

**Business Innovation Programs Serbia  
(BIPS)**

**REPORT**

**“Evaluation of Organizational Capacities of BIPS”  
- roadmap to institutional sustainability of BIPS**

-

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## **List of abbreviations**

BIP – Business Innovation Programs Serbia

EC – European Commission

HR – Human resources

M&E – Monitoring and evaluation

MoB – Monitoring Board

NGO – Non-governmental organization

CSO – Civil Society Organization

OSCE – Organization for Security and Cooperation in Europe

RBC – Business Development Center

REC – Regional Environmental Centre

SME – Small and medium-sized enterprises

ToR – Terms of Reference

MB – Management Board

UNDP – United Nations Development Program

USAID – United States of America International Development

## **1. Introduction**

Business Innovation Programs (BIP) is a non-profit organization, established in 2006, aiming to contribute to creation of new jobs and to the development of expertise in the field of economic development. Its core activities are based on the principles of market economy and transfer of entrepreneurial expertise. The organization has 4 permanent employees (3 with contract of employment and 1 with contract on business-technical cooperation) and 20 employees on temporary base, with offices in Belgrade, Kragujevac and Obrenovac. The key donors of BIP are the Royal Norwegian Embassy in Belgrade, the Delegation of the European Union in Serbia and national donors.

BIP has initiated the evaluation process of the overall organizational and institutional capacity of the organization within the project “Post-flood Financial Assistance for SMEs in Obrenovac” supported by the Royal Norwegian Embassy in Belgrade. This horizontal activity of the project represents an opportunity for BIP to understand own strengths and weaknesses more objectively as well as to set clearer indicators of its development so as to continue with contribution to the local and economic community of Serbia in a responsible manner.

The evaluation of organizational and institutional capacities of the organization was conducted during July and August of 2015. The conducted activities as well as the timeframe are presented in the Annex 6.1. The evaluation was conducted by the RM Development Consulting from Kragujevac, with the team of experienced evaluators specialized for analyzing and planning of non-governmental organizations development.

The responsibility of BIP was to provide the necessary conditions for conducting the overall evaluation process as set in the Terms of Reference (ToR) and the offer.

The responsibility of the evaluation team was to conduct the evaluation process as per the conditions defined in the ToR and the offer, duly respecting evaluation quality standards which include: a) relevant methodology which shall meet the goals, questions and timeframe set by the ToR, b) knowledge on the context which the organization operates in, c) objective and facts-based interpretation of findings and giving recommendations, d) integrity of evaluators who are free of the conflict of interest, e) participatory approach which would enable all actors included in the evaluation process to give their opinion in all phases of the process and f) focus on the utility of findings and recommendations.

## **2. Purpose of the evaluation**

The purpose of the evaluation of organizational and institutional capacities of BIP is to assess the effectiveness of the operation of Business Innovation Programs with regards to the set objectives. More specifically, to give an independent professional opinion on the organization’s qualifications and capacity, as well as to provide recommendations for follow-up actions and improvements.

The key task of the evaluation is to identify strengths and weaknesses of the following organization segments as well as to identify possible activities that would improve them:

1. Organizational structure
2. Partnership cooperation
3. Administrative/management capacity
4. Professional capacity
5. Cost effectiveness
6. Results management

The key evaluation questions used to draw facts-based conclusions for the above defined task, were developed in accordance with methodology practices and standards which are used by European Commission (EC Project Cycle Management Guidelines – Institutional Capacity Analysis), Regional Environmental Center for Central and East Europe (REC Organizational Viability Toolkit), United Nations (UNDP Capacity Assessment Methodology), USAID (USAID Pre-Award survey) when analyzing institutional and organizational capacities of their existing and potential partner organizations. The list of the developed questions which were discussed at the workshops with BIP personnel and key stakeholders is given in the Annex 6.4. and 6.5. The register of standards per key organizational fields which the evaluation relies on is given in the Annex 6.6.

### **3. Methodology of evaluation**

The general methodological approach to evaluation was based on the principles of participatory work. The evaluation team conducted the evaluation of organizational and institutional capacities of BIP with the aim of gathering in-depth and bottom-up information necessary for creating facts-based opinion and recommendations. For this reason the evaluation team used all available sources of information, such as documents and thereafter BIP's personnel and key stakeholders. During the process the evaluation team was encouraging open cooperation and maximum participation of all relevant human and social resources.

The main methods of work were the following:

1. *Desk study*, during which the key BIP documents were studied, such as BIP's act of establishment, statute, registration, contracts with donors, cooperation agreements with partners. The list of the reviewed literature is presented in the Annex 6.2.
2. *Workshop with BIP personnel* in Kragujevac, in the duration of two days, with 6 sessions, where the capacities of the 6 key organizational fields defined by the ToR were discussed. Four (4) members of BIP from Belgrade and Kragujevac offices participated in the workshop.
3. *Interviews with the most relevant BIP stakeholders* during which additional information were gathered and used to complete the information collected in the desk study and the workshop. The interviews included 2 representatives of partner non-governmental organizations (NGOs) and 2 representatives of donor organizations. The list of consulted BIP personnel and stakeholders is presented in the Annex 6.3.

The collected data was inserted into working matrices which enabled easier data cross-checking and analysis. Upon the conducted analysis, the review of findings and recommendations was prepared.

## **4. Evaluation findings with recommendations**

### **4.1 Organizational structure**

Within this segment two aspects were assessed: 1) decision making lines with internal communication and 2) cooperation with donors/stakeholders.

#### *Decision making lines /internal communication*

The Statute of BIP stipulates the existence of Assembly, Management Board and Monitoring Board with defined mandates. Formally, the Assembly consists of 10 members, who used to meet until 2013 for the purpose of adopting financial reports. Currently, only two Assembly members are constantly active, and at the same time they are authorized representatives of the organization while one of them is also an employee in the BIP office. Personnel of BIP office is in sporadic contact with other members, on individual level, while the Assembly has not met fully in the last two years. Individual members of the Assembly are occasionally active and contribute to the work of the organization through contacts, information and advice. Neither Management Board nor Monitoring Board has been created.

Such practice is related to the genesis of BIP, as well as to the cadre in the field of entrepreneurship. Taking into consideration that it was originally a Norwegian organization with the centre of decision making in Oslo, BIP started its work in Serbia as a team of people, and the structure was set on the principle of efficacy. Such business approach was also preserved after the localization of the organization in 2012 and the bodies stipulated by the Statute have not become fully functional. The ideas of reviving the Assembly through increasing the number of members, which would comprise of the basis of BIP (former beneficiaries of the students' enterprise program), as well as setting of the Management Board, have been considered internally. These ideas have not come to life in practice due to the tendency of the organization to be oriented to results. The organization identified individuals who are devoted to the organization and help in an informal way, and who could be actually engaged in formal statutory bodies.

Similar approach of efficiency is also applied in decision making. After localization, and independence from the management in Norway, which was the main decision maker, the team of BIP continued to make decisions independently on the level of its office. All team members participate in the decision making – four employees, with occasional participation of one active member of the Assembly who is also the authorized representative. This refers to all decisions in BIP, from financial ones to the ones related to partnership. Decisions are brought in a democratic manner, by team discussions, reaching consensus. All team members equally participate in decision making, and they also have autonomy in their scope of work, with

consultations with other team members as needed. The organization makes the key decisions in a timely manner and informing all team members.

Taking into consideration the size of the team (4 employees), the organization has daily communication among team members through email, phone and Skype. The fact that BIP has two offices, one in Belgrade (with 1 team member) and one in Kragujevac (2 employees) represents a certain challenge in communication. Physical distance is compensated by regular communication through Skype or over the phone. Apart from solving everyday issues using this kind of communication, BIP also organizes regular team meetings for the purpose of general review of activities and discussing the key issues.

BIP does not use communication tools like office calendar (or sharing a calendar in the team), internal website etc. so that members do not have information on the availability of team members. Moreover, there is no common server with documents that would be available to all team members at the same time or at any moment. Due to physical distance of the two offices, this is sometimes a challenge; however it does not obstruct regular work of the organization.

In practice BIP respects the policy of equal opportunities; however it does not have any written policy or ethical code. Earlier, within the program of students' enterprises, a document was developed with the principles of ethical and anti-corruption routine for students and teachers.

Recommendations:

Due to the recent transformation from a branch of an international into an independent local organization, BIP should adjust its organizational structure and decision making process. By activating the Assembly, as well as by making the bodies stipulated by the Statute (above all Management Board) functional, BIP would secure legitimacy, responsibility and transparency in management and decision making. A huge basis of former beneficiaries and individuals, who are devoted to the organization and share its values, is an opportunity which BIP should use to recruit members for the above bodies. Such an approach would not jeopardize efficiency of BIP, and it would contribute to quality in several ways – apart from giving legitimacy, active bodies can also contribute to visibility of the organization, positioning, financial sustainability etc. Principles of democracy and participation in management and decision making on the office level represent an excellent basis for applying the same principles to all bodies.

It is recommended to have a carefully planned recruitment process, with the selection of members according to the clearly defined interests of BIP and genuine motivation of individuals to participate in the work of established bodies. Moreover, it is advised to develop documents that would clearly define mandates of various bodies, a decision making matrix, as well as the policy of equal opportunities, ethical code and conflict of interests.

Although the current information flow system is efficient, it is recommended to set a more reliable and sustainable mechanisms than those relying on human factor. BIP should introduce some communication tools such as office calendar, as well as software (server) which would enable better access to documents regardless of the physical location of employees. This is very important having in mind the fact that BIP offices are located in two cities.

#### *Cooperation with donors /stakeholders*

BIP has the strongest cooperation with donors and public sector, as well as with a small number of civil society actors. Due to the fact that until 2012 it was a part of Norwegian BIP, the strongest connection in the donors' community is with the Royal Norwegian Embassy. The organization also has strong connections with several civil society organizations which were partners on a great number of projects, such as Business Development Centre Kragujevac (RBC), Forca Požega and similar. To a great extent BIP is oriented towards the public sector, because one of the main goals of BIP is the reformation of public policy in the sector of entrepreneurship through improving the system. They cooperate with relevant ministries (Ministry of Education, Science and Technological Development, Ministry of Youth and Sports etc.), as well as with local self-governments (Arilje, Kragujevac, Obrenovac, Braničevo County etc.). Relations with key partners are characterized by mutual trust.

The cooperation with media is on an ad hoc basis, according to the needs of specific activities, mainly public events. In business sector BIP had cooperation with Telenor foundation. It is not a formal member of any network. BIP finds its *constituency* in schools, teachers and students, as well as entrepreneurs. The relationship and communication with them mainly relates to providing services, they are treated as BIP programs' beneficiaries. They are included in specific projects/programs, but not in the strategic orientation of BIP.



Among partners BIP is recognized by students' enterprise and support in developing business plans. Its identity is still hugely connected with Norwegian origin (they call us "Norwegians"). BIP is recognized in narrow circles of actors they closely cooperate with, but not in broader community.

Recommendations:

BIP should be oriented "outward", through developing relations with various stakeholders. It is necessary to establish new connections in the donors' community so as not to rely and depend on the support of the Royal Norwegian Embassy only. Moreover, connections should be also made in other sectors, above all in business and civil sector, as well as with the media. It is necessary that BIP strengthens its connections with the constituency and include its primary target group into strategic planning and programs developing. Finally, in the future BIP could develop a visibility strategy/brand, that would position it as a leader in Serbia in the fields of its expertise, as well as external communication which would help in lobbying and fundraising activities.

#### **4.2 Partnership work**

In this segment the following aspects were assessed: 1) Strategy for choosing partners; 2) Distribution of roles among partners; 3) Transparency in partnerships; 4) Competencies and development of capacities; 5) Sharing of lessons learnt; 6) Sustainability and exit strategies; 7) Networking. Since all these aspects are closely connected, a summary description is given.

The most successful partnerships of BIP so far were the ones with RBC, Forca and Royal Norwegian Embassy, because they were long-lasting and based on mutual goals and trust. Other partnerships are mainly ad hoc, on projects. New partnerships are made through recommendations and personal contacts, built on similar ideas. Reliability of partners is checked based on donors' references or through personal contacts with representatives. Decisions on partnerships are made by team agreement.

All BIP's formal partnerships on projects are defined by adequate cooperation agreements or contracts. With the key strategic partners there are no imprecision in distribution of roles or in implementation. All partners are included in all project phases and have ownership of project, and two-way communication. In new partnerships it has happened that partners do not have capacities to support project implementation, and BIP had to solve problems by own extra efforts and engagements (for example in the project with the Association of Beekeepers in Braničevo County).

The key partnerships function on the principle of transparency. There is an open exchange of information, and lessons learnt are shared and applied. For potential new partnerships there is a need to more thoroughly examine transparency of potential partners. Agreements with

partners define ethical issues and they are mainly respected. There was a case when relations between partners deteriorated and external evaluation by the donor was necessary in order to prove that BIP had respected the agreement so that the reputation and integrity of the organization were protected.

There is no planned capacity building for partners on projects, but there is an informal exchange of know-how and experiences among partners. The challenge is the lack of know-how and skills when it comes to grassroots organizations as partners. There have been trainings organized for them; however they did not prove to be very effective due to inadequate attitude of partners-beneficiaries of trainings. The lesson that BIP has learnt from this situation was not to take “beneficiary organizations” as partners (for example Association of Beekeepers). Instead of local partners, it is necessary to appoint somebody from the organization or to engage other actors with the capacity of implementing local field activities.

Partnerships created by BIP are mainly on an ad hoc basis, related to projects. Upon finalization of projects ideas for continuation of cooperation are exchanged with partners in an informal manner, but they are not realized unless there are possibilities for financing new projects. There is no strategy for long-lasting out-of-project partnerships, apart with RBC and Forca which is generally defined through a project proposal sent to the Royal Norwegian Embassy for institutional support.

All in all, BIP has more of a tendency to build “strong connections” with a limited number of partners, than “loose connections” with bigger number of actors. Although it has connections with various actors, BIP does not use them enough for developing partnerships and networking.

Recommendation:

By the future Strategy (proposed in the next segment) BIP should define strategic approach to building partnerships, map partners, goals and modes of partnership. Strategic partnerships should also include planned capacity building and organizational development of partners, individual and mutual. It is recommended that BIP examines more thoroughly the capacity and credibility of potential partners for new projects.

BIP could think about developing “looser connections” with bigger number of actors, to create networks with similar organizations, enter international networks in this sector, but also to make connections with “atypical” actors. Thus, BIP could have better access to information and know-how, secure a position in the broader “ecosystem”, and expand its influence.

#### **4.3 Administrative/management capacity**

In this segment the following aspects were assessed: 1) Planning capacity and risk management; 2) Quality assurance and control system; 3) Human resources; 4) Clarity and transparency of financial management systems; 5) Oversight/monitoring of money flows.

### *Planning capacity and risk management*

BIP tends more to operational than to strategic planning. One of the interviewed stakeholders described the representatives of BIP as “operatives”. The whole work is based on project plans, while neither strategic planning nor annual operational plans have been made by BIP so far. Within the consortium of 4 organizations under the leadership of RBC (BIP, Forca, Eneka, RBC) there is an idea of strategic orientation to youth entrepreneurship through network cooperation. The partners developed the idea into a project which also includes the process of strategic planning for this network of organizations, as well as capacity building. The project was submitted to the Royal Norwegian Embassy, but it was not supported. Apart from this one, BIP has not undertaken any strategic processes.

The situation is similar when it comes to financial planning. The basic tool for financial planning in BIP is a project budget. There is a consolidated budget for fixed costs (office, salaries and similar) while all program costs are defined solely by project budgets. There is no institutional/organizational budget. BIP makes annual financial forecast, recording the certain and the estimation of possible incomes, and these forecasts are regularly revised. They are created solely in relation to the projects. However, there is no financial plan that would set the framework for long-term sustainability of the organization with diversification of sources of financing, created according to the strategy of the organization. The organization is mainly financed through projects from foreign sources (embassies, international agencies etc.) and partly through own funds coming from the delivered services. Percentage of local sources of financing is small.

The fact that goes in favor of BIP stability is that there is a reserve sufficient to cover the expenses of organization for 6 months of “cold standby operation”.

BIP has mainly dealt with financial risk management (losses due to changes of exchange rates) and risks related to selection of partners. Risk management is defined in project matrices, while there is no plan of measures related to risks on institutional level. The team estimates that so far they have successfully responded to risks and that they have learnt lessons from risk situations. BIP does not make inventory lists, while financial audits are conducted on project level, on donor’s request, but not on institutional.

Recommendations:

Although it is still focused on the topic, and clearly profiled, due to the lack of strategic processes and long-term program and financial planning, BIP has a potential risk of losing its strategic orientation. Because of this and the fact that BIP is in a kind of transition, it is highly important to start the process of strategic planning. The process should first result in a long-term framework for programmatic operating and institutional development of the organization and then in plan of financing. It is recommended that BIP introduces planning of annual institutional budgets.

It is proposed that BIP makes an inventory list and do it regularly, as well as to introduce annual financial audits of the organization, with occasional change of the audit agency, in accordance to good practices so as to secure transparency. BIP could also think about introducing an institutional plan of measures related to risks.

### *Quality assurance and control system*

In BIP there is organizational culture of being “customer oriented”, including the donors. All employees have understanding of quality standard and implement it in practice, but there are no written documents defining that. Control system is organized through exchange among employees, as well as through receiving feedback from beneficiaries. The program of students’ entrepreneurship has developed mechanisms for receiving feedback from beneficiaries (questionnaires for teachers etc.), while for other programs feedback is received in an informal manner. In quality control BIP mostly relies on the feedback, as well as on the fact that donors continue cooperation upon the implementation of projects and proactively approach BIP for partnership. The feedback is used for improving their work.

### Recommendations:

It is recommended that, based in its good practice, BIP develops documents which would describe quality standards and formal procedure for quality control, both internal (self-evaluation) and external.

### *Human resources*

There is no written form of human resources policy in BIP. Human resources planning is done by agreement of the team members, there is no person with this specific responsibility, and needs are identified through practice. No funds are foreseen for human resources development, because there is no clear policy and donors are not very inclined to give support in this segment. For the development of employees BIP uses opportunities offered by other organizations, through trainings and similar. There is no volunteering policy or program,

because there is no clear attitude on this issue or capacities to deal with it. There has been some exchange of ideas, but they have not developed.

The roles in the team are not divided in a permanent and strict manner. Finances and fundraising exist as permanent functions given to specific persons; while other roles are given as per the needs of projects and they change accordingly. There were attempts to distribute roles permanently, but that was not very successful due to the size of the team. There is no organizational structure in BIP, systematization of working places, jobs description nor individual working plans. The need has been identified for clearer defining of roles and jobs description on organization level, because the distribution of roles on projects is not always optimal.

BIP team has necessary competencies in accordance with the basic scope of work of the organization. For additional jobs external staff is engaged. The roles in the team are distributed according to individual competencies, and new skills and knowledge are mainly gained through experiences and with internal support/mentorship. So far new staff has not been engaged through public vacancy notices. BIP has a highly motivated and devoted team, characterized by stability and without fluctuations. Team motivation is based on devotion to their sector, flexible working conditions, possibilities for personal autonomy and supportive culture of the organization where everybody shares the same values. There is no system for evaluation of employees' performance. Moreover, there is no written salary system, and the practice is that all team members have equal remuneration for their work, while the amount of remuneration depends on approved projects.

Majority of employees are engaged through individual contracts of employment, and one employee is engaged as a private legal entity. There are no safety at work measures in BIP, or guidelines with regulations and procedures for employees. Equal opportunities policy does not exist in written form, and elements existing in the statute are respected in practice.

In recent future there will be some changes in BIP related to personnel (one team member shall work 50% of working time from abroad, and one member will share her time between BIP and another organization). No plan has been developed so far for these changes.

#### Recommendations:

Because of the forthcoming changes, it is recommended that BIP develops a plan of personnel transition. Thereupon, it is necessary to set organizational structure. It does not necessarily need to be a hierarchical structure and it should not disturb the existing principles and rules (for example project-matrix one could be an option), but it is necessary for optimal and clear distribution of roles in the team. The structure should be accompanied by precise job descriptions for all employees. Ideally the structure should be created in accordance with the future Strategic plan.

BIP should also develop other HR systems and procedures: systematization of working places,

system of personnel evaluation and development, recruitment system, salary system, volunteering system (if estimated that there is the need), safety at work measures, equal opportunities policy, guidelines for employees etc. Finally, by an institutional financial plan, BIP should allocate funds for managing personnel which would also include professional development.

#### *Clarity and transparency of financial management systems*

One person is responsible for financial management and this person, together with an accountant, is also authorized to manage the account. Accounting is external, that is, an accounting agency is hired. The responsible person in the organization follows the finances both on project level and on organizational level (fixed costs), and the agency prepares balance sheets. There is no special financial software, finances are done in excel software. The organization duly settles all tax obligations.

Procurement procedures are conducted in accordance with the donors' requests and in compliance with the domestic regulations. For bigger procurements BIP organized public procurement notices with independent committees. Due to the small number of employees, the same person approves and realizes payments. There is no cash-box because all payments are made through bank account, using e-banking. Financial records are duly kept and stored for at least 10 years. Generally financial procedures are established and respected, but there are no records in written form.

Financial audits are done on project level, as per donors' requests; however institutional audits have not been done. There is constant communication with the auditing agency that BIP has been cooperating with in the last 4 years, and they also have consultations related to financial planning phases, not only to audits. All opinions of auditors so far have been positive, as well as the feedback of the donors on project financial reports. Financial values of the projects are communicated on the website, while financial and audit reports are not available to the public apart from the balance sheets which are in the databases of the Agency for Business Registers (ABR).

#### Recommendations:

BIP should support its practice of financial management and financial procedures with written (hard copy) documents. According to good practices in procurement, the functions of ordering, approval and payment should be separated. Introducing of financial software should be considered in the future. It is also proposed to introduce institutional financial audits with occasional change of auditing agency due to transparency. Moreover, financial and auditing reports should be available to public on the website or through other communication channels.

#### *Oversight/monitoring of money flows*

As stated above, annual budgets are planned in accordance with approved and expected projects, while fixed costs are planned on the organization level. Planning is done in the team and there is no body which would formally approve annual budget. One person is in charge of monitoring overall finances, while monitoring of project financed is distributed in the team as per the situation. There is a person who is in charge of inflow projection and monitoring the money flow. The team has permanent coordination on monitoring finances.

Recommendations:

It is necessary to introduce institutional budget and establish the Management Board as a body which would adopt financial plans and reports.

#### **4.4. Professional capacity**

Within this segment technical capacity, professional capacity and knowledge were assessed. Taking into consideration that they are closely connected, and that they are also horizontally connected with other segments of the evaluation, a summary description of all these aspects is given.

BIP has one office in Kragujevac and one in Belgrade with the aim of being close to decision makers. Each office also has a meeting room, and technical equipment has recently been renewed. The offices and equipment are financed from the projects. Physical conditions satisfy the needs of the organization. BIP does not have a person dealing with office management. There is no server where all information would be stored, and the records are kept on two locations. This is sometimes a challenge in accessing data and information due to functioning in two offices.

The team has understanding on what is the core of knowledge and expertise of BIP, and stakeholders share the same opinion. BIP is recognized as an “expert” in education and consulting in the fields of: students and youth entrepreneurship support to entrepreneurship development (especially of small and medium-sized companies), business planning, micro-credits, and recently also grant schemes for companies. All employees have before been certified by Norwegian BIP for holding trainings on business plan development as well as for students’ entrepreneurship. New employees are introduced and trained through experience and internal mentorship. There is no budget for further education of employees.

Norwegian BIP left huge intellectual capital to the organization: training modules for beginners in business, adjusted for various sub-groups, forms of education etc. over the time BIP has upgraded this methodology through exchange of knowledge with partners, accepting models of good practice as well as through practical experience. On the project supported by OSCE, in cooperation with partners trainings were developed which were modified for vulnerable groups (Roma) and methodology was developed for assessment of business success. Thus BIP is trying to maintain the principle of innovativeness in their primary sector of work. In respect to the

protection of intellectual property BIP is guided by the philosophy of publicly available knowledge inherited from the Norwegian organization. Curriculums for three trainings are certified by the Ministry of Education, Science and Technological Development, and they are publicly available. Some of the newly developed methodologies have still not been publicly shared.

BIP has a portfolio of services in the area of education and consulting which is adjustable to the market needs, but it does not have a written catalogue of services. Although they do not have active promotion of the services portfolio, BIP manages to charge services on the market and to make own income. This income still does not make a considerable part in the budget. There is unwritten policy on the position of individuals when it comes to charging the services which are the BIP expertise on the market – individuals act on behalf of the organization.

#### Recommendations:

Due to the risk which exists in the information flow and data availability because of two offices, it is recommended to introduce specific tools: office calendar, server, internal website and similar.

Taking into consideration considerable intellectual property of BIP, it is proposed to introduce a system of knowledge management. It is advisable to make a catalogue of BIP services with defined standards and prices. Services portfolio should be published on the website and actively promoted on the market. This could be an important kind of promotion and positioning, but also of income generation in the future.

BIP should secure funds for further education of employees in the field of its expertise, as well as to find solutions for innovations in knowledge and programs. Such approach can position BIP as a leader in the area if its expertise.

#### **4.5 Cost-effectiveness**

As an organization BIP is result-oriented and led by the principles of effectiveness, which also reflects on costs planning. Through team cooperation, project costs are formulated in a rational way, investing minimal funds for maximum result. As an operational cost, salaries of employees are also rationally planned, in accordance with the available financial resources. Apart from financial, BIP uses other available resources, such as people who contribute through information sharing, providing premises and similar. A possible obstacle in a detailed resource planning and adjusting costs from different project may be the fact that BIP does not have an institutional/organization budget.

The ratio of operational and program costs in BIP indicates very high cost-effectiveness. In the last three years operational costs have been, on average, less than 10% (*general estimation of BIP*) of the organization total annual budget. Thus BIP is a civil society organization with good practice in this segment, which may be a huge advantage with donors. This advantage, however, has not been used enough, because BIP does not communicate it clearly and actively.



The lack of organization budget makes it impossible to have a simple and precise calculation of operational and program costs ratio.

Recommendations:

High cost-effectiveness in operating is a huge competitive advantage and it should be better used by BIP for positioning on the market. Due to “cheap operation”, BIP has an excellent precondition to attract donors, delivering maximum results with minimum investments. Therefore it is recommended that BIP makes a precise calculation of the ratio of operative and program costs and present it by a graph, and then promote it on its website and through other channels in various occasions, and especially with potential donors. Moreover, it would be good that BIP develops organizational budget and calculates thoroughly what would be the optimal operational costs for the organization in relation to the planned program activities on annual level, so as to secure that minimal fixed costs do not harm sustainability of the organization.

#### **4.6 Results management**

In this segment the following aspects were assessed: 1) Achieving results based on previous activities; 2) System of identifying results and reporting; 3) System for learning and conducting changes (including the relation to risk management).

##### *Achieving results based on previous activities*

In 2010 BIP conducted a research on the target representative sample of the success of students' enterprise program. A comprehensive report was made on the impact of the program; however, data on the results of programs have not been systematically collected since then. BIP tends to collect quantitative data on the results of their programs on project level, rather than to follow broader impact in the society. On certain projects (students' enterprise) *feedback* from beneficiaries is collected in a more systematic way, while for other programs it is quite informal. Results and *feedback* are incorporated in new project proposals. The key communication of results is done through profiles on the website which contains overview of facts on activities, projects statistics and goals. There is no annual report on the work of the organization, but there are reports on projects which are submitted to the donors. Generally, on the organization level, there is no system of a person in charge of collecting and managing results.

Recommendations:

BIP should introduce a system for collecting and managing results on the level of whole organization. This system should be in line with the future Strategy and directed more to the social impact than to the statistics. Results achieved so far as well as future results should be communicated more intensively clearly to target groups, highlighting the social change that BIP achieves in the community. It is recommended that BIP introduces making annual reports which would be published on the website and used for promotion. Thus BIP would more effectively use the achieved results for making further impact.

### *System of identifying results and reporting*

Development of programs is done on the project level. Project priorities are based on the experiences from the previous similar projects, including the assessment of needs based on feedback of beneficiaries and stakeholders. In choosing topics and areas for new projects BIP is guided by available calls of donors, keeping its own focus, which is clear in the team, however not defined in some strategic documents.

The projects contain monitoring and evaluation (M&E) elements, in the form of indicators, but there are no specific M&E plans. Project indicators are defined well and there are people who are responsible for following them, while the project manager collects and processes the data. Stakeholders are included as needed. Monitoring of project budgets is regular and has recently been improved. Presenting results is intensive when it comes to donors, while the public is informed through the profile on the website which is less oriented to results and more to a general overview of projects. A kind of internal monitoring and evaluation is conducted on the level of organization, mainly based on informal methods, but there is no M&E plan on strategic level. External evaluations have not been done.

### Recommendations:

BIP should introduce a monitoring and evaluation system on organization level. Within strategic planning it is recommended to also develop a Monitoring and Evaluation Plan which would include impact analysis as well as an assessment of institutional aspects. It is also recommended that BIP introduces M&E plans for projects. It is necessary that BIP communicates its results more intensively to wider public. All this is going to contribute to strategic focusing and visibility of BIP.

It is proposed that, as per possibilities, in the future BIP initiates external evaluation on institutional level directed primarily on the projects. If possible BIP can initiate strategic planning process by making such an evaluation which would be a review of the results so far,

and thus be a good foundation for further strategic planning.

#### *System of learning and conducting changes*

BIP intensively follows projects implementation, identifies problems and reacts to them. Donors are timely informed and consulted on problems. There is flexibility for adjusting to actions to changes in circumstances and to the needs of key stakeholders. In cases of internal factors changes are made in actions, and in cases of external factors, plans are updated according to new circumstances. Management of changes was mainly directed to external factors and there is currently a plan to focus more on internal risks due to forthcoming changes in the team.

Problems are solved through discussion and dialogue. There is the culture of open communication on shortcomings of performed actions as well as a constructive approach to using learnt lessons in the future work. An important lesson learnt from the project for support to flood-stricken entrepreneurs in Obrenovac is that BIP should set a boundary in the relation donor-beneficiary in its grant programs. BIP is open to criticism and changes, but management of changes relies completely on office staff.

#### Recommendations:

In the future period BIP should be oriented to managing internal changes, and especially to fluctuations in the team that is about to happen in forthcoming months. A functional Management Board should play an active role and be a support in the processes of organizational changes in the future.

## **4.7 CONCLUSION**

In the last 10 of work BIP has demonstrated its **capacity for managing projects** up to 500.000 Euros. Among partners and donors it is recognized as a reliable partner which delivers quality in project activities, especially trainings in the area of business, as well as project and financial reporting. Management approach and organizational culture of BIP are oriented to **efficiency** (business approach). The ratio of operative and program costs is in accordance with the best practices in the civil society, and, therefore, BIP is **a desirable partner for donors**.

Orientation towards project and operative acting, together with business approach, is a strong side of BIP. On the other side, the organization **lacks strategic orientation and inclusion of constituency**, so that BIP can function as an organization of citizens with full legitimacy, strategic orientation and sustainability perspective.

BIP has a developed profile of **“expert in its field”**, but it is recognized by a **limited number of stakeholders**, mainly in the donors’ community, public institutions and immediate partners from the civil society. The image of BIP is to a huge extent based on its background (originating from the Norwegian BIP), as well on permanent and tight connections with the Royal Norwegian Embassy (“Norwegians”).

BIP has a **competent and devoted team** and in managing human resources it is guided by the principles of **participation and transparency**, while a **clear internal HR structure is missing**. **Financial management is satisfactory**, but **transparency to wider public is missing**. Finally, BIP **implements in practice majority of procedures and policies** in accordance with democratic principles and CSO standards, but they **do not exist in written form**.

It is recommended that BIP **as soon as possible**, initiates the **process of strategic planning** which would be participatory. Moreover, it is necessary that BIP **activates statutory bodies and establish a clear organizational structure** with clearly defined mandates and decision making lines. Having in mind the forthcoming changes in the team, it is necessary to urgently make **plan of transition** and start managing the change.

BIP **should** more strongly use its potentials and achieved results and use them for promotion through **brand developing and positioning in wider community**.

BIP **could introduce the missing systems** (for example, of internal/external communication and of databases), that is, to **formulate the existing policies and procedures** (ethical code, equal possibilities policy) **in written forms**.

## 5. Summary overview of evaluation findings with recommendations

<i>Area</i>	<i>Strengths</i>	<i>Weaknesses</i>	<i>Proposed activities</i>
<b>1. Organizational structure</b>	<ul style="list-style-type: none"> <li>▪ Efficiency in management and decision making</li> <li>▪ Democratic and participative approach</li> <li>▪ Regular and intensive team communication</li> <li>▪ Practice of equal opportunities and ethics</li> <li>▪ Strong connections and good relations with strategic partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Non-functional statutory bodies, which may decrease legitimacy, responsibility and transparency of the organization</li> <li>▪ Information flow which relies on human factor, there are no tools of managing information</li> <li>▪ Lack of written policies</li> <li>▪ Orientation to a limited number of actors and sectors (donors, public sector)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Make the Assembly functional, establish Management and Monitoring Boards</li> <li>▪ Apply information management tools (office calendar, server etc.)</li> <li>▪ Formulate equal opportunities policy and ethical codex</li> <li>▪ Turn “outward” through developing relations with all sectors and bigger number of actors</li> <li>▪ Strengthen the relations with the constituency</li> <li>▪ Develop the strategy of visibility/brand and communication</li> </ul>
<b>2. Partnership work</b>	<ul style="list-style-type: none"> <li>▪ Trust and transparency in the relation with old partners</li> <li>▪ Roles and relations defined by relevant documents</li> <li>▪ Using learnt lessons</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ad hoc approach in making partnerships</li> <li>▪ No planned capacity building in partnerships</li> </ul>	<ul style="list-style-type: none"> <li>▪ Include making partnerships in strategic planning</li> <li>▪ Incorporate capacity building in partnership projects</li> <li>▪ More thoroughly inspect capacity and credibility of new partners</li> <li>▪ Think about expanding “loose” relations with bigger number of actors</li> </ul>
<b>3. Administrative /management</b>	<ul style="list-style-type: none"> <li>▪ Project planning</li> <li>▪ Financial plans and projections according to projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ No strategic or operational planning</li> <li>▪ No institutional budget or long-</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop Strategic plan</li> <li>▪ Make an Institutional plan and Plan of financial sustainability with</li> </ul>

<p><b>capacities</b></p>	<ul style="list-style-type: none"> <li>▪ Financial reserves for 6 months</li> <li>▪ Project risks management</li> <li>▪ Project audits</li> <li>▪ Customer-oriented</li> <li>▪ Flexibility and adjustability in work organization</li> <li>▪ Competent and devoted team</li> <li>▪ Principle of equality in rewarding</li> <li>▪ Efficient financial management</li> <li>▪ No cash payments</li> <li>▪ Clear procedure which is respected in practice</li> <li>▪ Positive opinion of audits and donors</li> <li>▪ Regular following of budget</li> <li>▪ Projection of inflow and monitoring of money flow</li> </ul>	<p>term financial plan</p> <ul style="list-style-type: none"> <li>▪ Relying on project related sources of funding</li> <li>▪ Lack of plan of risk measures</li> <li>▪ Institutional audits are not conducted</li> <li>▪ No written quality standards or control systems</li> <li>▪ No plan for the forthcoming changes in the team</li> <li>▪ No developed formal systems and written procedures for human resources</li> <li>▪ No funds allocated for professional development of personnel</li> <li>▪ One person is in charge of overall finances</li> <li>▪ Lack of written procedures</li> <li>▪ Lack of transparency towards general public</li> <li>▪ Institutional budget does not exist</li> <li>▪ No body which would approve annual budget</li> </ul>	<p>diversified sources of financing</p> <ul style="list-style-type: none"> <li>▪ Develop a plan of risk measures</li> <li>▪ Introduce institutional audit</li> <li>▪ Develop written quality standards or control systems</li> <li>▪ Urgently make a plan of personnel changes</li> <li>▪ Develop HR systems and procedures, above all organogram and job descriptions</li> <li>▪ Allocate funds for professional development of personnel</li> <li>▪ Split functions to more people</li> <li>▪ Make written financial procedures</li> <li>▪ Publish financial and audit reports on the website</li> <li>▪ Develop institutional budget</li> <li>▪ Introduce Management Board as a body which would approve financial plans and reports</li> </ul>
<p><b>4. Professional capacity</b></p>	<ul style="list-style-type: none"> <li>▪ Adequate physical conditions</li> <li>▪ BIP recognized as an “expert” in the field of entrepreneurship</li> <li>▪ Considerable intellectual capital</li> <li>▪ Portfolio of services which make income</li> </ul>	<ul style="list-style-type: none"> <li>▪ No systematic management of information and documents on office level</li> <li>▪ No catalogue or active promotion of services</li> <li>▪ No system of knowledge</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduce a system of information and data management</li> <li>▪ Make a catalogue of services, with descriptions, standards and prices</li> <li>▪ Actively promote services on the market</li> </ul>

		management	<ul style="list-style-type: none"> <li>▪ Allocate funds for additional education of personnel</li> <li>▪ Actively search for possibilities for innovation</li> <li>▪ Introduce a knowledge management system</li> </ul>
<b>5. Cost-effectiveness</b>	<ul style="list-style-type: none"> <li>▪ High cost-effectiveness with less than 10% of operative costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost-effectiveness is not used as a competitive advantage on the market</li> </ul>	<ul style="list-style-type: none"> <li>▪ Make a graph of the ratio of operative and program costs and promote it with potential donors</li> </ul>
<b>6. Results management</b>	<ul style="list-style-type: none"> <li>▪ Following results on project level</li> <li>▪ Profile of the organization on the website</li> <li>▪ M&amp;E practice on projects level</li> <li>▪ Intensive promotion of results with the donors</li> <li>▪ Culture of openness, exchange and learning from mistakes</li> </ul>	<ul style="list-style-type: none"> <li>▪ No results management system</li> <li>▪ Results based on statistics not on social impact</li> <li>▪ No annual report on organization work</li> <li>▪ No M&amp;E plans for projects or for organization</li> <li>▪ Insufficient promotion of results in public</li> <li>▪ No external evaluations have been done</li> <li>▪ Management of changes is based on the office</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduce a result management system oriented to impact</li> <li>▪ Introduce the practice of publishing annual reports</li> <li>▪ Introduce an M&amp;E system with organizational/strategic and project plans</li> <li>▪ Intensify promotion of results in general public</li> <li>▪ Introduce external evaluations</li> <li>▪ Make a functional Management Board and give it an active role in management of changes</li> </ul>

## 6. Annexes

### 6.1 Activity plan

<i>Activity</i>	<i>Timeframe</i>
Desk study of relevant documents	July 22-24
Preparation of workshop with BIP team	July 26-27
Workshop with BIP	July 28-29
Interview with BIP's key stakeholders	July 30 - August 3
Draft report	August 7
BIP's comments on the draft report	August 12
Final report	August 17
BIP's approval of the final report	August 19
Translation of the final report into English	August 24

### 6.2 Reviewed documents

- 1) BIP founding documents:
  - a. Statute
  - b. Registration
  
- 2) BIP partnership agreements/contracts:
  - a. contracts with donors
  - b. contracts of cooperation with partner NGO

### 6.3 List of workshop and interview participants

<i>Name and surname</i>	<i>Institution and position</i>	<i>Contact details</i>	<i>Date</i>
<b>WORKSHOP</b>			
Srdjan Mladenović	BIP, regional coordinator	Nikole Pašića 7/2/9, 34000 Kragujevac 034 206 854; 060 440 55 70	28-29.07.2015.
Marijana Simić	BIP, coordinator		
Marijana Stankovć	BIP, coordinator		
Bratislav Dobrić	BIP, program manager		
<b>INTERVIEWS</b>			
Miroslav Tamburić	NGO Forca Požega, director	064 612 8953	30.07.2015.
Nemanja Jovičić	NGO Business Development Center Kragujevac, Deputy director	069 606 952	31.07.2015.
Miodrag Shrestha	OSCE Mission to Serbia, National Project Officer	064 257 8113	31.07.2015.
Jannicke Bain	Norwegian Embassy in Belgrade, Deputy Head of Mission	Milentija Popovica 5a, 11000 Beograd 011 32 08 004	03.08.2015.



## 6.4 Questions discussed with BIP team (workshop)

<b>SEGMENT 1 – Organizational structure</b>	
<b>Decision-making lines /internal communication</b>	<p>Do you have an active Management Board? Who are the members? What is the mandate of the MB, what decisions does it make, what decisions does it approve? Who is responsible to the MB? What activities of the organization do MB members participate in?</p> <p>Who does the Assembly consist of? What is its mandate? How often does it meet? What decisions does it make? How is it informed on the work of the organization?</p> <p>How is all this defined?</p> <p>How often does the MB meet and who participates the meetings? How is the MB informed on the work of the organization?</p> <p>How does management make its decisions? Describe a typical process on an example.</p> <p>How are employees informed on the decisions of the MB? And on the decisions of management?</p> <p>What are the channels of communication on the organization? How does information flow in all directions - top-down and bottom-up? Meetings with employees, email, internal website...?</p> <p>Are employees independent in making some decisions and what decisions? What does it look like in practice?</p> <p>Do you think that decisions in BIP are made on time and that information on decisions is timely distributed? Are decisions accompanied with explanations? Is the management responsible for its decisions?</p> <p>Are team members treated equally in respect of being informed on key activities of the organization?</p> <p>Do you have a policy of equal opportunities and ethical code for personnel and MB?</p>
<b>Cooperation with donors / stakeholders: Is there capacity for constructive and consultative management of relations with stakeholders?</b>	<p>How do you identify stakeholders in your community and outside?</p> <p>How often and in what way do you meet with the key stakeholders?</p> <ul style="list-style-type: none"> <li>• Donors</li> <li>• Decision-makers</li> <li>• Other CSOs and networks</li> <li>• Business sector</li> <li>• Media</li> </ul> <p>On what issues do you include them? How would you describe that communication and relationship?</p> <p>Who in the organization keeps the relations with stakeholders?</p> <p>How do you include them in defining your goals and programs?</p> <p>How clear is it for stakeholders what you do and what your goals are? When do they address you? How do they see you?</p>
<b>SEGMENT 2 – Partnership work</b>	
<b>Partners selection strategy</b>	<p>How do you select partners? Explain on an example. Do you rather create partnerships which are short-term, project-oriented or long-term, strategic?</p> <p>How do you check relevance, competencies and credibility of partners?</p> <p>Who selects partners and how do you make decisions on new partnerships?</p> <p>What are your most successful partnerships so far and why? Lessons learnt?</p>
<b>Distribution of roles /relations/ ownership among partners</b>	<p>How do you define roles of partners on projects? How do you formalize it? Are there agreements on cooperation, contracts...? What do they define? Share your experiences and learnt lessons.</p> <p>How do your relations with partners function? Which project phase do you include them in? Is there a permanent channel of communication? Is that two-way communication? Do they make initiative, are they proactive?</p>
<b>Transparency in partnerships</b>	<p>What kind of information is exchanged among partners? Do you share problems and challenges?</p> <p>Do cooperation agreements and contracts define ethical questions, like transparency? How much has that been implemented in practice so far?</p>
<b>Competency and capacity</b>	<p>Do partnerships that you make include building capacity of you and your partners? In what way?</p> <p>Is there transfer of knowledge among partners in the fields of expertise? In what way?</p>

<b>development</b>	
<b>Exchange of lessons learnt</b>	How do you evaluate partnership projects? Who participates in it? What are the roles of partners in that process? Do evaluations assess the quality of partnerships and how? Do partners give each other feedback on the quality of partnership?
<b>Sustainability and exit strategy</b>	What happens with partnerships after project finalization? How do partners plan continuation of cooperation? Are there sustainability plans and exit strategies? Do you think about maintaining partnerships as such through other strategic initiatives?
<b>Networks building</b>	How does BIP make networks with other CSO, on all levels? With what aim? What are the forms of networking and with what CSOs? What does BIP participation in networks look like and what is the role of BIP?
<b>SEGMENT 3 – Administrative-management capacity, including financial management</b>	
<b>Capacity planning and risk identification</b>	How do you develop strategic plan of BIP, who participates in the process and what does the process look like? How many years is the strategy made for? Is it implemented and regularly revised? What methods of strategic planning do you know and which would you opt for? Do you make annual operational plans? Who make them and do you apply them? Do they reflect strategic orientation? Are they regularly updated? Are there project activity plans and are they applied? How do you plan resources for implementing strategic plan and operational/project plans? How do you plan finances? Apart from project budgets, is there an institutional budget? How do you create budgets and who plans them? Is there a long-term plan of financing? What are the typical sources of financing? Is there diversification of funds? Own income? What is the percent of local sources of funding? Is there a plan of FR activities? Who deals with FR? Is there a FR person? When do you deal with risks and how do you manage them? At institutional, program, project, financial planning, do you take risks into consideration? How do you plan minimizing of risks? What risks do you take into consideration? Do you conduct regular inventory list making? Do annual audits also include assessment of management practices?
<b>Quality and control systems</b>	Are there defined principles that the organization follows? In what way do they include the quality of work? Are there any written quality standards? In practice how do you ensure quality? Who estimates if the standards are achieved? How oriented is BIP to satisfaction of beneficiaries, clients, stakeholders? Have you assessed the satisfaction with the quality of services that you provide, among your beneficiaries/target group/stakeholders/donors? If yes, how? To what extent are the employees directed to it? What is the role of management? How much support does everyone have in implementation of activities in the sense of logistics and administration?
<b>Human resources</b>	What is the policy of human resources management? Does it exist in written form? Is it being implemented in practice? Is there a policy of volunteering or professional internship in BIP? Are there planned financial resources for HR (management, development, education...)? Who deals with it in the organization? How are human resources planned (number of people, positions etc.)? Is there a defined organizational structure? What about systematization of working places? Job descriptions? How familiar are employees with this and to what extent is it implemented in practice? How is this system formulated? Is it in accordance with the strategy? When and how is it revised? How do you secure that personnel competencies are in accordance with the needs, mission of the organization

	<p>and fields of work? The question refers to the current personnel, as well as for recruitment of new staff? How do you assess it? How do you make sure that that assessment is fair and transparent? How do you plan education/capacity development of personnel? Are there related systems for all this in written form?</p> <p>How do you make sure that there is no overlapping in jobs that are done by more people? Do you make annual plans of work and priorities for all employees? How?</p> <p>How do you secure motivation of personnel? How often are staff changes?</p> <p>How is the compensation for work organized in BIP? Is there a system of salaries? Are there clear criteria for promoting?</p> <p>What kind of contracts is used for employees? Do they include due insurance and taxes?</p> <p>Are there safety-at-work measures?</p> <p>Is there a policy of differences and how is it conducted?</p> <p>Is there a manual for employees and what does it contain?</p>
<b>Clarity and transparency of financial management systems</b>	<p>How is management of finances organized? How many people are authorized for managing accounts of the organization? Is that respected in practice?</p> <p>In what way is accounting organized? Is it internal, external or combined? What program/software do you use? Who prepares balance sheets? Do you pay taxes to the state?</p> <p>How do you organize procurements? Is there a committee for bigger procurements/tenders? Do different people make orders, approvals and payments? Is there a different person for signing payments and accounting?</p> <p>Which administrative and financial procedures and systems are supported by documents? Which of them are/are not applied in practice?</p> <p>How much do you operate with cash money? Is there a person in charge of cash money? Do you regularly keep records of cash flows? Is the cash register physically secured?</p> <p>Do you conduct financial audits? How? Have the auditors' opinions been positive?</p> <p>What was the donors' feedback on your financial responsibility? Were your financial reports approved?</p> <p>What financial information is available to public?</p>
<b>Oversight/ monitoring of money flows</b>	<p>Do you have organizational/institutional annual budget? Do you regularly follow budgetary spending and how often? (budget vs. actuals). Who plans and who approves annual budget and audits?</p> <p>Is there a cash flow projection? Is there team coordination regarding planning of inflow? Who follows it? Do you regularly follow spending per project budgets? How?</p>
<b>SEGMENT 4 – Professional and technical capacity and knowledge management</b>	
<b>Technical capacity</b>	<p>Describe the current technical capacities of BIP. Office premises, premises for activities, technical equipment, vehicle etc.</p> <p>How do you finance these needs? What are the future plans in this respect?</p> <p>How is office management organized? Who is responsible?</p>
<b>Professional capacity and know-how</b>	<p>What do you consider to be the knowledge/expertise (field of specialty) of BIP? How is it defined? How do you manage knowledge? Is the personnel knowledge and experience suitable for the field of specialization of the organization? How do you secure continuity of knowledge and expertise in BIP and when are people replaced?</p> <p>How do you get informed and educated in the field of your specialization?</p> <p>How do you enlarge/improve your knowledge? Do you allocate funds for institutional learning?</p> <p>How do you define and protect intellectual property in BIP? Is intellectual property of individuals and of the organization defined?</p> <p>In what way do you participate in expanding knowledge and improving the field of specialization? To what extent to donors understand what your field of expertise is? How do you communicate your field of specialization?</p> <p>Do you provide and charge the services of knowledge transfer? How?</p>
<b>SEGMENT 5 – Using resources in relation to activities and results (cost-effectiveness)</b>	

<b>Cost-effectiveness</b>	How do you estimate cost-effectiveness of activities? Do you and how do you consider various options, approaches, kinds of activities, methods in relation to certain goal/result that you want to achieve? When planning programs, projects and activities how much do you take into consideration cost-effectiveness? Who makes such decisions and how? How do you use other available resources (technical equipment, materials, knowledge, people, time, connections and contacts) to compensate for the lack of financial resources with the aim of effectiveness?
<b>SEGMENT 6 – Results management</b>	
<b>Achieving results based on previous acting</b>	What kind of data on results do you collect? How do you collect and systematize data on the results of your programs/projects? How do you use them? Who do you distribute information on results to and how? What is the aim of doing that? How do you secure that the community feels the benefits of the results of your programs? Do you regularly publish annual reports on your work? Is there a results management system? Who is in charge of it?
<b>Systems of results identification and reporting</b>	How do you define program priorities? How do you assess the needs? Which stakeholders are included and how? Do program/project plans include activities of monitoring, evaluation and reporting? Does the strategic plan contain the plan of monitoring and evaluation? Does every program/project have defined indicators of success for set goals? Do you have defined success indicators for strategic fields/goals? How do you develop those indicators? Give examples of indicators for your projects (level of activities, goals, impact...? Quantitative, qualitative...?) How do you follow indicators? Do you have a detailed plan with defined types and sources of information that you collect, who collects them, when etc? What level is it done on? Project/program/strategy...? Are stakeholders included in following and how? How does that function in practice? Do you apply M&E system / plans? Do you conduct external evaluations? On what level (project/program/organizational)? Do you have evaluation reports? Who are they distributed to? Who do you report to on your activities and results? How?
<b>Systems for learning and implementation of changes (including the connection to risk management)</b>	What are your aims of monitoring? What do you want to achieve with it? How do you deal with challenges when not everything goes as planned? Do you have the possibility to change set plans? Do you revise plans, activities etc. according to identified changes in context, changes of circumstances and similar? How do you learn lessons from the past? How do you use them in further work? How do you estimate the influence of external factors on your results? How do you use the results of internal and external evaluations? Is there openness to changes in the organization taking into consideration the results of evaluations?

### 6.5 Questions discussed with BIP stakeholders (interviews)

How clear is it for you what BIP does, what their goals are and what results they achieve?
How visible is what BIP does?
When does BIP address you and how do they include you?
What is the channel of communication with BIP?
What kind of information is exchange between you and BIP?
Do you think about maintaining partnership through other strategic initiatives?
How much information do you have on the results of BIP's programs?
What is your opinion on administrative-financial capacities based on the cooperation with them? The quality of project implementation, financial reports?

## 6.6 Register of standards per organizational fields

<b>SEGMENT 1 – Organizational structure</b>	
<b>Decision-making lines /internal communication</b>	The MB consists of respected members representing different sectors and fields. The members of MB are active, devoted, participate in the promotion of the organization and in fund raising. The MB makes strategic and big financial decisions. The management is responsible to the MB. Clear responsibilities of all management bodies from the statute. There are rulebooks and a decision-making matrix MB – Assembly – management /director. The MB regularly meets and receives reports on the work of the organization. Management makes well-informed decisions, based on internal and external input. In the organization management there is a clear distribution of responsibilities in decision-making, participatory/consultatively in respect to employees. There is a mechanism of informing employees about management decisions. There are permanent channels of communication among employees, management, Assembly and MB. The employees are capable of making well-informed decisions within their mandates. Decisions and information on decisions are timely. Decisions are explained. The management is responsible for and explains its decisions. There is no discrimination on any level in respect of internal information flow.
<b>Cooperation with donors / stakeholders</b>	All relevant stakeholders have been identified. The organization is extroverted. There are sustainable mechanisms of communication and dialogue. The relations are of good quality (transparency, participation, respect...). Leadership/management has the key role in building and maintaining relations. The organization has a good position in the community, with donors and stakeholders. It has good reputation, recognizable image, and it is respected by stakeholders.
<b>SEGMENT 2 – Partnership work</b>	
<b>Partners selection strategy</b>	Partners are selected strategically, in accordance with the organization’s mission and goals. Partnerships are made based on research, and evaluation of relevance of mission and goals in relation to the mission and goals, competencies and credibility. Management participates in the selection of partners, based on consultations makes an informed decision.
<b>Distribution of roles /relations/ ownership among partners</b>	The roles of partners are clear and described in valid documents. Distribution of roles is based on expertise and competencies of partners. Agreement on the distribution of roles is done in a consultative/participatory process, through an informed and constructive dialogue with partners. Partners are included in planning and implementation, they have the feeling of ownership, they are proactive and their opinion is respected. The relationship of partners is characterized by trust.
<b>Transparency in partnerships</b>	Partners nourish the relationship of trust and open exchange of information. Partners have defined the code of ethics and they respect it. The code of ethics includes transparency, which is also respected in practice.
<b>Competency and capacity development</b>	Partnerships are not only project-oriented; partners mutually build up knowledge and skills and build the capacity of organizations. Learning and capacity building is planned and systematic.
<b>Exchange of lessons learnt</b>	Partners together evaluate results of projects, share learnt lessons and use them in future activities. Partners give each other feedback on partnership relations and take it into consideration in future cooperation.
<b>Sustainability and exit strategy</b>	There are plans for continuation of cooperation, that is, exit strategies. Partnership is directed to strategic, long-term cooperation through exchange of knowledge and resources with the aim of successful achievement of mission and goals.
<b>Networks building</b>	The organization exchanges resources and expertise with local, regional, national and international organizations. The organization is actively engaged in intensive forms of networking like platforms, coalitions and similar. It also plays an active role in promotion of networking in its sector.
<b>SEGMENT 3 – Administrative-management capacity, including financial management</b>	
<b>Capacity planning and risk identification</b>	The practice exists of making strategic plans for several years. The strategy is developed with a participative approach, in consultations with stakeholders and active participation of employees, MB and management. The employees and MB feel ownership of the strategy and it is reflected in everyday work of the organization and it is revised annually. Strategic plan is accompanied by annual operational working plans which are applied in practice and regularly updated. Projects are implemented according to well planned project activities. The strategic plan and working plans are followed by an adequate plan of resources. There is an institutional budget and organizational expenses divided per projects and donors. Project budgets and the institutional budget are made in the cooperation of program and financial personnel. The strategy of long term funding is made with the

	<p>participation of MB. It is based on well examined long-term expenses and sources of funding. The projection is diversified; it contains a considerable percent of local, flexible and stable sources of funding. It is accompanied by a detailed activity plan for fundraising. Human resources for fundraising are allocated. There is a risk minimizing system which is included in all levels of planning. There are plans of risk management which take into consideration both internal and external factors. Inventory lists for property are made annually. Annual audits also include evaluation of management practices. The recommendations given in audits and applied.</p>
<b>Quality and control systems</b>	<p>With its policies/principles the organization recognizes the importance of quality. There are written quality standards. The organization has a quality control system. There is the practice of self-evaluation and external evaluation of quality. The management has mechanisms for following the quality of implementation of tasks which are delegated to employees. MB follows the quality of work of leaders/directors. There is the culture of being service-oriented to stakeholders. Stakeholders give feedback on the quality of services and it is taken into consideration for improvement of the quality of work. In their work, the personnel are oriented to delivering of quality. The managers supervise and support the work of employees. There is a strong cooperation and support among sectors so as to do tasks in the best way.</p>
<b>Human resources</b>	<p>There is a clear policy of human resources management, based on the principles of good practice. HR policies are applied, as well as the policy of volunteering and professional internship. It is invested in HR through regular allocation of financial and management resources for management and development. Human resources are planned based on the strategic plan, as well as on the annual operational plans. There is an organogram, systematization of working places and clear job descriptions. The employees are aware of the formal structure and they practice it. The system is established based on the needs/strategic plan and it is regularly revised according to changes. On all foreseen positions are people with adequate expertise. There is a performance assessment system which is conducted regularly in a fair and transparent manner. Performance system also includes mechanisms for assessing development needs, based on which individual development plans are made for personnel with allocated resources. There is a transparent personnel recruitment process with clear criteria. Job descriptions are respected in practice, there is no overlapping. There is an annual working plan for each employee with defined priorities and tasks. Leadership is motivating. Self-development is encouraged by the management. The management encourages mutual respect among employees. Fluctuation of employees is on the optimal level. There is a system of salaries, based on clear criteria. There are clear criteria for promotion and they are respected. All employees have contracts of employment, in accordance with the law. There are safety-at-work measures. The organization respects the policy of differences, which implies gender equality, national equality etc. There are guidelines for employees where all rules and procedures are defined.</p>
<b>Clarity and transparency of financial management systems</b>	<p>There is a clear financial management system. Access to the account is restricted only to authorized persons. Accounting is done in a professional, efficient and transparent manner. The organization has the capacity of independently performing key financial operations. Financial operation is in accordance with the law. Procurements are done transparently. The functions of procurements and payments, as well as of approving and accounting are separated. The basic administrative and financial systems and procedures are documented. There are written procedures, rulebooks and manuals for employees. The procedures and systems are used in practice. Operating with cash money is minimal. There is a responsible person, records of cash money operations are regularly kept, and cash-box is locked. External/independent financial audits are done on institutional level (operational budget), regularly, and with positive opinion of auditors. Positive feedback on financial operation of the organization from the donors. Annual financial reports and audit report are available on the website, through annual reports etc.</p>
<b>Oversight/ monitoring of money flows</b>	<p>The organization operates on the basis of annual plan of costs for the whole organization. The actual expenses are regularly followed. Money flow is managed through a system. There are plans of money flow that are developed in the coordination of program and financial staff and they are regularly followed by the management. The management plans/proposes, and the MB approves annual budgets and modifications. There is a mechanism for following project budgets.</p>
<b>SEGMENT 4 – Professional and technical capacity and knowledge management</b>	
<b>Technical capacity</b>	<p>The organization has adequate premises, technical equipment and physical conditions for work. The organization is sustainable in respect of technical capacity. Financing of working premises and maintaining is secured in the long run. The organization owns or plans to buy office premises. The organization is innovative and introduces new practices in technical sense. The organization has office management practice, a suitable person, funds and</p>

	system /procedure.
<b>Professional capacity and know-how</b>	There is the system of knowledge management and it is applied. The portfolio of knowledge and expertise of the organization is defined. Human resources have adequate knowledge related to the organization field of specialty. There are mechanisms of maintaining knowledge continuity in the organization and these mechanisms are used. The organization regularly follows developments in its area of specialty. There are institutional plans for knowledge enhancement with necessary financial resources. Intellectual property is defined and protected. There are clear and transparent rules and procedures for employees related to ownership of intellectual property. The organization actively participates in knowledge sharing and development of the field that it deals with (researches, policies etc.). Information is shared with stakeholders and the organization is recognized as an “expert” in this field. There is a defined portfolio of services of knowledge transfer which is offered to clients, as well as standards and prices.
<b>SEGMENT 5 – Using resources in relation to activities and results (cost-effectiveness)</b>	
<b>Cost-effectiveness</b>	The organization has the practice of doing cost-effectiveness analysis. The organization is oriented to cost-effectiveness. The management has a key role in deciding on effective planning and usage of resources.
<b>SEGMENT 6 – Results management</b>	
<b>Achieving results based on previous acting</b>	In a systematic way the organization collects quantitative and qualitative data on results, including the feedback of end-users and stakeholders. Data on results are widely promoted, using different channels, to different target groups (donors, beneficiaries, stakeholders, citizens, media, decision makers...). The aim of the promotion of results is to position the organization as the key actor in its scope of work, and to secure transparency and feeling of ownership of the results in the community. The organization regularly publishes annual reports on its work. There is a results management system with clear distribution of roles and responsibilities.
<b>Systems of results identification and reporting</b>	Program priorities are based on assessing the needs in consultation with relevant stakeholders. Designs of program/project plans also include the plans of monitoring, evaluation and reporting. Monitoring and evaluation are planned on the institutional level, in accordance with the strategy. The strategic plan also contains the plan of monitoring and evaluation. Each program/project has defined indicators of success, including quantitative and qualitative, indicators of activities, results, impact etc. The strategic plan contains comprehensive indicators of success in relation to strategic goals/areas. The indicators are developed by the team. There is a detailed monitoring and evaluation plan with clearly defined timeframe, roles/responsibilities and type and source of information to follow. In the organization there is a monitoring and evaluation system on the institutional level which implies team cooperation, with stakeholders’ participation where relevant. M&E system/plans are applied by the team. The organization organizes external evaluations. Evaluation reports are distributed to relevant stakeholders. The organization has adequate and good reporting to its stakeholders (donors, citizens, partners...)
<b>Systems for learning and implementation of changes (including the connection to risk management)</b>	The organization uses monitoring for recording results, but also for correcting its intervention in accordance with changes in circumstances and challenges. The personnel have problem-solving capacity. The organization is flexible to adjust its work to changed circumstances and needs of stakeholders. The organization has the culture of learning on mistakes. Problems are shared, discussed and lessons are constructively learnt from them and used in work in the future. The organization is aware of external factors which influence its work and takes them into consideration when planning and assessing social impact. Results of evaluations are used for improving the work of the organization. In the organization there is the culture of self-criticism and openness to changes.

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