

***MDF***

**Review report Evaluation mission**

**MCIC**

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## **Executive Summary**

This is a summary of the review report, presented to MCIC management in December 1997. In this summary the main findings and recommendations that resulted from the review, undertaken in the first half of November, are presented. For a complete picture, we refer to the main report.

MCIC is presently completing the Mid-term Plan 1994-1997 and preparing the new Mid-term Plan 1998-2000. MDF was requested to do a review of the MCIC programme and organization in order to improve operations in the next phase. The principal for this evaluation was MCIC management.

The overall opinion of the mission on the achievements and operations of MCIC, both in terms of outputs and organizationally, is strongly positive. However, it should be mentioned that the objective of this mission was to identify possibilities for further improvement, which can be incorporated in the new Mid-term Plan 1998-2000. The above mentioned objective should therefore be kept in mind, when reading the main report.

The main criteria used for judging the operations of MCIC were Relevance, Effectiveness and Efficiency. The findings and recommendations are concentrated on these values.

The review team fully recognizes the pioneering role that the still young organization of MCIC plays in the fast changing Macedonian society.

MCIC offers a relevant range of financial, general and technical services. These services are relevant because they are based on a diagnosis of problems and needs at the target group level. The services are in line with the stated objectives of the organization and Mid-term Plan. It is recommended to continue having the activities based on clear needs identification with the target group.

The services are often addressed at organized groups. One of the most important factors for success is strongly organized groups of beneficiaries. Therefore it is advisable that MCIC continues to work as much as possible with such groups.

The mission recommends (see annex 5) MCIC to (continue to) use the following instruments for implementation:

- **“window”** assistance: a staff member who deals only with the specific target group and who has built a trust relation knowing the “ins” and “outs” of the group. This person plays also a networking role between the target group and local authorities or other groups.

- **grants:** provide funds to be spent on activities (several types) that will solve or ease the needs of the target group;
- **training:** deliver training in fields related to project planning, and implementation (including management);
- **information:** provide target groups with general information regarding development and NGO's;
- **special support:** specific technical support for each target group on the basis of the most common field of intervention; e.g. sanitation in villages, or health care education for Roma and Albanian women.

All other services required by target groups for which MCIC cannot give adequate support should be searched for and MCIC plays a facilitating role: formulating the precise type of assistance and looking for third parties to implement. One should think e.g. of technical training, primary education, construction works, etc..

Good relations have been built with a group of funding agencies. Especially the agencies that focus on sustainable development assistance are important for MCIC. The external funding of MCIC has dropped at a rather rapid rate in the recent years (15-20% annually). Moreover, MCIC is increasingly becoming dependent on a selected number of donors. The recommendation is that MCIC should continue to focus on building long lasting relations with present and future donors.

The quantity of projects has remained stable in 1995 and 1996 (around 100) but will reduce slightly in 1997. Reasons are diminished funding and the application of especially geographical criteria. Too strict adherence to some criteria presently limits possibilities for follow-up activities, maybe reducing the impact of the projects. It is therefore recommended to consider reducing criteria that impede possibilities of follow-up.

The number of project staff is sufficient to increase the portfolio of projects. Although MCIC has decided to grow in numbers of staff, the present volume of activities does not justify this. The plans on expansion of staff are based on not yet confirmed expectations of future (new) activities.

Staff is hired, based on potential rather than specific expertise (because this is hardly available in Macedonia) and is trained on the spot. The staff feels the need for more coaching and training in various subjects, although much has been done in this respect. Some of the needed training concerns basic skills, another area is 'technical' or sectoral knowledge. Decisions on the latter type of training have to be based on clear planning for the future and on the roles of the individual staff and the team as a whole.

The departments are too small and there is not much coordination and communication between the departments. In order to resolve this problem and related issues concerning management of MCIC a new structure is proposed in which the existing departments are replaced by a new way of grouping based on (a cluster of) programmes. These clusters are larger than the present departments. Each cluster is headed by a coordinator who is responsible for the project portfolio and division of work. For the internal organization, a manager is foreseen who deals with staff, systems & procedures and facilities, therewith enabling the programme director to concentrate on strategic issues and external relations.

The administrative procedures and systems of MCIC are well developed and provide a solid base for internal organizational capacity. However, there is a need for a better way to store essential data on projects. Establishing a database for this should be given priority. Preferably such a database is linked to the financial administration.

MCIC has recently adapted a more systematic approach to monitor and (auto) evaluate projects and their performance. Indicators have been developed for monitoring of project implementation not yet on the level of impact. Future monitoring efforts should be based on sets of indicators (including the individual project purposes) per programme.

There is a very strong leadership with a drive for performance within MCIC. This style has proven to be effective in the starting up phase of MCIC. The other side of the picture is that new initiatives and ideas for improvement almost exclusively come from the top. For future operations a shift towards a more team oriented style is advisable. The proposed organizational structure is one of the mechanisms in trying to achieve this, but also a change in culture is called for.

MCIC is an organization that has demonstrated impressive achievements in the short time of its existence. The mission is of the opinion that with the help of the recommendations MCIC will be better able to operate in the future.

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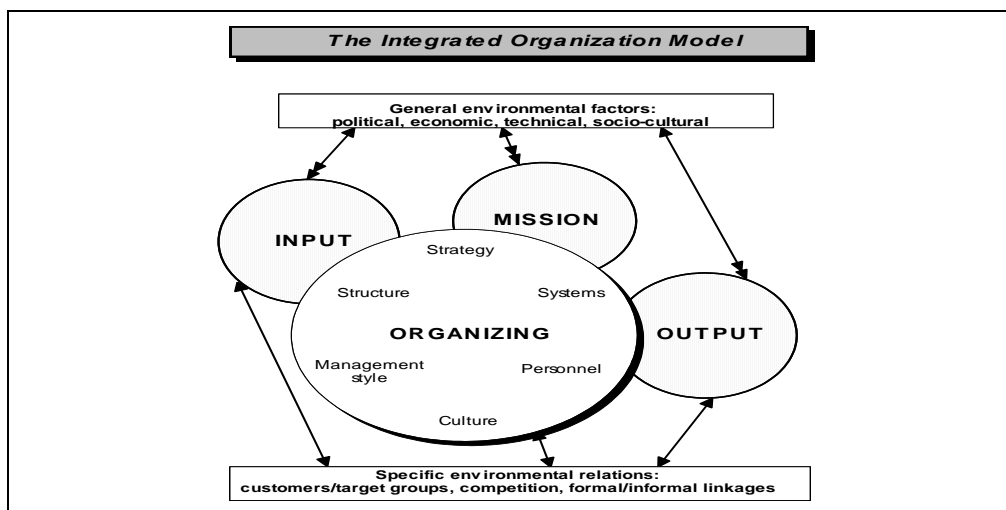
### Executive summary

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## 1. Introduction

The Macedonian Center for International Cooperation is a non-governmental and non-profit association that is active in the field of development, rehabilitation and relief in Macedonia. MCIC was founded in 1993 as a joint venture between local initiatives in Macedonia and Dutch Interchurch Aid. The Goal of MCIC is the development of Human and material resources in Macedonia. MCIC is presently completing the Mid-term Plan 1994-1997 and preparing the new Mid-term Plan 1998-2000. At this stage, MCIC management has requested MDF to do a review of the MCIC programme and organization in order to improve operations in the next phase.

The Integrated Organization Model (IOM) was used as a framework to look at the MCIC organization. The IOM is an integrated (or integral) model to emphasize the interrelationships of the different elements (outputs, inputs, internal aspects and environment) of an organization: although the elements can to a certain extent be treated separately, they are all connected to each other and - ideally - in balance. When there is no or no clear balance (fit) between the different elements of the organization or organizational unit, the organization will not function optimally and the need for organizational change will be or become apparent (see picture below).



The findings of the review team (consisting of Herman Snelder - Team Leader- & Jeroen Pieper, both MDF) and the subsequent analysis are whenever possible, based on facts, collected at MCIC office. However, also information is used of a more subjective nature (interviews / questionnaires and observations). The three main criteria used for judgement are **Relevance** (are the activities and strategy in line with the mission), **Effectiveness** (do the products and services actually meet the needs of the customers or client groups) and **Efficiency** (are the inputs used in an economic way in order to deliver services or products). The recommendations are also formulated taking into account these three criteria.

The review report is structured as follows: while chapter 2 is describing the outputs, inputs and internal organization of MCIC, chapter 3 gives an analysis of these composing elements. Chapter 4 gives the main conclusions, using the 3 criteria for judgment. Finally, in chapter 5 the recommendations for improvement of MCIC operations are presented.

## 2. Description of MCIC

### 2.1 Service delivery

#### 2.1.1 General

The services delivered by MCIC are clustered in village development, employment promotion, dignity for the handicapped and marginalised, development of civic society and information and publications.

In the following table the various types of projects and their numbers for the years 1995, 1996 and 1997 are shown. It has not been possible to track the numbers down to the greatest level of detail; so numbers are only given for the sub categories.

**Table 2.1.1 Number of projects**

	1995	1996	1997 (Jan-Jul)
<b>1. Village development</b>			
1.1 Village Water Supply	49	40	6
1.1.1 Renewal of Water supply (majority)			
1.1.2 Training in Water use (very few)			
1.1.3 Training in Sanitation (very few)			
1.1.4 Renewal & Construction of water structures			
1.2 Village development initiatives	10	6	5
1.2.1 Support small development initiatives (majority)			
1.2.2 Building Village development Organizations			
<b>2. Employment Promotion</b>			
2.1 Support small initiatives in employment	2	3	3
<b>3. Dignity for the handicapped &amp; Marginalized</b>			
3.1 Dignity for Disabled	7	3	3
3.1.1 Support social institutions			
3.1.2 Support education			
3.1.3 Support employment initiatives			
3.1.4 Strengthen NGOs of disabled			
3.2 Empowerment of Roma	4.5	6	5
3.2.1 Support ID for Roma			
3.2.2 Support education to Roma			
3.2.3 Support employment opportunities for Roma			
3.2.4 Address urgent needs of Roma			
<b>4. Develop Civic Society</b>	26	40	23
4.1 Support Office for NGOs			
4.2 Support Information and Publicity			
4.3 Train NGO staff			
4.4 Support small projects			
<b>5. Information &amp; Publication</b>	-	4	4
5.1 Publish MCIC Bulletin			
5.2 Publish leaflets			
5.3 Active relationship with Mass media			
5.4 Publish Annual report			
<b>Total</b>	<b>98.5</b>	<b>102</b>	<b>49</b>

N.B. The figures represent the number of projects (activities) that were (partly) identified / implemented / and completed in the various years.

These services per cluster are often addressed to selected and organized (NGOs, village or ethnic) groups, sometimes composed of men and women (water supply) and in other cases to (young) women particularly (case of health education for Roma and Albanese women). The target group for employment promotion is individuals rather than groups.

The services offered are based on an identification of needs but are adapted regularly on the basis of evaluations (e.g. food distribution is important but not sustainable).

To realize the objectives, MCIC has chosen a number of instruments. These can be categorized as follows:

- Project support (grants & loans)
- Training and consulting
- Information
- Advocacy and lobbying

In some cases MCIC delivers services themselves (implementation) in others MCIC looks for third parties to implement and limits itself to facilitation.

### **2.1.2 Identification and development of the MCIC package**

The identification and development of the package is the result of:

- needs identification in villages, municipalities, NGOs and social institutions by structured questionnaires;
- requests from partner organizations which fall within the scope and criteria of the existing MCIC programme;
- monitoring of the use made of the offered package to determine whether changes are needed.

Criteria are defined and used when discussing and deciding whether or not to (continue to) intervene with projects for specific groups in different regions.

Requests for assistance with a strong humanitarian component are often not approved because of the lack of sustainability of these programmes. There are also restrictions due to the location of villages/target groups: some areas qualify for water supply; others do not. Requests for water supply programmes by Roma who live in city suburbs are so far not approved because of MCIC criteria limiting these activities to rural areas.

However now that in some villages water supply projects have been carried out, other needs and demands are addressed to MCIC: improved sanitation, income generating activities, etc.. Also the need for training is fully recognized.

Training courses in the civic society programme are adapted to the increasing and changing needs of NGOs.

In general MCIC sticks to a strategy that has been decided and does not deviate from that in the course of a programme. Only after evaluation of the specific programme or of the whole three year MCIC programme changes are decided and implemented consequently.

### **2.1.3 Implementation and follow-up of projects**

The respondents were all very satisfied with the responding time of MCIC after that a request for assistance was made. Also the assistance provided by MCIC in the formulation phase was appreciated.



In the box below the findings of the field visits are presented. The review team was able to visit only a limited number of activities, therefore the findings (based on observations and remarks made by respondents) may not be representative for the programme as a whole.

<b>Findings from the field visits</b>	
<p><b>Water supply programme</b> Strong points:</p> <ul style="list-style-type: none"> <li>■ Commitment of MCIC staff</li> <li>■ Building on / strengthening of local organization</li> <li>■ Clear relevance / need for the assistance provided by MCIC</li> </ul> <p>Weaker points:</p> <ul style="list-style-type: none"> <li>■ Technical feasibility (identification of possible technical problems after construction)</li> </ul> <p>Follow-up:</p> <ul style="list-style-type: none"> <li>■ Clear need for Sanitation projects</li> <li>■ Call for more integrated village development plans</li> </ul> <p><b>Programme for Village development Initiatives</b> Weak points:</p> <ul style="list-style-type: none"> <li>■ Possible problems (community vs. Individual orientation)</li> <li>■ Capacity of MCIC to appraise feasibility reports not clear</li> <li>■ Experience with loan funding / credit programmes lacking</li> <li>■ Average contribution per project seems high (justified?)</li> <li>■ Possible conflict in attitude towards beneficiaries</li> </ul> <p><b>Programme for a Civic Society</b> Strong points:</p> <ul style="list-style-type: none"> <li>■ Very open communication</li> <li>■ Contacts and lobbying capacity of MCIC</li> <li>■ More possibilities for complementing activities</li> <li>■ In general a strong aspect of MCIC are 'not directly project related activities'</li> </ul>	<ul style="list-style-type: none"> <li>■ MCIC experience with NGO management training courses</li> <li>■ Professionalism of the MCIC organization</li> </ul> <p>Weaker points:</p> <p>-</p> <p>Follow -up:</p> <ul style="list-style-type: none"> <li>■ Offer more training (in-house or by third party)</li> <li>■ Continue information task of MCIC</li> <li>■ The strong role MCIC plays in mediation / advocacy should maybe become more institutionalized</li> </ul> <p><b>Programme for empowerment of the Roma</b> Strong points:</p> <ul style="list-style-type: none"> <li>■ Clear target group (only programme specifically targeting the Roma)</li> <li>■ Long standing experience with the target group</li> <li>■ Clear complementing activities (reconstruction of school building, followed by distribution of school supplies)</li> </ul> <p>Weaker points:</p> <ul style="list-style-type: none"> <li>■ Moon became very dependent on MCIC for assistance (54%)</li> <li>■ Several perceived priorities of Roma cannot be addressed under the present programme</li> </ul> <p>Follow-up:</p> <ul style="list-style-type: none"> <li>■ Water supply / sanitation in settlements should be addressed.</li> </ul>

Recently the monitoring of project activities and results has received more attention. Indicators for measuring performances (implementation and completion) are formulated by the MCIC staff. However, it is too early to conclude about the effects of using these indicators.

MCIC practices four ways of ensuring good quality of project results (besides the already mentioned highly participatory needs identification and implementation):

- proper selection and guidance of the partner organization;
- checking whether goods and services are according to specifications;
- by participating in training courses done by third parties;
- by monitoring of activities and their completion using indicators.

#### **2.1.4 Beneficiaries satisfaction and new demands**

Without exception the respondents visited during the field trip were very positive in their comments on MCIC. The water supply projects clearly respond to a basic need and users are satisfied with MCIC's approach and financial contribution. The NGO and MCIC bulletin was very much appreciated by all organizations; not only as a source of information but also as a vehicle to give information to others. The NGO directory was mentioned as very helpful in knowing who is who and where to reach.

The outreach of the project is generally larger and not limited to the original target group, e.g. equipment provided to one NGO was also used by others, water supply projects leading to similar requests and activities in neighbouring villages or to new projects in the same village.

It also happens frequently that a target group with whom one activity has been carried out requests assistance for activities in another field. Due to segregation of type of assistance (e.g. water for villages/education projects for Roma) this is difficult. Requests and applications can in such a case not be accepted because they are not in compliance with criteria.

## **2.2. Inputs**

### **2.2.1 Personnel and Management**

At present (November 1997) the total number of staff employed by MCIC is 13. The composition is as follows:

- 1 Programme Director
- 2 Support staff (Secretary/ Reception & DTP)
- 1 Financial Administration
- 8 Project Assistants
- 1 Caretaker/ cleaning

The male-female ratio is 9-4 (for technical staff 7-2). Staff is from various ethnic backgrounds which is important in the Macedonian context. In general the MCIC staff is well educated (graduate-undergraduate level), but for most MCIC is their first employer, which means they have not much experience. Those who have some working experience, gained this experience in organizations which are active in quite different sectors (as there is no employer similar to MCIC in Macedonia), making it difficult to assess the value of their experience. Further details about staff of MCIC can be found in annex 2.

### **2.2.2 Equipment & Infrastructure**

MCIC avails over its own premises in Skopje. On the ground floor of the building several workshop / meeting rooms and the NGO support office are situated. The second floor is entirely taken up by MCIC staff. There is a so called open-plan office for project staff and support staff. The financial administrator and the Programme Director are the only ones availing over a separate office. The building is well maintained and furnished. Equipment used by MCIC (computers, fax, telephone, copier) is modern and adequate. For transportation the Programme has its own small fleet of cars, including two 4WD vehicles.

### 2.2.3 Finance

MCIC is depending on international donor agencies for the funding of both operational and project costs. An international consortium of donors has made firm commitments for several years. The major part of these funds is not earmarked, giving MCIC considerable freedom in spending. The funding shows a downward trend in recent years and has become an almost exclusively Dutch affair.

**Table 2.2.3 Main sources of funding 1995-1997**

Funding (in 1000 M. Denars)	1995		1996		1997	
ICCO	13,163	17%	13,262	21%	27,368	55%
DIA	18,207	25%	5,005	8%	5,340	10%
DCA	3,406	4%	1,778	3%	4,005	8%
BCEE	0		4,747	7%	5,340	10%
DGIS	2,686	3%	2,153	3%	5,689	11%
BfdW / DW	2,692	3%	2,829	4%	2,670	5%
SPF (KAP) Netherlands Embassy	337	<1%	270	<1%	534	1%
WCC/ACT	969	<1%	0		0	
CAID	848	<1%	0		0	
HEKS	12,188	16%	0		0	
USIS	0		973	2%	0	
ECHO	22,781	30%	33,076	52%	0	
WGA	118	<1%	153	<1%	0	
CDR	0		237	<1%	0	

### 2.3. External relations

The MCIC director has established relations with several potential donors, in the country as well as international. Ministry of Labor, of Development, of Foreign Affairs have been approached for funding a specific program, so far without results, most probably because of slow procedures and different priorities. Contacts with EU have been established and ECHO has financed a large relief programme including water supply. Now new projects have been formulated and are introduced with Phare / Lien Programme. Results are expected early 1998. Contacts with embassies have been made also and MCIC is now invited for events organized by these embassies. One of the new contacts is currently preparing a large water supply project and MCIC has good hope to be one of the future partners in this programme. Attempts to work with USAID have failed because of inconsistency of priorities and approaches.

MCIC has not been very successful in convincing the government agencies to (financially) support the programmes of MCIC. The present government is not inclined to view supporting NGOs as a priority area. On a lower level there are relations with municipalities and governmental extension agencies. These relations are sometimes negative and sometimes positive. Often the activities of MCIC are supported (in various ways) by these government agencies, but sometimes there are conflicts regarding the jurisdiction / permits.

## **2.4 External factors**

Macedonia is a country in transition, coping with a strong shift in socio-cultural, economical and technical areas. Many old systems (e.g. accounting standards) have not yet been adapted to the changed needs. The same is valid for at least a part of the cultural environment. At the moment MCIC is the first (and still only) one of its kind in the country.

For this reason MCIC was and is an attractive partner for many donor organizations, whose initial interest was primarily in relief activities, for which large funds were available. Gradually this interest subsided and a shift to more development oriented, sustainable projects was made. Apparently, there is generally less interest in funding this type of projects, leading to reduced income for MCIC.

These main inputs (funding) could also very well be negatively influenced by external factors. Hasty movements of government to apply for membership with intergovernmental organizations (like EC) could threaten the DAC listing of the country, therewith jeopardizing the funding possibilities through development cooperation. Another development is that several bilateral donors have decided to end their activities in Macedonia. National government support for MCIC is hindered by the fact that priority of government lies with economic issues, which is in turn strongly influenced by WorldBank/ International Monetary Fund criteria.

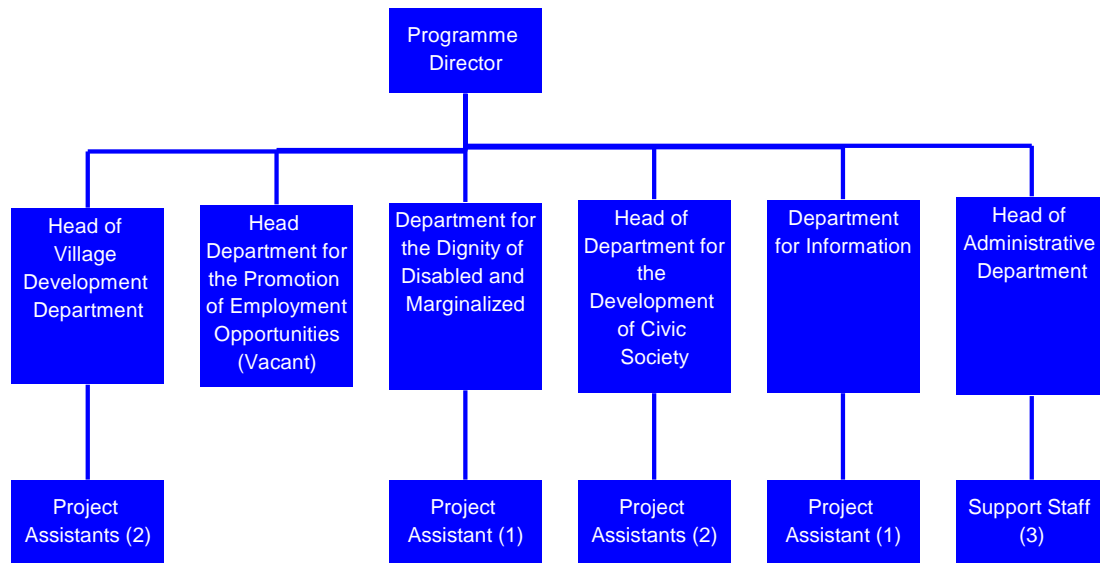
## **2.5 Internal organization**

### **2.5.1 Strategy & Planning**

The mission of MCIC has been translated into clear long term objectives and in services to be provided to the target groups. Long-term plans are designed for 3 year periods and subsequently worked out in the annual work plans. Detailed planning per department portfolio of projects using targets (numbers) is done to a certain extent, varying from department to department. It is not clear to the mission on what basis (demand or vision/ policy) the targets in planning are developed. Work plans are discussed and monitored on a weekly basis by means of regular staff meetings.

### **2.5.2 Structure**

The present organizational structure of MCIC is not hierarchical, consisting of three layers and was introduced in 1996. The various programmes are implemented by separate departments. The size of the departments ranges from 1 to 3 persons. The support staff is also in a separate department which is under the Financial Administrator. The various departments work rather independently, resulting in low interaction / coordination between the departments. An organigramme is presented on the next page:



### 2.5.3 Systems

Systems and Procedures are very well defined and implemented, especially those related to filing of documents. Procedures related to financial monitoring of projects are not yet very clear to all staff members. It has proven to be difficult for staff members to retrieve (physical & financial) available data on projects. Recently MCIC has started a more systematic approach towards monitoring and (self-) evaluation of its activities. At this stage it is difficult to judge on the quality of these efforts.

The executive board meets every month to discuss all proposals above 11,000 DM. For smaller amounts one (out of three) Board member is authorized to decide. Also, and contrary to other mainly government services MCIC replies to those who request, even when the demand is not honoured.

### 2.5.4 Staff

The basic principle is that each staff member does the whole job including the support part of it. The support staff is small in number and has responsibilities regarding to the organization as a whole, not to the individuals. The logistical support for filing follows the same principle: the person preparing the letter or document is responsible for it until the moment of archiving. It is a sound principle in an organization such as MCIC especially when the support software (document Dbase) is up to date and practical.

In general staff of MCIC is motivated for their work. However, in some cases the work has become more of a routine, which reduces the sense of fulfillment for few of the staff. The salary and benefits offered to the staff is quite competitive and considered adequate. The performance of staff is reviewed every six months according to a format appraisal scheme and procedure. Some of the staff members have combined tasks, e.g. project activities and internal (support) tasks. Recently, much effort has been put into staff development activities (see "training attended" column in annex 2), but the general feeling is that more needs to be done, both in terms of skills and concepts.

### **2.5.5 Style**

The management style of the programme director may be characterized by a strong leadership with a drive for performance and high quality standards, which are also projected on the staff members. Initiatives and suggestions for improvement (esp. related to strategic issues) tend to come from the top. Decision power is to a large extent concentrated at the top level. The attention of the management is focused on external actors and factors and on (internal) systems development in various fields (see 2.5.3). While also staff development issues (e.g. training) receive much attention, less is given to 'guidance' of the staff members and to motivation.

### **2.5.6 Culture**

In the organization the emphasis is more on working relations on a one to one basis between individual staff members and the programme director than on participation at the level of the organization. Staff development activities tend to strengthen the capabilities of individual staff members rather than strengthen the MCIC team spirit. This is also reflected in the size of the departments (small units, functioning independently). The culture of the organization is not conducive for criticism and/or differences of opinion, as these are treated as personal attacks.

### 3. Analysis of organizational performance

#### 3.1 Realization of objectives

##### **MCIC offers a relevant range of financial, general and technical services.**

These services are relevant because they are based on a diagnosis of problems and needs at the target group level. The board members as well as consortium members subscribe that MCIC offers the relevant range of services and uses pre determined criteria to select between the many applications for assistance. "There is not such an organization as MCIC in Macedonia delivering the same type of services", was said by members of the Board.

The services are in line with the stated objectives of the organization; i.e.

- build long lasting relations of cooperation with similar organizations.  
MCIC has been able to establish good relations with donor organizations, such as all members of the consortium: ICCO, DIA, DCA, BCEE. Relations with bilateral donors such as DGIS show an increase of funding over the three years indicating that the MCIC programme is in line with policy of the same donor and carried out in a satisfactory manner. On the other hand funding through ECHO has proven not to lead to long lasting relations: once the strategy is changed, or the programme ends the (funding) relation terminates.
- mobilize resources for projects, implement them and cooperate with other organizations.  
MCIC has implemented about 100 projects each year from 1995 onwards. They have done so by using ear marked and unearmarked funds. MCIC in some cases intervenes directly (training, advice) but mostly plays a more facilitating role; the activities of construction, education, seminars etc. are carried out by third parties with which MCIC cooperates on a regular basis.
- inform the Macedonian and international public about developments.  
MCIC has published regularly since end of 1996 an MCIC and NGO bulletin in the Macedonian language as well as in English. In this way the addressed national and international public is informed about developments and activities of MCIC
- carry out other activities that would contribute to the accomplishment of MCIC's aim (training of NGO's lobbying, etc.).  
Training of NGOs is carried out and the demand for training continues to grow and diversify. Lobbying for the NGO involvement in development cannot be separated from lobbying for MCIC itself. Attempts are made with national government/ ministries but so far not very successful. These organizations work and respond differently to NGO's requests. At the local level MCIC facilitate between villages or NGOs and local authorities.

The services are also a right mixture of services delivered **directly** (implementation role) and **indirectly** through other organizations or individuals (facilitation role). In addition, MCIC is often an interface (through information and direct contacts) between the target group and local authorities, other public or private organizations.

**The services MCIC offers are adequately addressed** in the sense that they are delivered in time because of the efficient and non bureaucratic procedures of the

organization. The requests by the beneficiaries are re-formulated by the MCIC staff member in discussion with them.

Working with organized groups proves to be a very strong element of the MCIC approach. In villages where people decide to organize themselves, MCIC is an extra funding and support source for realizing the projects and plans of the villagers.

Credit programmes addressing the needs of employment creation are less successful because of many reasons:

- they are divided among the different programmes: village development, employment promotion and marginalised groups;
- there are no experts available within MCIC to deal with these kind of requests and financial, technical and economic feasibility analyses;
- longer processing time than with the other projects due to necessary consultation with external experts;
- low pay back rate (67%) and at least one entrepreneur never used the money for the intended purpose.

The quantity of implemented projects has remained stable in 1995 and 1996 (around 100) but will reduce slightly in 1997. Although there is sufficient potential demand for services in all fields of MCIC's intervention in 1997 the effective demand is somewhat reduced because of decreased funding and use of (especially geographical) criteria (for water supply for example only villages in the eastern part of the country qualify). ECHO funding of water supply projects has stopped in 1997 and fortunately ICCO has taken over this programme. This has prevented the programme to suffer from serious set back of results.

The departments of village development and civic society manage the majority of projects; 95 and 89, respectively during the first 3 years. As mentioned above the VD activities have reduced considerably during the last year. The departments of Dignity of Disabled and Marginalized as well as the department of Employment have few projects to manage.

The total number of activities has decreased and thereby some room has been created for more "internal activities" such as training of staff in development subjects and techniques as well as computer and language courses.

The present services are in line with the stated objectives and mission of MCIC, but there is a tendency to diversify the range of services in areas where results so far have been proven to be difficult such as credit, or completely new, such as the programme "information sharing between companies in Greece, Germany and Macedonia".

This tendency to diversify is "inspired" by various motives:

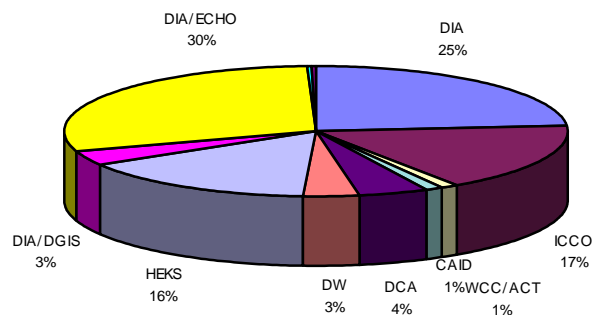
- the needs of the target groups to start economic activities for which money is needed and for which existing banks do not give credit.
- the (legitimate) need for MCIC to survive and therefore become active in new fields before there is no demand anymore for the current interventions (Macedonia being a small country).
- the need to diversify the number of donors who support different programmes.



### 3.2 External Funding

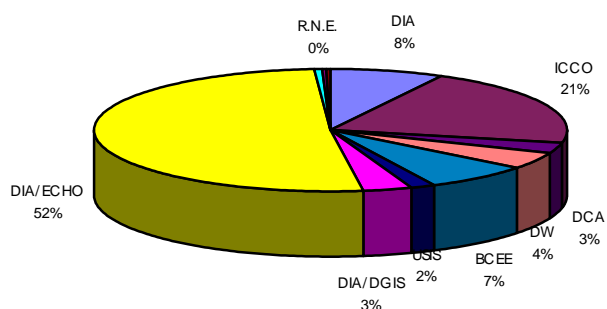
In 1995 MCIC received external funding from 11 international funding sources for a total amount of 77,359,000 MD (= 2,920,309 DM). The largest contribution came from ECHO (30%).

Sources of external funding 1995



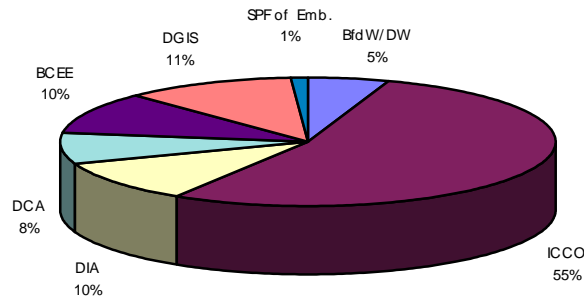
In 1996 MCIC received external funding from 11 international funding sources for a total amount of 64,483,000 MD (= 2,421,479 DM). This meant a decrease in funding of 17% compared to 1995. The largest contribution came again from ECHO (52%).

Sources of external funding 1996



For 1997 MCIC planned to receive external funding from 7 international funding sources for a total amount of 50,946,000 MD (= 1,908,082 DM). This means a decrease in funding of 21% compared to 1996 and 34% compared to 1995. The largest contribution this time came from ICCO (55%). Around 87% of the external funds are received from Netherlands based organizations.

### Sources of external funding 1997



There is not only a tendency of becoming more dependent on a **decreasing number of donors** for the overall operation of MCIC, but also the various programmes are becoming more and more dependent on a **single (Dutch) donor**. The situation for 1998 is not yet clear, as several requests for major funding are still pending. A positive sign is the commitment made by the consortium for Macedonia (a core group of funding agencies) to guarantee a base funding for the next three years. The major part of the funding is unearmarked, which means that MCIC has considerable freedom in deciding how it spends its money.

### 3.3 Assessment of Internal Organization

#### 3.3.1 Structure

The structure of the MCIC organization is rather flat. At the apex of the structure is the Programme Director. One level below him are the Heads of Departments, while at 'work floor' level the project assistants and support staff have their place. In practice the structure is even more flat, as middle level management plays a limited role. Some internal, staff related, matters (e.g. recruitment of temporary staff, salaries changes, etc.) are in practice dealt with at the level of the Programme Director; the head of departments act as coordinators with limited responsibilities regarding staff & funding and concentrate on implementation.

The division of tasks and responsibilities is clear and understood by the staff. Some of the staff would like their job descriptions made more precisely as to avoid having too many different and unconnected assignments and tasks. According to the review mission a more precise definition of tasks will not solve the problem. Some, especially support staff should have a broad description and others such as the "project" staff should concentrate on carrying out their core tasks.

The current division in departments is not very useful because of a too small portfolio in especially Disabled and Marginalized as well as Employment Promotion (see also annex 5). Furthermore, the staffing per department is limited from 1 to maximum 3. These numbers do not justify separate departments. For such small departments there is no need for a head of department; the same type of work can and should be divided between the members.

Partly as a result of these small departments, people tend to operate in isolation, do not coordinate and communicate sufficiently: they follow their own programme, have their own target groups and regions, their own style & approach, also in relation to reporting, etc.. Another related problem is the dissatisfaction of a few staff regarding the unequal workload between departments.

### 3.3.2 Systems and Procedures

The administrative procedures and systems of MCIC are well developed and provide a solid base for internal organizational capacity. The procedures are designed to increase the capacity of the organization. The staff members recognize this fact and therefore largely adhere to them in spite of the complaints (such as financial procedures) mentioned by some.

Exact data on projects (e.g. numbers per type of activity or per region) are available, stored in files at MCIC. However, when using different sources (annual report, project files and personal work files) for this type of data, the results are not always consistent. This is due to several reasons: The method for coding projects was changed 3 times over the last 3 years. Also the definition of 'project' was / is rather ambiguous; sometimes a project consisted of several activities in various villages, in other cases a 'project' referred to a single activity at a single location. Lastly data on projects is not stored in a systematic, accessible way. This makes retrieval and the subsequent use of these data a difficult and time consuming effort.

For the financial department it is also hard to have the figures at hand, because so far there is no software available / developed and used for this purpose. The present (Macedonian) accounting system is not in compliance with IAS. This might cause different views regarding responsibility on financial monitoring by project staff or financial administration. The fact that such information is not readily available, indicates that this (potentially valuable) information is not used for management purposes.

The working methods (e.g. dealing with applications, reporting) used by the organization are adequate in most cases, although there are complaints of heavy load of paperwork to be handled. The system of time keeping is not adequate for management purposes because it consists of filling out (by hand) a planning sheet per week. Whether planning has been realized is not documented nor analyzed. The planning sheet does not refer to unique codes and descriptions of activities which is required when staff and the organization wants to produce comparable data.

Monitoring (control) of staff performance is done by weekly meetings and 6 monthly performance appraisal. Regular meetings are a good instrument for organizational learning. Staff also reports on progress in these meetings, but there are complaints about the number of meetings and the time spent on these meetings. Management intends to reduce the frequency to monthly meetings.

MCIC has recently adapted a more systematized approach to monitor and (auto) evaluate projects and their performance. It is too early to comment in depth on the quality of this system. The indicators that have been developed for monitoring are adequate for monitoring implementation and completion. Work needs to be done on developing realistic indicators for monitoring impact and sustainability of MCIC programmes.

### 3.3.3 Staff Performance

Over the years the overall efficiency of project staff in terms of projects / staff member has decreased, as did the turnover (=project funds) per staff member (see also annex 4). This is probably for the larger part caused by the decreasing funding, the shift from relief to (more labour intensive) development activities and, to a lesser extent, to time spent on staff development activities and medium term programming in 1997 (although the staff development activities were not executed to the extent in which they were planned).

The latter reason presented in the previous paragraph will probably also have distorted the findings on spending of time by MCIC staff. From this assessment of time spending was learned that overall less than 50% of MCIC's total time was spent on project related activities (when 'meeting external parties' is counted as a project related activity, this figure improves with 6%). Figures from a somewhat similar organization in the Netherlands show a percentage for non-project related activities that is around 25%. For MDF (with a technical / support staff ratio of 3:1) this percentage is some 38%.

Another aspect in spending time was that most staff are reasonably satisfied with the division of time as it is (see annex 4). The difference between actual and desired division of their time is small. Less time to be spent on meetings, report writing and financial aspects were expressed in most cases. This may reflect dissatisfaction with the way meetings are held and a wish for enhancement of 'simple' skills like report writing, typing and English, as the need for proper reporting is acknowledged. Contradicting opinions exist on division of tasks with regard to financial monitoring of projects. Staff also expressed the desire for more time for monitoring, training and reading.

The majority of the staff is strongly motivated, but there is a general feeling that the recognition of their efforts is insufficient. Motivation of staff is also undermined by factors of isolation, too great variety of tasks and / or increasing routine in these tasks. The need for further improvement of skills and knowledge (through coaching and training) is strongly felt. This was also expressed in the time spending assessment.

Some staff are not utilized according to their job description due to the fact that they have to combine completely different types of tasks. This lead to confusion as far as selecting priorities is considered. The staff members concerned are often confronted with the dilemma of choosing between the urgent and the important activities. The outcome is often that the important activities are sacrificed in favor of the urgent activities.

Bottlenecks are insufficient skills of the staff in the field of typing, English and preparing good and logical documents, while they are also lacking experience in project management.

### 3.3.4 Management Style and Culture

The leadership of MCIC is very strong with a clear drive for performance, which resulted in an impressive list of achievements, not only in terms of outputs but also in terms of relations with other actors and of functioning of the internal organization. The style has proven to be effective in the starting phase of MCIC. However, in the near future an adaptation of the style may be called for. The message (of participation etc.) that MCIC is transmitting to its beneficiaries has not rooted sufficiently in the internal organization. As a result almost all ideas and initiatives come from the top, contributing to an atmosphere in which staff tends to concentrate on daily activities. Another reason can be found in the

socio-cultural heritage (e.g. people not used to taking initiatives) the Macedonian society (and MCIC) has to cope with.

This may also be one of the reasons for the sub-optimal functioning of middle level management. In practice the middle level managers limit their management activities to co-ordination and take little responsibility with regard to staff, funding and initiatives in future programming. Additional reasons given are the limited experience with management and fear of failure.

There is insufficient sharing of information between staff members belonging to different departments because of the small size of these departments but also because of the general culture in which questioning others is considered as criticism which is not appreciated. In addition the very strong management style does not sufficiently invite staff to speak freely about sensitive matters.

## 4. Conclusions

### Relevance (mission and strategy in relation to the programme)

1. MCIC offers a relevant range of financial, general and technical services. These services are relevant because they are based on a diagnosis of problems and needs at the target group level. The services are in line with the stated objectives of the organization and according the criteria fixed for each programme. Objectives of the organization included in the 4 year programme 1994-1997 are:
  - build long lasting relations of cooperation with similar organizations,
  - mobilize resources for projects, implement them and cooperate with other organizations,
  - inform the Macedonian and international public about developments,
  - carry out other activities that would contribute to the accomplishment of MCIC's aim (training of NGO's lobbying, etc)
2. The relations with the donors (consortium and non consortium, such as DGIS and ECHO) have proven to be of good quality and indicators for this are the consortium's guarantee for core funding for the coming 3 years (1 million DFL) and unearmarked funds. Nevertheless large funding agencies such as ECHO create dependency from MCIC side without having the possibility of influencing the same donor to continue funding for one reason or the other. Because they are of a different nature and volume, it impossible to create long lasting relations with these organizations.

### Effectiveness of service delivery (outputs and results)

3. The services MCIC offers in the field of water supply and assistance to NGO's are **adequately addressed** in the sense that they are delivered **in time** (acceptable period between demand for intervention and the start of the activity) and that target groups **appreciate the delivery of services and the approach by MCIC staff**.
4. The services are often addressed at **organized groups**. One of the most important factors for success is strongly organized groups of beneficiaries, involved in preparation, implementation and maintenance/continued use of services and equipment.
5. The **quantity of projects has remained stable** in 1995 and 1996 (around 100) but will reduce slightly in 1997. Major reason is the diminished funding mainly caused by ECHO programme finished in 1996 and the application of especially geographical criteria which do not allow starting specific activities in certain regions and for specific target groups (e.g. water supply in western Macedonia or water supply for Roma). Because of this filter of criteria not all opportunities to offer the same or complementary services could be grasped. The mission does not question developing and applying criteria. However too strict adherence to some criteria presently limits possibilities for follow-up activities, maybe reducing the impact of the projects.
6. Credit projects in the framework of employment generation or village development and addressing the needs of individuals are less successful not because of the lack of demand but because of longer processing time, insufficient qualifications of MCIC staff, difficulties with regard to reimbursements, lower impact (less beneficiaries for important amounts: e.g. 70,000 DM for max. 12 employed people) and taking a large part (financially) of the total funds available to MCIC's programme. In addition,

these projects are carried out under the umbrella of three different programmes: village development, employment promotion and dignity for handicapped and marginalised groups. This fragmentation causes reduced quality from MCIC's side. There is insufficient capacity and capability of MCIC staff at this moment to deal with these projects in a professional way.

### **Efficiency (focusing on throughput)**

7. The **external funding of MCIC has dropped at a rather rapid rate** in the recent years (15-20% annually). Moreover, MCIC is increasingly becoming dependent on a selected number of donors (for 1997 ICCO supplies 55% of funding, 87% is from the Netherlands). So far, it has proven difficult to secure funding from other sources. Large funds were no longer available due to the reorientation from relief to development activities.
8. The number of project staff is sufficient to increase the portfolio of projects. Although MCIC has decided to grow in numbers of staff, the present volume of activities does not justify this. Rather, the efficiency of staff in terms of projects per staff member has dropped over time. The plans on expansion of staff are based on not yet confirmed expectations of future activities.
9. Staff is hired based on potential rather than specific expertise (because this is hardly available in Macedonia) and is trained on the spot. The staff feels the need for more coaching and training in various subjects, to start with skills such as typewriting, English. Staff has acquired general expertise in development but has limited capabilities in especially technical fields such as credit, employment as well as management.
10. The **annual plans do not contain sufficient qualitative and quantitative targets** for ongoing as well as new projects. In case such targets are applied; it is not clear whether they are based on the applications or vision /policy of MCIC. This makes monitoring of activities a difficult exercise.
11. **The departments are too small** (one to three persons with small portfolios) and some projects in different departments are of the same nature (employment), leading to confusion. Some departments lack a co-ordinator and people operate in isolation (alone in the department).
12. There is **not much coordination and communication between the departments:** they follow their own programme, they have their own target groups and regions, their own approach, their own reports ,etc.
13. The administrative procedures and systems of MCIC are well developed and provide a solid base for internal organizational capacity. However, there is a need for a better way to store essential data on projects.
14. MCIC has recently adapted a more systematic approach to monitor and (auto) evaluate projects and their performance. It is too early to comment in depth on the quality of this system. Indicators have been developed for monitoring of project implementation rather than on the level of impact.

15. Three staff members are not adequately utilized according to their job description and ambition. They are either having too many unconnected duties or two completely different type of jobs combined in one person. Although a small and growing organization needs sufficient flexibility this should not result in insufficient time spent on priorities and core activities.
16. Staff development activities have received a lot of attention the last two years through training and exposure visits. However, taking into account the gap between the requirements of the job and the basic qualification, more needs to be done. This requires a clear decision on the future programmes and the perspectives of the individual staff member concerned.
17. There is a **very strong leadership with a drive for performance within MCIC**. This style has proven to be effective in the starting up phase of MCIC. The other side of the picture is that new initiatives and ideas for improvement almost exclusively come from the top. Staff does not sufficiently participate in management, particularly middle management. In practice they limit themselves to playing a coordinating role with limited responsibilities regarding staff, funding and concentrate on implementation.
18. There is insufficient communication between departments and discussion between individuals aiming at an improvement of performances. One reason being that such type of discussions are easily considered as 'undesired criticism'.



## **5. Recommendations (future of MCIC)**

For a sustained growth of MCIC it is important to balance the various elements of the organization (IOM). Therefore the internal organization requires most attention so as to create a stronger capacity of the organization, enabling MCIC to deliver more and a broader package of services to target groups.

### **5.1. Demand driven approach and strategy**

MCIC should improve on the existing approach of responding to the needs of target groups (already practiced) by being less restrictive because of geographical criteria and by taking into account for each 'case' its own capacity to effectively support the requested intervention activities. The guiding principle of MCIC's strategy is to create long lasting relations with target groups and to offer several types of assistance directly or through facilitation, according to the needs of these groups.

### **5.2. Working with organized groups**

MCIC has proven to work successfully with organized groups; results of projects depend to a large extent on the organizational capacity of these groups. Focus should remain on this aspect by using experienced MCIC staff as a permanent contact person between the organized group and MCIC ("window" function). There are two options to organize "windows": either one staff member per target group (total of 3) or one staff member per region. The advantage of a window per target group is more specific knowledge per target group and their problems. One staff member per region leads to a better embeddedness of MCIC in the region but increases costs (office and equipment).

### **5.3. Funding**

The strategy regarding funding should be based on diversified and long lasting relations such as with the consortium. In addition extra funding for specific programmes can be sought with larger bilateral and multi-lateral donors. A third element of the strategy is to offer specialized services for which "clients" (e.g. donors) want to pay, such as support to identification missions, evaluation of proposals to be funded by PHARE, or even training courses for NGO's etc.

### **5.4. Larger but clustered project portfolio**

The mission recommends to offer a broader package of services to the target group according to the needs expressed by them. MCIC should also strive to increase the project portfolio by reducing the geographical criteria (without losing focus) and adding on other project activities, preferably related to the existing package: i.e. activities related to water supply and sanitation, training and education related to NGO practice and needs of minorities/ women, networking and creating linkages between NGO's, etc.

### 5.5. Monitoring of results, effect and impact

MCIC has started monitoring its interventions (activities) and the intermediate results. Staff use the Logical Framework more regularly which is a good basis for effective monitoring of not only results but also the project purpose (effect) and overall objectives (impact) as well.

The mission recommends to develop a set of indicators per programme including the individual project purposes so as to measure effect and impact. When doing this MCIC has an excellent tool for measuring effectiveness because they will know to what extent beneficiaries are using the project end results and what changes/ development occurs in the village/NGO as a result of the projects and also the programme (e.g. water supply) in general.

The review mission recommends that relevant factual data on projects are stored in a coherent and accessible way. This will not only enhance possibilities for analysis and, consequently, improved project / programme management. It can also considerably shorten the time now needed for 'tedious' tasks like reporting.

The efforts (already underway) in establishing a database containing the aforementioned essential data should be given priority. Before the database is structured, decisions should be taken on important issues such as definitions (e.g. what is a project, an activity etc.) and information needs. The database should preferably be linked to the financial administration.

Software should be geared to the needs for improved financial monitoring at the project and portfolio level. Information on financial results should be made accessible to all project staff.

### 5.6. MCIC instruments (implementation and facilitation)

The mission recommends (see annex 5) MCIC to use the following instruments for implementation:

- **“window”** assistance: a staff member who deals only with the specific target group and who has built a trust relation knowing the “ins” and “outs” of the group. This person plays also a networking role between the target group and local authorities or other groups;
- **grants**: provide funds to be spent on activities (several types) that will solve or ease the needs of the target group;
- **training**: deliver training in fields related to project planning, and implementation (including management);
- **information**: provide target groups with general information regarding development and NGOs;
- **special support**: specific technical support for each target group on the basis of the most common field of intervention; e.g. sanitation in villages, or health care education for Roma and Albanian women.

All other services required by target groups for which MCIC cannot give adequate support should be searched for and MCIC plays a facilitating role: formulating the precise type of

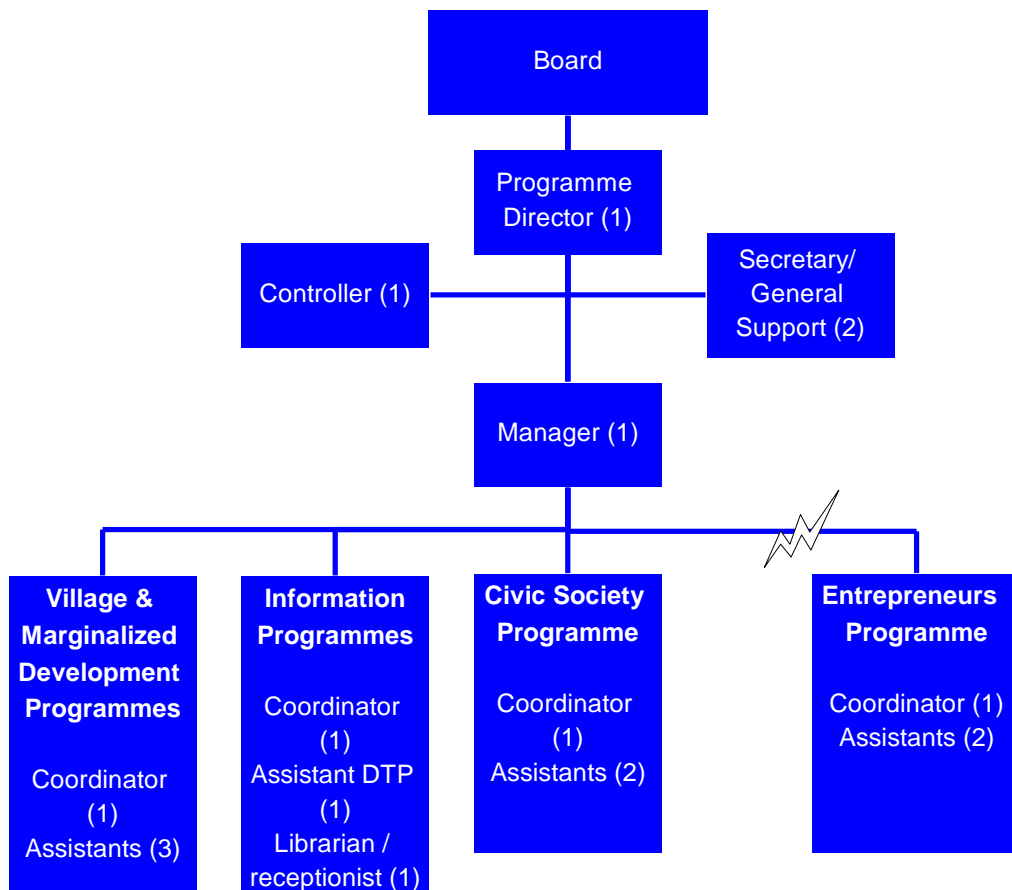
assistance and looking for third parties to implement. One should think e.g. of technical training, primary education, construction works, etc..

The credit function is currently being debated. It is important to distinguish between advice and training on the one hand with actual involvement in credit delivery on the other. In order to avoid the danger of mixing up interests and credibility and if MCIC decides to become more active in this field, the mission recommends that MCIC opens a separate unit to deal with these issues. These should not be implemented together with the “supporting development” role MCIC is playing.

**5.7. Clustering of activities (organigramme)**

The services offered by MCIC should (as it is now already) be clustered in operational units according to the target groups. This enables staff to really know the target group and provide effective and efficient services. Each operational and support cluster should define its targets per year expressed in qualitative and quantitative terms.

**Picture 5.7 Proposed organigramme (see also annex 7)**



- NB:
- 1) Staff working with Roma and Disabled / Marginalised to be integrated with VDD
  - 2) IF Support to Entrepreneurs becomes full fledged MCIC activity than it will be necessary to create a seperate unit

The clusters (≠departments) have been created on the basis of programmes for specific target groups. All members have 'operational' tasks like managing grants or giving technical advice. The coordinator (rather than 'head') co-ordinates the cluster but also meets regularly with the other co-ordinators so as to ensure improved communication about developments per programme and target group.

Each cluster should have an officer acting as the 'window' who will also be the one responsible for grants. Preferably this will be the co-ordinator. Combining these tasks will ensure that the co-ordinator will stay in touch with the client / target groups.

Besides the co-ordinator, in each cluster there should be 1 or more assistants combining the tasks of trainer and 'technical' specialist. The cluster for the Information Programme will have assistants with specific tasks; one will take care of Desk Top Publishing tasks, while the other will combine the tasks of receptionist (also for the NGO support center) with the duties of the librarian for the NGO support center.

### **5.8. Performance of staff**

Further training of staff is needed to fill the gap between the requirements of the job and the basic qualification of the individuals. The type of training is twofold: technical training and skills enhancement. The latter type should include type writing (and clear report writing). The first includes subjects related to the field of intervention and the target group, such as knowledge and know-how on strengthening civic society and organizations, etc. This type of training becomes all the more important if MCIC wants to become more involved in actual implementation of projects.

This technical training for each individual staff member should be based on clear and detailed planning of future activities, based on policy decisions, as well as the role the staff member is going to play in them. Such detailed planning should also be clear before new staff is hired.

A simple but effective system of time writing by staff will facilitate the decisions if and how to enhance 'productivity'. The tool should not be used as a control instrument but rather as a source of information, useful to the staff member and to management when analyzing how time is spent (on projects / general, etc.) and investigating ways of improvement.

It is also recommended to enhance guidance and coaching on the job by top and middle level management. The system of coaching should be based on (positive) feedback and open discussion / dialogue.

### **5.9. Management Capacity**

More attention should be devoted to strengthening the middle line management so as to bridge the gap between apex management (programme director & board) and staff. See also annex 7.

The review team recommends that (especially when the intention of MCIC is to grow) a middle line manager should be recruited who will focus on the internal organization, mainly coaching and training staff in order to enhance their capacity and level of regular involvement in the organization.

Having a person taking care of the internal tasks of management will ensure that the programme director can devote more time to necessary strategic issues and relations with donors and other important actors.

#### **5.10. Development of a team**

Besides attention to enhancement of capacity of the individuals, the focus should be on developing a MCIC team. This will require improved dialogue between clusters, but also a change in structure (larger units) and culture (sharing of information). Ways should be found to interlink the various programmes / activities.

**Annex 1: Terms of Reference**

## Annex 2: Staff and Qualifications MCIC

	Function	Name	Qualification	Main responsibility	Years with MCIC	Training attended
1	Programme Director	Saso Klekovski	Medical College	general management	4	ECLOF Credit Sem. 2X I/CConsult GenderTrain Exp visits to NL, DK, GB, Opportunity, round table M&E course MDF
2	Administrative Secretary	Valentina Ciceva	Technological metalurgical College	secretarial support/ telephone	2,5	M&E course MDF
3	Head of Department Village Development	Pavel Roman Papadimitrov	College of Economics	manage VD programme	3,5	M&E course MDF Development study (Sally Oak Coll GB) Greek language Consortium meetings
4	Project assistant	Ljupco Kocovski	Geographical Dpt of Natural Science College	VD Initiatives	3,5	Training for loan officers (opportunity) M&E course MDF
5	Project assistant	Dimce Mitreski	Civil engineering college	Water supply	4	English Language course Computer skills Adm. Procedures M&E course MDF
6	Head of Department Civic Society	Lucija Popovska	Faculty of natur. Sciences / mathematics	manage CS programme	2	Not present during interviews
7	Project assistant	Aleksandar Krzalovski	Electric Engineering	CS Programme & Data base - MIS	2	Visits to MCIC partners in NL for MIS Office Admin, Excel, Tendering, M&E course MDF
8	Project assistant	Besim Nebiu	College of Economics	CS Programme; translations	2	Training of trainers Advocacy and lobbying M&E course MDF On the job training
	Head of Departm. Disabled and marginalised	vacant				
9	Project assistant	Aco Kocovski	College of architecture	Implementation of Roma Programme	3,7	Computer training Excell M&E course MDF
	Head of departm. Employment Gen.	vacant				
	Project assistant	vacant				
	Department for information					
10	Assistant	Gonce Cipuseav	College of political sciences	Edit & issue MCIC and NGO bulletin	1,5	Course work in library English language M&E course MDF
11	Head of administration and finance	Aleksandar Buzarovski	College of economics	Financial and administrative matters	2	Coopers & Lybrand Local advisories (mostly legal acts) Excell seminar
12	DTP organiser	Toni Gicev	Computer science	General support and DTP for all MCIC issues	4	Excel course Visit to partners in NL

## Annex 3: Funding of MCIC Programmes 1997, 1996, 1995

1997 (plan)																		
(x1000 Denars)	Total	VWP	VDI	PPE	PDD	PER	PCS	Info	Adm.	Tran								
									*	sfer								
BfdW/DW	2,670	5%															100	
ICCO	27,368	47%	14,546	85%	7,028	82%	4,968	63%									826	
DIA	5,340	9%					746	9%				81	1%	2,725	90%		1,788	
DCA	4,005	7%							1,800	72%	2,005	27%					200	
BCEE	5,340	9%	1,830	11%			424	5%	500	20%	2,395	32%					191	
DGIS	5,689	10%											5,193	77%			370	126
SPF -Emb.	534	1%											534	8%				
PHARE		0%																PM
Interests	908	2%			40	0%	173	2%									695	
Interests	64	0%															63	1
Revenues	624	1%											490	7%	134	4%		
Revenues	320	1%															203	117
Payment of Loans	2,003	3%	674	4%	167	2%	167	2%	197	8%	227	3%	237	4%	167	6%	167	
Transferred	3,471	6%	83		1,373	16%	1,458	18%			343	5%	214	3%				
<b>TOTAL</b>	<b>58,336</b>	<b>100%</b>	<b>17,133</b>	<b>100%</b>	<b>8,608</b>	<b>100%</b>	<b>7,936</b>	<b>100%</b>	<b>2,497</b>	<b>100%</b>	<b>7,540</b>	<b>100%</b>	<b>6,749</b>	<b>100%</b>	<b>3,026</b>	<b>100%</b>	<b>4,603</b>	<b>244</b>



1996 Actual																		
(x1000 Denars)	Total	VWP		VDI		PPE		PDD		PER		PCS		Info	Adm. Prog fund			
DIA	5,005	7%				2,655	34%			2,026	25%	324	8%					
ICCO	13,262	19%	5,305	14%	5,005	92%	2,952	38%										
WCC/ACT																		
CAID																		
DCA	1,778	3%				1,409	18%					319	8%		50			
DW	2,829	4%								2,829	35%							
BCEE	4,747	7%	1,500	4%				700	43%	2,547	32%							
HEKS																		
USIS	973	1%										973	24%					
DIA/DGIS	2,153	3%										2,153	52%					
DIA/ECHO	33,076	47%	31,152	80%				936	57%						988			
SPF-Emb	270											270	7%					
WGA	153	0%								153	2%							
CDR	237	0%								237	3%							
Interest	1,937	3%			6	14	0%	3	0%				686	95%	1,228			
Exchange .	1,634	2%	828	2%	94	2%	185	2%		129	2%	18	0%	38	5%	342		
Revenues	1,232	2%	313	1%	1	573	7%	8	0%	72	1%				265			
Revenues	540	1%			359	7%						51	1%		130			
<b>TOTAL</b>	<b>69,826</b>	<b>100%</b>	<b>39,098</b>	<b>100%</b>	<b>5,465</b>	<b>100%</b>	<b>7,788</b>	<b>100%</b>	<b>1,647</b>	<b>100%</b>	<b>7,993</b>	<b>100%</b>	<b>4,108</b>	<b>100%</b>	<b>724</b>	<b>100%</b>	<b>1,775</b>	<b>1,228</b>

1995 Actual															
(x1000 Denars)	Total	VWP	VDI	PPE	PDD	PER	PCS	Info	Adm. Prog fund						
DIA	18,207	23%			3,259	42%	3,256	97%	3,208	35%	8,484				
ICCO	13,163	17%	13,163	66%											
WCC/ACT	969	1%			969	12%									
CAID	848	1%			848	11%									
DCA	3,406	4%	1,015	4%			1,987	22%		404					
DW	2,692	3%			2,692	35%									
BCEE															
HEKS	12,188	15%	5,374	19%	6,814	34%									
USIS															
DIA/DGIS	2,686	3%					2,686	29%							
DIA/ECHO	22,781	29%	22,126	78%											
SPF-Emb	337	0%			337	100%									
WGA	118	0%					118	3%							
CDR															
Interest	631	1%					631	7%							
Exchange	56	0%								56					
Revenues	627	1%					627	7%							
<b>TOTAL</b>	<b>78,709</b>	<b>100%</b>	<b>28,515</b>	<b>100%</b>	<b>19,977</b>	<b>100%</b>	<b>337</b>	<b>100%</b>	<b>7,768</b>	<b>100%</b>	<b>3,374</b>	<b>100%</b>	<b>9,139</b>	<b>100%</b>	<b>8,944</b>

## Annex 4 Time spending of MCIC staff

Assessment of time spending per category of activities		Village development						Civic society						D.and M			Info	Management						Support				Improvement									
		time spent	ideal division	difference	time spent	ideal division	difference	time spent	ideal division	difference	time spent	ideal division	difference	time spent	ideal division	difference	time spent	ideal division	difference	time spent	ideal division	difference	time spent	ideal division	difference	time spent	ideal division		difference	s/total time	s/total ideal						
Main activities related to Projects		PR	PR	PR	LK	LK	LK	DM	DM	DM	AK	AK	AK	BN	BN	BN	AK	AK	AK	GC	SK	SK	SK	AB	AB	AB	TG	VC	All								
1	Identification of projects	10	5	5	40	32	8	12	20	-8		0	20	30	-10	15	10	5											97	97	1						
2	Appraisal of project proposals	4	2	2	8	10	-2	14	16	-2	5		5	10	20	-10	10	15	-5										55	63	1						
3	(detailed) planning of specific projects	20	20	0	22	15	7	28	24	4		0	10		10	20	30	-10										102	103	3							
4	Implementation of projects	10	10	0	10	32	-22	24	20	4	25	10	15	15	30	-15	10	20	-10									96	122	1							
5	Facilitation in service delivery	5	2	3			0			0	10	10	0	15	15	0	15	20	-5									45	49	1							
6	Motivation	4	1	3		8	-8	10	18	-8		0				0	10	5	5									24	32	4							
7	Financial activities re:projects	5	5	0	8	8	0			0	15	5	10	5		5	5	30	-25									38	48	4							
8	Monitoring	30	30	0	15	16	-1	12	12	0	15	15	0	5	20	-15	15	30	-15									96	135	4							
9	Report writing	10	10	0	16	12	4	8	10	-2	25	10	15	15	15	0	20	10	10									96	69	4							
10	Evaluation	2	5	-3			0		8	-8	5	10	-5	5	10	-5	20	10	10									38	61	6							
11	Information sharing about project	8	10	-2	6	4	2	16	10	6			0	12		12	5	5	0	144	144								197	187							
12	Other	2	5	-3			0			0		0	13	5	8				0									15	10								
<b>Other activities not directly linked to project:</b>		0					0			0		0			0				0									0	0								
1	Meeting external parties	10	10	0	20	8	12	24	16	8		12	-12	5	15	-10	5	5	0									104	122	1							
2	Internal meetings (not specific on project)	10	5	5	10	10	0	4		4	15	8	7	10		10	5	5	0	8	8							114	66								
3	Training/reading of materials and documents	10	10	0	5	5	0	6	10	-4	10	20	-10	5		5	5	5	0	8	8							53	94	5							
4	General support	5		5			0			0	10	5	5			0			0									146	146	152	152	319	305				
5	Breaks	10	10	0			0			0			0			0			0									10	10								
6	Innovation		20	-20			0			0			0		0				0									0	20								
7	DBase maintenance										20	30																20	30	1							
8	Computers administration										10	15																10	15	1							
9	Archiving										5	10																5	10								
10	Translation of materials													10														10	0								
11	Press analysis													5														5	0								
12	Project problem solving																											16	5								
13	Financial management																											16	3								
14	General reporting																											100	90								
15	Standards, systems, methodology																											24	3								
16	Long term planning																											32	37								
17	Maintenance and services (cars, equipm.)																											16	16								
<b>Total</b>		155	160	-5	160	160	0	158	164	-6	170	160	30	160	160	-15	160	200	-40	160								160	160	-40	160	160	-18	160	160	1763	1804

#### Annex 4 (Ctd.) Analysis of estimated time spending of staff MCIC

Indicators of spending time	Actual	Ideal	comments
1. project activities/total time MCIC	0.5	0.5	seems to be too much time for non related project activities/project portfolio too small?
2. preparation of projects/all project activities	0.3	0.3	not much difference between actual and ideal time spending
3. preparation of projects/"implementation" activities	0.9	0.7	in ideal situation staff wants more monitoring and implementation time compared to preparation
4. "information" sharing activities/total time MCIC	0.2	0.2	not much difference between actual and ideal time spending
5. "improvement" activities/total time MCIC	0.1	0.1	not much difference between actual and ideal time spending
6 "general" support activities/total time MCIC	0.2	0.2	not much difference between actual and ideal time spending

#### Important Differences

(between ideal and actual for "time consuming" activities (>50, >20%):

	Actual	Ideal	%
* more appraisal	55	63	15%
* <b>more implementation</b>	96	122	27%
* <b>more monitoring</b>	96	135	41%
* <b>less report writing</b>	96	69	-28%
* more meeting with external parties	104	122	17%
* <b>less internal meetings</b>	114	66	-42%
* <b>more time for reading and training</b>	53	94	77%
* less time for financial management	116	93	-20%

## Annex 5 Clustering Services

Programme and instruments MCIC programme 1994-1997												Inputs of MCIC		
MCIC instruments(implementation)						Facilitation by MCIC/implementation third parties								
instruments/ targetgroups	"window"	grants	training	information	mediation	special support	training	education	credit	construction works	staffing	funding 95-97	# Projects 95-97	
<b>organised villagers(male/female) (94 projects in total)</b>	regular contact between MCIC staff and target group	* gifts in goods * water supply *credit for ind. income gener. activities			networking with local authorities and external funders	water project related, income generating activities in villages	seminars on production activities (beekeepers, milk cow breeding)			contractors and supervisors of construction works	3	120,000	95	
<b>organised groups for civic society(male/female)(52 projects in total)</b>	*regular contacts through MCIC visits	contribution for small projects and activities of NGO's(meetings, seminars)	training on computers, management, conflict resolution	MCIC bulletin, NGO bulletin,	networking with other NGO's and LG; a.o. for funding from donors	administrative support of NGO	training delivered by specialists			installation of technical equipment(computers, telephone line, etc.)	3	20,000	89	
<b>marginalised groups(male/female)(77 projects in total)</b>	idem	* food distribution * donation of equipments *contribution to (small) projects mainly in education		MCIC bulletin NGO bulletin	networking with other NGO's and LG		training in health care for women and young girls, training how to work with inmates				1	31,000	13	

## Annex 5 (Ctd.) Clustering Services

Programme and instruments MCIC programme 1998-2000					
MCIC instruments(implementation)					
instruments/ targetgroups	"window" & Mediation	grants	training	information	special support
<b>organised villagers(male/ female): criteria:.....</b>	regular contact between MCIC staff and target groups and local authorities	contribution to approved village development activities	training on organisation and management of projects	MCIC bulletin	water, sanitation and solid waste advice
<b>organised groups for civic society(male/ female): criteria.....</b>	networking with other NGO's and LG; for funding with donors	contribution to small projects	training on organisation and management	MCIC bulletin, NGO bulletin,	Institutional and organisational advice
<b>marginalised groups(male/ female): criteria.....</b>	idem	contribution to small projects	idem	idem	health care and health education
<b>Entrepreneurs</b>					

**Annex 6 Questionnaires used in the review**

**Questionnaire Consortium members**

- 1 Are the results in the current MCIC programme sufficiently contributing to the stated objectives of MCIC, i.e.
- build long lasting relations of cooperation with similar organizations,
  - mobilize resources for projects, implement them and CO-operate with other organizations,
  - inform the Macedonian and international public about developments,
  - carry out other activities that would contribute to the accomplishment of MCIC’s aim(training of NGO’s lobbying,etc)

Please elaborate

2. Please mention the most striking (positive and/or negative) characteristics (in key words) and evolution since 1994 in the MCIC programme and organization:

Positive characteristic/evolution	“Negative” characteristic/evolution

3. From your organization’s policy point of view , what are the priorities for interventions in sectors/target groups in Macedonia?

Priorities for sectors	Priorities for target groups

4. What is your policy/strategy with regard to funding:
- do you indicate to MCIC which programmes will qualify for funding, or
  - do you discuss and negotiate with MCIC on the basis of their proposal programmes

Please explain:

5. Please indicate what should be future orientations of MCIC regarding:

- Target group(NGO's/villages) versus individuals (entrepreneurs/business creation) :
- Facilitation (intermediary between target group and implementor) versus Implementation (training, credit, etc):
- Financial sustainability (what should be the target and how to achieve it):



### Questionnaire Executive Board Members

1 Are the results in the current MCIC programme sufficiently contributing to the stated objectives of MCIC, i.e.

- build long lasting relations of co-operation with similar organizations,
- mobilize resources for projects, implement them and co-operate with other organizations,
- inform the Macedonian and international public about developments,
- carry out other activities that would contribute to the accomplishment of MCIC's aim (training of NGO's lobbying, etc)

Please elaborate

2. Please mention the most striking (positive and/or negative) characteristics (in key words) and evolution since 1994 in the MCIC programme and organization:

Positive characteristic/evolution	"Negative" characteristic/evolution

3. From your (own organization's policy) point of view, what are the priorities for interventions in sectors/target groups in Macedonia?

Priorities for sectors	Priorities for target groups

4. Please indicate what should be **future orientations of MCIC regarding:**

- Target group (NGO's/villages) versus individuals (entrepreneurs/business creation)
- Facilitation (intermediary between target group and implementor) versus Implementation (training, credit, etc)
- Financial sustainability (what should be the target)

**5. Regarding the composition of the Executive Board:**

- 5.1 Is the number of members sufficiently, please explain
- 5.2 Which target groups should be represented
- 5.3 Compare with the actual composition

**6. Role of Executive Board**

- 6.1 Mention the 3 most important roles (according to you)
- 6.2 Describe for each role whether the Executive Board has dealt with it in a satisfactory manner;
- 6.3 What should be done in order that the Executive Board plays a more effective role in MCIC 's planning and implementation?

**7. Executive Board Meetings**

- 7.1 What should be done to improve the EB meetings?
- 7.2 What is a fair compensation of attendance at sessions?
- 7.3 On average, how much time do you spend monthly on EB meetings/activities?  
Appreciate (enough, too much, insufficient)

**Questionnaire staff MCIC: capacity and training**

***Please hand in as soon as possible***

1. What are the are three most important things that have hindered efficiency of your work in the organization?
  
2. What kind of support have you received from others in the organization to improve your capacity?
  
3. Which exposure visit or training have you followed to improve your capacity ?
  
4. Mention how your work has improved because of this:
  
5. Mention reasons why it is not sufficiently improved after the visits/training?
  
6. What do you need to produce more in less time and to produce better quality?

## **Annex 7 Explanation proposed organizational structure**

In this annex some explanatory remarks on the proposed structure are provided.

### **1. Clusters**

A "cluster" is a group of people working on more or less the same subjects for a common group of beneficiaries.

### **2. Coordinator**

The coordinator of a cluster will have responsibilities that are related to the projects that the clusters work on. He/she will ensure that the workload is properly divided among the members of the cluster, according to specific expertise and their personal workload. He/she will also be the window or contact-person of the cluster, guaranteeing a good feel for what goes on at the level of the target group. In short, he/she will be responsible for a portfolio of projects, making sure that in every phase in the project cycle the right action (e.g. appraisal, implementation, monitoring and evaluation) is taken. The coordinator will also be meeting regularly with the coordinators of the other departments, thus being informed about the other programmes and developments.

### **3. Manager**

The manager as envisaged will be responsible for MCIC internal affairs. All matters concerning staff belong to his tasks. He/she will also be responsible for the systems and procedures (e.g. filing, project finance, monitoring and evaluation systems) at MCIC. A third major task will be in facility management; taking care of matters concerning housing, cars, equipment and supplies. His/her main role, however will be in coaching and providing training to the individual staff members and the team as a whole. The manager should have sufficient 'feeling' with the type of services MCIC delivers so as to avoid a too distant and formal attitude.

### **4. Programme Director**

The tasks of the Programme Director will be more focused on Strategic issues concerning the programmes, relations with donors and other important actors in the environment of MCIC. During his absence he should be replaced by the Manager, who therefore needs to be updated on affairs regularly.

### **5. Controller**

The controller will be dealing with all operations related to finance and accounting. He will prepare the financial statements and the various periodic reports (a.o. for the funding agencies). He/she will also handle invoices and payments and make budgets based on the inputs of the other staff members of MCIC.