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# BUILDING LOCAL CAPACITY FOR DEVELOPMENT PROJECT IN AZERBAIJAN

**FINAL REPORT**



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# BUILDING LOCAL CAPACITY FOR DEVELOPMENT PROJECT IN AZERBAIJAN

## FINAL REPORT

**Contract No. AID-112-C-12-00001**

**Cover photo: The representatives of partner CSOs and local consultants successfully completed the Increasing CSO Effectiveness training program and awarded certificates. Baku, February, 2014. (Credit: Vugar Nagiyev/USAID Azerbaijan)**

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# ACRONYMS

|                     |  |
|---------------------|--|
| ACU                 | Azerbaijan Children Union  |
| AHCA                | Azerbaijan Health Care Association   |
| AHD                 | Assistance to Healthcare Development   |
| ALC                 | Azerbaijan Lawyers Confederation   |
| AzMA                | Azerbaijan Medical Association   |
| BLCD                | USAID Building Local Capacity for Development Project  |
| CRF                 | “Constitution” Research Foundation   |
| CSO                 | civil society organization   |
| CSR                 | corporate social responsibility  |
| DL                  | Democracy Learning   |
| EDF                 | Entrepreneurship Development Foundation  |
| EMDS                | Election Monitoring and Democracy Studies Center   |
| EPSAYA              | “Education” Public Support Association of all Youth of Azerbaijan                                      |
| ERC                 | Economic Research Center   |
| EU                  | European Union   |
| HICD                | Human and Institutional Capacity Development   |
| IOM                 | International Organization for Migration   |
| ICNL                | International Center for Not-for-Profit Law  |
| L&D                 | Law and Development  |
| M&E                 | monitoring and evaluation  |
| MoJ                 | Ministry of Justice of the Republic of Azerbaijan  |
| MP                  | Member of Parliament   |
| MRI                 | Media Rights Institute   |
| NGO Support Council | The Council on State Support to NGOs under the auspices of the President of the Republic of Azerbaijan |
| OCA                 | Organizational Capacity Assessment   |
| OSCE                | Organization for Security and Co-operation in Europe   |
| PSP                 | performance solutions package  |
| SEDA                | USAID Social and Economic Development Activity   |
| SEI                 | Support for Economic Initiatives Public Union  |

|         |  |
|---------|--|
| SME     | Small and Medium Enterprise Development Support Center |
| TIA     | Transparency Azerbaijan                                |
| Uluchay | “Uluchay” Socio-Economic Innovation Center             |
| USAID   | United States Agency for International Development     |
| WARD    | Women’s Association for Rational Development           |
| WDM     | Women for Development of Municipalities                |
| YAU     | Young Accountants’ Union                               |



# EXECUTIVE SUMMARY

Over the nearly four years of implementation of the Building Local Capacity for Development project (BLCD), civil society organizations (CSOs) in Azerbaijan faced operational challenges and political pressures that threatened their sustainability. Starting in late 2013, new laws and several amendments were made to legislation governing CSOs that significantly restricted the operational environment for

civil society. In addition to these legal measures, the government began investigations of domestic and international CSOs, followed by actions such as arbitrary refusals to register grants, freezing organizations' bank accounts, criminal charges, and detention and prosecution of activists and CSO leaders. Left without any real recourse, civil society in Azerbaijan has been brought to point where its survival is uncertain. *USAID's 2014 CSO Sustainability Index* issued in June 2015 noted "The legal environment in Azerbaijan deteriorated markedly, dropping from the bottom of the Sustainability Evolving category to the middle of the Sustainability Impeded category."

Working with the BLCD project is like studying at one of the universities of the US or Europe. But I got this education in my own language in my own country.

— MATLAB VERDIYEV, CHAIRMAN, AHD

Despite the worsening environment for CSOs after the 2013 presidential elections, many organizations in Azerbaijan continued to be optimistic that the situation would return to normal with enough attention and pressure from the international community. Although the Government of Azerbaijan passed key legislative provisions, including increased financial reporting requirements and cumbersome registration requirements, in late 2013 and 2014, that further constrained CSOs, many were undeterred and continued to carry out their work as best they could. BLCD and other USAID and donor-funded projects provided critical capacity building support to CSOs to address these kinds of challenges. However, knowledge and skill building and access to resources cannot sustain CSOs in an unfriendly environment. Foreseeing the potential consequences of the government's actions, the project worked closely with USAID to explore new program activities as alternatives to activities that were no longer feasible due to the evolving environment. BLCD took every effort to implement these activities in a manner that was sensitive to local developments, but it could not avoid becoming a subject of the government's scrutiny.

BLCD worked with 22 CSOs and resource centers to strengthen their organizational structure and management through improved self-governance, policies, practices, and procedures to meet donor standards; to build CSOs' knowledge and awareness of the critical role they play in safeguarding an enabling environment that ensures their sustainability; and to improve CSOs' ability to represent and advocate effectively for public interests. Awarded as a \$4.9 million project, BLCD received an additional \$1 million in funding in June 2014 to broaden the project's impact by increasing the number of project beneficiaries to 30 CSOs and 4 CSO resource centers. For the reasons

mentioned above, the implementer and USAID have agreed to the project's early termination; project implementation is no longer viable given the operating environment.

Despite BLCD's premature closure, the project will leave behind an indelible mark on Azerbaijan's civil society that will hopefully serve as a platform from which future efforts can build when the time is right. Highlights of BLCD's activities and accomplishments are listed below, and the map on the following page geographically illustrates BLCD's technical assistance.

- 20 CSOs from Baku and two regions (Sheki and Lankaran) received technical assistance through grants or direct project staff advisory services
- 10 CSOs received grants<sup>1</sup> (three of them completed the grants successfully)
- An average of 35% percent improvement in OCA scores for the CSOs who completed baseline, mid-term, and final OCAs.
- 2 resource centers based in the regions (Gabala and Shemkir) that provided services to local CSOs from a total of 21 districts of the country received technical assistance, including grants, training, and individual consultations
- The *NGO Good Governance Handbook* was developed and 1,000 copies were printed, and guides and pamphlets on NGO-related legislation were updated and disseminated among stakeholders.
- 23 CSOs and resource centers participated in the project's *Increasing CSO Effectiveness* multi-session training program, which covered a full range of CSO organizational capacity and management areas; total training participants included 33 for the inaugural run and 27 for the second iteration.
- Increased sustainability of BLCD interventions through work with 7 Azerbaijani consultants who participated in a training-of-trainers (TOT) course linked with the *Increasing CSO Effectiveness* program
- Laws, rules and regulations; NGO Management Training materials and project publications, including newsletters were posted on the NGO Portal.

The following narrative details the circumstances that prevailed during BLCD's implementation, the project's key interventions, and information relating to project performance indicators, beneficiaries, stakeholder engagement, and financial reporting in annexes.

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<sup>1</sup> The project's goal was to issue small grants to up to 30 CSOs and 4 CSO resource centers. However, changes to the laws on grant registration that were vague and led to overly conservative interpretation by third parties (e.g., financial institutions) without clarifying implementing regulations required BLCD to look to non-grant technical assistance alternatives.



## SECTION I

# OVERVIEW

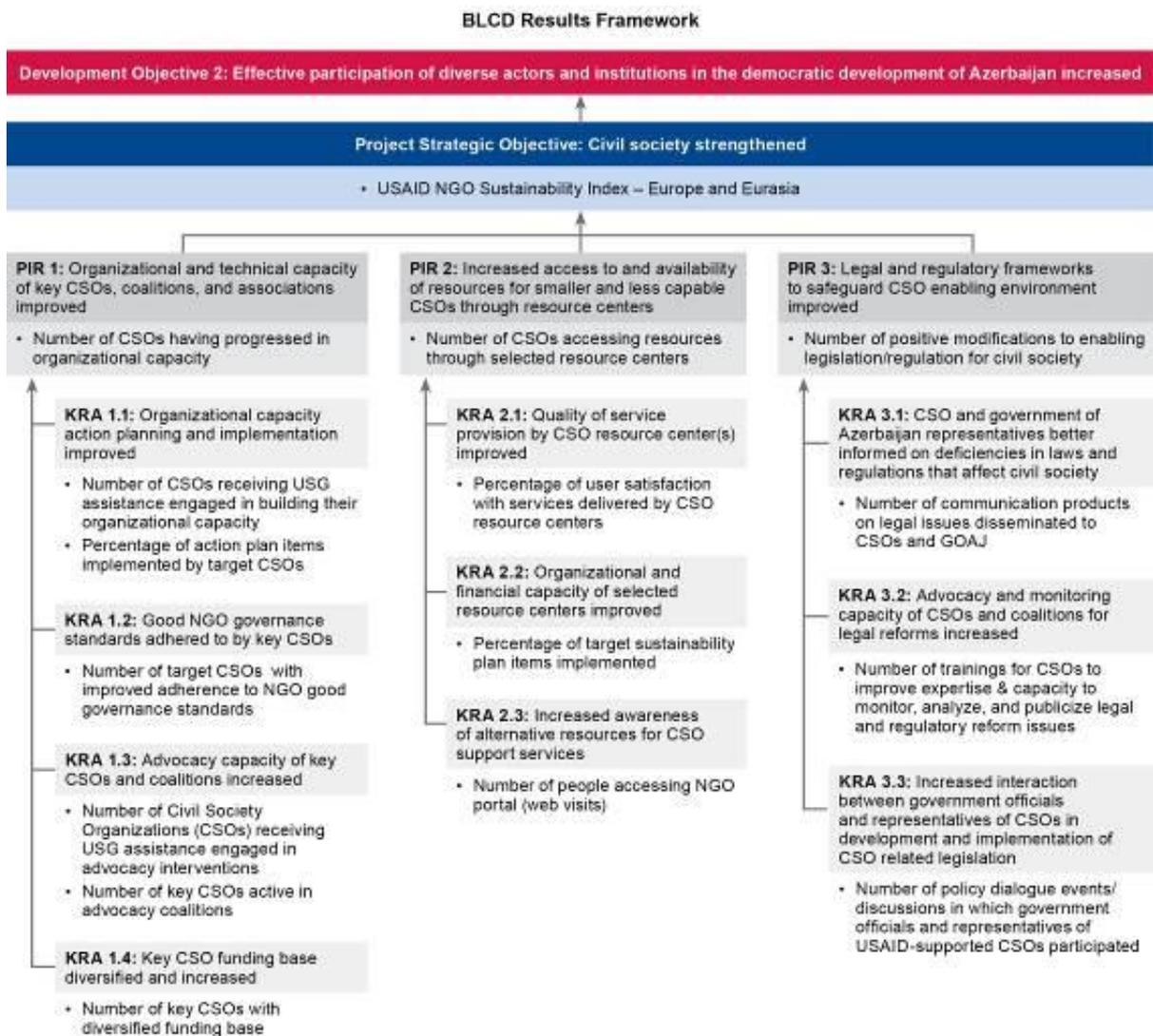
### PROJECT BACKGROUND

At its end, BLCD was a four-year, \$4 million project that strengthened the capacity of 20 CSOs and two CSO resource centers. BLCD was implemented by prime contractor Chemonics International Inc. and its international subcontractor, the International Center for Not-For-Profit Law. The project's mission was to build the organizational and technical capacity of Azerbaijani CSOs to serve as relevant, effective, and sustainable partners in initiatives to strengthen democratic and governance processes, improve health, and engender economic growth and prosperity.

BLCD has three program components:

1. Strengthening the organizational and technical capacities of key CSOs engaged in national, regional, and community public interest agendas.
2. Developing highly professional CSO resource centers, accessible to smaller, less capable CSOs working on public interest agendas.
3. Improving legal and regulatory frameworks to safeguard CSO enabling environments, sustainability and independent public interest agenda roles.

This report provides a summary of BLCD's main activities implemented under each project component, in accordance with the BLCD Results Framework with activities feeding into Project Intermediary Results (PIRs), the project's Strategic Objective, and ultimately USAID's Development Objective 2, as seen in the graphic on the next page. The project's performance indicators are provided in Annex A.



## CHALLENGES AND SOLUTIONS

This section identifies key project implementation challenges that BLCD encountered. We have deliberately placed it before the detailed narrative to give the reader a comprehensive picture of the issues that the project faced from the outset.

*Variance (discrepancy) between project design and actual capacity of beneficiary CSOs.* The BLCD project was envisioned to serve CSOs that had achieved noticeable progress in capacity building, and in particular, organizations that had adequate resources and funding and an understanding of organizational development concepts. Early on, however, we learned that few CSOs in Azerbaijan — even among those organizations that USAID selected as BLCD’s beneficiaries – even value organizational development, much less invest in it. This is illustrated, in part, by the low baseline Organizational Capacity Assessments (OCA) scores (“Low” or “Basic”) of that many BLCD beneficiaries who were considered successful and well-reputed in their fields of expertise.

The project mitigated this challenge by adapting its capacity building program at all levels to address the specific gaps for each CSO and working to change each organization's mindset toward organizational development. In addition, the project revisited original technical assistance measure and built the technical capacity of CSOs through individual consultancy, broad and tailored training programs, and grants. To do this effectively, BLCD required additional resources under Components 1 and 2.

*Timeframe issues/delays in the planned project activities.* The Year 1 selection of project-supported CSOs and CSO resource centers was delayed by three months, which directly affected work plan activities related to assessment and capacity development. BLCD managed to meet all of its deadlines for quality reports and deliverables in all years of implementation. The delay in selecting resource centers was the result of a change in selection methodology. Although BLCD's resource centers mapping assessment identified two resource centers, after consultation with USAID and the NGO Support Council, the project decided to conduct an open competition, which required more time and pushed capacity building interventions to the beginning of Year 2.

*Political and operating environment concerns.* The November 2013 presidential elections and Azerbaijani authorities' efforts to maintain control over its citizens to minimize protests and opposition rallying inevitably affected BLCD's activities, in particular, those planned in the regions (such as the CSO resource center user satisfaction survey). Naturally, project beneficiaries were also focused on the elections, which affected their participation in key BLCD events, including the first session offered as part of NGO management training and the submission of grant proposals.

The pre-election environment in Azerbaijan presented challenges to implementing activities in the region. Local executive committee (Excom) representatives frequently interfered with citizens' rights to freedom of assembly. Generally, any activity that gathered a group of people or conduct activities that would engage citizens (e.g., surveys, polls) required approval from the Presidential Administration, which was virtually impossible to get. To complete the CSO resource center satisfaction survey, BLCD and its local partner, SIGMA Research Company, had to change its methodology, organizing focus group discussions in Baku and allowing respondents to complete their questionnaires online. In view of these risks, we decided to postpone selecting CSO resource centers until after the election, once the tensions subsided.

BLCD continued to monitor the CSO operating environment for signs of deterioration, and the project consulted with USAID on appropriate risk management measures and alternatives to activities that would not be well-received by the local government (such as supporting CSO advocacy and coalition building under KRA 1.3) or would overextend CSO resources (such as financial viability training, developing sustainability/business plans under KRA 1.4).

*Beneficiary-specific issues.* This section summarizes the issues that affect most, if not all, of BLCD's beneficiaries as a result of the political environment described above. This summary is not exhaustive and does not imply wilful or wrongful acts on the part of any

named organizations.

- *Funding constraints and operational viability.* Training events and consultancies are simply not sufficient to counteract the government's systematic and highly organized effort to exercise control over CSOs in Azerbaijan. Several BLCD beneficiaries were unable to weather these conditions. AHCA could no longer implement its grant due to downsizing and bureaucratic impediments as a direct result of the changed operational environment.

Of the three CSOs that successfully completed their capacity building grants and received full technical assistance, two – AzMA and AHD – have an unclear future, given that the health sector receives little funding from international or local donors. Moreover, legislation limited the ability of major international and local funding sources to award and disburse grants to local CSOs. As a result, many CSOs were forced to stop implementing projects or closed their offices. BLCD's planned interventions included an array of complementary activities (surveying corporate grant opportunities, creating linkages between CSOs and corporations, expanding CSO services and training on financial management and fundraising, and providing technical support for the development of individual sustainability/business plans) that could have improved CSO sustainability if the environment was even remotely enabling. However, the government's actions, whether intentional or not, rapidly closed nearly all opportunities for maintaining a credible and diverse civil society in Azerbaijan.

- *Diminished enthusiasm and fewer resources available in the CSO community.* Though the participation and enthusiasm of the representatives of CSOs was positive in Year 1 and 2, in the following years, participants did not always complete the full course of project activities due to workloads, resource constraints required to respond to government officials' inquiries, and because they had less hope that their organizations would be able to operate in the near future, under legislative terms imposed on civil society. Starting in 2013, some partner CSOs had to stop activities, and those that continued to function had fewer resources (human and material) to commit to participating in project-sponsored events. Regrettably, given the restricted space for civil society in Azerbaijan, the CSOs couldn't apply the experience and skills they have gained through BLCD technical support due to legislative constraints and reduced internal resources.

*Limited access to the draft legislation.* The main challenge for Component 3 was the government's reluctance to share draft legislation with the public to provide an opportunity for discussion and feedback. Although the government eventually solicited input from CSOs, many local and international organizations viewed the gesture as disingenuous. BLCD also used other means to provide input on legislative initiatives, delivering its recommendations through strategic channels, such as the NGO Support Council, select international stakeholders, and in-person meetings with the drafters (in particular, with the Ministry of Justice). BLCD provided recommendations at various stages on how to improve the CSO legislation before it was adopted. Although the

government ignored these recommendations, they did serve as important advocacy tool with international stakeholders, including the U.S. Government, Open Government Partnership (OGP), the Organization for Security and Co-operation in Europe (OSCE), and others. Had the government shared the draft legislation in a timely manner, BLCD and other projects working on similar issues would have been able to prepare relevant analyses, assess possible negative and positive impacts, and mobilize CSOs (both local and international) to engage with government and advocate for progressive legislation.

*Changes to NGO law.* The MoJ requires every grant program to be registered. This requirement appears on its face to be straightforward, but the lack of clear implementing regulations has led to artificial bureaucratic impediments. Because the relevant authorities have no incentive to address this issue, few CSOs can get their grants registered. If a CSO is unable to register its grants, it will necessarily encounter other barriers, including the inability to access funds through the banks. A key element of BLCD's technical assistance was to provide training and consultations to CSOs to share information and increase their knowledge and understanding of how to comply with the new legal requirements.

*Operational environment and implementation challenges for BLCD project.* Beginning in August 2014, the project experienced first-hand the pressures of the declining CSO operating environment. The Grave Crimes Investigation Department of the General Prosecutors' Office of the Republic of Azerbaijan had launched a general investigation into CSOs activities as well as filed criminal cases against several domestic NGOs and branch and representative offices of international NGOs based on alleged violations of law detected in their activities in the Republic of Azerbaijan. Although Chemonics was not a party to this case, the activities of its representative office in Azerbaijan were reviewed as a part of this case. Subsequently, the General Prosecutors' Office ordered, through District Court of Baku, a hold on Chemonics' bank accounts effective July 9, 2015. Though the bank hold created a disruption, the project quickly explored and shifted specific aspects of program administration to the Washington, D.C.-based home office to ensure operational continuity. Following the bank account hold, the representative office was presented with a notice from the Ministry of Taxes, dated August 27, 2015, presenting a tax assessment based on General Prosecutors' Office recommendations. Chemonics has appealed the tax assessment in court in Azerbaijan (ongoing without decision at the time of this report), and the project continues to work closely with USAID to resolve this issue.

## **ACHIEVEMENTS AND PROGRESS TOWARD EXPECTED RESULTS**

As noted above, BLCD's progress has been impeded by a set of unusual circumstances that have affected its ability to meet the overall program objectives and expected results. This section provides a summary of project accomplishments vis-à-vis the contract's expected results, and identifies shortcomings as a result of the issues discussed in the immediately preceding section.

### **Component 1**

- BLCD conducted baseline organizational capacity assessments for all beneficiary

CSOs, revealed performance gaps, and developed a performance solution package and action plan for each CSO. It was unable to perform the final assessment with all CSOs from Group 1 or mid-term and final assessment with Group 2 CSOs, because many organizations had discontinued operations by then.

- All beneficiary CSOs participated in a series of NGO management training sessions developed based on human and institutional capacity development (HICD) methodologies tailored to the needs of participating CSOs.
- BLCD provided technical assistance to CSOs for development of good NGO governance criteria, published the *Good NGO Governance Handbook* in English and Azeri languages, and disseminated it among CSO partners and stakeholders.
- BLCD issued grants to Group 1 CSOs and provided technical support to address gaps identified during the assessment. Due to restrictive grant registration procedures and CSOs' inability to secure certification of registration from the MoJ, BLCD could not issue grants to Group 2 CSOs. Moreover, several CSOs in Group 1 were unable to complete their grants.
- Due to growing government scrutiny of CSO networking and group activities, BLCD, in consultation with USAID, did not proceed with issuing grants to support CSO coalitions.
- The project organized training on financial management and financial viability for partner CSOs, assessed the availability of corporate grant-giving in Azerbaijan, and developed a plan to create a linkage between business and beneficiary CSOs, but prospective private sector funding sources also diminished with the deteriorating operational environment. The lack of available donor funds led to the postponement of CSO business/sustainability plan development, because there would be no meaningful opportunity to implement action items.

## Component 2

- Capacity assessments and mapping of CSOs were conducted and resulted in selection of two CSO Resource Centers assessed as the existing resource centers most likely to be sustainable.
- BLCD made available and managed CSO Capacity Funds to provide technical assistance to selected CSOs from Group 1 and CSO resource centers that contributed to effective implementation of BLCD Project results.
- As a result of capacity building interventions, which started with a baseline OCA, a wide range of training focused on various aspects of organizational and program management, and individual consultancies to develop and implement the sustainability plans, the CSO resource centers improved their capacity. Under BLCD-funded grant projects, they began to provide mentoring, leadership, technical assistance, training support to small Azerbaijan CSOs in the regions.
- The project conducted a policy dialogue assessment and made recommendations on how to adapt project interventions to improve advocacy and coalition building to meet the new restrictions. BLCD successfully conducted high-level meetings with government officials, and explored the viability of activities that could bring civil society and government together.

### Component 3

- 16 CSOs (from USAID-approved Groups 1 and 2) improved their understanding of new legal provisions and learned how to improve their compliance.
- More than 100 CSOs participated in BLCD training events and in public discussion of CSO law. CSOs also directly received BLCD assistance in the form of advice, consultancy, and resource materials. As a result, CSOs are better aware of their rights and obligations and can better defend themselves and their rights.
- Dialogue between CSOs and government was improved by the establishment, in which BLCD played an instrumental role, of the Monitoring and Law Commission under the NGO Support Council and the inclusion of several BLCD beneficiary CSOs on this commission.
- BLCD remained the main resource on CSO legislation for all stakeholders, both local and international. The BLCD's *Assessment of the Legal Framework for CSOs in the Republic of Azerbaijan* is a key reference source.
- The government accepted two BLCD recommendations improving government proposed changes to the CSO (to extend the deadline for submission of grant registration application and to shorten the list of the documents required for grant registration).

### Mid-Term Evaluation

In late 2014, USAID contracted Management Systems International (MSI) to conduct the mid-term performance evaluation of BLCD to 1) determine the results of BLCD project interventions from September 28, 2012 through September 28, 2014; 2) evaluate the progress made under each component based on established targets; and 3) recommend any adjustments and considerations for the implementation of the rest of the project. The report revealed that most BLCD met or exceeded most of its 2013 and 2014 targets for CSO organizational and advocacy capacity development.

Overall, significant increases in the percentage of action plan items implemented by beneficiary CSOs and CSO resource centers affirmed BLCD's application of OCA and approach to capacity development through its professional and open relationships with CSOs. The training was mostly assessed to be useful, if a bit theoretical for many, but participants appreciated the inclusion of local trainers and especially the follow-up by BLCD staff and consultants. CSOs and key stakeholders appreciated BLCD's efforts to raise awareness about the legislative changes and their effects on CSOs.

The CSO enabling environment challenges were well-known when the evaluation was conducted. The evaluation team's findings focused on the *survivability*, rather than the *sustainability*, of CSOs. The evaluation team suggested a shift away from a comprehensive OCA toward a more simplified program to address basic needs of CSOs and help them to keep operating, an aspect that BLCD had already discussed with USAID before the evaluation report was released.

## SECTION II

# SUMMARY OF PROJECT IMPLEMENTATION

### COMPONENT 1: STRENGTHEN THE ORGANIZATIONAL AND TECHNICAL CAPACITIES OF KEY CSOS ENGAGED IN NATIONAL, REGIONAL, AND COMMUNITY PUBLIC INTEREST AGENDA

Since Azerbaijan became an independent state in 1991, civil society has grown stronger and, with support from donors, many CSOs have established a foothold as service providers to their communities and activists for reform. However, the enabling environment and capacity levels of individual CSOs needed to be improved before civil society could begin to play a meaningful role in advancing the public interest and promoting participatory and accountable governance. Azerbaijani CSOs continue to suffer from common capacity gaps, weak financial management, poor resource mobilization and ineffective service delivery. Their efforts are poorly coordinated with those of other CSOs and are complicated by their ineffectiveness in engaging government counterparts. The recently imposed restrictive operating conditions are an even greater threat to their efficacy and viability.

USAID's support to civil society in Azerbaijan over the last 10 years has strengthened the role of CSOs to promote the public interest and advocate for their constituencies. This trend continued with BLCD, which, building on USAID's achievements over the previous years, aimed to increase the organizational and technical capacity of 30 Azerbaijani CSOs, improve their access to high-quality support services, and enhance legal and regulatory frameworks to safeguard the role of the third sector in Azerbaijan.

All the relevant staff is now informed and trained about organizational policies and procedures. The project also assisted TIA in raising the quality of teamwork in our organization. The increased knowledge by TIA staff of organization's mission and vision, as well as the improved internal control have led to better coordinated communication among staff members and a more efficient use of time and resources.

— RENA SAFARALIYEVA, CHAIRWOMAN, TIA

BLCD worked with a total of 20 CSOs from two groups (referred to as Group 1 and Group 2 in this report). In Year 1, USAID, in consultation and with input from BLCD, selected 11 CSOs to receive technical assistance from the BLCD project. These CSOs worked in three sectors: Democracy and Governance (7 CSOs), Health (3 CSOs), and Economic Growth (1).

In Year 2, USAID and the BLCD project selected an additional nine CSOs (from an initial list of 13) to receive technical assistance from the project in Year 2.

**EXHIBIT 1. BLCD RECIPIENT CSOs BY SECTOR**

| DEMOCRACY AND GOVERNANCE   | HEALTH                                      | ECONOMIC GROWTH  |
|--|---|--|
| <b>YEAR 1 CSOs (GROUP 1)</b>   |   |  |
| Azerbaijan Lawyers Confederation   | Assistance to Health Development            | Entrepreneurship Development Fund                            |
| Transparency International Azerbaijan  | Azerbaijan Medical Association              |  |
| Media Rights Institute   | Azerbaijan Health Communication Association |  |
| Democracy Learning   |   |  |
| Law and Development  |   |  |
| Women's Association for Rational Development                                 |   |  |
| Election Monitoring and Democracy Studies                                    |   |  |
| <b>YEAR 2 CSOs (GROUP 2)</b>   |   |  |
| "Constitution" Research Center   | Azerbaijan Children Union                   | Economic Research Center                                     |
| "Education" Public Support Association of all Youth of Azerbaijan (Lankaran) |   | Small and Medium Enterprise Development                      |
| "Uluchay" Socio-Economic Innovation Center (Sheki)                           |   | Support Center Support for Economic Initiatives Public Union |
| Women for Development of Municipalities                                      |   |  |
| Young Accountants Union  |   |  |

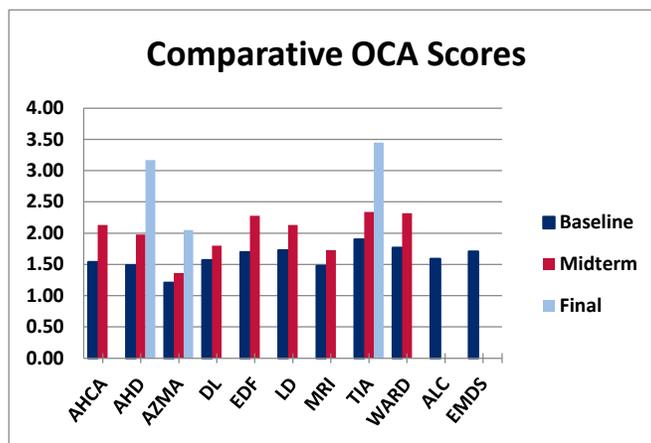
BLCD planned to engage a third group of CSOs in Year 3, and designed an RFA and developed a selection plan to do so, but the changes in the enabling environment and the freeze on the project bank account forced project to adjust the plan and postpone selection to a later period.

During the implementation period (from November 2012 to January 2016), BLCD provided a wide range of comprehensive training and technical assistance activities aimed at improving selected CSOs' governance, financial and program management, human resources, and other organizational areas critical to their effectiveness and sustainability.

Baseline organizational capacity assessments (OCAs) for each beneficiary CSO identified its primary individual deficiencies and gaps, and its progress toward addressing gaps was measured during mid-point and final OCAs (see Figure 1 for CSO Group 1

comparative results<sup>2</sup>). The periodic OCAs allowed the project to track beneficiaries' organizational strengths and weaknesses and inform our capacity building assistance strategy for each CSO. BLCD's work with, and technical assistance to, CSOs focused on addressing CSOs' high-priority needs through grant awards and trainings and consultancy based on Human and Institutional Capacity Development (HICD) approach described below.

Figure 1: Comparative overall scores for Group 1 CSOs



## KEY INTERVENTIONS

### Organizational Capacity Assessments

BLCD used USAID's OCA tool to measure the capacity of local CSOs on multiple levels along seven dimensions<sup>3</sup> of organizational capacity by evaluating the individual, institutional, and environmental factors of organizational performance. The assessment also measured organization's adherence to eight NGO good governance principles.

In January and February 2013 and from January through April 2014, the BLCD team performed a detailed baseline OCA of 20 CSOs from Groups 1 and 2 (see Figure 2 on next page). The assessments were done in a participatory manner, involving key representatives of each organization and facilitating their discussion and scoring of the organization. During the assessment process, the team reviewed each CSO's internal documentation, including strategy plans, charters, meeting notes, attendance records, timesheets and operational policies. It became apparent that most CSOs understood the importance of being effective and progressive in project implementation, but considered organizational capacity development to be a mere formality. Many of them saw organizational capacity assessment as meaning extra paperwork, which, in their view, was an unnecessary burden. In the light of this, our assessment focused not just on measurement but also on discussions of the value of organizational development to successful program implementation. BLCD evaluated each CSO, ranking them from low (level 1) through basic and moderate (levels 2 and 3) to strong (level 4)<sup>4</sup> in the seven

<sup>2</sup> Two organizations: EMDS and ALC did not go through mid-term assessment. EMDS was unable to participate in project activities once the government opened an investigation of the organization following the October 2013 elections. BLCD terminated assistance to ALC at USAID's request.

<sup>3</sup> The seven capacity areas are governance, administration, human resource management, financial management, organizational management, program management, and project performance management.

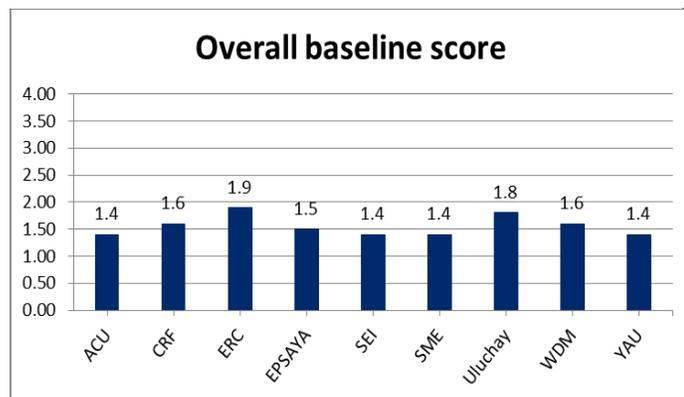
<sup>4</sup> Each of the development levels corresponds to the numerical scores which are calculated as an average for each of the assessed organization considering all seven areas: "Low" (from 1.00 to 1.49), "Basic" (from

main organizational areas.

The assessment revealed that the organizational systems (capacity) of most CSOs were undeveloped, their management systems and structures were not completely implemented, and that they depended heavily on external funding sources. Out of 20 CSOs, seven were assessed to be at the low level, the early stage of development, while 13 had reached the basic level. The CSOs' capacity was weakest in administration, human resources management, and project performance management. All assessed organizations lacked established operational and personnel policies and procedures, as well as systems for monitoring project progress toward key outcomes. In the few instances where such policies did exist, they were developed as a condition to receive donor support; key staff members were not aware of them and the policies were never implemented.

*Performance Solutions Packages (PSPs).* After debriefing each CSO on the results of its assessment, the BLCD team helped them identify and prioritize their needs, map their gaps, identify potential performance solutions, determine the resources required to strengthen their organizations, and record these in an action plan. Encouraging the CSOs to analyze the scores and draft their own action plans helped them to invest in their own development by giving them practical experience in organizational capacity assessment and allowing them to take “ownership” for the proposed actions. As a result, BLCD developed tailored PSPs for each CSO that provided information on the validity of the assessment results and recommended action items and performance measures to use in the development and implementation of the program. Each performance solution package consisted of the CSO profile, organizational scorecard, action plan, and performance measure matrix.

Figure 2. Overall baseline scores for Group 2 CSOs.



*Mid-term OCAs (July-August 2014).* After 18 months, the project conducted mid-term OCAs with nine project beneficiary CSOs from Group 1 to measure the progress that each CSO had achieved since the baseline assessment. The mid-term assessment revealed that all Group 1 CSOs had improved their organizational capacity and increased their overall OCA score from their baseline. CSOs showed marked improvement (moving scores up by at least one level) in four areas: governance, administration, human resources management, and organizational management. Financial management and project performance management remained weak at mid-term assessment and were identified as priorities for further capacity development efforts. After the completion of

1.50 to 2.49), “Moderate” (from 2.50 to 3.49) and “Strong” (from 3.50 to 4.00). For more information on OCA tool, please see, the OCA reports that are attached to this Report.

mid-term assessment, the action plans and performance measurement documents were modified to reflect the progress achieved.

Group 2 CSOs selected in Year 2 participated in the NGO Management training and received ongoing consultation from the project team, but were unable to participate in the capacity building grant program because of the restrictive legal changes summarized above. The impact of these changes on project activities prompted BLCD, in consultation with USAID, to come up with a plan for alternate assistance delivery — the Training Voucher Pilot Project (TVPP) — a program that would allow the project to provide consultant services and training to CSOs using Azerbaijani experts as much as possible.

*Final OCAs (December 2016-January 2016).* Although most Group 1 CSOs were unable to continue work under BLCD’s grant programs, three organizations, Azerbaijan Medical Association (AzMA), Azerbaijan Healthcare Development (AHD) and Transparency International Azerbaijan (TIA), successfully completed their grant programs and received an entire cycle of BLCD technical assistance. Assessment results revealed that all three organizations improved their organizational capacity, increasing their overall score compared to their mid-term results. Two CSOs (TIA and AHD) were ranked at the “moderate” level, and one (AzMA) had reached the “basic” level. The organizations achieved the highest score in governance (Level 4) and had improved their scores in human resource management, financial management, administration, and organizational management scoring up at least by one level. AzMA and AHD received lower scores in program management and project performance because of their inability to secure financial support. All three CSOs developed and implemented one or more key organizational management policies and procedures, systems, and tools necessary to deliver professional-quality work.

### **NGO Management Training**

This section summarizes BLCD’s training developed to improve CSOs’ organizational management capacity. Group 1 CSOs and most of the Group 2 CSOs successfully completed this training.

*Basic Computer Security.* Before the organizational development training, BLCD organized two training sessions on basic computer security for Group 1 CSOs in Year 1. These workshops raised CSOs’ awareness about IT security issues and concerns, promoted the use of mass-market secure technology, and provided basic training on IT security and data management.

*Increasing CSO Effectiveness Training Program.* In the final quarter of Year 1, BLCD engaged international experts, Michael Jack and Rebecca Sherwood, to design an HICD-based training curriculum. They developed the *Increasing CSO Effectiveness* modular training series aimed at strengthening the organizational and technical capacity of BLCD partner CSOs and Resource Centers. The first training series was delivered in three week-long sessions, and the second iteration, designed and delivered by Ellen Eiseman, Jennifer Burdett, and Nicole Kresse, was reduced to two week-long sessions to match the lower development levels and absorptive capacity of Group 2 CSOs.

As a result, the CSOs learned the critical elements of a strong organization, the importance of and methodology for developing different internal policies and procedures, development of new opportunities for sustainability and relations with local businesses, and the approaches and tools to lead the organization and stakeholders through change. In addition, the training enabled the participants to learn about change management systems and explained the importance of integrating community involvement, gender, and culture with programming. It also reinforced the importance of recordkeeping, branding and marketing, conducting performance appraisals, ways to keep staff motivated and engaged, and effective volunteer management. In delivering this training, the project involved and invested in the capacity development of seven local trainers/consultants and engaged them to assist the partner CSOs from Group 1 in reviewing or developing policies and procedures after the training.



A local consultant discusses the Board's responsibilities with one of the directors of the beneficiary CSOs at NGO Management training in Baku, November, 2013.

Photo by: Samira Mammadova, BLCD

*Training of trainers for local consultants.* In Year 1, to further improve the capacity of locally available resources, on May 26-28, 2014, BLCD held a training of trainers (TOT) workshop for willing and experienced local trainers to train them to serve as training co-facilitators and technical assistance providers to CSOs. At the end of the workshop, participants received an individualized evaluation of their training design and facilitation skills from Organizational Development Specialist Joanna Richardson. In total, five trainers were selected to serve as training consultants for BLCD and help the project achieve its CSO Group target indicators for Year 2. Both the project and CSOs benefited from their services in capacity building activities, but the limitation of technical assistance that began in Year 3 prevented us from taking full advantage of their expertise.

*Financial management training.* On June 24-25, 2014, as a part of a financial viability initiative and based on assessed needs of partner CSOs, BLCD organized a two-day training course on financial management and compliance for beneficiary CSOs from Groups 1 and 2 and the two resource centers. The training focused on financial and accounting management, taxation and sub-grantees' financial management in the context of local legislation and the requirements of international donors. The Azerbaijani training expert, Hijran Hajiyeva, provided insightful information and practical techniques to BLCD partner CSOs on reporting obligations, compliance requirements, liability, manageability, and accountability; financial planning; financial procedures and transactions; financial documentation; financial reporting (internal and external); financial control; evaluation; and the role of external auditors. The training also covered

other legal aspects and frameworks associated with the financial management and compliance aspects required in reporting and whether they differ depending on funding source.

## **CAPACITY BUILDING GRANTS**

Toward the end of Year 1 and Year 2, BLCD began its capacity development grants program by releasing a Request for Applications (RFA) open to all Group 1 and Group 2 CSOs to prepare a grant proposal, using their respective action plans as the basis for the proposals. BLCD offered up to 10 grant awards ranging from \$8,000 to \$12,000, with an expected 18-month timeframe for implementation per organization. The RFA application process helped CSOs to gain practical experience in grant development and supported their investment in their own development, reinforcing ownership of the proposed grant activities. All CSOs in Group 1 who started grants implementation managed to develop strategic plans, establish organizational policies for human resources, finance and procurement, and purchasing financial software, and conduct training in topics such as project management, monitoring and evaluation (M&E) and service delivery. Each CSO receiving a grant was obligated to complete milestone deliverables corresponding to capacity improvement areas identified in its OCA and PSP.

During the grant implementation cycle, CSO grantees received ongoing technical support from the project technical staff, third-party consultants, and training courses. In addition, BLCD provided ongoing support to project grantees with an emphasis on administration of grant award and practicality. By the end of the Year 2, the Group 1 CSOs awarded grants had, on average, implemented 40 percent of their identified action items. Despite this promising start, however, changes in the legal environment had taken their toll. By late 2014, CSOs' enthusiasm, will, and engagement waned as many organizations faced difficult decisions about their own viability with funding resources dwindling.

Moreover, banks began narrowly applying provisions of the new legislation and amendments affecting NGOs, denying access to funds for any CSOs who failed to produce documents attesting that their grants had been registered with the Ministry of Justice. BLCD supported its CSO grantees through long negotiation with its bank, and they succeeded in obtaining permission to process grant payments to four CSOs: Azerbaijan Health Communication Association (AHCA), Assistance to Healthcare Development (AHD), Azerbaijan Medical Association (AZMA) and Transparency International Azerbaijan (TIA). Three of CSOs (AHD, AzMA and TIA) completed their grant agreements successfully in Year 3, while AHCA officially requested to terminate its grant with BLCD due to a lack of staff and resources to continue implementation.

The other five project partner CSOs suspended delivery of milestones because they were unable to receive grant payments. For details on the status of all partners, see Annex B.

Although there was some movement in grants implementation of Group 1 CSOs, with Group 2, it stagnated at the stage of submission and project review. All nine Group 2 CSOs submitted grant applications, but the project awarded no grants to them, due to challenges noted above. Despite being unable to process the grants, BLCD planned to

continue providing technical support to Group 2 CSOs by engaging them in training and providing project team organizational support for developing policies and regulations.

## GOOD NGO GOVERNANCE STANDARDS

CSOs must demonstrate good internal governance to gain credibility and increase funding prospects. However, good governance is one of the weakest areas for most CSOs in Azerbaijan because it is driven by donor funding, not the CSOs' mission. As a result, CSOs are more accountable to their donors than to their constituencies.

For almost all assessed organizations, the baseline OCA revealed gaps in board and staff management, a lack of division of roles and responsibilities, lack of separation between governance and management, and poor understanding of importance of documentation. Although the mid-term assessment showed improvement in adherence to NGO Good Governance principles, including awareness about setting vision, mission, and organizational structure, developing board terms of reference and understanding the role of board and staff differently, the assessment showed that strategic planning, communication strategies, policies for travel, personnel, financial, procurement and fixed assets continued to be weaknesses.

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| <p style="text-align: center;"><b>Eight Principles of Nonprofit Governance</b></p> <ol style="list-style-type: none"><li>1. CSOs are accountable to their communities</li><li>2. Good governance is a basic form of accountability</li><li>3. Good governance has a formal structure</li><li>4. Good governance involves the separation of governance and management</li><li>5. NGOs are mission-based organizations</li><li>6. NGOs promote the highest ethical and professional standards</li><li>7. NGOs manage and mobilize resources responsibly</li><li>8. NGOs are responsive to the communities they serve</li></ol> |
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*Good Governance Handbook.* In Year 2, BLCD engaged Governance Expert Luben Panov of the Bulgarian Center for Not-for-Profit Law (BCNL), an affiliate of the European Center for Not-for-Profit Law (ECNL) that helped publish the original *Governance Handbook*, to advise in the drafting of a practical *NGO Good Governance Handbook*. Mr. Panov worked closely with Azerbaijani counterparts to customize it to the Azerbaijani context. The handbook addressed the key governance issues that organizations in Azerbaijan faced and included user-friendly guides and templates. A team of Azerbaijani CSO experts translated it into Azerbaijani, to ensure that the proper terminology was used.

The project continued promoting NGO good governance principles (see box above) by sharing the published *NGO Good Governance Handbook* with its partner CSOs. In Year 3, BLCD finalized the design, editing, and translation. To discuss the promotion of the handbook for a wider audience, BLCD organized a meeting led by Mr. Panov (see box next page) with a team of Azerbaijani CSO experts. During the meeting, the participants touched on the importance of promoting the handbook given the current environment. One recommendation was to put the handbook into context by developing a specialized training curriculum to build the capacity of local experts so that the delivery of good governance training to CSOs in the future can be sustained by local experts. In addition, it was suggested that the handbook be posted to partner organizations' websites to ensure

a wider reach and online access.

BLCD published the *NGO Good Governance Handbook* and distributed almost 900 of a total of 1,000 printed copies to CSOs, partner resource centers, international organizations operating in Azerbaijan, and universities. The BLCD team continues to receive positive feedback from recipients on the usefulness of the handbook.

*Fostering buy-in and ownership of NGO governance standards.* In April 2014, BLCD hosted a roundtable discussion to introduce and foster NGO Good Governance standards among key partner CSOs. The discussion was facilitated by Mr. Panov who addressed the key governance issues that organizations face and presented the main principles of good governance through practical case studies and scenarios. During the discussion, CSOs had an opportunity to address differences between internationally recognized best governance practices and actual practices in Azerbaijan. To ensure that this project intervention was tailored to the Azerbaijani context, the international expert also met with various stakeholders, including the executive director of the NGO Support Council, the chairman of Law and Development, and a board member of the Economic Research Center. The meetings allowed the expert to present best practices and models of good governance in post-Soviet countries and how they can be adapted the Azerbaijani context.



Luben Panov presents the Central and Eastern European Standards of Good Governance to partner CSOs in April 2014.

Photo by: Samira Mammadova, BLCD

## ADVOCACY AND COALITION BUILDING

BLCD boosted advocacy and coalition building activities with the technical support of CSO Advocacy Expert Nebojsa Radic who assessed the capacity level and potential of CSOs to become effective advocates for reforms. The major efforts in both advocacy and coalition-building were scheduled to occur in the last quarter of Year 2 and the early quarters of Year 3, but in consultation with USAID, BLCD determined that it was in the project's and beneficiaries' best interest to postpone these activities to avoid unwanted government scrutiny. Instead, the project opted to continue with less visible training in areas related to advocacy and coalition building that included financial viability, monitoring of legislation, voluntary activity, advocacy, NGO good governance, and access to information. For details on this training, see the section Component 3 below.

In an effort to broaden BLCD's assistance beyond beneficiary training, the project conducted a policy dialogue assessment, led by Policy Dialogue Experts Margarita Seminario and Alimammad Nuriyev, to evaluate the potential for promoting dialogue between State institutions, CSOs, and other relevant stakeholders to address national,

regional, and community public interest agendas. The assessment engaged CSOs and government to share ideas and solutions to key issues designed to improve socioeconomic conditions for citizens. The assignment was conducted in two parts: 1) an assessment of the feasibility of implementing the policy community pilot and 2) an action plan for a menu of potential activities. The assessment team conducted extensive research and interviewed more than 40 individuals representing USAID\Azerbaijan; BLCD CSO partners; representatives of state institutions, including the NGO Support Council, Civil Service Commission, and the State Committee on Family, Women and Children's Issues, and legislators and senior staff in the Milli Majlis; and other relevant individuals, including USAID implementers, donors, and foundations. During the meetings, the assessment team shared a comparative perspective of the policy community model and explored how such model may be piloted in Azerbaijan and what policy subject areas might be targeted. The assessment revealed three key areas of additional opportunity:

- Capacity building for BLCD CSOs on presentation skills, improved negotiation and consensus building capacity, and the ability to conduct legal research and draft bills/
- Fostering engagement to improve the government's perception of CSOs to encourage a working partnership through small discussion or working groups.
- Focusing on topic areas where CSOs and the state institutions share common goals, encouraging productive discussions, and creating opportunities for possible joint action on the part of CSOs and the government.

Based on these three findings, the assessment team put forth two recommendations:

- Increase CSO technical competence (e.g., evidence-based research skills) and organizational resilience.
- Implement pilot activities for CSOs to advance a national interest agenda, examples of which include: monitoring state institutions and recommending improvements, analyzing and preparing draft laws and amendments, and ways to improve the government's perception of CSOs.

Due to the challenges BLCD faced in Year 3, the project was not able to begin the planned second part of the pilot.

### **Corporate Social Responsibility Assessment (CSR)**

In Year 2, BLCD engaged a local consultant on Corporate Social Responsibility (CSR), who helped the project identify active corporate funders, collect data on the current status of corporate philanthropy, and create a matrix of corporate funders in Azerbaijan. The research findings revealed that 70 percent of interviewed companies view corporate philanthropy as a way to improve the lives of social groups and communities in need. They recognize that CSR can have a positive impact on their reputation and image in their community and can foster pride and loyalty among their employees. Firms that did not recognize the importance of CSR did not support philanthropic causes or see any value in establishing strategic partnerships with CSOs. The project planned to bring together select businesses and CSO representatives and create a platform for networking and exchange of ideas for possible cooperation. Because of the deteriorating operational

and legislative environment, BLCD had to postpone this intervention as well.

## **COMPONENT 2: DEVELOP HIGHLY PROFESSIONAL CSO RESOURCE CENTER(S), ACCESSIBLE TO SMALLER AND LESS CAPABLE CSOS WORKING ON PUBLIC INTEREST AGENDAS**

In the late 1990s and early 2000s, the government of Azerbaijan and UNDP supported the establishment of resource and training centers throughout Azerbaijan, and as a result, more than 40 resource centers operated actively around the country over that period. According to the NGO Support Council, the establishment of resource centers resulted in high level of activities of local CSOs since then, especially grassroots organizations in the regions. But in the mid-2000s, most of these resource centers began to close, due to funding and resource shortages. By the time BLCD began, only five resource centers outside of Baku remained active. BLCD started this component with assessing the situation and reviewing the lessons learned from previous programs on resource centers.

We appreciate the BLCD project's work to improve the capability of NGOs, help create clear procedures and organizational documentation, and for its excellent organization of high-level events in the regions. Until now, we have collaborated with different international organizations, but we attach great importance to BLCD, because of the experience and mutual cooperation of the BLCD team. The main reason for this is the employees' diligence and high attention to the successful implementation of the project. At the same time, we can emphasize BLCD's efforts to raise awareness of newly adopted laws and regulations through the organization of roundtable discussions.

— FUAD BADALOV, DIRECTOR, SHEMKIR REGIONAL NGO RESOURCE AND TRAINING PUBLIC UNION

BLCD selected<sup>5</sup> two partner resource centers, Gabala Regional NGO Resource and Training Center (Gabala resource center) and Shemkir Regional NGO Resource and Training Public Union (Shemkir resource center), from a pool of 15 applicants. In January 2014, the project issued each resource center a single, two-year grant. As with BLCD's CSO partners, the resource centers underwent a baseline and mid-term OCA, which identified critical organizational capacity gap areas; these findings were translated into action plans for each resource center and further supported with individual institutional development interventions, including NGO Management training, the project consultancies, and workshops on issues related to national legislation.

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<sup>5</sup> Its Technical Evaluation Committee was composed of voting members from the NGO Support Council, USAID's SEDA Project, and BLCD and non-voting members (two USAID representatives and BLCD's chief of party,

## KEY INTERVENTIONS

### CSO Resource Center Mapping

In the first quarter, in conjunction with other project startup activities and before identifying resource center partners to receive project assistance, BLCD conducted a needs assessment and resource mapping of existing resource centers in Azerbaijan. The assessment findings informed the project's evaluation criteria for selecting active resource centers with the potential to become sustainable, full-service resources for technical assistance, training, and sub-grant support for other Azerbaijan CSOs. The assessment focused on overall CSO sector service needs, as expressed by key stakeholders and service providers both in and outside of government, and it presented a standard menu of services for CSO resource centers to meet CSOs' needs. The assessment also recommended future partnership activities. BLCD shared its findings with its partners, the USAID SEDA project and the NGO Support Council. Both indicated that the assessment served as a useful and effective source for further capacity development work with CSO resource centers.

Although the assessment revealed that five existing CSO resource centers created by the National NGO Forum are recognized as the leading resource centers outside of Baku, the assessor highlighted two primary considerations for long-term sustainability: “1) a resource center must be geographically located in a community surrounded by a sufficient number of CSOs to create a ‘critical mass’ of users and CSO clients; and 2) in the current political climate, a CSO resource center must be able to collaborate with local executive committee representatives and be either pro-government or (at best) politically neutral to survive the chopping block of terminated registrations or bans on activities and interference with the right to freedom of assembly.”

### Organizational Capacity Assessments

Before awarding the grants to the recommended resource centers, BLCD conducted a detailed OCA. This is the same tool BLCD used to assess the organizational capacity of partner CSOs under Component 1. To ascertain the needs of the resource centers in Gabala and Shemkir, BLCD adapted the OCA tool to the special needs of CSO resource centers. The adapted OCA kept the approach and scoring scales of the original OCA tool and added three areas: service provision, external relations, and sustainability of the CSO resource center.

The baseline assessment revealed that both CSO resource centers scored at the “Basic” level; that they possessed management and service delivery systems that were functioning, but these systems are not fully implemented or appropriate for the organization. Although they lacked organizational and administrative procedures, executive staff of both centers demonstrated understanding of and commitment to their mission and to their constituent CSOs.

As with CSO beneficiaries, BLCD conducted a mid-term OCA (March-April 2015) for the CSO resource center to assess their progress after receiving project support. Although

both resource centers maintained the same “Basic” level OCA score, they improved their capacity in 8 of the 10 OCA areas (see Figures 3 and 4 on the following page for scoring by area). Notably, both organizations’ ratings in governance increased to “moderate.” The administration and human resource management scores for both centers increased from “low” to “basic.” Gabala Resource Center showed progress in financial management by developing a financial management policy. It also showed improvement in organizational management, program management, and project performance management, and on service delivery and sustainability, it also made progress from its baseline point. Most important, BLCD noted that resource center leadership and staff had begun to appreciate the need for and value of prioritizing their organization’s capacity.

The final OCA for partner resource centers was planned for the second quarter of Year 4, but it will not be conducted, given the project’s termination.

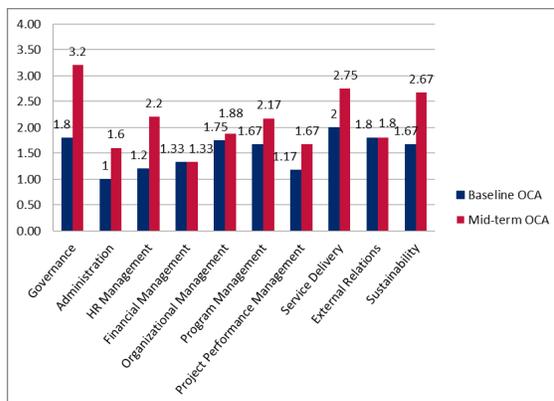


Figure 3. Comparative scores by capacity areas for Shemkir RC

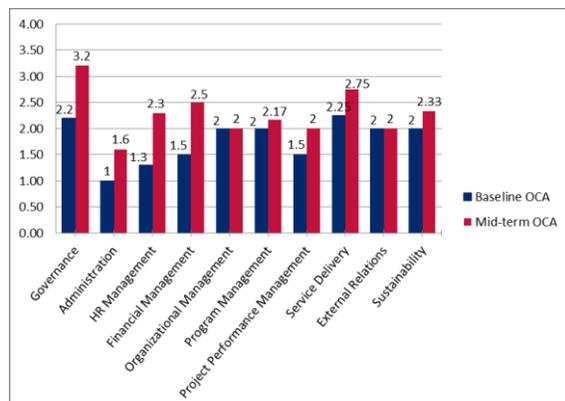


Figure 4. Comparative scores by capacity areas for Gabala RC

### User Satisfaction Survey

After conducting the CSO resource center mapping (described above) and following up with OCAs of both partner CSO resource centers, the project identified the needs of beneficiary CSOs in the regions and their level of satisfaction with the services provided by the two project-supported resource centers. BLCD used an Azerbaijani research company, SIGMA Research Center for Development and International Collaboration, to design and conduct a user satisfaction survey and analysis.

According to the survey results, the CSOs were generally satisfied with the support and assistance that they received from the resource centers, particularly training and consultative services and computer and language courses. CSOs identified several needs that resource centers did not address, including financial and technical resources and support, accessibility, websites and online libraries, and services to support the development of partnership with local authorities. This exercise prompted resource centers to revisit the services they offer and look for ways to align them with CSOs’ actual needs. BLCD prepared a tailored form for CSO resource centers to use periodically to gauge user satisfaction to inform any future service adjustments.

Based on the survey’s results, BLCD intended to develop a plan to improve the quality of

resource center services, provide guidance on appropriate fee structures and other fundraising schemes, and strengthen linkages between CSO resource centers and local authorities. Although BLCD was unable to proceed with these activities due to the implementation environment that made it challenging to conduct activities in the regions, these substantive recommendations and action items were reflected in the sustainability plans that BLCD helped the resource centers develop, should they take the initiative.

### **Sustainability Plans for CSO Resource Centers**

As mentioned above, the OCA for resource centers included additional areas, one of which addresses sustainability. BLCD worked closely with the Gabala and Shemkir resource centers in developing their sustainability strategies, incorporating priority needs identified their respective baseline OCAs and agreeing on targeted action items, timing, and responsibilities for each party. As an added support to ensure that the resource centers received adequate support in implementing their sustainability plans, BLCD engaged CSO Resource Centers’ Strengthening Expert Gunay Zeynalova who provided on-site consultancy services to both resource centers, which greatly improved their understanding of, and the quality of, their milestones. Both resource centers have developed personnel policies, succession plans, volunteer and intern policies, and M&E plans and have modified their organizational structures, board composition, and job descriptions for each staff member.

Although BLCD was unable to monitor the resource centers’ performance in implementing their sustainability plans, the latter were developed in a manner that made them easy to monitor and implement without BLCD’s direct guidance. Each action item was included based on respective resource center’s needs, and BLCD discussed all implementation techniques and expected results in detail during baseline and mid-term OCAs. With this knowledge, the resource center can engage additional resources when needed to implement the plan or do it independently, with their own resources.

### **Resource Centers Grants Program**

The Resource Centers Grants Program was designed to encourage and support resource centers in addressing their capacity building needs and better position them to compete for available funding and resources. BLCD awarded grants to two resource centers. The small grant was intentionally designed so the project could provide technical assistance to resource centers, while also motivating them invest their own resources and take ownership of their capacity development.



Local stakeholders learn about the recent changes to the NGO legislation in information session organized jointly with the NGO Support Council in Gabala, April, 2014.  
*Photo by: Gabala Resource Center*

Through grants and the expertise of project staff and consultants, Gabala and Shemkir resource centers improved financial and human resource management, administrative policies and program and performance management. The grants for both resource centers ended in January 2016, without grantees completing all milestones and deliverables. The changes that affected CSOs have also affected the resource centers' grants. Both resource centers were eventually unable to access funds. Unfortunately, there were no alternate, legitimate avenues to continue the grants.

Although the resource centers were only able to implement some activities under their grant project, their feedback and mid-term OCAs indicate they are applying BLCD's recommended standards and practices with regard to project implementation, development quality reports and communication materials, monitoring and evaluation of their activities, correlating their activities with needs of their beneficiaries, and how to expand the range of services they provide. Resource centers have started offering rural CSOs sessions and workshops focused on organizational capacity building on various capacity areas, thereby fulfilling BLCD's main aspirations to develop a cadre of Azeri of organizational development capacity service providers and spread the project's message on the importance of investing in organizational development.

### **Azerbaijani Consulting Resources/Market Survey**

BLCD engaged a local firm, Research Center and International Center for Social Research (ICSR), to assess the possible alternative sources available for capacity building in Azerbaijan. ICSR conducted focus-group discussions and individual in-person and online interviews with more than 100 individuals in August through November of 2013 to identify training and consulting organizations, individual trainers and consultants, and think tanks and companies who provide training and consulting services to CSOs, to assess CSOs' needs for consulting and training resources and their satisfaction with the available resources in Azerbaijan; and to develop recommendations for the future direction of civil society assistance, including prospective areas of intervention and identification of new opportunities for synergistic activities.

This survey's results confirmed that there are consulting and training resources available in Azerbaijan, either through established centers or individual consultants, and that CSOs have a real need for them, although they still tend not to solicit consulting or training services due to a lack of interest, a lack of confidence in experts, or other constraints (e.g., financial, lack of access, or the shortage of targeted experts). Further, the market for training and consulting services is historically more aligned to the interests and needs of private sector clients. Despite these challenges, however, the report identified a window of opportunity to establish a mutually beneficial supply and demand link between CSOs and trainers and consultants for services in a broad range of organizational capacity development areas. An important resource resulting from this exercise is a database of 47 CSO management trainers and consultants available in Azerbaijan, which we have shared with the CSO community.

## Assessment of Cooperation with Universities

BLCD delved deeper to ascertain whether there was a chance that CSOs and universities could cooperate to improve and expand these resources. The assessment project delivered showed that CSOs and education entities had worked together since the formation of civil society in the country. In most cases, however, this collaboration involved CSOs helping to develop the capacities of primary and secondary educational entities through their projects; few educational entities provide programs specifically tailored to CSOs. CSOs usually learn by doing, i.e., by implementing projects. Cooperation between CSOs and educational institutions cooperation helped change attitudes and “habits of approach” in the education system, but the training services that educational entities provided to CSOs was random in character and was implemented under separate projects at different times. The assessment, conducted by CSO-University Liaison Specialist Irayil Isgandarov, collected input from seven universities (Azerbaijan Tourism Institute, ADA University, Azerbaijan University, Azerbaijan State University of Economics, Khazar University, Caucasus University, and Academy of Public Administration under the President of AR). Only one university, the Azerbaijan Tourism Institute (ATI), has a NGO management course as part of a Bachelor degree program. The remaining universities do not have degree programs, but they do offer courses in management, social work, work with local municipalities, economy and business start-up. Besides ATI, Azerbaijan University, ADA University, and Azerbaijan State Economic University expressed interest in teaching NGO management-related subjects. The assessment made several suggestions, one of which was to bring together the representatives of education institutions and rework the curriculum in a way that would ensure that trans-disciplinary understanding is increased, leadership and mobilization skills are enhanced, and practice and theory interwoven more closely.

## NGO Portal

While identifying the alternatives to the available resources to CSOs, from the very beginning, we understood the importance of having an online resource for CSOs in the era of computer technologies and global networking. Given that most Azerbaijanis have Internet access, BLCD planned to launch a web-based NGO portal and make all the materials, tools, and resources that provide guidance on starting and managing NGOs in the Azerbaijani context available to less developed CSOs and communities that do not have the resources to engage in capacity building programs. The NGO Portal was also designed to provide updated information on CSO-related issues and legislation and to facilitate information exchange within the CSO community.

BLCD selected A2Studio web-design company to begin design and development in Year 2, and initial content was finalized in Year 3. BLCD used an expatriate Communications and Content Specialist Mark Gudmastad to advise on content and development of the NGO Portal. On June 10, 2015, the BLCD team presented the draft portal to USAID, and each section of the site was discussed, in addition to general issues related to USAID branding, content, technical requirements, and procedural steps for launching the portal.

The draft design included the following sections: News and Events, NGO Management

Tools, Publications, Legal Framework, Funding Opportunities, Consultants Directory, NGO Directory. In addition to hosting news and announcements posted by the project, the final version of the portal envisioned hosting news and announcements posted by the CSO community and providing updates on CSO related legislation. Both directories developed by the project would be created as dynamic pages, to allow experts and consultants to add information on their field of expertise and to allow NGOs to provide information about themselves in the NGO directory section. Where content was supposed to be user-generated, BLCD would review and assure the quality of the information before publishing it. BLCD is currently working on transferring the portal and discussing possible options to ensure the proper handover.

## COMPONENT 3: IMPROVE LEGAL AND REGULATORY FRAMEWORKS TO SAFEGUARD CSO ENABLING ENVIRONMENTS, SUSTAINABILITY AND INDEPENDENT PUBLIC INTEREST AGENDA ROLES

BLCD has operated in an environment that increasingly deteriorated during the program period. Although preventing this deterioration was not within the project's power, BLCD increased CSOs' awareness of the new restrictions, increase CSOs' legal compliance, and, in many instances, reduce CSOs' exposure to government harassment for noncompliance.

This handbook [the *NGO Good Governance Handbook*] is a good motivation for NGOs in such a difficult period. It inspires them to overcome problems and work better.

— SHAHLA ISMAYIL, CHAIRWOMAN,  
WARD

### KEY INTERVENTIONS

#### Assessment of the Legal Framework for CSOs

BLCD updated the Assessment of the Legal Framework for CSOs in the Republic of Azerbaijan in light of changes to CSO legislation and the regulatory environment in Azerbaijan. Since 2009, significant changes were made to the legislation on financial reporting requirements, mandatory audits, administrative penalties for various administrative offenses, and the regulation of grants and donations, among others. On July 11, 2013, an updated assessment was finalized and translated into Azeri. The assessment was further updated in 2014 to reflect additional changes in the legislation. This assessment served as a “source book” on all matters related to CSO legislation in Azerbaijan for local and international stakeholders, and was cited by USAID, the U.S. Embassy, the Council of Europe, the EU, the OSCE, and others in their efforts to improve the operating environment for CSOs in Azerbaijan.

#### Build Awareness and Knowledge About CSO-enabling Legislation

BLCD organized a series of training events for Group 1 and Group 2 CSOs, including training on legislative monitoring, access to information, donation legislation, financial viability, voluntary activity, advocacy, and NGO good governance (three in Year 1, six in Year 2, and two in Year 3). As a result of the training, participants improved their understanding of the new legal provisions and learned how to comply with them, to avoid or minimize government harassment for noncompliance. The training participants were also given a package of CSO-related legislation and materials, including key relevant laws and guides to Azerbaijani legislation prepared by BLCD.

BLCD also worked with NGO Support Council and the CSO resource centers and hosted four informational sessions in the regions (in Gabala, Shemkir, and Ganja), which offered opportunities for information exchange between the NGO Support Council and CSOs. At these sessions, the NGO Support Council shared key information about changes to CSO reporting obligations in accordance with the December 2013 legislative changes, and CSOs had the chance to seek clarifications, share experiences, and raise concerns.

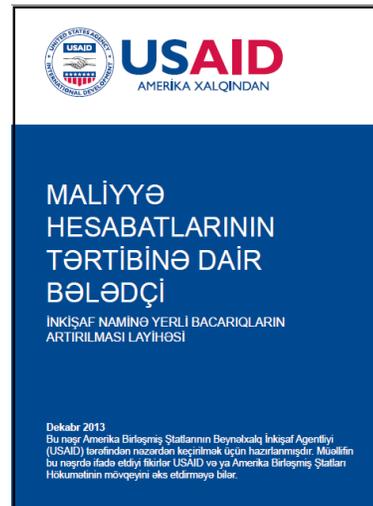
With significant changes made to the legislation, BLCD's Legal and Regulatory Advisor and project partners approached the NGO Council with the idea of establishing a body, composed of qualified professionals and practitioners, to consolidate various analyses about new or amended legislation, conduct thoughtful review of said legislation, and issue recommendations for changes or clarifications. Based on this proposal, the NGO Council established the Monitoring and Law Commission in February 2014. In addition to advocating for the Commission's establishment, BLCD played a critical role in supporting the Commission to fulfill its charge through the active participation of the BLCD Legal and Regulatory Advisor and project partners in member and chair roles. BLCD also supported several Commission roundtables on legislative initiatives and other meetings with local NGO representatives, all geared to discussing the challenges posed by the new legislation and brainstorming solutions. With the same composition to date, the Commission aims to further monitor and study the impact of the changes in the legislation on CSOs to advocate for countermeasures to provisions that unnecessarily constrain or apply undue burdens on civil society.

Another tool for building awareness of CSOs were BLCD's *Guide on Grant Registration* (updated in 2013, 2014, and 2015) and *Guide on Financial Reporting*. These guides helped both local and foreign CSOs operating in Azerbaijan to understand and comply with the requirements of legislation on these issues. The project also updated a pamphlet intended to help volunteers and CSOs understand their mutual rights and responsibilities and the basics of legislation regulating volunteerism in Azerbaijan.

BLCD also produced several sample legal documents (e.g., application for grant registration, registry of members, etc) that it shared with its partners, who are using them to comply with the law and expect to continue using them in the future.

The project developed a simple checklist for CSOs to use as a resource in identifying any shortcomings in their documentation and practices in consideration of legislative requirements. BLCD completed the checklist with each partner individually and suggested corrective measures as needed. As a result, CSOs were able to bring their documentation and practices into alignment with the new legislation and avoid penalties.

On April 10, 2013, BLCD contributed to a television program featuring a discussion on CSO issues organized and aired by Public TV (ITV), one of Azerbaijan's national television channels. The discussion focused on the success of the NGO Support Council and the challenges for CSOs that still need to be addressed. BLCD's Legal and Regulatory Advisor spoke about the issues CSOs face in obtaining registration and the burdensome reporting obligations imposed on local CSOs.



Guide on Financial Reporting developed in December of 2013.

## Monitoring Legislation and Trends

BLCD monitored legislation and trends affecting CSOs, providing stakeholders and participating CSOs with regular updates, including distributing electronic briefs, in-person meetings, participation in trainings, and other public events. For these purposes, BLCD produced Legislative Updates each quarter. In addition, BLCD provided stakeholders with legal analyses of newly adopted legislation, including legislation on donations and grants, to improve CSOs' understanding of the new laws and their implementation. BLCD also provided stakeholders with legal analyses and recommendations to the draft legislation initiated by the government to help them to conduct advocacy activities to oppose or improve proposed laws.

Azerbaijani legislation regulating CSO activities, especially that adopted since 2012, substantially restricts civic space by denying CSOs access to resources, expanding government's authority to interfere with CSO activities, establishing disproportionately harsh penalties for CSOs for even minor infractions and making it difficult or impossible to register a foreign CSO to operate in Azerbaijan. The restrictions include amendments to the Code of Administrative Offenses, the Law on Nongovernmental Organizations (Public Associations and Foundations) (CSO Law), the Law on Grants, and the Law on Registration of Legal Entities and State Registry, as well as several implementing regulations, confirming the fear that new laws' provisions will be implemented in a harsh way to restrict CSOs activities.

In a December 2014 opinion, the European Commission for Democracy through Law of the Council of Europe (Venice Commission) stated: "The amendments raise barriers to the establishment of CSOs, introduce additional administrative requirements and increased checks as well as more problematic registration procedures, raise barriers to activities and operations, and restrict access to resources. More severe sanctions and penalties are also introduced for those acting in contravention of such or other legal obligations. ... [T]he procedure of registration of CSOs in Azerbaijan has been criticized for its lengthy and cumbersome nature."<sup>6</sup>

The examples of the most restrictive legal changes since 2012 include the following:

### 1. Restrictions on accessing resources

At present, as a result of legislative changes in Azerbaijan enacted since 2012, CSOs are restricted in receiving income of any kind: through donations, grants, or contracts. The 2013 amendments to the CSO Law, the Administrative Code, and the Law on Grants prohibit CSOs from receiving any financial aid except donations and grants registered by the MOJ.<sup>7</sup> The law now prohibits CSOs from receiving any other form of "financial or

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<sup>6</sup> Opinion 787/2014 On the Law on Non-Governmental Organisations (Public Associations and Funds) As Amended of the Republic of Azerbaijan, 12-13 December 2014, paras. 41 and 44. Available at: [http://www.coe.int/t/CSO/Source/Venice\\_Comm\\_opinion\\_787\\_2014\\_amendments\\_CSOLaw\\_Az\\_en.pdf](http://www.coe.int/t/CSO/Source/Venice_Comm_opinion_787_2014_amendments_CSOLaw_Az_en.pdf).

<sup>7</sup> See law of the Republic of Azerbaijan № 560-IVQD "on amendments to the law of the Republic of Azerbaijan 'On Grants'" (February 15, 2013); law of the Republic of Azerbaijan № 561-IVQD "on amendments to the law of the Republic of Azerbaijan on Non-Governmental Organizations (public

material assistance” other than legally defined donations and grants.<sup>8</sup> CSOs are also prohibited from receiving cash donations.<sup>9</sup>

Recent implementing regulations establish a burdensome procedure requiring pre-approval of any donation, or grant or service contract to a CSO, if a contractor is a foreign entity. Moreover, to receive a grant, both the donor and the local CSO recipient must register the same grant simultaneously. If approval for either of the two registration applications is denied, the grant is prohibited. Every implementing regulation gives the relevant government bodies unlimited discretion to register/approve or deny the registration or approval of a donation, grant, or contract. An overview of the key implementing regulations adopted during the BLCD program follows below.

The Government of Azerbaijan adopted the Rules on Registration of Grant Agreements (Grant Rules) on June 5, 2015. These rules establish the procedure according to which Azerbaijani organizations and individuals receiving grants shall obtain registration (pre-approval) of grants from the authorized government bodies. The procedure for grants registration is extremely burdensome for recipients. The Grant Rules give the authorized government bodies (the MoJ, in cases where CSOs and individuals are recipients) broad authority to decide whether to grant such approval. There is no effective appeals procedure if the authorized government body denies registration and there are harsh penalties if a recipient uses grant funds without registering the grant.

The Government of Azerbaijan adopted the Rules on Submission of Information about the Amount of Donations Received by NGOs and by Branches or Representative Offices of NGOs of Foreign States and about the Donor (“the Donation Rules”) on October 21, 2015, and they entered into force with their publication on November 13, 2015. The Donation Rules establish procedures according to which Azerbaijani CSOs and branches or representative offices of foreign CSOs registered in Azerbaijan shall obtain registration (pre-approval) from the MoJ for any donation they receive. The procedure for donation registration is similar to the Grant Rules. Similar to the Grant Rules, the Donation Rules give the MoJ broad authority to decide whether or not to issue approval. There is no appeals procedure if the MoJ denies the registration of a donation unless there is a procedural violation, which can be appealed in an administrative manner. At present, the Administrative Code does not contain a specific penalty for failure to register a donation.

Moreover, on October 22, 2015, the Government of Azerbaijan adopted the Rules on Obtaining the Right to Provide Grants in the Republic of Azerbaijan by Foreign Donors (Donor Registration Rules), which entered into force on December 04, 2015. These Rules

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associations and foundations)" (February 15, 2013); law of the Republic of Azerbaijan № 563-IVQD "on amendments to the Code of Administrative Offenses of the Republic of Azerbaijan" (February 15, 2013).

<sup>8</sup> See article 223-1.3 of the Administrative Code, article 1.1 of the Law on Grants, and article 24-1 of the CSO Law.

<sup>9</sup> The law permits only charities to receive cash donations, up to a maximum amount of 200 Azerbaijani manat each. At the same time, Azerbaijani legislation does not provide a clear definition of a charity, so technically there are no charities in Azerbaijan.

establish procedures according to which foreign donors shall obtain registration (pre-approval) from Azerbaijani government to provide grants to Azerbaijani CSOs. Only foreign entities with registered offices in Azerbaijan can obtain this registration. A donor has to register with the government every time it issues a grant. As with the Grant Rules, these Rules give the authorized government body (the Ministry of Finance) unlimited discretion to decide whether to register a donor, or reject such registration. Similarly, there is no appeals procedure for denials of registration, but there are harsh penalties.

On October 21, 2015, the Government of Azerbaijan adopted Rules on Registration of Service Contracts on Provision of Services or Implementation of Works by NGOs, as well as by Branches or Representative Offices of Foreign NGOs, from Foreign Sources, which entered into force with their publication on November 20, 2015. These rules establish procedures according to which Azerbaijani CSOs and branches or representative offices of foreign CSOs registered in Azerbaijan shall obtain registration (pre-approval) from the MOJ for any service contract they sign with a foreign contractor. The procedure for registration of service contracts under these rules is somewhat similar to the Grant Rules and the Donation Rules. Like those rules, the Rules on Registration of Service Contracts give the MOJ broad authority to decide whether or not to issue approval. There is no appeals procedure if the MOJ denies the registration of a service contract unless there is a procedural violation, which can be administratively appealed to a higher official at the MoJ. At present, the Administrative Code contains no specific penalty against CSOs for failure to register a service contract.

## **2. Increasing government's authority to interfere into activities of CSOs**

The MoJ adopted the Rules on Studying the Activities of Non-governmental Organizations, Branches or Representative Offices of Foreign Non-governmental Organizations on December 28, 2015, and published them on February 13, 2016. These rules define the procedure for the MOJ to conduct a study (which effectively constitutes an inspection) of CSO activities. They grant the MoJ broad powers to conduct inspections and contain few guarantees to protect the rights of CSOs. Although it remains to be seen how these Rules will be implemented in practice, they nonetheless provide a basis for unrestricted intrusion into the activities of CSOs.

## **3. Significant penalties for otherwise legitimate activities or for minor omissions**

Under the amendments, if a CSO recipient fails to register a grant, the penalty is 5,000-7,000 manat (equivalent to \$3,125-\$4,375). For implementing a project without a grant contract, CSOs will be subject to penalties of 8,000 to 15,000 manat (equivalent to \$5,000-\$9,375).

CSOs, including representative and branch offices of foreign CSOs, are subject to fines of 5,000-8,000 manat (equivalent to \$3,125-\$5,000) for failing to include information about the amounts and sources of donations they receive in financial reports submitted to the Ministry of Finance. There are also harsh penalties for donors and recipients if they exceed the threshold for cash donations.

## **4. Burdensome requirements for FCSOs willing to operate in Azerbaijan.**

It is now almost impossible to register a representative office or a branch of a foreign

CSO in Azerbaijan. The CSO Law stipulates that “state registration of branches and representations of foreign CSOs in the Republic of Azerbaijan shall be carried out on the basis of the agreement signed with such organizations.” The decision on whether to sign such an agreement is at the MoJ’s sole discretion. There are no criteria under which an agreement shall be denied and there is no appeals procedure. Since the 2011 legislation when such an agreement was adopted, few foreign CSOs have obtained registration.

To make matters worse, those few foreign CSOs who did manage to register now must re-register. Due to the changes made to the CSO Law that entered into force in February 2014, an agreement between the MoJ and a foreign CSO must have an expiration date.<sup>10</sup> In addition, legal representatives of foreign CSOs operating in Azerbaijan need to have permanent residence in Azerbaijan, and a document attesting to this must be submitted to the MoJ as part of the registration package.<sup>11</sup> In accordance with the Migration Code of the Republic of Azerbaijan, permanent residence can be issued only to foreigners and stateless persons who reside temporarily in Azerbaijan for no less than two years.<sup>12</sup> The application for permanent residence is considered within two months of submission. Very few, if any, heads of offices of foreign CSOs can meet these requirements.

Foreign CSOs may provide grants to Azerbaijani CSOs only if they meet the following conditions: they must have an agreement on the registration of their representative office or an affiliate in Azerbaijan with the MoJ; they must be registered with the government of Azerbaijan as grantors for each particular grant; and the specific grant has to have been approved and registered by the local recipient. This last condition requires an opinion on the financial/economic expediency of the grant by the relevant government entity.

### Technical Assistance in Drafting Legislation

BLCD used every opportunity to provide technical assistance, seeking to enable government drafters to improve legislation or to eliminate or minimize proposed legislative restrictions affecting CSOs. Although most of the recommendations were not accepted by the government, BLCD empowered local stakeholders interested in improving CSO legislation (e.g., the NGO Support Council chairman and a member of Parliament) to advocate for improvements in CSO legislation or against restrictions.

The following itemizes BLCD’s legislative recommendations:

- *Recommendations to the Code on Administrative Offenses (CAO)*. BLCD’s English translation and analysis helped local and international organizations to advocate against adoption of amendment to the Code of Administrative Offenses (CAO), which was proposed by the government of Azerbaijan in February 2013. Specifically, NGO Support Council chairman and member of Parliament used the following BLCD recommendations in the Parliamentary deliberations:
  1. Reject the changes to Part 1 of the Article 223-1 of the CAO drafted by

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<sup>10</sup> Article 12-3 of the CSO Law.

<sup>11</sup> Article 5.4.4-1 of the Registration Law.

<sup>12</sup> Article 52.1 of the Migration Code.

- Azerbaijani government that would have significantly increased the sanctions for legal entities that fail to register a grant.
2. Reject the proposed new Article 223-1.3 of the CAO drafted by Azerbaijani government that would have applied severe penalties to NGOs (including branches and representative offices of foreign NGOs) and religious organizations for implementing projects without a grant contract.

Should project recommendations be approved, CSOs would not have such a harsh penalty for implementing projects without a grant contract, and the penalty for failure to register a grant would not be as harsh as it is now. Unfortunately, the Parliament has adopted none of recommendations that BLCD proposed.

- *Draft changes to NGO Law.* In 2013, BLCD drafted and submitted recommendations:
  1. To replace the proposed de facto prohibition on CSOs' receipt of cash donations with a provision that would allow them to do so within a certain threshold (up to 200 manat, or approximately \$250 at that time);
  2. To exclude the proposed new requirement to notarize all grant agreements and to simplify the grant registration procedure with the MoJ.

These recommendations were discussed in Parliament but were not accepted.

- *Draft of amendments to the Law on Registration of Legal Entities.* BLCD prepared recommendations on simplifying the registration process for CSOs in Azerbaijan which were submitted to the Parliament. Unfortunately these recommendations were rejected, and the registration process for CSOs remains a serious problem.
- *Draft of amendments to the rules on registration of agreements (decisions) on receiving/issuing grants.* BLCD prepared recommendations on simplification of registration of grants in Azerbaijan in March 2013. Unfortunately the President's Administration did not take the project's recommendations into account when they were submitted to it through the chairman of NGO Support Council.
- *Drafting recommendations to the draft legislation initiated by the MoJ.* BLCD prepared an overview and recommendations to the package, which contained several restrictive provisions for CSOs (such as prohibition of operation of non-registered foreign NGOs, 90 days validity for exemption from registration of legal entities, and harsh financial penalties for failure to conclude a contract with volunteers) and shared both the package and BLCD's recommendations in English and in Azerbaijani with Azerbaijani and international stakeholders, including USAID, first on May 1, 2013 (general overview of changes in English) and then on June 3, 2013 (a more detailed brief in Azerbaijani and English). Unfortunately the government ignored the project's concerns. However, other stakeholders used it as a main source of information in their efforts to advocate for improvement of the legislative environment for CSOs.

BLCD also contributed to a Civil Society Forum that took place in Baku on January 16, 2014. At the Forum, BLCD made a presentation commenting on the December 17th changes to the CSO Law. At the end of the forum, more than 90 NGOs signed a letter to the President calling for a recall of the December 2013 legislative changes. This meeting was followed by a meeting between government representatives and CSOs on January 31, 2014, where BLCD provided an overview of the legislative changes adopted in

December 2013 and distributed it among the participants. It appeared that the discussion forums in January had an impact, albeit marginal, in getting the government to take steps to make positive adjustments to the laws impacting CSOs (see below).

BLCD contributed to a public discussion of recent draft amendments to the laws on CSOs and on Grants and made several recommendations during two additional occasions initiated by the NGO Support Council (on October 16, 2014 and March 19, 2015). Two of them were approved: 1) extension of the deadline for submission of grant registration application and 2) shortening the list of documents required for grant registration.

### SECTION III

# FINDINGS AND RECOMMENDATIONS

Azerbaijani CSOs need a capacity building project like BLCD, but the centralized government and deteriorating operating environment created a situation in which they had no time for organizational development initiatives; their very existence was at stake. BLCD's original design is appropriate for countries where civil society is allowed to operate without discrimination. No one could anticipate the events and challenges that CSOs in Azerbaijan would face. But any future activity to support civil society in Azerbaijan should consider the following:

*Formalized involvement of relevant government bodies.* BLCD's design emphasized and primarily addressed building the capacity of CSOs. However, implementation would have benefited from greater attention to working with the government to build understanding of the role that CSOs play in democracies. In this vein, cooperation with our key counterpart, the NGO Support Council, was essential to BLCD's implementation. Any future CSO development project would be advised to formalize this relationship, to secure government commitments and sanction to operate with minimal interference.

*Align scope to absorptive capacity of target beneficiaries.* BLCD's beneficiaries' capacity levels spanned a wide range, which lends itself well to the peer-to-peer coaching and mentoring that the project's designers envisioned. That said, however, BLCD learned that even the most developed CSOs in Azerbaijan did not score higher than "moderate" in their OCA. Moreover, the combination of environmental pressures and dwindling funding created a situation where CSOs were not focused on capacity building. The most practical service that BLCD could provide for them was to raise CSOs' awareness of their obligations and to give them the information they need to comply with ever-changing government regulations.

In addition to these challenges, BLCD, like implementers of other USAID projects and donor-funded programs, was constantly being pressured by local authorities on administrative issues ranging from unsubstantiated tax assessments to attempts to curry personal favor. The BLCD team successfully addressed many of these challenges in a manner consistent with our values and those of USAID. Doing so, however, required significant work on the part of project staff who already had increased responsibilities to provide direct technical assistance to CSOs when it became clear that the project could no longer implement grants.

Government officials have begun to recognize that the actions of the past two years may have gone too far. The economic downturn and the regional security situation may necessitate that the government relax its stance toward CSOs. Any window of opportunity to foster dialogue with government and promote BLCD's recommendations on improving the legal enabling environment for CSOs in Azerbaijan should be seized.

## ANNEX A. INDICATORS

| # | INDICATOR   | TYPE OF INDICATOR | DATA SOURCE   | BASELINE | ACTUAL FOR 3 YEARS | LOP TARGET | COMMENTS   |
|---|---|-------------------|---|----------|--------------------|------------|--|
| 1 | USAID NGO Sustainability Index – Europe and Eurasia, Overall Score for Azerbaijan                       | Outcome           | USAID E&E Bureau Report                             | 4.7      | -0.4 (5.1)         | 0 (4.7)    | Factors outside BLCD’s direct control and influence contribute to the USAID CSO Sustainability Index. Furthermore, the political and CSO operating environment is not conducive to fostering a thriving CSO community. |
| 2 | Number of CSOs having progressed in organizational capacity   | Outcome           | Project records, CSO OCA self-assessment records    | 0        | 11                 | 26         | No mid-term OCA was conducted for Group 2, so it was impossible to measure the progress. All partner CSOs and resource centers that went through the mid-term OCA showed progress in capacity building.                |
| 3 | Number of CSOs Receiving USG Assistance Engaged in Building Their Organizational Capacity               | Output            | Project records, CSO Records                        | 0        | 27                 | 35         | The project did not engage the third group of CSOs and additional resource centers in planned capacity building program, but provided technical assistance to other CSOs and resource centers.                         |
| 4 | Percentage of action plan items implemented by target CSOs  | Output            | Project records and CSOs                            | 0%       | 61.69%             | 70%        | This result was achieved only by Group 1 CSOs who implemented grant projects –not all of them were able to complete the grants   |
| 5 | Number of Target CSOs with improved adherence to NGO good governance standards                          | Outcome           | CSO staff and board member surveys, project records | 0        | 6                  | 17         | This indicator is measured through mid-term OCA, which did not take place for Group 2 CSOs.  |
| 6 | Number of Civil Society Organizations (CSOs) receiving USG assistance engaged in advocacy interventions | Output            | Project records, CSO records                        | 0        | 19                 | 26         | Planned advocacy interventions were adjusted, and the project implemented alternative activities   |

| #  | INDICATOR   | TYPE OF INDICATOR | DATA SOURCE  | BASELINE   | ACTUAL FOR 3 YEARS | LOP TARGET | COMMENTS  |
|----|---|-------------------|--|------------|--------------------|------------|---|
| 7  | Number of key CSOs active in advocacy coalitions  | Output            | CSOs and project Records   | 0          | 6                  | 13         | Support for coalitions was very difficult to promote through this time.   |
| 8  | Number of key CSOs with diversified funding base  | Output            | Project records, CSO records, and reports collected by organizational development specialist | 1          | 7                  | 16         | Funding opportunities decreased dramatically during this period due to legislative and operational impediments.                                 |
| 9  | Number of CSOs accessing resources through selected resources centers                       | Outcome           | Project records, CSO resource center records, local independent firm                         | 45         | 71                 | 75         | Resource centers actively implemented their grant projects, although they could not complete them.  |
| 10 | Percentage of user satisfaction with services delivered by CSO resource center(s)           | Outcome           | Project records, CSO resource center records, local independent firm                         | 75%        | ≥75%               | ≥75%       |   |
| 11 | Percentage of target sustainability plan items implemented                                  | Output            | Project records, resource center records   | 0%         | 34%                | 60%        | The result achieved actually covers a period of less than two years, as the activities planned for resource centers started later than planned. |
| 12 | Number of people familiar with organizations that support or partner with CSOs (web visits) | Output            | Google Analytics for website or NGO portal   | 0          | 0                  | 600        | The portal didn't go through the approval.  |
| 13 | Number of positive modifications to enabling legislation/regulation for civil society       | Outcome           | Records and reports from CSOs and ICNL   | Drafted 0  | 14                 | 7          | The project was successful in developing modifications and submitting them through the NGO Support Council.                                     |
|    |   |                   |  | Approved 0 | 3                  | 4          |   |
| 14 | Number of communication products on legal issues disseminated to CSOs and                   | Output            | ICNL and CSO records   | 0          | 31                 | 8          | The project developed and shared analysis, briefs, reviews and other documents related to the NGO legislation among local and                   |

| #  | INDICATOR  | TYPE OF INDICATOR | DATA SOURCE                  | BASELINE | ACTUAL FOR 3 YEARS | LOP TARGET | COMMENTS                   |
|----|--|-------------------|------------------------------|----------|--------------------|------------|----------------------------|
|    | GOAJ   |                   |                              |          |                    |            | international stakeholders |
| 15 | Number of training events for CSOs to improve expertise and capacity to monitor, analyze, and publicize legal and regulatory reform issues | Process           | Project records              | 0        | 10                 | 10         |                            |
| 16 | Number of policy dialogue events/discussions in which government officials and representatives of USAID-supported CSOs participated        | Process           | Project records, CSO records | 0        | 6                  | 8          |                            |

All of the targets described in the table were defined for the planned four years of the implementation of the project, whereas the actual results are shown for only three years. That is the main reason why the project did not achieve the LOP Targets for many indicators. Other challenges affecting the results are described earlier in this report.

## ANNEX B. STATUS OF PROJECT BENEFICIARIES

|                                  | FOCUS AREA  | CONTACT INFORMATION   | CAPACITY  | SUSTAINABILITY PROSPECTS   |
|----------------------------------|---|---|---|--|
| <b>CSO GROUP 1</b>               |   |   |   |  |
| Azerbaijan Lawyers Confederation | Analyze legislation; support collaboration among Azeri lawyers; promote human rights and rule of law through legislation reform | <p>Ali Huseynli<br/>Project Manager: Ramil Iskandarli.</p> <p>Mikayil Mushviq street, 15/17, Baku, Azerbaijan<br/>www.ahk.az<br/>Tel: (99412) 5371223<br/>Tel: (99412) 5371225<br/>Tel: (R): (99450) 3921331<br/>info@ahk.az<br/>ramil.iskandarli@gmail.com</p> | <p>Completed baseline OCA; assessed as “Basic”.</p> <p>Completed NGO Management Training series.</p> <p>Grant was terminated for the U.S. Government’s convenience.</p>   | The future interest in capacity building is unclear  |
| Transparency Azerbaijan          | Support anti-corruption, transparency, and accountability across multiple sectors   | <p>Rena Safaraliyeva</p> <p>Jafar Jabbarli street 16, apt.7<br/>www.transparency.az<br/>Tel: (99412) 497 81 70<br/>(99412) 497 68 15<br/>(99455) 291 00 02<br/><a href="mailto:info@transparency.az">info@transparency.az</a></p>                               | <p>Completed baseline, mid-term, and final OCAs; demonstrate positive progress moving from “Basic” to “Moderate” as a result of BLCD intervention. ↑</p> <p>Completed NGO Management Training series. Actively participated at all trainings, public dialogue assessment, and legislative discussion groups</p> <p>Successfully completed the grant, developing almost all organizational and administrative policies and procedures.</p> | <p>Office is operational. Actively implements donor-funded grants. Shared policies and procedures developed under BLCD with partners at TI in Russia.</p> <p>Plans to replicate BLCD’s capacity building training to other CSOs.</p> |

|  | FOCUS AREA  | CONTACT INFORMATION  | CAPACITY  | SUSTAINABILITY PROSPECTS   |
|--|---|--|---|--|
| "Election Monitoring and Democracy Studies" Center | Promote free and fair elections and the development of civil society  | Anar Mammadli<br>Ex. Director: Bashir Suleymanli<br>Vagif avenue, 3, apt.156, Baku<br>www.smdt.az<br>Tel: (99412) 596 22 94<br>Tel: (99450) 343 88 66<br>amammadli@gmail.com<br><a href="mailto:bashirsuleymanli@gmail.com">bashirsuleymanli@gmail.com</a> | Completed baseline OCA; assessed as "Basic".<br><br>Received materials and resources from some of the NGO Management Trainings sessions.  | The organization was no longer able to participate in project activities once it became the subject of a government criminal investigation following the 2013 presidential elections.            |
| Media Rights Institute                             | Promote the freedom of expression and information   | Rashid Hajili<br>Ex.D.: Xalid Agaliyev<br><br>S. Rahimov street, 197/86<br>www.mediarights.az<br>Tel: (99412) 441 28 17<br>Tel: (99450) 372 71 16<br>mediarightsaz@hotmail.com<br><a href="mailto:xaled_yes@hotmail.com">xaled_yes@hotmail.com</a>         | Completed baseline and mid-term OCAs, progressing from "Low" to "Basic" as a result of BLCD intervention. ↑<br><br>Partially completed grant, developing several policies and procedures on Governance, Administration and Project Management.  | The organization was unable to complete its grant due to absence of bileriş from MoJ.<br><br>Terminated its activities in October 2014 due to the criminal case opened against the organization. |
| "Democracy Learning" Public Union                  | Capacity building of civil society organizations, improving the election practices and legislation, and strengthening civic participation | Mirali Huseynov<br><br>H.Alasgarov 13/31, Baku<br>www.en.dlpu.az<br>Tel: (99412) 4493741;<br>Tel: (99450) 3490614<br>ldemocracy@yahoo.com  | Completed baseline and mid-term OCAs; no change, remaining at "Basic" level. However, it achieved slight progress as a result of BLCD intervention.<br><br>Partially completed grant, developing governance, administration and project management policies and procedures.<br><br>Actively participated in training and legislative discussion groups and meetings focused on advancing national interest agendas. The head of the organization was member of the Editorial Board of the <i>NGO Good Governance Handbook</i> . | The organization was not able to complete its grant due to absence of bileriş from MoJ.<br><br>Closed operations in October 2014 due to lack of financial resources.                             |

|  | FOCUS AREA   | CONTACT INFORMATION  | CAPACITY   | SUSTAINABILITY PROSPECTS   |
|--|--|--|--|--|
| "Law and Development" Public Association | Promote civic awareness, legislative reform, and CSO support | Hafiz Hasanov<br>H.Alasgarov 13/31, Baku<br>www.law.org.az<br>Tel: (99412) 4493742<br>Tel: (99450) 6117443<br>himerkez@yahoo.com | Completed baseline and mid-term OCAs; no change, remaining at "Basic" level. However, it achieved slight progress as a result of BLCD intervention.<br><br>Developed some administrative and project management policies and procedures.<br><br>Actively participated at all trainings, legislative discussions and initiatives, contributed to public dialogue assessment and promotion of NGO Good Governance principles. The head of the organization was the member of the Editorial Board for the Good Governance Handbook. | The organization was unable to complete its grant due to absence of bideriş from MoJ.<br><br>Closed operations in October 2014 due to lack of financial resources. |

|  | FOCUS AREA   | CONTACT INFORMATION  | CAPACITY  | SUSTAINABILITY PROSPECTS  |
|--|--|--|---|---|
| Women's Association for Rational Development | Women empowerment and human rights   | <p>Shahla Ismayil</p> <p>Afiyeddin Jalilov street, 26, apt.98, Baku, Azerbaijan<br/> www.ward.az<br/> Tel: (99412) 408 40 44<br/> Tel: (99450) 630 99 36<br/> shahla@ward.az<br/> <a href="mailto:shahlais@gmail.com">shahlais@gmail.com</a></p> | <p>Completed baseline and mid-term OCAs, assessed as "Basic." There was progress in organizational development by developing some policies and procedures on administration and project management. The head of the organization was included into BLCD database of consultants/trainers on capacity building and was used as one of the facilitators during NGO management training, and to support the organizational development activities in other partner CSOs. Actively participated in other meetings and initiatives of promotion for better CSO legislation was member of the Editorial Board of the <i>NGO Good Governance Handbook</i>.</p> | <p>The organization was unable to complete its grant due to absence of bildirish from MoJ.</p> <p>Office is operating with limited staff. The organization does not currently implement grants, but is ready for future work.</p> <p>The organization started to apply the BLCD shared values at all level of management and reworked all its internal operational documents with BLCD support. WARD understands the importance of organizational development and believes that this process will continue beyond BLCD.</p> |
| Assistance to Health Care Development        | Provide research, technical assistance, and training in healthcare, education, and environment | <p>Matlab Verdiyev</p> <p>10, Ashiq Ali Street, Apt 16 Baku, AZ-1092<br/> www.ahd.az<br/> Tel: (99450) 250 85 96<br/> Tel: (99412) 550 81 89<br/> matlab.verdiyev@ahd.az</p>   | <p>The only CSO who increased its capacity level from "Low" to "Moderate" (up to two levels), benefiting from all BLCD technical assistance to the fullest and one of the most enthusiastic organizations filling all project requirements. Developed all essential policies and procedures. Actively participated in all training and applied the gained knowledge by training the relevant staff on the policies and procedures developed within BLCD supported grant project.</p>  | <p>Although the organization received full support from BLCD and successfully implemented its project-funded grant, the CSO closed its office and has suspended its activity for five years due to lack financial resources and possibility of funding.</p>   |

|   | FOCUS AREA  | CONTACT INFORMATION   | CAPACITY   | SUSTAINABILITY PROSPECTS   |
|---|---|---|--|--|
| Azerbaijan Medical Association          | Support rights and professional development of doctors, and work towards developing higher ethical and health service standards | Nariman Safarli<br>Istiglaliyyat str 37/2<br>www.azmed.az<br>Tel: (99412) 492 80 92<br>Tel: (99450) 328 18 88<br><a href="mailto:info@azmed.az">info@azmed.az</a>   | The third organization that successfully completed the grant project with BLCD and, as a result of BLCD's intervention, progressed from "Low" to "Basic" level in organizational development by developing all essential policies and procedures, actively participating in the training and applying that knowledge by training the relevant staff. | Although this organization was successful in implementing its project-funded grant, it does not have an office and is not implementing projects due to lack of funding.        |
| Azerbaijan Health Care Association      | Raise awareness on health issues, provide research and analyses, and develop national communication specialists                 | Nurlan Aliyev<br>Bakı, Neftçi avenue; Abbasov str, house 10, apt.2<br>www.ahca.az<br>Tel: (99412) 555 22 89<br>Tel: (99450) 328 48 81<br><a href="mailto:info@ahca.az">info@ahca.az</a><br><a href="mailto:nurlan@ahca.az">nurlan@ahca.az</a>     | Completed baseline and mid OCAs, leaving at "Basic" level by making slight progress developing some organizational and administrative policies and procedures. Terminated on its own initiative its grant project with BLCD due to lack of resources in January 2015.  | Overall funding opportunities decreased in the country, specifically affecting health sector, making CSOs working in this field to either suspend their activity or step aside |
| Entrepreneurship Development Foundation | Promote entrepreneurship environment and reforms connected with the transition to a market economy                              | Sabit Bagirov<br>Bakı, Nəcəfqulu Rafiyev 17, apt. 2<br>AZ 1025 www.edf.az<br>Tel: (99412) 490 05 66<br><a href="mailto:Bagirov.sabit@gmail.com">Bagirov.sabit@gmail.com</a><br><a href="mailto:Ahadova.arzu@gmail.com">Ahadova.arzu@gmail.com</a> | Completed baseline and mid OCAs, making slight progress in organizational development and leaving at "Basic" level. Developed some important policies and procedures, contributed to the public dialogue assessment and is currently implementing the project from Swedish Embassy.  | Was not able to implement grant program with BLCD support, has office and staff, implements projects with other donors.  |

|                              | FOCUS AREA   | CONTACT INFORMATION   | CAPACITY   | SUSTAINABILITY PROSPECTS   |
|------------------------------|--|---|--|--|
| <b>CSO GROUP 2</b>           |  |   |  |  |
| Azerbaijan Children Union    | To promote children's rights to education and public health, as well as protection from exploitation (e.g., child labor) and trafficking | Kamala Aghazadeh<br>4V Uzeyir Hajibeyov Street,<br>Binagadi district, Baku, Azerbaijan<br><br>www.childrenaz.org<br>Tel: (99450) 3237651<br>(99412) 5132463<br>(99412) 5113409<br>az.children.union@gmail.com | Assessed at "Low" level of organizational development. Actively participated in BLCD organized events, trainings and contributed to the public dialogue assessment.  | Has office, staff, implements projects with the support from NGO Council, Youth Fund. Will continue implementing other projects with the support from local donors if wins grants, keeps children's shelter with charity support, by organizing fairs and exhibitions. |
| "Constitution" Research Fund | Fight corruption and support the development of civil society and rule of law  | Alimammad Nuriyev<br><br>Baku, M. Efendiev 7/24, AZ1001<br><br>Tel: (99412) 4925726<br>(99450) 223 2929<br>nuriyevalimammad@gmail.com   | Assessed at "Basic" level of organizational development. Participated in BLCD developed capacity building trainings, contributed to the work on development of the <i>NGO Good Governance Handbook</i> . The head of the organization was one of the members of public dialogue assessment team, who made it possible to conduct the assessment without any challenges and meet important state officials. He was involved as a trainer to BLCD organized information sessions in the regions, through the Law and Monitoring Commission of the NGO Support Council where he is Chairman. He actively participated at the discussions of CSO related legislation and raised the different recommendations on improvement of the legislative norms. | Has office, limited number of staff, has submitted project proposals to local donors. The head of the organization is well-respected expert and has strong personal channels.  |

|  | FOCUS AREA   | CONTACT INFORMATION  | CAPACITY   | SUSTAINABILITY PROSPECTS   |
|--|--|--|--|--|
| Economic Research Center   | Research on macro-economic policy; analyses of public finance management policies  | Galib Bayramov<br>111a F. Khoyski str, apt 23, Baku AZ1052, Azerbaijan<br>www.erc.az<br>Tel: (99450) 212 27 10<br>(99450) 371 12 44<br>(99412) 465 18 41<br>Fax: (99412) 4651847<br>galib.togrul@yahoo.com | Assessed at “Basic” level of organizational development, the head of the organization is a well-respected expert in his field and contributed both to the development of Azerbaijani version of Good Governance Handbook and public dialogue assessment. He is a member of the Law and Monitoring Commission at the NGO Council. | The organization officially ceased its activity and the head left for the United States.   |
| “Education” Public Support Association of all Youth of Azerbaijan (Lankaran) | Promote civil participation of youth, support young people with disabilities and their employment through capacity building activities and volunteerism. | Afig Malikov<br>3 Heydar Aliyev Ave., Lankaran AZ 4200, Azerbaijan<br>www.epsaya.az<br>Tel: (994 55) 7924442<br><a href="mailto:afigmalikov@gmail.com">afigmalikov@gmail.com</a>                           | Assessed at “Basic” level of organizational development. Participated actively in NGO Management training events, and began to improve its internal policies based on the gained knowledge through the training, also applied this knowledge while implementing the projects with other donors                                   | Has office, limited number of staff, submitted project proposals to local donors (on early marriage and youth education), in the process of registering grant with Eurasia Partnership Foundation. Planning to implement projects with local donors’ support |
| Small and Medium Enterprise Development Support Center                       | Provide consultancy, training and awareness raising activities to small and medium entrepreneurs; conduct survey and research                            | Ilkin Garayev<br>Ex.D: Aydin Hasanov<br>3/121, Vagif Ave., Baku, Azerbaijan<br>www.sme.az<br>Tel: (99412) 47 0716<br>(99450) 314 84 48<br>info@sme.az  | Assessed at “Low” capacity level, participated at NGO Management trainings and contributed to public dialogue assessment   | Has office, limited number of staff, implements a project with USAID’s support, submitted project proposals to local donors.   |

|  | FOCUS AREA  | CONTACT INFORMATION   | CAPACITY   | SUSTAINABILITY PROSPECTS   |
|--|---|---|--|--|
| Support for Economic Initiatives Public Union    | Provide research and assessments, training, community work, and produce publications  | Azer Mehtiyev<br>2 Tbilisi Ave., 9 Alatava Str.,<br>“Qanun” publication house, 3rd<br>Floor, Baku, Azerbaijan<br>www.sei.az<br>Tel: (99450) 3411698<br>(99412) 4317713<br>sei@azeronline.com<br>amehtiyev@gmail.com                     | Assessed at “Low” level of organizational development. Was member of Editorial Board of NGO Good Governance Handbook   |  |
| Uluchay Socio-Economic Innovation Center (Sheki) | Civil society development, reforms in public sector, economic development, youth empowerment, social issues, gender issues, European integration. | Mayis Safarov;<br>Ex.D: Ilyas Safarli<br><br>M.E. Rezulzade 163A, Sheki<br>AZ5500, Azerbaijan<br>www.uluchay.org<br>Tel/Fax: +994 2424 45447<br>(99470) 255 01 95<br>(99470) 376 30 90<br>mais.safarov@gmail.com<br>ilyas@uluchay.org   | Assessed at “Basic” level. Participated actively at the series of the NGO Management trainings organized by BLCD, based on new knowledge and experience they had learned at the trainings, they initiated to improve internal procedures | Has an office, few staff, keeps office with paid service (language, computer courses). No concrete plans for future yet, will continue keeping the office with paid services |
| Women for Development of Municipalities          | Promote local self-government and participation in developing the legislative framework; women’s leadership in governance                         | Lyudmila Khalilova<br>1 J.Gurbanov street, Garachukhur<br>Municipality of Surakhani district,<br>AZ1048 Baku, Azerbaijan<br>Tel: (99412) 4274984<br>(99412) 4276193<br>(012) 478 2505<br>(050) 320 0669<br>women.municipality@gmail.com | Assessed at “Basic” level of organizational development, participated at NGO Management trainings and individual sessions with BLCD staff and contributed to public dialogue assessment  | Has office, does not implement projects due to lack of financial resources. Hopes to be able to continue women program with the support from German Embassy.                 |

|                             | FOCUS AREA   | CONTACT INFORMATION   | CAPACITY   | SUSTAINABILITY PROSPECTS   |
|-----------------------------|--|---|--|--|
| Young Accountants Union     | Provide accountancy services to NGOs and qualification training of young accountants   | Solmaz Aliyeva<br>20 Aga Nematulla Street, SAF Plaza, 3rd Floor, Baku, Azerbaijan<br>www.gmb.az<br>Tel/Fax:<br>(99412) 511 06 11<br>(99451) 414 06 11<br>(99455) 200 15 35<br>(99470) 931 42 41<br>gmb_office@yahoo.com<br>gmbirliyi@gmail.com<br>aliyegasolmaz.gmb@gmail.com | Assessed at "Low" level. Actively participated in BLCD-organized NGO Management training and provided technical assistance voluntarily to partner and other CSOs with preparation of financial reports to Ministry of Finance and contributed to the development of Guide on Financial Reporting printed and distributed by BLCD. Contributed to public dialogue assessment and to work with legislative discussions groups. | Has an office, limited number of staff, plans to implement projects with the support from local donors (has submitted projects to NGO Council and Youth Fund)  |
| <b>CSO RESOURCE CENTERS</b> |  |   |  |  |
| Gabala RC                   | Communicate and coordinate ongoing needs and activities of CSO constituencies, promote and advocate for linkages between the NGOs and donor community and government through its local coordinators. Covers 12 districts | Fuad Badalov<br>S.Vurgun str 129A, Shamkir, Azerbaijan<br>Tel: (+99422) 3058520<br><a href="mailto:Azeri_73@mail.ru">Azeri_73@mail.ru</a>   | Completed baseline and mid-term OCAs, assessed at "Basic" level. Actively participated in BLCD trainings and legislative sessions. Organized legislative information sessions together with BLCD and developed several important policies and procedures benefitting from the individual consultation and grant award. Started to work on increasing the quality of provided services  | Did not complete BLCD grant due to absence of "certification of registration" from MoJ. Well received the idea and importance of organizational development by starting to organize the capacity building events under BLCD grant to local and small CSOs in the regions. Most likely only in case of specific grants focused on capacity development will provide this type of activities to beneficiary CSOs in the regions. |

|            | FOCUS AREA  | CONTACT INFORMATION   | CAPACITY   | SUSTAINABILITY PROSPECTS  |
|------------|---|---|--|---|
| Shemkir RC | Assist the development of local NGOs in the regions, coordinate and link their activities. Covers 8 districts | Galib Nabiye<br>28 may str.36, Gabala Azerbaijan<br>Tel: (+9942420) 50018<br><a href="mailto:g.nabiye@yahoo.com">g.nabiye@yahoo.com</a> | Completed baseline and mid-term OCAs, assessed at “Basic” level, making some progress in many capacity areas. Actively participated in BLCD trainings and legislative sessions. Organized legislative information sessions together with BLCD. Developed several important policies and procedures benefitting from the individual consultation and grant award. Started to work on increasing the quality of provided services. | Was not able to complete the BLCD grant award, though implemented most part of it successfully, increasing the quality of deliverables with each submission. Started to organize needs assessment, training, information sessions focusing both on capacity building and legislative changes sharing the knowledge gained through BLCD with small CSOs in the regions, also activated different outreach tools. This RC seemed very enthusiastic and attached to the civil society promotion and could be successful if funding is available. |

# ANNEX C. STAKEHOLDERS

|  | CONTACT INFORMATION  | COLLABORATION   |
|--|--|---|
| <b>USAID PROJECTS</b>                    |  |   |
| Social and Economic Development Activity | <p>Tim Madigan, Chief of Party<br/>           28 May St, 4/2 Baku, AZ1000<br/>           Tel. +994 12 493 94 53<br/>           E-mail: tmadigan@ewmi-seda.org<br/>           www.ewmi-seda.org</p> | <p>Coordinated activities relating to CSO resource centers, including the selection process of beneficiary resource centers and their capacity building program. Both projects promoted collaboration between their beneficiary resource centers. This ensured sustainable capability at advanced levels and encouraged ongoing cooperation and cross-referral, such as exchanging trainers when advanced skills were needed, or referring CSOs to an expert at a collaborating Center. Organize and host the coordination meetings of existing resource centers (Gabala, Shemkir, Guba, Shirvan, Mingechevir, and Baku) with the main objective of discussing the overall strategy for development of RCs and strategies for individual centers.</p>   |
| <b>GOVERNMENT OF AZERBAIJAN</b>          |  |   |
| NGO Support Council                      | <p>F.Amirov str.1, Baku, Azerbaijan<br/>           (+99412) 4931780</p>  | <p>BLCD was successful in building strong relations with NGO Support Council early on, and the project managed to organize joint events – a series of training and information sessions for grant recipients and other CSOs operating in Azerbaijan, including trainings on good governance and access to information through regional events in Baku, Gabala, Shemkir and Ganja. These events informed the small CSOs and community representatives with limited access to this kind of information on the recent changes in the NGO law and provided the opportunity to ask questions directly to the representatives of the Commission on Law and Monitoring, sharing their concerns and looking for the possible solutions together. Additionally, most of BLCD provided recommendations on improving the CSO legislation were shared in most occasions first with chairman of the NGO Support Council to</p> |

|   | CONTACT INFORMATION  | COLLABORATION   |
|---|--|---|
| National NGO Forum  | H. Javid avenue 33A, Baku<br>Tel: (+99412) 510 76 01; 510 15 53<br>Fax: (+99412) 510 15 53<br>E-mail: <a href="mailto:mqf@azngoforum.org">mqf@azngoforum.org</a> ;<br><a href="mailto:nfn@azngoforum.org">nfn@azngoforum.org</a> | Participated at BLCD provided trainings, including NGO Management training series, and coordination meetings organized for resource centers   |
| State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan (ASAN) | Hasan Aliyev street 36, AZ 1078, Baku<br>Tel: (+994 12) 444 7 444<br>(+994 12) 108 (Call Center);<br>Email: <a href="mailto:info@asan.gov.az">info@asan.gov.az</a><br><a href="http://www.asan.gov.az">www.asan.gov.az</a>       | On March 1, 2013, USAID designated the Azerbaijan State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan (ASAN) as one of BLCD's recipients. BLCD's technical assistance to ASAN was supposed to focus on planning and development of ASAN Call Center Strategy and to help them to provide better services. BLCD held meetings with the representatives of ASAN to discuss the current status and needs of ASAN Call Center and conducted the initial assessment of the Call Center to identify its approach to the trainings, motivation and staff retention. |
| <b>INTERNATIONAL ORGANIZATIONS</b>  |  |   |
| Delegation of European Union in Azerbaijan  | Landmark III, 11th floor, 90A Nizami Street, AZ1010 Baku<br>Tel: (+994 12) 4972063<br>Email: <a href="mailto:Delegation-Azerbaijan@eeas.europa.eu">Delegation-Azerbaijan@eeas.europa.eu</a>                                      | Were actively participating in public discussions and initiatives related to NGO legislation. BLCD shared with them legislative updates and provided individual consultancy on interpretation of NGO legislation, rules and regulations.  |
| Council of Europe Office in Azerbaijan  | 39-41 Boyuk Gala Street, Icheri Sheher, AZ 1004 Baku<br>Tel: (+994 12) 4975489, 4972334<br><a href="http://www.coe.int/web/bakou">http://www.coe.int/web/bakou</a>   |   |
| International Organization for Migration Office in Baku   | 18, Yashar Huseynov Str. Baku, Azerbaijan, AZ1069<br>Tel: (+994 12) 4659071, 4659072<br>Email: <a href="mailto:iombaku@iom.int">iombaku@iom.int</a>  |   |
| <b>INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS</b>   |  |   |
| Counterpart International   | Zargaralan 88, Yasamal, AZ1009 Baku<br>Tel: (+994 12) 5984136<br>Email: <a href="mailto:office@counterpart.org">office@counterpart.org</a>   |   |
| Eurasia Partnership Foundation  | 44, J.Jabbarly Str, Caspian Plaza (2), 11th floor, Baku AZ1065<br>Tel: (+994 12) 437-2940/41/42/43<br>Email: <a href="mailto:info@epfound.az">info@epfound.az</a>  | BLCD shared legislative analysis with the organization, it participated at Public Dialogue Assessment and representatives of EPF were involved as experts/consultants on different occasions.   |

|   | CONTACT INFORMATION   | COLLABORATION  |
|---|---|--|
| <b>RESEARCH AND EDUCATION INSTITUTIONS</b>                              |   |  |
| International Center for Social Research                                | R. Behbudov Str. 8, Apt. 101, Baku<br>Tel: (+99 412) 498 25 21<br>Email: rsattarov@hotmail.com;<br>tfaradov@gmail.com                             | BLCD engaged ICSR to conduct a market survey focused on the identification of the available consultancy/training resources in the country that could be used as alternative to CSO resource centers provided services. Based on the survey results, BLCD developed a database consisting of 47 CSO management trainers and consultants available in the country and developed a report analyzing the situation and providing recommendations for improvement.  |
| “SIGMA” Research Center for Development and International Collaboration | 44, J. Jabbarli St., Caspian Plaza III, 14th fl., Baku, AZ1065<br>Tel.: (99412) 4974265;<br>Tel/fax: (99412) 4973157<br>E-mail: sigmarr@azeri.com | BLCD involved SIGMA to design and conduct a user satisfaction survey for both of the partner CSO resource centers. Although the team faced problems with access to the local CSOs in the regions, the research company adjusted the initial plan to conduct the survey and prepare the report based on the survey results. The survey provided BLCD with information regarding the number of CSOs accessing and using the services of each resource center and their level of satisfaction with the services provided. |
| Azerbaijan Tourism and Management University                            | Koroğlu Rahimov 822/23 (Ganjlik m.)<br>Tel: (+99412) 5644233<br>Email: info@tourism.edu.az  | Participated at BLCD’s assessment of opportunities for providing capacity building resources to CSOs   |
| Khazar University   | 122 Bashir Safar-Oghlu St, Baku<br>Tel: (+994 12) 5962785<br>Email: contact@khazar.org  | Participated at BLCD’s assessment of opportunities for providing capacity building resources to CSOs   |
| Baku State University   | Academic Zahid Khalilov street, 23<br>AZ 1148 Baku, AZ-1073/1<br>Tel: (+99412) 439 08 58, 439 05 17<br>Email: info@bsu.az                         | Participated at BLCD’s assessment of opportunities for providing capacity building resources to CSOs and Public Dialogue Assessment  |
| ADA University  | 11 Ahmadbey Aghaoglu Street<br>Baku, Azerbaijan AZ1008<br>Tel: (+994 12) 437 3235<br>Fax: (+994 12) 437 3236<br>www.ada.edu.az<br>info@ada.edu.az | Participated at BLCD’s assessment of opportunities for providing capacity building resources to CSOs and Public Dialogue Assessment  |
| Azerbaijan University   | Tbilisi Avenue 72, Nasimi district,<br>Baku AZ1102<br>Tel: (+99412) 431 41 12/13/16/17  | Participated at BLCD’s assessment of opportunities for providing capacity building resources to CSOs   |

# ANNEX D. FINANCIAL REPORT

## AZERBAIJAN BLCD LIFE OF PROJECT EXPENDITURES

| LINE ITEM  | EXPENDITURES THROUGH MAY 31, 2016* |
|--|------------------------------------|
| Salaries   | \$818,010                          |
| Travel and Transportation                            | \$150,153                          |
| Allowances   | \$217,458                          |
| Other Direct Costs                                   | \$877,147                          |
| Equipment, Vehicles, and Freight                     | \$36,489                           |
| Training   | \$63,014                           |
| Subcontracts   | \$369,005                          |
| <b>Total Direct Costs</b>                            | <b>\$2,531,276</b>                 |
| Regional and National Workshops/Seminars/Conferences | \$0                                |
| Fringe (Direct and Indirect)                         | \$348,923                          |
| Overhead   | \$604,401                          |
| General and Administrative                           | \$205,927                          |
| <b>Total Indirect Costs</b>                          | <b>\$1,159,251</b>                 |
| <b>Grants</b>  | <b>\$84,027</b>                    |
| <b>Fixed Fee</b>                                     | <b>\$257,798</b>                   |
| <b>Total</b>   | <b>\$4,032,352</b>                 |

\*Per demobilization plan and settlement budget, approved by CO on March 10, 2016.

\*\* All financial information in this report shall not be disclosed outside the government and shall not be duplicated, used or disclosed — in whole or in part — for any purpose. This restriction does not limit the government's right to use information contained in this report if it is obtained from another source without restriction.

# ANNEX E. SUCCESS STORIES



**USAID**  
FROM THE AMERICAN PEOPLE

# SUCCESS STORY

## Training on legal issues helps CSOs

### CSOs study donation legislation in Azerbaijan



photo: Nargiz Pashayeva, BLCD.  
Baku, August 13, 2013

*"This training was very practical as it helped to get insights of the most recent changes to the legislation on donations and equipped us with necessary skills to handle the novelties", Mireli Huseynov, training participant.*

***This USAID funded event helped CSOs to familiarize themselves with the new reporting requirements on donations and receive guidance on certain situations that are not yet addressed in the law.***

U.S. Agency for International Development  
[www.usaid.gov](http://www.usaid.gov)

Many civil society organizations (CSOs) throughout Azerbaijan rely on donations from the public for their survival. Public generosity in the form of donations helps CSOs to implement programs that range from educational initiatives for schoolchildren to activities aimed at caring for the elderly. However, the Government of Azerbaijan recently changed legislation governing donations to increase the reporting requirements for CSOs on their donations. The revised legislation also increased penalties for failure to comply with the reporting requirements. CSOs needed to learn about the changes in the legislature and the new reporting requirements to keep receiving the vitally important donations and avoid penalties for noncompliance.

Legal experts from USAID's Building Local Capacity for Development (BLCD) project conducted a training for a group of CSOs to help them comply with the new reporting requirements on donations. The experts explained in plain language the new legal definition of donation under the Azerbaijani law and elucidated legal responsibilities of CSOs when giving or receiving donations. The experts provided CSOs with practical information that they can use in their everyday work. For example, the majority of the CSO participants were not aware of the threshold for cash donations introduced in the law. The experts clarified this and other points of confusion resulting from the revised legislation.

Participating CSOs received theoretical knowledge about donation legislation and learned about the standard content of a donation contract and other paperwork needed to avoid penalties. This could save resources for CSOs which often do not have extra funding to pay for a qualified legal assistance to draft such a contract.

The training proved to be a useful opportunity for CSOs to familiarize themselves with the new reporting requirements on donations, clarify legal terms they did not understand, and receive guidance on certain situations that are not addressed in the law. As a result, these CSOs can continue to accept donations from the public to fund their important work without fear of incurring penalty fees.



**USAID**  
FROM THE AMERICAN PEOPLE

## SUCCESS STORY

# New decree simplifies grants registration for NGOs in Azerbaijan

**NGOs from the regions are taken off the burden of travelling to the capital**



Photo: Nargiz Pashayeva, BLCD Baku, 2013

*BLCD legal advisor Mahammad Guluzade engaged in the discussions with CSO representatives.*

**Ministry of Justice is to develop more simplified procedure for submission of the documents from NGOs. New Governmental Decree reflects BLCD's recommendations submitted through NGO Support Council.**

Azerbaijani NGOs are required to file notifications with the Ministry of Justice (MoJ) for all grants that they have signed and plan to receive. The procedures for submitting documents are unclear, creating confusion, and unduly cumbersome, requiring NGOs to submit documents in hardcopy and their hand delivery to the Baku office of the Ministry of Justice. This last requirement presents a special problem for NGOs based outside of Baku as they simply do not have spare funds to travel to Baku to submit their documents to notify the MoJ regarding a grant. Once the MoJ begins processing the submission, it often has inquiries about additional documents or information. In order to obtain a document outlining MoJ's issues with submitted package, and to submit revised or new documents per MoJ's request, sometimes an NGO shall travel to Baku, over and over again. If an NGO fails to register a grant, it may be assessed a fine of up to 5000-7000 Manats (equivalent to 6370-8890 USD) for legal entities and up to 1500-2500 Manats (1913-3185 Manats) for individual NGO managers.

The Government's Decree on Measures on Improving Provision of E-services to NGOs dated November 20, 2013 simplifies this process by allowing electronic submission of such documents and grants registration. It remains to be seen what will be the exact procedure for electronic submission, but the Decree creates a legal base for simplified submissions, and requires the MoJ to develop such procedure.

In March 2013, USAID's Building Local Capacity for Development (BLCD) project submitted recommendation to simplify grant notification to the Council on State Support to NGOs under the President of Azerbaijan (NGO Support Council). The NGO Support Council has successfully used the BLCD's recommendations to advocate for simplification of grant notification. The implementation of the Decree replaces an archaic process with one that takes advantage of technology, creating efficiencies in government administration and economizing NGOs' time and funds.



**USAID**  
FROM THE AMERICAN PEOPLE

## SUCCESS STORY

# USAID funding helps local CSO review its institutional development

**“Employees are not just employees, they are owners of the changes in our organization,” says WARD Director.**



Photo: Narmin Kairimbayova, BLCD Baku, 2013

*BLCD team conducts baseline organizational capacity assessment (OCA) with Shahla Ismayil, Director of WARD.*

***BLCD’s organizational assessment process helps local partner CSOs to review and systemize their internal policies. This is recognized as an investment in the organizations’ institutional development.***

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Twelve years ago an idea brought together twelve empowered women of Azerbaijan. The idea to change the life of the Azerbaijani woman for the better, make her stronger, and bring an end to the stereotypes in Azerbaijani society, brought them together to establish a women’s organization. “We started with small tasks for each of us: communicating with other women to identify their needs, gathering information. In 3-4 months we had enough data to gather again and to start the work,” remembers Shahla Ismayil, the head of the Women’s Association for Rational Development (WARD). WARD is one of the partner CSOs of USAID’s Building Local Capacity (BLCD) Project in Azerbaijan and one of the strongest CSOs in the country. WARD was officially registered in 2005, and was dealing with documents and internal policies only to the extent it was necessary to obtain registration with the Ministry of Justice. Later, during project implementation, they were adapting their procedures and developing documents according to the different donors’ requirements, as many CSOs in the country do. In the period of 2007-2013, they developed some policies, including among others, a funding plan, a strategic plan, and an action plan.

When BLCD started capacity building activities with WARD, it was already a strong and renowned organization in its field. The BLCD team identified capacity gaps and discussed them with the organization’s management and staff in spring 2013, and shortly thereafter started to implement the specifically developed capacity building action plan. WARD staff went through HICD based processes and a series of trainings on NGO Management, and BLCD signed a grant agreement with the organization towards the end of 2013. BLCD’s approach to organizational capacity building has influenced the partner CSO significantly during the year of cooperation: “We started reviewing all of our documents and procedures,



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from the beginning. BLCD changed us. We don't review our policies because we are asked to and the process is not happening artificially anymore, we initiate those changes. We started to systematize all of our plans, to create a database of participants of our trainings and events, and to format our relations with donors," says Shahla proudly. Inspired by USAID funded activities, WARD continues to invest in the organization's institutional development.

BLCD helps all partner CSOs by introducing relevant materials and sharing international experience, as well as by providing information and on-going consultation on the requirements of national legislation, keeping them updated and abreast of changes, especially now when CSO legislation is particularly active. While assisting CSOs in achieving organizational development goals, BLCD also cares about building the capacity of partner organizations to go through the institutional development cycle on their own initiative and to continuously invest in their organizational development.



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## SUCCESS STORY

# BLCD helps local trainer become part of civil society development process

**Gulnara Ismayilova  
benefits from skills  
gained at BLCD trainings**



*Local trainer Gulnara Ismayilova is practicing facilitating one of the sessions during ToT workshop organized by BLCD.*

Photo: Konul Kangarli-Vazirova, BLCD  
Baku, 2014

BLCD aims not only to build the capacity of local CSOs, but also to provide them with relevant resources that they can benefit from long after the project ends. To develop and maintain the needed resources, the BLCD team began with conducting baseline assessments of CSOs to identify their needs, then developed a specific training and consultancy program addressing those needs. While inviting international trainers and consultants, we worked on identifying local resources as well in order to ensure sustainability.

One of the local consultants that BLCD selected and involved in program activities was Gulnara Ismayilova. Gulnara started working for the NGO sector 17 years ago while she was studying at the university. Her expertise in human resources management and experience with international and local NGOs in the areas of women's and children's issues, education, and environment were the main criteria for selecting her as one of the potential local trainers. Gulnara started delivering trainings four years ago. Now, she is in the European Training Foundation's trainer pool, and through that channel she is occasionally invited to conduct and facilitate trainings in Europe. She is also an associate member of the Chartered Institute of Personnel and Development.

Gulnara has been working with BLCD as a trainer and short-term consultant since September 2013. She was one of the seven local trainers/consultants that were engaged in the "Increasing CSO Effectiveness" Training Program to work with international trainers, co-facilitate training sessions for BLCD's partner CSOs, and provide individual consultations to the selected CSOs. Having completed the



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***BLCD builds capacity of local trainers through the “Increasing CSO Effectiveness” Training Program to identify and involve local resources in order to ensure sustainability after the project closes.***

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training program, which included three training modules on CSO Governance and Organizational Management; Program Evaluation, Administration and Financial Management; and Human Resources Management and Program Management, between September 2013 and February 2014, and then providing individual consultation on different organizational development issues to partner CSOs, Gulnara felt more involved in the national civil society development processes. “Before joining this program, I was mainly working with international organizations and delivering trainings for groups of foreign participants. Also, my knowledge and expertise was based on the European practice. Here, I learned relevant rules and approaches from a US perspective, and had the chance to study and analyze the national framework together with local CSOs. Now I am better informed about their capacity gaps and problems, and I can easily understand and help them when I am asked to.”

BLCD’s training program also helped Gulnara to add one more professional achievement to her portfolio. She was recently selected for the “Social Leader Forum 2014 Program,” an initiative by the German Mitost Association , where she was able to apply the skills that she received through the BLCD training sessions. “I was supposed to attend as a participant, but I ended up facilitating some sessions, as my facilitator skills were recognized at the beginning of the Forum.”

Along with four other local trainers who joined the program in the beginning of 2014, Gulnara completed the ToT session that the BLCD project organized to develop the requisite knowledge and skills of local trainers to successfully deliver the organizational management training sessions planned for the next round of BLCD partners. Following the completion of this training, Gulnara is now involved in the BLCD project as a trainer and independent training program developer.



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## SUCCESS STORY

# BLCD Support Beyond Azerbaijan

**“As a result of BLCD project, TIA has now fully developed, viable organizational structure with written procedures clear to all its staff”- TIA website**



Photo by: S. Mammadova, BLCD.  
Baku, April 2014

*TIA staff member, Elvin Yusif actively participating in BLCD organized Good Governance workshop.*

***Rena Safaraliyeva, Chairwoman of TIA: “In the framework of the project, TIA improved its organizational structure by adding clear lines of communication and coordination among departments, creating division of authority and responsibilities and developing guidelines, which define the role of board members and potential leaders.”***

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Transparency International Azerbaijan Anti-Corruption Public Union (TIA) started work under the Building Local Capacity for Development (BLCD) Project in 2013. Established in 2000 by civil society representatives and academics as the first organization in Azerbaijan to combat corruption, TIA promotes transparency, accountability and integrity in public and private sectors. As a member of the Transparency International Network, TIA demonstrated a higher level of organizational development when compared with other partner CSOs. It had a clear vision and mission, well designed organizational structure and some functional operational procedures. Based on the findings of the organizational capacity assessment BLCD developed a capacity building program tailored to the needs of TIA aimed at assisting in further development and improvement of the organization’s internal documentation and training the staff on relevant issues.

The BLCD project allowed TIA to better implement its goals and objectives by helping them to improve internal management systems. Rena Safaraliyeva, Chairwoman of TIA explained that *“all the relevant staff are now informed and trained about organizational policies and procedures. The project also assisted TIA to improve the quality of teamwork in our organization. The increased knowledge that the TIA staff has of the organization’s mission and vision, as well as the improved internal controls have led to better coordinated communication among staff members and a more efficient use of time and resources.”*

TIA developed important policies such as a Governance Policy, a Succession Plan, a monitoring and evaluation (M&E) Plan, a Gender Integration Strategy, a Funding Strategy, and a Quality Assurance Plan, while others (Policies on Financial Management, Administration, Human Resources) were improved. TIA has moved forward, sharing their experience with partners in the Russia office. The TI Russia office benefitted from the Risk Assessment and Mitigation Plan and the M&E plan to produce their own documents for a specific project and highly appreciated the documents.

Despite having started with more advanced organizational development than other CSO partners, TIA was able to integrate the training and materials they received from the BLCD Project in a meaningful way that allowed them to further strengthen its capacity.

## SUCCESS STORY

# Empowered by BLCD and Ready to Better Serve Beneficiaries

**BLCD prepares partner organizations to navigate the institutional development cycle and to continuously invest in their organizational development.**



Photo: Samira Mammadova, BLCD.  
Baku, November 2013.

*Chair of AzMA, Nariman Safarli working in group with the BLCD invited consultant/facilitator at NGO Management training.*

***Nariman Safarli, Chairman of AzMA: “The BLCD project has significantly changed our organization. It created self-esteem in our staff members and discovered their potential. We clearly know our roles and responsibilities now since we have written documents in our hands. We consider our organization strong now and are ready to present our organization to the public and reach our goals. Around 2,500 members support our organization.”***

Civil society plays an active although still underdeveloped role in Azerbaijan. It has established a stronger foothold with international support to civil society in Azerbaijan since 90th and in part contributes to community interests and reform initiatives. However, still significant changes are needed at the level of individual CSOs and the enabling environment before civil society can fulfill a meaningful role in advancing public interest needs and promoting participatory and accountable governance. Azerbaijani CSOs continue challenge common capacity gaps, weak financial management, poor resource mobilization and ineffective service delivery. CSOs also suffer from ineffective engagement of government counterparts and poor coordination with other groups in the CSO community as well as recently started to face restrictive operating conditions that even more threaten their efficacy and viability. USAID’s support to civil society in Azerbaijan over the last 10 years has strengthened the role of CSOs to promote public interest needs and advocate for their constituencies. This trend continued with new BLCD project started in October, 2012 which was built on USAID’s previous years’ achievements with an aim to increase Azerbaijani CSOs’ organizational and technical capacity; improve their access to high quality support services; and enhance legal and regulatory frameworks to safeguard the role of the third sector in Azerbaijan.

Although Azerbaijani CSOs’ according to their charters should focus on specific technical areas, in reality their role and input into those areas are not recognized at large. The reasons are enrooted in two side facts: CSOs and operating environment. On civil society part regrettably the focus of most Azerbaijan organization in areas they mission are scattered and not in all times specialized on specific needs. They still lack technical expertise and weak in expanding their outreach to target audiences. They also weak to advance key sector and policy reform issues through effective dialogue with the government and constituencies. On operating environment part-CSOs in Azerbaijan are still received by public not strong enough to make a change. While there is a little recognition on from public side, the government continues challenge their operation preventing to develop and become active payers in reform initiatives, let alone creating development opportunities to grow.

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BLCD provides a range of technical assistance activities to improve CSOs' internal governance, financial management, coalition-building, program management, and other areas that are critical to their effectiveness and sustainability based on high-priority needs identified through three-time held assessments. It identifies beneficiaries' organizational strengths and weaknesses and informs individual capacity-building assistance strategy for each CSO. As a result of BLCD delivered trainings, CSOs started to understand the importance and inevitableness of organizational development for provision of professional and quality work. BLCD CSOs have started to apply improvements to their organizations in areas spanning from program to administration. They are able to identify critical skills, knowledge, and behaviors that are needed to recruit, develop, and retain talent employees and have improved operational, financial, and management policies and procedures which help them to better implement projects in their relevant fields of interest and receive a positive return from beneficiaries.

Azerbaijan Medical Association (AzMA) was one of 20 selected CSOs in BLCD project. AzMA's mission is to advocate for strengthening health services and build a capacity of medical workers. With BLCD provided support via international experts and locally trained consultants, AzMA built practical skills and developed the tools and resources that today help them in their daily work and guide on development of new initiatives. They learned the critical skills of a strong organization, the importance of and the methodology of developing different internal policies and procedures, techniques for searching new opportunities, provisions for ensuring the sustainability and skills for networking, and the approaches and tools to lead the organization and stakeholders through change.

"BLCD has significantly changed our organization," said Nariman Safarli, chairman of the Azerbaijan Medical Association. "It helped our members become more confident and discover their potential. Now, we have written internal policies, we clearly know our roles and responsibilities." Safarli believes that their organization is now a strong and ready to reach its goals. He added that around 2,500 members support the organization. Today, AzMA is ready to start implementing its strategic plan and has expanded its network by adding 500 new members in the last year. AzMA's new fundraising plan, which focuses on the collection of membership dues, will allow it now to conduct professional development training for doctors and raise public awareness on health issues by publishing and disseminating relevant materials.

The Azerbaijan Medical Association is among 30 CSOs in the country that have developed into professional organizations with USAID's help. The association grew its professional membership by 25 percent as a result of the project. As a result, this organization--much like the American Medical Association in the United States--can positively influence not only medical policies in Azerbaijan, it can help improve the status and practices of medical professionals.

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