BGI consulting

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IMPACT EVALUATION OF THE NON-GOVERNMENTAL ORGANISATIONS FUND

SUMMARY OF THE EVALUATION REPORT

Ministry of Social Security and Labour of the Republic of Lithuania

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AIM, TASKS AND SCOPE OF THE EVALUATION

The **aim of this evaluation** was to assess the results and impact of the investments (measures) made under the Non-Governmental Organisations Fund (the Fund), intended to strengthen institutional capacities of non-governmental organisations (NGOs), to support the development of the non-governmental sector, and promote the sustainable growth of NGOs as reliable partners of the state. To achieve this aim, five **tasks of the evaluation** were set: (1) to assess the **relevance** of the Fund's investments; (2) to assess the **effectiveness** of the Fund's investments; (3) to assess the **efficiency** of the Fund's investments; (4) to assess the **(expected) impact** of the Fund's investments; (5) to identify **good practices** and **challenges**, and provide **recommendations**.

The **scope of the evaluation** includes the Fund's investments in NGO institutional development implemented during the 2023–2025 period through four types of calls for project proposals: (1) calls for proposals targeting national NGOs (NVOIS); (2) calls for proposals targeting national umbrella NGOs (NOBP); (3) calls for proposals for small-scale NGO institutional development projects (NVOK, NVOKK, NVOKE); (4) calls for proposals for the co-financing of NGOs' international projects (KOFI).

The evaluation covered **268 projects**, implemented **between 1 January 2023 and 31 December 2025**. These projects received a total allocation of **EUR 7.85 million**, of which over one-third (38%, or EUR 2.98 million) was allocated to NVOK projects, approximately one-third each to projects selected through the NVOIS calls (30%, or EUR 2.38 million) and NOBP calls (29%, or EUR 2.25 million), and 3% (or EUR 0.24 million) to projects selected through the KOFI calls. The evaluation focused primarily on projects funded through the NVOIS, NOBP, and NVOK calls.

APPROACH AND METHODS OF THE EVALUATION

In this evaluation, **NGO institutional capacities** are understood as the ability of organisations to effectively utilise their human, financial and other resources in order to operate efficiently, adapt to changing circumstances, and achieve their objectives. The impact evaluation of the Fund's investments drew on an **NGO institutional capacity model** encompassing five key areas of NGO institutional capacities:

- **financial management capacities** (the capacities required to ensure NGOs' financial transparency and sustainability, including fundraising, diversification of funding sources, budget planning, financial reporting and accountability, etc.);
- **human resource management capacities** (the capacities required to organize and manage the human resources necessary for NGO operations, including the recruitment and development of members, employees, and volunteers, organization and expansion of volunteer engagement, etc.);
- **operations management capacities** (the capacities required to ensure effective NGO operations and strategic development, including strategic planning, project management, public service delivery, social enterprise management, monitoring and evaluation of performance, etc.);
- **cooperation capacities** (the capacities required to establish and maintain effective partnerships across sectors and to strengthen networking at the national and international

levels, including the development and enhancement of cooperation mechanisms with public, private, and civil society actors, organization of international activities, etc.);

- **advocacy capacities** (the capacities required for the effective representation of the interests of NGOs' target groups, including advocacy at the national and international levels, participation in public policy processes, public communication and outreach, etc.).

A variety of **evaluation methods** were applied, including document analysis, analysis of secondary sources, analysis of monitoring data, a survey of NGOs that implemented the Fund's projects, semi-structured interviews with representatives of NGOs that implemented the Fund's projects and of the bodies responsible for the management of the Fund (12 respondents), focus group discussions with NGOs that implemented the Fund's projects (7 participants), case studies of 54 projects, meta-analysis, and expert evaluation.

KEY FINDINGS OF THE EVALUATION

RELEVANCE OF THE INVESTMENTS IN THE CONTEXT OF SECTOR NEEDS

The need to strengthen the institutional capacities of the non-governmental sector is driven by the challenges NGOs face in the areas of human resource management, financial sustainability, volunteer management, public service delivery, and advocacy. All major activities supported by the Fund in 2023–2025 directly or indirectly **addressed the sector's key needs**, including employee retention, improvement of working conditions, strengthening of staff competences, recruitment, training, and professional and emotional support of volunteers, enhancement of financial literacy, fundraising and financial management capacities, improvement of service quality, strengthening of cooperation with municipal institutions, modernisation of operational processes, and development of advocacy capacities. In light of these considerations, the **relevance** of the Fund's investments **in the context of the sector's needs** was assessed as **high**.

RELEVANCE OF THE INVESTMENTS IN THE CONTEXT OF GOVERNMENT POLICY

The objectives of NGO development policy for 2023–2025 were to foster the long-term development of NGO activities, support the development of voluntary activity, and increase public participation in public policy processes. The Fund was **one of the measures supporting NGO development policy intended to strengthen the institutional capacities of NGOs** as a prerequisite for their long-term development. In addition, the Fund **contributed**, at least in part, **to other NGO development policy objectives**, including fostering cooperation between the public and non-governmental sectors in the delivery of public services (through investments in establishing and strengthening cooperation at the national level and in developing public services or improving their quality), enhancing the financial sustainability of NGOs (through investments in strengthening financial management capacities), increasing public participation in public policy (through investments in strengthening NGO advocacy capacities), and creating conditions for the development of voluntary activity (through investments in strengthening capacities for organising voluntary activities). The activities financed through the Fund were well aligned with the objectives of NGO development policy. Therefore, their **relevance in the context of the national strategic agenda** was assessed as **high**.

EFFECTIVENESS OF THE INVESTMENTS

The Fund's most effective investments were those that supported the implementation of **new activities** or **the development of new organisational products**, such as systems required for NGO operations, methodologies for work organisation, or approaches to service delivery for target groups. Projects of this type were typically designed to address **clearly defined challenges** through **highly targeted and focused interventions**. Such projects were more common in the **funding calls for smaller-scale projects**. Practice-based staff training, mentoring, and integrated communication campaigns also demonstrated a relatively strong contribution to organisational growth.

Projects that focused solely on **recurring activities** or **activities with short-term effects** were important in ensuring the continuity of individual NGOs' operations but did not create the conditions necessary for qualitative organisational development. Such (recurring or short-term impact) activities were more often implemented by **larger** and **relatively more experienced NGOs** that participated in the **funding calls for larger-scale projects**. These organisations often lacked a clearly articulated challenge and tended to focus on routine, day-to-day activities. Relatively lower effectiveness was also observed in projects where a substantial share of activities relied primarily on the **organisations' existing internal resources**; where capacity-building interventions targeted individuals **not directly involved in NGO operations**; or where funding was provided to **organisations whose services were delivered almost exclusively to paying clients**.

EFFICIENCY OF FUNDING ALLOCATION

The Fund's resources allocated to strengthening the institutional capacities of NGOs were distributed through three types of calls for proposals – NOBP, NVOIS and NVOK – which were intended to target distinct groups of applicants. However, in practice, the rules governing these calls and the Law on the Development of Non-Governmental Organisations of the Republic of Lithuania did not allow this objective to be fully achieved. The **overlap among organisations** participating in the different calls, together with the **similarity of activities** implemented under projects funded through them, indicates that **the structure of the Fund's calls was not sufficiently efficient**. The separation of target groups was most effectively achieved through the NOBP calls. However, the definition of a national NGO lacks sufficient clarity, and over time it became increasingly difficult to distinguish both the applicants participating in the NVOIS calls and the activities implemented under them from those funded through the NVOK calls.

EFFICIENCY OF PROJECT MANAGEMENT

The process of project selection and implementation management was assessed by Fund's project promoters as **relatively uncomplicated**, particularly when compared with the administrative systems of other funding sources. NGOs' assessment of the administrative burden they experienced depended largely on their **previous experience in carrying out project activities**. In addition, participation in calls for proposals and the implementation of the Fund's projects constituted a learning process that contributed to strengthening organisations' project management capacities. The main **areas for improvement** identified in the Fund's project management system included the **process for submitting financial reports**, **feedback and communication** between project promoters and the bodies responsible for managing the Fund, and the **functionality and user-friendliness of the SOPAS system**.

Compared with the project promoters, a significantly **greater administrative burden fell on ESFA**, which, during the project selection process, provided guidance to applicants and assessed applications for compliance with formal criteria and funding priorities. **The lack of clear distinctions between the different project calls**, **insufficiently stringent formal requirements for applicants** and **the overly abstract wording of the funding priorities** did not allow for a significant reduction in the number of applications assessed by experts at later stages of the selection process. In addition, in some cases **the quality of applications** was found to be **insufficient**, an issue observed among NGOs with varying levels of experience. A large proportion of applications were characterised by **insufficiently specific formulation of challenges and objectives**. In the application sections requiring applicants to describe the organisational challenge and objective to be addressed by the project, lengthy descriptions were often provided, containing substantial amounts of information that was frequently excessive and not directly relevant to justifying the proposed project. This situation may have resulted from **differing interpretations of the concepts and requirements** set out in the call regulations. In the absence of detailed guidance on the meaning of individual requirements, both the preparation and assessment of applications become more complicated, while the risk of inconsistent assessment of applications and project implementation reports increases, thereby reducing the effectiveness of the funding. In addition, the selection of more targeted project activities may, in some cases, be hindered by **inconsistencies in the Fund's regulations**.

EFFICIENCY OF THE INTERVENTIONS

Owing to the lack of a unified monitoring system, it is not possible to reliably compare the costs of different projects pursuing similar results or to assess the proportionality of the funding structure of the Fund. A qualitative analysis of the interventions revealed that projects of different financial scale often involved activities of a very similar nature and differed primarily in their scope. This provides some evidence of a proportional relationship between the Fund's resources and the results achieved, as **larger budgets generally enabled the implementation of a greater number of activities and (or) activities on a larger scale**. Nevertheless, larger budgets did not necessarily result in proportionally higher-quality outcomes or greater impact. Many of the NGOs receiving higher levels of funding **did not implement qualitatively different activities** but instead replicated activities that had already been carried out under earlier, smaller-scale projects. In cases where organizations implementing larger-budget projects do not choose to address new challenges or undertake activities that objectively require greater resources, the potential of the larger project budget to drive more substantial organizational change remains unrealized. The efficiency of the Fund's resource use was also reduced in some cases by the financing of organisations' routine operational activities, activities whose substantive compliance with the Fund's rules was questionable, and generic training programmes.

IMPACT ON ORGANISATIONAL DEVELOPMENT

In the absence of a consistent monitoring system and given the relatively short period that has elapsed since the completion of the projects analysed, it is not possible to quantitatively assess the impact of the 2023–2025 Fund's investments. Nevertheless, NGOs that benefited from the Fund's investments perceive them as **having contributed to organisational development**, particularly in the areas of **strengthening teams**, **advancing strategic planning**, **increasing organisational visibility**, and **improving service delivery**. A **broad range of benefits for organisational development** was identified, including increased self-confidence among employees and volunteers, stronger belief in the organisation's mission and greater motivation, more focused and inclusive planning of organisational activities, increased trust in the organisation among partners and local communities, improved service delivery in terms of efficiency, accessibility, diversity, and quality, as well as improved preparedness for cooperation with municipalities in the provision of public services.

Although most surveyed project promoters expect the benefits generated by the investments to continue over the next several years, the **sustainability of these benefits** should not be understood primarily as the continuation of funded activities after project completion. Rather, it should be viewed as the Fund's contribution to the continued growth and development of beneficiary organisations. Fund's support is intended to provide NGOs with **an impetus for internal change and the capacity to sustain their activities independently**. Consequently, funding the same organisations over several consecutive years creates a risk that resources will be directed towards maintaining routine operational activities rather than driving meaningful organisational change and development.

IMPACT ON NON-GOVERNMENTAL SECTOR DEVELOPMENT

During the 2023–2025 period, the Fund was not the sole source of support for strengthening NGOs' institutional capacities; however, it generated **significant added value for the development of Lithuania's non-governmental sector**. Compared with other funding sources available at the time, the Fund distinguished itself through **the regularity of its institutional-capacity-strengthening funding opportunities**, its **broadly inclusive eligibility and participation conditions**, and the **wide range of activities it supported**. The Fund is expected to make **a significant contribution to strengthening Lithuania's non-governmental sector**. However, the benefits of the investments were concentrated primarily among **NGOs operating in the field of social protection**, which, owing to the nature of their activities, tend to be more active in society, including in project-based activities. The greatest positive long-term impact of the Fund's investments is likely to be observed among **less established NGOs**. In contrast, for more established NGOs with intensive and well-developed operations, the Fund's greatest impact is expected in **projects that address clearly defined and highly specific challenges**, with all activities purposefully designed to address those challenges.

KEY RECOMMENDATIONS OF THE EVALUATION

Established in 2020, the Fund is a relatively new instrument. One of its key strengths is its **continuous development**: funding conditions are regularly refined in response to practical challenges encountered during the organization of calls for proposals, project selection, and project implementation. To increase the Fund's contribution to the institutional strengthening of individual NGOs and the non-governmental sector, it is important to **build consistently on accumulated experience and prioritize the financing of projects that generate the greatest momentum for the sector's development**. With this objective in mind, the recommendations presented below aim to further improve the Fund's operation, including procedures for organizing calls for proposals, funding conditions, activities eligible for funding, the monitoring framework, and the project management system.

Procedures for organizing calls for proposals:

- Restructure the NVOIS call, granting all NGOs the right to participate in it;
- Maintain the practice introduced in 2026 merging the NVOKE and NVOKK calls into a single call (NVOK);
- For both calls – NVOIS and NVOK – allow the implementation of both one-year and two-year projects. Applicants seeking to implement a two-year project should provide additional justification for this choice;
- Restrict NGOs that have submitted applications under the NOBP call and were not awarded funding from applying to other Fund calls in the same year;
- Prepare comprehensive guidelines for preparing and assessing project applications, providing detailed explanations, supported by concrete examples, of the objectives that projects funded by the Fund are expected to achieve; how project objectives, challenges, and eligible activities should be understood and described; which target groups are appropriate; and other relevant requirements;
- Introduce character limits for the sections of the application form describing project objectives and the challenges to be addressed;
- Limit funding for projects implemented by the same NGO to no more than once every two years. NGOs that have implemented a project in the current year (either a one-year project or the second year of a two-year project) should not be eligible to apply for funding in the following year, either as lead applicants or as project partners. Applications submitted in breach of this requirement should be rejected. This restriction should not apply to the NOBP and KOFI calls.

Funding conditions:

- Define the concepts used in the Fund call regulations more precisely and avoid the use of terms that cannot be clearly and consistently defined;
- Ensure that the Fund call regulations clearly recognize as eligible those activities that support the development and (or) quality improvement of services for NGO target groups, regardless of whether such services are public services;
- Determine and clearly specify in the Fund call regulations the eligible target groups and intended purposes of training activities financed through the Fund;
- Consider tightening the eligibility requirements for NGOs by limiting funding to organizations that have been established for at least several years and can demonstrate genuine, ongoing activity, such as the regular provision of services, engagement of volunteers, advocacy work, or similar activities. Funding should not be provided to NGOs whose activities primarily or exclusively benefit individuals who pay market-rate or comparable fees for the services received;
- To expand the NGO sector and promote the creation of new NGOs, consider organizing a separate call for smaller-scale projects for young and/or inexperienced NGOs;

- Clearly articulate the objectives of the Fund’s calls and distinguish them clearly from the activities eligible for funding;
- Allow no more than two objectives to be pursued within a single project;
- Provide a standardized list of eligible activities linked to the specific objectives of each call.

Activities eligible for funding:

- Organize more centrally coordinated activities bringing together different NGOs, such as training sessions, experience-sharing events, and idea-generation workshops. Particular attention should be given to supporting less established NGOs and those operating in the regions;
- Promote the involvement of umbrella NGOs in strengthening the capacity of the non-governmental sector by encouraging them, within Fund-supported projects, to provide training and other support activities for their members and, where appropriate, for other NGOs;
- Strengthen the assessment of applications and project implementation reports by placing greater emphasis on the substance of the proposed or implemented activities and their compliance with the Fund call regulations and the guidelines for the preparation and assessment of project applications, where applicable;

Monitoring framework:

- Include in the Fund call regulations a list of standard output and outcome indicators (e.g. the number of new volunteers recruited, the amount of additional funding secured, or the number of new services introduced). Project promoters should be required to select the indicators relevant to their projects from this list, while retaining the possibility of proposing additional project-specific indicators;
- Develop indicator reference sheets providing clear definitions, measurement methodologies, data sources, and reporting requirements for each monitoring indicator;
- Require the use of output and outcome indicators in projects funded under all Fund’s calls.

Project management system:

- Improve the technical parameters of the SOPAS system by increasing interoperability and data exchange between its different modules and components.