting a PTDP Macro-project

Time	Task	Responsible
End of April and end of October	Deadline for turning in proposals for macro-projects at the EHRF	applicants (NGOs)
six weeks	screening of all proposals and writing a list of recommendations based on a scoring system	EHRF
one week	Discussion of recommended projects with Advisory Group	EHRF, Advisory Group, PTDP Programme Unit
three to five month	Discussion and acceptance of suggested list by the Commission	DG I A/ Commission
six to eight weeks	Renegotiating of budgets for approved projects with lead organisations. Turning in of new budgets.	EHRF/ NGOs
three month	signing of contracts	DG I A/Commission
six to eight weeks	request/invoice for first payments	NGOs
two to three months	money sent to NGOs	Commission
two weeks to one month	Project start	NGOs

Total time before project start (average): 18 month. All information based on interviews with the EHRF, the Programme Unit and selected NGOs.

was strengthened by the Democracy Conference in October 1997 in Brussels - was seen as well balanced.

Long delays in contracting and payments can be partly explained in terms of the problems in the recipients countries, e.g. bank transfers, taxation regulations and other formal regulations. Com-

parisons with other donors and institutions show that a time between nine month to one year for approval of proposals is common. The Commission has discussed how to speed up the procedure. It was not part of our evaluation to analyse this problem in detail.

5.2.2 The Management of PTDP Macro-projects by the EHRF

The internal management structure of the EHRF seems to us appropriate in relation to their task. The EHRF staff has been extended with regional offices in Warsaw and Prague to meet the growth and new demands. However, the management (including project managers and deputy project managers) has been comparatively stable over the time. Therefore all members of the EHRF team have been able to build up specialist knowledge of their countries and the process of democratisation. They also have well established and good working relations with EU Delegations, Phare and Tacis Units, and other donors relevant for the development of NGOs and a civil society.

During our evaluation we had on several occasions the opportunity to discuss with almost all team members of EHRF. We gained a favourable impression of their overall knowledge, their ability to place developments in a wider political context and relate them to ongoing projects. We think that the "human resources" available at the EHRF are excellent and well managed.

The internal management structure of the EHRF is clear and orientated along the separation between Phare and Tacis and the different countries. Project and deputy project managers are involved at each stage of the project from application, project start to evaluation. Country visits and promotion of the programme is part of their activities. During these country visits EHRF managers contact projects, advise and support NGOs and can build up per-

sonal experience on the problems of NGOs with PTDP. Because the EHRF managers are also liaison persons for NGOs participation in the programme this clearly helps to resolve problems and avoid misunderstanding. The EHRF thinks, that this "hands on" management approach has limited the number of projects that have completely failed or closed. According to EHRF, instead of a 20% failure foreseen and discussed by the Commission at the outset, the rate of failure is less than 4%.

The regional offices of EHRF established in Warsaw and in Prague and the local agents are important instruments. They serve as a contact point for local and regional NGOs for advice and information on the programme and on problems with implementation. From our visits to several countries and the discussions with NGOs the regional offices and the local agents seem to be a efficient instrument to deal with many matters at a local level rather then referring them to Brussels. Additionally, the regional offices are important in order to monitor projects more closely and to target the application of projects more to specific needs relevant to individual countries.

Monitoring and evaluation of projects is also done by the EHRF. The EHRF uses two instruments: a system of reporting and project visits and evaluations by EHRF team members. Each project is required to produce interim and final reports including financial reporting. The formats are in line with standard Commission requirements. Many NGOs still find these reporting requirements overly complex and bureaucratic. However, if there is a general need for justification of expenditure, the basic format used by the EHRF seems necessary and appropriate.

Additionally the EHRF team tries to visit all projects at least once and to participate in activities put forward by NGOs (like seminars, conferences etc.) From the reports we have seen these evaluations give valuable insights how to improve projects and the

PTDP in general. Due to limitations in staff numbers, time and budget one can not recommend a close evaluation of all projects. This would definitely not be cost effective.

All project management activities and the monitoring of single projects are reported in weekly project management meetings. Every three months the Director of EHRF and the project management staff have a meeting (including the regional project managers from Prague and Warsaw) during which they brief each other on the development of the PTDP macro-projects in the various countries.

5.2.3 Reporting to PTDP Programme Unit and Commission

Given the EHRF's central role in managing the PTDP's macro project a well established and detailed reporting system is of great importance for the Commission to ensure the political and economic control over all activities. This is guaranteed through a number of instruments and no complaints have been made during our evaluation from task managers working inside the Commission with the PTDP.

The EHRF provides to the Phare and Tacis Task managers a monthly report on ongoing projects, covering administrative issues. These reports are the basis for monthly meetings with task managers to discuss open points.

For Financial Control the EHRF produces regular reports on contracts requests. It was not part of our evaluation to analyse these in any form. After all projects under each yearly financial round are completed, EHRF produces an overall report. This has been done for projects financed under the 1993 round. We found that report informative, well structured and adequate.

Every six month the EHRF writes a report on the PTDP for the meetings of the Advisory Group. These reports cover more gen-

eral and strategic questions. They are clearly written and include concisely existing problems and strategic recommendations for further improvement of PTDP.

For a broader public the EHRF has produced booklets including all macro and micro-projects funded during the 1993 - 1995 budgets. Additionally, a first issue of a PTDP newsletter was published in June 1997.

The information available on PTDP macro-projects seems therefore internally as well as externally good.

Macro Project Grants 1993-1996 under Phare and Tacis
per Area of Activity
(Graphic 16)
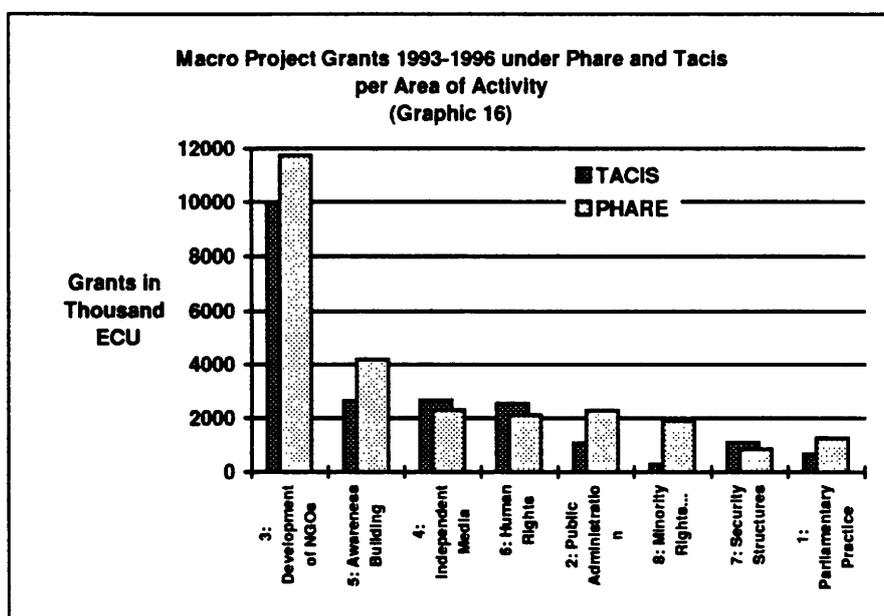
5.3 Ad-hoc-projects and Own Initiatives

Compared to the elaborated and differentiated selection and monitoring process for macro-projects the ad hoc project facilities under PTDP are much less structured and ruled by transparent regulations. Ad hoc or own initiative projects are put forward by the Commission to react on specific needs and urgent requests. They have been introduced under the PTDP 1993 budget line on

a comparatively small scale for Tacis and since then extended to Phare and Tacis. Under Phare they account for only 8% of the budget, under Tacis they account for 31%.

In Phare and Tacis the ad hoc facilities operate on the basis of identification of priorities that should be given special attention throughout the year. These are either priorities named by the Commission, the Parliament, or the EU Delegations. For Phare, for example, in 1994, Roma, Journalists and anti-corruption projects were on the list of priorities. In 1995, national minorities and anticorruption were important.

The ad-hoc-projects under Tacis cover a much larger group of activities, including monitoring of elections, training of journalists, and media monitoring by the European Institute for the Media in Dusseldorf. They also include activities in Western Europe like conferences on PTDP and democracy development.

The projects are managed by the Phare and Tacis PTDP Task managers who have been supported by an external consultant. Seeing the small numbers of PTDP task managers (2) there is clearly a limit to how many projects they can directly select, manage and monitor. For Russia a special Tacis Democracy Unit (one task manager) is funded in Moscow which helps to select and manage ad-hoc-projects. The Unit was set up in 1996 and has an impressive record of activities. Russia (Moscow) is clearly the most important single country under the Tacis part of PTDP. However, given the whole architecture of PTDP the strategic role of a PTDP country office remains unclear.

In general, the process and method of selection of ad-hoc-projects is not transparent to a broader public. We could not identify an established scheme how to decide on ad-hoc-projects.

(7)

List of selected ad-hoc-projects (examples)		
Phare:		
Regional Roma Programme	Hungary, Bulgaria, Romania, Slovakia	300.000 ECU
	Contractor: Autonomia Foundation Budapest	
Anti Corruption Strategy	Czech Republic, Hungary, Poland, and others	49.976 ECU
	Contractor: Transparency International Berlin	
Journalist Training Project	all Phare countries	440.000 ECU
	Inter-Press Service, Rome	
Media for Democracy	all Phare countries	300.000 ECU
	International Federation of Journalists	
Media Monitoring Romania	Romania	94.073 ECU
	European Institute for Media Duesseldorf	
Ethnic Conflict Prevention	Albania, Estonia, Latvia, Romania, Slovakia	196.573 ECU
	Foundation on Inter-Ethnic Relations, The Hague	
Corruption and Crime	All Phare countries	176.880 ECU
	Council of Europe	
Minorities in CEEC	All Phare countries	180.200 ECU
	Council of Europe	
Tacis:		
Media Monitoring	several NIS countries	793.228 ECU
	European Institute of Media (framework contract)	
Democracy, Rule of Law	Russia	1.182.000 ECU
	Council of Europe	
Legal System Reform	Ukraine	524.000 ECU
	Council of Europe	
Legal reform and Media	Moldova	148.000 ECU
	Council of Europe	
Training Young Parliamentarian	Russia	271.670 ECU
	Moscow School Political Studies	
Seminars Human Rights	Russia	261.308 ECU
	Advanced Educational Training Institute Moscow	
Assistance Elections	Russia/Chechnya	140.000 ECU
	OSCE-ODHR	
Training Journalists	Russia	199.785 ECU
	Gasperi Foundation Rome/ Moscow State University	
Training members Parliament	Ukraine	949.340 ECU
	EU Delegations/Europresse Paris (framework contract)	
Training Parliamentarians	Armenia	199.335 ECU
	CU for Armenia	
Support Constitutional Law	Uzbekistan	181.290 ECU
	Tacis CU/ Authorities from Uzbekistan	
Promotion Independent Media	Belarus	150.000 ECU
	Swedish Institute Education of Journalists	
Assistance Parliament Election	Ukraine	150.000 ECU
	EU Delegation	
Training Parliamentarians	Kazakhstan	150.000 ECU
	EU Delegation	

According to information given to the Advisory Group on ad-hoc-projects, the selection for Phare projects is done in consultation with the Human Rights Unit of DG1A and for Tacis projects upon the recommendations of the Moscow Democracy Unit. Proposals are presented at the Advisory Group which is then informed about the selections. Phare consulted the Advisory Group on the portion

of the Democracy funds for ad-hocs at the beginning of each year, Tacis did not.

The accessibility of the funds for a broader public seems poor as no information about them is given on larger scale. Even in official publications of the EU the ad-hoc-projects are not always mentioned. In a coordination meeting of Phare and Tacis NGO Programmes in March 1996 participants from EU Delegations asked for more information how Phare and Tacis ad hoc facilities can be used and which activities are carried out under these budgets.

Although the need for an ad hoc scheme seems clear in terms of a hands on approach, a direct influence on specific fields and the ability to react quickly to immediate political problems, it remains unclear whether some of the projects funded should not be included under the macro project facility because there are no relevant differences in project design and outcome. Additionally, the management capacities of the two Task managers in Brussels do not seem sufficient to organise the overall PTDP scheme, prepare the selection of ad hoc/ own initiatives, and monitor these projects. In addition, the organisational support of the unit (secretary, phone lines etc.) appears to be rather poor.

As is the case with the macro-projects, a hands on approach does increase cost-effectiveness. One recipient of a large ad hoc project told us that they had made much better use of funds when they were in close contact with the manager in Brussels and this allowed a certain flexibility in the use of funds. They then had an incentive to use resources efficiently so that money saved could be used to extend the project. Subsequently, they had less personal contact and had to follow paper guidelines much more closely; new activities could not be started without additional formal approval. Hence, it was easier simply to spend all the money even when it was not really needed to complete implementation of the project in a formal sense.

For the result and achievements of single ad-hoc-projects, there is no comparable comprehensive monitoring and reporting system to the methods used for macro-projects. This seems to be clearly necessary if the ad-hoc-projects are continued over a longer time.

5.4 Micro-projects

The micro project facilities funded under PTDP are normally directly organised in the countries by the EU Delegations. There are yearly budgets assigned to micro-projects in each country. (Ranging from 80.000 ECU for Estonia up to 520.000 ECU for Romania). In total the micro-projects add up to 19% of all PTDP grants under Phare. The actual limit per project is 10.000 ECU. For Tacis micro facilities have been approved for Russia and Ukraine and discussed for Belarus, Georgia and Kazakhstan. However, during our evaluation none of these facilities were yet in operation.

Share of Micro Project Grants 1993 and 1994
per Target Country
(Graphic 17)
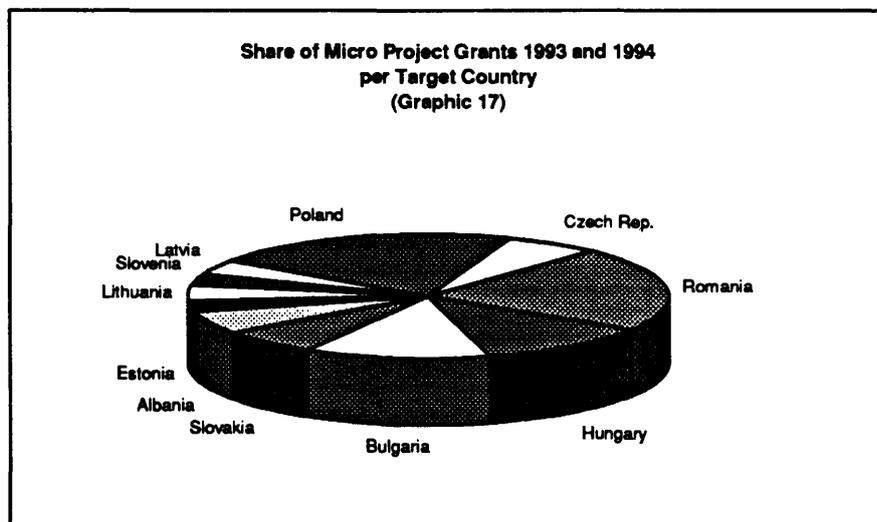
Each Delegation during the last three years has established its own mechanism to announce, select and manage the micro-projects. In most cases local foundations and committees are

used for the selection and assessment of applications. Guide-lines, application forms and procedures are quite similar in all countries. In some countries the EU Delegations have given the micro project facilities to the Civil Society Development Foundations which run similar funding schemes financed partly under national Phare budgets. Although this has advantages in terms of economies of scale, it also has the disadvantage that these Foundations may be constrained by national Phare rules.

Micro-projects cover the same area of activities as macro-projects. However, they require much less experience in project management from an applicant and are therefore much more suitable for smaller NGOs. The micro-projects have a very good reputation in all countries visited and are seen by all experts as the most efficient way to develop NGO capacity in the short term. The EU Delegations also welcome the opportunity to have small funds they can hand out directly, although the personnel capacities necessary to start such a facility have been underestimated in some cases.

The process of advertising the micro-projects and selecting the applications seems appropriate in the countries we have visited. The monitoring must necessarily be selective taking into account the small amount given per project. The PTDP Unit in Brussels receives reports on micro facilities and lists of the projects funded every year.

For the special case of Bosnia and Herzegovina a special micro project scheme was initiated with a sum of 200.000 ECU in April 1996 and the EHRF was asked for technical assistance. Following the Commission decision in April 1996 a call for proposals was published which resulted in 97 applications for micro-projects. 18 projects were selected and the Commission - impressed by the high demand and quality of projects - subsequently agreed to fund further 28 applications from PTDP and LIEN. This must be

seen as a very fast and efficient realisation of a micro project facility in a case of need. However, problems occurred later on due to problems with payments procedures. As a report from the EHRF to the Advisory Group in October 1996 says: "The impressive speed and efficiency of the operation (recommendation in April, launch in May, selection in July) has been somewhat diminished by the subsequent payments procedure. The EU Office in Sarajevo was discovered not to have the correct bank account to make payments, the procurement agent refused to handle NGO grants as being outside their contractual remit, and the use of EHRF to make the payments has been frustrated by non-payment of the grant."

5.5 Findings and Recommendations

The overall structure of PTDP with three independent project facilities (macro-projects, ad-hoc-projects/own initiatives and micro-projects) can only be explained historically. It is mainly a response to a fast changing economic and political environment in the Phare and Tacis countries and has not been based on a priori planned programme structure. There are some advantages in having three programme elements. However, the danger of coordination and management problems increases with a larger number of independently managed elements. Especially in the light of the very limited resources of only two task managers in the PTDP unit.

Overall, the growing request for support and the increase in the number of projects over the past years indicate a good management performance of PTDP - the existing problems with delays of contract and payments. The cost effectiveness of the management of projects of this type is always difficult to judge. For the macro projects it requires an intensity of management, staff time

and background knowledge, which is almost impossible to organise inside the Commission. Therefore the contracting of the EHRF (or another organisation) for technical assistance seems to be the only possible solution. Related to the overall funds of PTDP and the size of projects financed (macro-projects 100.000-150.000 ECU) the management capacities of the EHRF might appear high, but it is comparatively small related to the countries involved and number of projects funded.

An issue which impacts directly on programme management and performance is the long time it takes the Commission to manage its part of the Programme, i.e. signing contracts and making payments. These problems have been mentioned from the beginning of the PTDP, but not been solved so far. A possible solution might be to contract out the management of contracts and payments to an external institution.

6. Conclusions and Recommendations

6.1 The Need for the PTDP

In Agenda 2000, five Central European countries have been singled out to begin negotiations about accession to the European Union. Three of these countries - Poland, Hungary and Estonia - were included in this study. Commissioner Hans van den Broek has made it clear that the selection of these countries does not imply a new division between 'ins' and 'outs'. Enlargement is a continuing process. There are only 'ins' and 'pre-ins'.(See *Financial Times* 22 September 1997)

Our study included 'ins', 'pre-ins' as well as countries that have not yet applied to join the Union. While the 'ins' and pre-ins' are clearly more advanced down the road to democracy, our study identified weaknesses in the process of democratisation in all the countries we investigated. While there were some common weaknesses - for example, in areas such as public administration, the rule of law, or political culture - it was also the case that the obstacles to democratisation are specific to each country.

Democracy assistance is a comparatively minor instrument in assisting the process of democratisation. Of its nature, such assistance can never be more than enabling, helping those individuals in society who already are working for democracy. Moreover, the scale of democracy assistance is nowhere commensurate with the magnitude of the challenge. As Carothers put in, in a perceptive study of US democracy assistance to Romania:

" When one steps back and considers the enormity of the task of democratisation in a country such as Romania - drastically altering the basic relationship of the individual to the state, reshaping the very notion and limits of what is political, and transforming a fundamentally undemocratic state apparatus - the democracy

(8)

assistance programs appear as dots on a large screen."
(Carothers, 1996, pp. 91-2)

The Phare Tacis Democracy Programme is relatively small com-
pared with overall Western democracy assistance. Moreover, it is
only one element of an array of programmes funded under the
Phare and Tacis programmes aimed at assisting democracy.
Nevertheless, our study concludes that the PTDP is a valuable
programme. Its main political impact is indirect via its contribution
to the creation of a lively NGO sector in all nine countries. This
sector both contributes to the process of democratisation and
provides a bulwark against the reversal of the process of democ-
ratisation which is happening in some countries, notably Belarus
and Kazakhstan. Of particular, and often underestimated, impor-
tance is the fact that democracy assistance can be seen as an
investment in the people who receive support. The practical
knowledge, the contacts and the positive values given through the
democracy assistance projects have a multiplier effect since they
enable key persons to develop new ideas and fresh perspectives
for the improvement of civil society. What has been created
largely with foreign funds is a moral community in all these coun-
tries, groups and individuals who are essential to the construction
of a democratic political culture, who lobby for democratic change
and who constitute an ongoing form of public education.

Our first recommendation, therefore, is that the **PTDP should be
continued and the annual budget line should be increased.** In
order to increase stability and certainty, **an agreed time frame of
three or five years should be established during which the
programme would be expected to continue.** After this time a
new evaluation has to be done. While we think that the priorities
for each country should be specific to each country, we do not
consider that it is a good idea to be more selective and to focus
on particular countries or regions. It is important to sustain current

levels of assistance to 'ins' and 'pre-ins' in order to prepare them for accession and because many other Western donors are moving out of the region. At the same time, it is crucial to continue assistance to the Tacis countries because the problems they face are much greater than those faced by the Phare countries. The PTDP can be a very useful mechanism for compensating for any divisions that seem to be arising from the selectivity of the enlargement process. It is a way of bringing together 'ins', 'pre-ins' and 'outs'.

The PTDP's main advantage compared with other Western assistance programme is its visibility. As we describe in Chapter 4, the EU label offers local NGOs legitimacy and prestige. In countries like Slovakia or Belarus, it is also a form of protection against an intrusive government. In Belarus, where the Soros Foundation has been closed, Tacis funded programmes are, for the time being, tolerated. Precisely because of this visibility, which affects tens of thousands of people in some countries, the PTDP is also a rather cost-effective way of signalling the EU's own commitments to democracy and civil society. In order to build on this advantage, a second recommendation is that **the programme should be renamed as the EU Democracy Programme** and that the Phare and Tacis labels which have less resonance should be dropped.

The PTDP's main advantage compared with other Phare and Tacis programmes is the fact that the PTDP does not have to be approved by governments and that the selection procedure is largely 'bottom-up'. Thus NGOs in the recipient countries help to shape the priorities and thereby alert the European Union and governments, sometimes through their Western partners, to new issues. Thus the Roma issue or the deteriorating situation in Belarus were signalled through the PTDP. Thus the recipients of the PTDP represent a valuable repository of knowledge about local

conditions which can provide a significant antidote to elite-level information which tends to be provided by diplomats and experts. More use could be made of this benefit of the PTDP. The recipients could be consulted when planning overall policy towards particular countries. A third recommendation is that **regular informal round tables, of the kind organised for the study, should be held in each country, involving the recipients, the EU delegations, desk officers, and outside experts, to discuss the priorities for democratisation in the country concerned.**

Another advantage of the PTDP compared with other democracy assistance programmes is the way it encourages East-West and East-East European partnerships.

The overall Phare and Tacis programmes do, of course, influence the process of democracy. Support for public administration or education may be just as important for democracy, perhaps even more important, than democracy assistance. In particular, all the Round Tables emphasised the importance of education. Democracy criteria should be used for all projects and care should be taken that other elements of the programme, e.g. support for privatisation, are consistent with democracy goals.

6.2 The Content of the PTDP

The PTDP has three main components: micro-projects, macro-projects, and ad hoc projects. By and large, the division between the these components works well although the rationale for each component could be made more explicit so that the components are organically linked. Our conclusions on the individual components of the programme are:

a) The micro-projects are very successful in providing support for grass-roots initiatives. **They need to be extended to all countries as soon as possible and co-ordinated with other com-**

plementary EU programmes especially the Foundations for Civil Society Development and LIEN.

b) Micro-projects need to be complemented by macro-projects. The macro-projects are the most visible component of the programme. They have been important for institution-building and for partnerships. For the macro-projects, NGO development has accounted for nearly half the projects and this has made a significant contribution to the institutional growth of larger NGOs. NGOs receiving micro-projects have been supported by larger NGOs receiving macro-projects and have often been able to graduate to macro-projects. European partnerships have also been important. The PTDP has allowed and speeded up the exchange of know how between east and west and the building up of highly valuable networks. Many groups from Western Europe have extended their outreach towards Eastern Europe and NIS thus contributing to political acceptance and knowledge in the West. Moreover, the learning process has not just been one-way. Western groups have gained understanding of East European problems, they have learned new perspectives on democracy which has also helped them to reassess their own situation. In recent years, East-East partnerships have been growing in importance. Partnerships have worked better in Phare countries than in Tacis countries partly because it takes time to establish effective and equal partnerships and partly because NGOs in Tacis countries, especially in what are generally considered domestic policy areas like civil liberties, have difficulty identifying appropriate partners. NGOs in TACIS countries are particularly keen to establish East-East partnerships so as to learn from similar experiences.

We recommend that **macro-projects should be maintained and explicitly focused on institution-building and partnerships.** Thus institution-building should be taken into account when selecting projects even if the projects are not explicitly aimed at

NGO development. In order to strengthen partnerships in Tacis countries, it could useful **to organise partnership conferences or workshops, especially in Tacis countries to which Western and Eastern NGOs interested in establishing partnerships would be invited.**

c) The ad hoc projects account for a significant share of the PTDP budget especially in Tacis countries. The ad hoc facility is especially useful for two types of project. First, multi-country funding or horizontal projects have been important. Three valuable examples are the media monitoring project, the Roma project or the Transparency International project. Secondly, the ad hoc facility is useful for emergencies where the selection procedure for macro-projects would take too long. In addition to these two types of projects, the ad hoc facility has been used for other types of project. First, it has been used for joint projects with other international institutions, for example, the OSCE for election monitoring or the Council of Europe, to help new members meet the conditions of memberships. Secondly, it has been used for a miscellaneous collection of projects which could as easily have been treated as macro-projects and might have benefited from the more formal and transparent selection and monitoring procedures adopted for macro-projects.

Therefore, we recommend that **ad hoc projects should only consist of horizontal programmes and urgent projects and political priorities as specified in the financing proposal. Joint programmes with other international institutions should be funded under a separate budget line. The procedures for selecting and monitoring ad hoc projects should be more transparent.**

6.3 Management of the PTDP

The management of the PTDP up to the selection process works relatively well. For this reason, we do not think there is any reason to tinker with current procedures. In particular, the European Human Rights Foundation seems to be relatively effective in managing the selection procedures for macro-projects. Personal contacts are very important in the choice of projects and in monitoring implementation. Our study found that the efficiency of the macro-projects was greatest in those countries where the EHRF had a local staffperson. Well-written proposals are no substitute for on the spot evaluation. Moreover, individual monitoring could allow greater flexibility in contractual requirements which could also improve efficiency. To further enhance cost-effectiveness, we recommend that **there should be more local staff to assist selection and monitoring of projects, especially macro-projects and ad hoc projects.** In order to reduce unnecessary work and disappointment, we also think it would be helpful **to introduce a pre-proposal phase of say one month for which potential applicants are asked to prepare a two page proposal.** Unsuitable applicants could be screened out at this stage so that in the final competition, only serious proposals are considered and some 70% of applicants can expect to succeed. Serious applicants could request advice in preparing proposals.

There are however serious problems in the procedures for issuing contracts and making payments. This applies both to macro-projects and ad hoc projects. These problems damage the reputation of the programme and the effectiveness of single projects. NGOs do not have sufficient resources or borrowing abilities to tide over delays in funding; they are always on the edge of a cash flow catastrophe. We came across cases where projects had been seriously undermined by slow contracting procedures leading to loss of staff and morale. One Estonian NGO interviewed

complained about " top down treatment by the EU ......the EU is very particular about deadlines when it concerns reports or applications but regularly misses deadlines itself when it comes to sending money to NGOs." The announcement of realistic time frames during the application process which has been decided recently by the Commission could improve the situation. One way or another, **the procedures for issuing contracts and making payments must be totally overhauled, perhaps by contracting them out.**

7. References

AGENDA 2000 1997. Part 3: The Opinions of the European Commission on the Applications for Accession. Summaries and Conclusions. European Commission, Strasbourg/Brussels 1997.

DAVID BLACKMAN 1996. Relations between the European Parliament and the Countries of Central and Eastern Europe, European Parliament, Strasbourg.

STAN BARTHOLOMEESSEN 1995. Report on NGO Collaboration with TACIS Countries ECO Consultants. Brussels, February 1995

THOMAS CAROTHERS 1996. Assessing Democracy Assistance: The Case of Romania. A Carnegie Endowment Book. Brookings Institution, Washington DC.

CHARITIES AID FOUNDATION 1997. Evaluation of Civil Society Development Programmes in Poland, Czech Republic, Slovakia and Bulgaria. Core Report. Southampton January 1997.

CHARITIES AID FOUNDATION 1997A. Evaluation of Civil Society Development Programmes in Poland, Czech Republic, Slovakia and Bulgaria. Country Report Estonia. Southampton March 1997.

CHARITIES AID FOUNDATION 1997B. Evaluation of Civil Society Development Programmes in Poland, Czech Republic, Slovakia and Bulgaria. Country Report Poland. Southampton March 1997.

CHARITIES AID FOUNDATION 1997C. Evaluation of Civil Society Development Programmes in Poland, Czech Republic, Slovakia and Bulgaria. Country Report Slovakia. Southampton March 1997.

EVA EBERHARDT 1995. PHARE Democracy Programme 1992. Evaluation Report of the Pilot Phase. Final Draft. August 1995.

EVA EBERHARDT 1996. Phare Democracy Programme 1994. Ad-hoc Project Facility. By the Institut für berufliche Bildung, Arbeitsmarkt- und Sozialpolitik (INBAS), December 1996.

EVA EBERHARDT 1996A. Phare Democracy Programme 1995. Ad-hoc Project Facility. By the Institut für berufliche Bildung, Arbeitsmarkt- und Sozialpolitik (INBAS), December 1996.

EUROPEAN COMMISSION, DIRECTORATE GENERAL FOR EXTERNAL ECONOMIC RELATIONS 1995. The European Union's Phare and Tacis Democracy Programme. Micro-projects in Operation 1995. Edited by Michelle Petillo, EHRF.

EUROPEAN COMMISSION, DIRECTORATE GENERAL FOR EXTERNAL ECONOMIC RELATIONS 1996. The European Union's Phare and Tacis Democracy Programme. Projects in Operation 1996. Edited by Marie-Pierre Roujean, EHRF.

EUROPEAN COMMISSION, DIRECTORATE GENERAL FOR EXTER-
NAL ECONOMIC RELATIONS 1996A. The European Union's Phare and
Tacis Democracy Programme. Micro-projects in Operation 1996. Edited
by Marie-Pierre Roujean, Kirsty Grant and Edd Schouten, EHRF.

EUROPEAN COMMISSION 1997. The PHARE Programme. An Interim
Evaluation. June 1997.

EUROPEAN COMMISSION 1997A. TACIS Interim Evaluation. Synthe-
sis Report. July 1997.

EUROPEAN HUMAN RIGHTS FOUNDATION 1996. Selected Proposals
Phare and Tacis Democracy Programme April and October Rounds of
1996.

EUROPEAN HUMAN RIGHTS FOUNDATION 1996A. The PHARE and
TACIS Democracy Programme. Report to Advisory Group. December
1996.

EUROPEAN HUMAN RIGHTS FOUNDATION 1997. Annual Report
1997.

EUROPEAN HUMAN RIGHTS FOUNDATION 1997A. Report on the
1993 Phare & Tacis Democracy Programme. Edited by Peter Ashman.
April 1997.

SALLY HAYWARD 1995. Non-governmental Organisations and the Eu-
ropean Union Funding Programmes for Reconstruction and Develop-
ment in Eastern Europe. Resolving the Culture Clash for Improved Rela-
tions and Greater Action. M.Sc. dissertation. University of Southampton
1995.

INTERNATIONAL INSTITUTE FOR DEMOCRACY 1996. Cooperation
Activities with Central and Eastern European Parliaments. An Assess-
ment. Introductory Paper for the Conference on Parliamentary Develop-
ment Programmes, 29 May-1 June 1996.

MARY KALDOR / IVAN VEJVODA 1997. Democratization in Central and
Eastern Europe, in: International Affairs. Vol. 73, No. 1: pp. 59-82.

ADRIAN KARATNYCKY / ALEXANDER MOTYL / BORIS SHOR 1997.
Nations in Transition 1997. Civil Society, Democracy and Markets in
East Central Europe and the Newly Independent States. Transaction
Publishers, New Brunswick / London.

KEVI F.F.QUIGLEY 1997. For Democracy's Sake. Foundations and De-
mocracy Assistance in Central Europe. Woodrow Wilson Center Press,
John Hopkins University Press.

LUC REYCHLER 1997. Democratic Peace Building and Conflict Preven-
tion. Discussion Paper. CPN Seminar on Democracy Building and Con-
flict Prevention. CPRS-Leuven University.

MARK ROBINSON 1996. Strengthening Civil Society through Foreign
Political Aid. Escor Research Report R 6234, Institute for Development
Studies. Brighton, September 1996.

STIFTUNG WISSENSCHAFT UND POLITIK 1997. Forschungsinstitut
für Internationale Politik und Sicherheit. Promoting Democracy in Sub-
saharan Africa. Conference Orginised by the Bundesministerium für
wirtschaftliche Zusammenarbeit und Entwicklung, the Friedrich Ebert
Stiftung and the Stiftung Wissenschaft und Politik in Bonn, 25-26 June
1996. Ebenhausen Februar 1997.

TACIS MONITORING AND EVALUATION PROGRAMME MOSCOW
OFFICE 1996. Monitoring Report. Report No. 1. September 1996.

U.S. HOUSE OF REPRESENTATIVES and The Joint Committee on the
Library, U.S. Congress. Programmes Implemented under the Direction of
The Special Task Force on the Development of Parliamentary Instituti-
ons in Central and Eastern Europe. Final Report Overview. 22 May
1997.

8. Lists of Tables and Graphics

8.1 Tables

8.2. Graphics