



РЕГИОНАЛЕН ЕКОЛОГИЧЕН ЦЕНТЪР
за Централна и Източна Европа - България



**Knowledge management, monitoring, evaluation and promotion
of the Small Grants Programme in Bulgaria**

**Evaluation of the GEF SGP in Bulgaria
Final Report**

Sofia, 2013

Acknowledgements

The team of REC for CEE - branch Bulgaria, responsible for the Final evaluation of GEF SGP - Bulgaria would like to thank all the interviewed people who gave freely of their time and ideas to make the evaluation process a success - all those listed in Annex 1 contributed. We would especially like to thank the National Coordinator Ms. Veleslava Tsakova for providing information and logistics. We appreciate highly also the contribution by the members of the National Steering Committee who answered all our questions regarding to the FE. The evaluation process ran smoothly without any problems.

The evaluation team has tried to provide a fair and balanced assessment of the Programme's achievements and performance and we have made recommendations aimed at helping to improve the sustainability and replication of results in the final few months of implementation. This process is open and our will is to continue it for the entire duration of REC's assignment on Knowledge management, monitoring, evaluation and promotion of the SGP.

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Acronyms and terms

| | |
|--------|---|
| CBO | Community-based Organization |
| CO | Country Office |
| CPS | Country Programme Strategy |
| CSO | Civil Society Organization |
| FE | Final Evaluation |
| GEF | Global Environment Facility |
| M&E | Monitoring and Evaluation |
| MAF | Ministry of Agriculture and Food |
| MOA | Memorandum of Agreement |
| MOEW | Ministry of Environment and Waters |
| NC | National Coordinator |
| NGO | Non-governmental Organization |
| NSC | National Steering Committee |
| OP | Operational Programme |
| SGP | Small Grants Programme |
| ToR | Terms of Reference |
| UNCBD | United Nations Convention on Biological Diversity |
| UNCCD | United Nations Convention to Combat Desertification |
| UNDP | United Nations Development Programme |
| UNOPS | United Nations Office for Project Services |
| UNFCCC | United Nations Framework Convention on Climate Change |

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1. Executive summary

The Final evaluation of the GEF Small Grants Programme in Bulgaria was conducted over a period of 6 months (July - December 2012) by the team of Regional Environmental Center for Central and Eastern Europe - branch Bulgaria. The organization was engaged with the FE in the framework of the project "Knowledge management, monitoring, evaluation and promotion of the SGP in Bulgaria". The FE was based on the review of key Programme and other related documents and interviews with the National Coordinator, members of the Steering committee, representatives of the grantees and other key stakeholders in Bulgaria. The report was finalized in June 2013 after receipt of comments.

The Key message of the FE team are that the SGP Bulgaria was well-managed and fulfilled its objectives to ensure global environmental benefits through the support of small-scale projects in the GEF thematic areas, to demonstrate local and global benefits from best practices application and to provide sustainability of the initiatives, supported by the Programme. Therefore it is evaluated as Satisfactory.

The Programme was more successful in the aspects of improved national and local policies in the Biodiversity and Climate change areas, number of involved organizations, number of partnerships and support relations established with the authorities and the number of CBOs / NGOs established. The thematic areas of International waters and POPs were less successful due to the limited capacity of the beneficiaries in these fields in Bulgaria. These results are in direct relation with the design of the SGP, as it supports rather small and demonstrative projects than real investments in environmental infrastructure.

The Programme's focus on sustainable business models, demonstration of sustainable products and innovations provides a good ground for utilization of the results, achieved by the individual projects beyond the SGP support. The sustainability and promotion of the Programme's achievements were in focus mainly during OP5 with a series of promotion activities at national level, e.g. the annual Uzana Fest and the Best practices website. The FE team advises that the promotion of the Best practices of SGP-supported projects is ensured beyond year 2013.

The smooth operation of the Programme during its entire period of implementation, the achieved effectiveness of the activities and the practical absence of fund misuse are reflected in the very positive general perception of the SGP among granted organizations and the key stakeholders. The monitoring at project level has been among the main responsibilities of the NC and PA and included large number of monitoring visits and consultations to the beneficiaries. Monitoring was outcome-oriented with strong emphasis on delivering global environmental benefits and sustainability.

The stakeholder participation at decision making level in SGP has been achieved mainly through the constitution and operation of the National Steering Committee. NSC has been actively involved since the first year of SGP when the CPS was elaborated, and in the course of the Programme implementation by regular meetings and communication.

The FE recommends the positive experience and the best practices of SGP, established at programme level to be integrated as far as possible by the national authorities into other financial mechanisms. Most promising in this regard are the National NGO support

mechanism, which is currently under reform, as well as the national OP Environment 2014-2020, which is under development.

GEF SGP has proved as a valuable source of funding for small-scale sustainable development investments. Being much more flexible and less complicated in administrative terms than the state and EU subsidies/ funding schemes, it is friendlier to the beneficiaries. However many of the smaller and less experienced organizations have reported difficulties to ensure the required level of co-financing. The higher co-financing ratio makes SGP accessible rather for the larger NGOs with more diverse project portfolios and for business oriented initiatives.

Our observation is that currently used indicators for performance and impact are focused on the delivery of global environmental benefits. However the demonstration, promotion and capacity building value of the programme is not properly evaluated using these indicators. These “indirect” impacts are valuable and important in respect to the target group needs although more difficult for quantitative assessment. Proper indicators should be elaborated for this purpose.

2. Introduction

2.1 Background and purpose of the evaluation

The Global Environment Facility (GEF) Small Grants Programme (SGP) works in Bulgaria since 2005. As a member of the EU, Bulgaria is no longer eligible for substantial funding from the Global Environment Facility. Therefore SGP Bulgaria is planned to close its operation in 2013, when the contracts of the National coordinator and Programme associate will be terminated and the national office will be closed. Considering this fact it is essential to have an analysis of the results achieved by the financial support of 107 projects. The results should be summarized and practices and experience to be multiplied on both program and project level.

The last grant agreements with beneficiaries were signed in 2012 and several projects will still be in a process of implementation after the closing of SGP's office. It is necessary to ensure their successful completion, monitoring and reporting. In the process of SGP Bulgaria closure it's important to ensure an archive of documentation of SGP and long-term preservation of accumulated knowledge and data.

These activities have been packed into a separate project "Knowledge management, monitoring, evaluation and promotion of the SGP in Bulgaria", announced for open competition in March 2012. The Regional Environmental Center for Central and Eastern Europe, branch Bulgaria (REC-Bulgaria) has been selected and awarded with a contract for this assignment.

2.2 Objectives and main aspects

The Main objective of the project is to evaluate the impact of GEF SGP in Bulgaria in all the thematic areas in line with the strategic goals of GEF, as well as to promote the approach and best practices from the Programme and to ensure its successful closing.

Specific objectives of the evaluation:

- To conduct a comprehensive evaluation of the program against the general objectives of the program and the strategic objectives of the GEF SGP in Bulgaria;
- To assess the impact, effectiveness and efficiency;
- To conduct a critical analysis of the management and evaluation of project proposals under the program.
- To assess the sustainability of project results;
- To assess the effect of the program and opportunities for multiplication as a whole and regarding to specific practices.
- To evaluate the processes that may affect the performance of the program.
- To define the specific lessons learned for the entire period of operation and to define specific recommendations.

Main aspects of the evaluation:

- ***Evaluation of the completed projects*** and their relation with:
 1. Strategic priorities of the GEF SGP in Bulgaria;
 2. Stakeholders and beneficiaries - an assessment of specific needs met;
 3. Degree of involvement of authorities at local and national level;

- ***Evaluation of SGP during the whole implementation period***
 1. Effectiveness of the program - an evaluation of the achievement of program objectives and expected results and the overall achievement of national strategic objectives based on predetermined indicators provided by the governing body of the GEF SGP.
 2. Efficiency - assess the achievements and benefits derived from the results achieved by projects funded under the program, including evaluation of different and innovative approaches to project implementation to achieve better results, regional specificity and cost effectiveness.
 3. Interaction with other funding instruments - the co-financing will be assessed as well as the interaction of the program with other international, European or local funding bodies, and financial implications of this interaction.
 4. Timing of the program - relation between the duration of the program and achievement of sustainable results and impact.

- ***Evaluation of the Management and implementation***
 1. Overall implementation and management - an evaluation of the program structure, including the efficiency of the management unit, partnership strategies and practices for stakeholder involvement, and also as a model to be multiplied.
 2. Financial responsibility - assessing the sound financial management as an essential part of achieving the results of the program, with focus on ensuring accountability at the level of grants, identifying the problems to improve financial control mechanisms .
 3. Monitoring and evaluation at project level - assess the adaptation of the monitoring system for evaluation of projects funded by GEF SGP focused on impact indicators and performance indicators during the execution of the program. The evaluation usec the SMART method for evaluation of indicators for the program and funded projects.

- ***Overall performance of the program to the following criteria:***
 1. Impact - assessment will take into account the objectives set in the program
 2. Global environmental benefits - achieving real and measurable positive impacts in the areas of GEF;
 3. Sustainability - assessment of potential benefits and activities continue to be implemented after the end of the programme, practices for static sustainability

that continue to give the same benefits as well as during the implementation of projects financed by the program and dynamic practices showing sustainability for their beneficiaries, adapted either from project results of different projects or other target groups. The degree of institutionalization of the program results should also be assessed.

4. Capacity developed - the level of involvement of target groups, and conditions created for the state and local authorities (eg municipalities) to benefit of positive experiences. Ownership of the products developed during project implementation will also be evaluated.
5. Distribution and reproduction - analysis of the potential reproduction of positive results in the country and region through analyzing the possible funding sources. The results of this part of the analysis will be used in the implementation of Action 2 and 3, and to create conditions for continuation.
6. Interaction with other financial mechanisms.

2.3 Methodology

The Final Evaluation (FE) started with conducting a Context analysis update. Its role is to assess the changes in the environment in which SGP GEF - Bulgaria is functioning - social, economical and political environment. The overall evaluation of the Programme will take into account these changes.

A review of the final reports of funded projects and other key documents related to the overall functioning of the SGP GEF in Bulgaria (e.g. International audit conducted in 2010) was implemented.

Within the implementation of the FE, evaluators follow strictly the methodology ensuring the necessary transparency, inclusion and consultation with the National Coordinator, the National Steering Committee, project teams and key beneficiaries of some typical and innovative projects. For implementation of this activity is used methodology consistent with the requirements and guidelines of the Global Environmental Facility. Thorough/ detailed evaluation of the program is achieved by:

- **Review and analysis of SGP key documents** - strategic and planning documents which form the areas of support on country level, procedures and reporting, monitoring reports and documents;
- **Interviews with the National coordinator and National Steering Committee** - a series of semi-standardized interviews were conducted in the period July - December 2012.
- **Overview and analysis of the projects**, funded by SGP (more than 100 projects) since the programme has been launched by review of their reports and generating statistical reports from the project database;
- **Surveys and interviews with beneficiaries and other key stakeholders**; Beneficiaries are given a standardized questionnaire that is to assess both the impact of the projects and the opinions and recommendations related to SGP funding procedures. An additional meeting with 12 beneficiaries covering projects from first to last call for applications under the programme is held. The purpose of the meeting is to further build on the results of a questionnaire. Thus

a representative data is collected which allows implementation of an analysis on programme level.

- **Summary of results and project impact** and the whole programme. (including global environmental benefits, development capacity, socio-economic benefits, combat poverty, assuring livelihood as well as the gender equality horizontal policies, combating discrimination and good governance);
- **Elaboration of a Final Evaluation Report** - the present report is the main output of the evaluation process. The report was developed by the FE team and provided for consultation and approval to GEF and UNDP - Bulgaria.

In accordance to the GEF Guidelines for Terminal evaluations the Final evaluation of SGP - Bulgaria include **ratings** on the following aspects: (1) Sustainability (2) Outcome/Achievement of objectives (the extent to which the project's environmental and development objectives were achieved), (3) Implementation Approach; (4) Stakeholder Participation/Public Involvement; and (5) Monitoring & Evaluation. The ratings will be: Highly Satisfactory, Satisfactory, Marginally Satisfactory, Unsatisfactory, and N/A. This system allows consistency across all IAs/EAs.

2.4 Performed activities and outputs of the evaluation process

Overview and analysis of key documents of SGP - Drafts of separate analytic parts of evaluation report; Formulating of specific questions for interviews.

Interviews with national coordinator and SGP Bulgaria management team, Board members and other key stakeholders - Acquired initial information about key aspects of the SGP, the main successes of the program and challenges that team has experienced.

Overview and analysis of the projects funded by SGP - evaluation team reads the projects, with particular emphasis on progress and GEF impact indicators - Acquired initial information about the implementation of projects, key successes, challenges, lessons learned at project level, and evaluation of communication between SGP team and beneficiaries.

Monitoring and evaluation visits - Information from reports and "Good practices" forms is verified ; Overview of performance indicators and impact; Evaluation of impressions and subjective assessment of the beneficiaries for the programme as whole.

Gathering of information via sending a questionnaire to all beneficiaries - Standardized information from as large number of beneficiaries as possible is being gathered

Summarizing and analyzing of information gathered - A detailed analytic report elaborated in Bulgarian and English.

Coordination of the report with GEF and approving. A summary shall be published - Report is submitted for comments; After its approval a Bulgarian summary will be published.

3. GEF Small Grants Programme in Bulgaria

Bulgaria has requested the establishment of GEF Small Grants Programme in 2002. It was approved by the Global SGP Manager in 2005 after successful mission in the country. The Programme is implemented by United Nations Development Programme (UNDP) on behalf of the three GEF Implementing Agencies - UNDP, World Bank and United Nations Environment Programme and is executed by the United Nations Office for Project Services (UNOPS).

SGP has been promoting grassroots action to address global environmental concerns. It aims to deliver global environmental benefits in the five GEF focal areas:

- ✓ biodiversity conservation,
- ✓ climate change mitigation
- ✓ protection of international waters
- ✓ prevention of land degradation
- ✓ elimination of Persistent Organic Pollutants (POPs)

Since the Programme start in the country 121 projects are co-financed at the level of 4 mln USD (of which one is a strategic project). Financial co-financing by the project beneficiaries reaches 4 mln USD and in-kind contribution is assessed at the level of 1,54 mln USD. Thus the GEF SGP Bulgaria portfolio reaches 9,54 mln USD for 7 years.

SGP starts its operation in Bulgaria at the end of GEF Operational Period 3 (OP3), continues in OP4 (2007-2010) and in OP5 (2011 - to present).

The National Steering Committee consists of 9 persons, representatives of the Ministry of Environment and Waters, Ministry of Agriculture, UNDP, Association of Municipal Environmental Experts, scientific institutions, NGOs and experts. The members from the non-governmental bodies prevail in its composition.

The operational management of the Programme in the country is ensured by a small team - National Coordinator and Programme Associate, which operate in coordination with the UNDP, NSC, UNOPS and SGP Headquarters.

4. Context analysis update

As the Context analysis update was developed prior the Final Evaluation of the SGP and it is voluminous document, it is added as **Annex 2** to the present FE report.

5. Findings and conclusions

5.1 Programme formulation and design

The Bulgarian **Country Programme Strategy (CPS)** was developed in the period 2005-2006. This process was led by the National Coordinator and implemented through a series of consultation meetings. The draft CPS was consulted with the key stakeholders during a national workshop and then adopted by the National Steering Committee (NSC).

CPS development takes into account the global goals and indicators of the GEF as well as the objectives of the three conventions (Convention on Biological Diversity, the UN Framework Convention on Climate Change and the UN Convention to Combat Desertification). It aims to bring global environmental benefits in the five Thematic areas of GEF: Biodiversity, Climate change, International waters, Land degradation and Persistent organic pollutants (POPs). SGP is oriented to support community actions and demonstration projects and thus to complement the large-scale GEF projects.

Formulation of the country-specific areas of support is based on the Analysis of the context and the country-specific needs. It also builds on the outcomes of the National Capacity Self-Assessments (NCSA), performed in Bulgaria in 2002-2003. The National Coordinator has tried wherever possible to integrate local social and economic benefits with the global environmental benefits when defined the areas of support. The aim is to provide funding for projects, which have economic viability and demonstrate sustainable business models.

Many of the interviewed stakeholders expressed satisfaction by the open and transparent manner of the SGP design and CPS formulation. The opinions expressed by UNDP and MOEW during the interviews, stressed the process of broadening the scope of the support, particularly in the topic areas of International waters and POPs as a good practice, even both topics are traditionally, part of the scope of the SGP program.

The **design of SGP** Bulgaria follows the general principles and requirements set by GEF and applicable worldwide. Programme management structure, projects evaluation, funding and reporting procedures are developed in line with the GEF SGP Operational Guidelines and approved. SGP Project Document was developed for every operational phase. It provides the framework for SGP operations in accordance with the GEF mandate, including specific benchmarks for project achievements. It also sets the programme and financial reporting requirements for which UNDP has legal responsibility.

The maximum grant size is 50'000 USD and the maximum duration is 3 years. **Co-financing** required by the beneficiaries is 50%, including financial and in-kind contribution. The question whether this ratio of co-financing is adequate to the country-specific conditions and financial capacity of the beneficiaries is disputable. The co-financing requirements have mobilized about 4 mln USD external funds to the projects and thus doubled the portfolio of SGP Bulgaria and the cost-effectiveness of the GEF financing. The higher co-financing ratio has also created advantage for the business oriented projects with real economic viability and private investments. In terms of sustainability it increases the ownership and personal interest over the project results.

However 50% co-financing has probably been constrain for many potential applicants and denied many of them to apply. The most of the smaller and less experienced NGOs and civil society groups find these conditions of the Programme to be difficult to meet. Another aspect is the increased probability of manipulation of the financial reporting from the side of grantees in order to represent the required co-financing in spite of its absence. This practice is still possible even if proper financial reporting is in place and it's size in reality is difficult to assess.

The interviewed beneficiaries note that the financing of every phase of the project implementation is advanced, which allows the granted organizations to ensure co-

financing easier. The share of 30% advance payment is considered adequate to the size of the projects and the financial capacity of the beneficiaries.

The **project approval process** of SGP Bulgaria has two phases - concept approval by NC and project approval by NSC. This procedure enables the NC to pre-select the ideas having potential for funding and further support the applicants in their project formulation. Practically the pre-selection is done after communication with the NSC.

After the pre-selection applicants develop project proposals and NSC gathers and debates on the quality of the pre-selected proposals. The approval decision is made with consensus. In some cases the applicants are requested to submit additional clarifications or to perform verbal presentation of their projects in front of the NSC. This practice is unusual for the most of funding programmes in Bulgaria but it seems to be very successful. The direct communication between the NSC and applicants was positively assessed both by interviewed NSC members and representatives of the granted organizations.

These selection and approval procedures were mentioned by the most of interviewees as transparent, fair and adequate to the capacity and needs of the beneficiaries. In few cases the grantees mention insufficient feedback or insufficient justification for rejection of project proposals. The consistence of the NSC and the fact that project selection and approval is made with consensus limits the possibilities of lobbying and improves the transparency of the decision-making.

5.2 Programme management and implementation

The SGP operates in a decentralized and country-driven manner through a National Coordinator (NC) and National Steering Committee (NSC).

The **National Steering Committee** has the role to ensure the professional, objective, transparent and effective implementation of the Programme in the country in accordance with the SGP global objectives. NSC is composed of volunteers who represent the key stakeholders - NGOs, scientific community, government, local authorities, business and donors.

One of the main responsibilities of the NSC was to participate in the evaluation process of the grant proposals, where each member gets introduced in detailed with each of the proposals before final decision. NSC decides on the approval or rejection of project proposals to SGP and the decisions have been taken with consensus after discussion. At this case the risk of lobbying and non-legal practices has been reduced to minimal. Additional, procedure of hearing was used by the NSC, where each depositor was granted with the opportunity to present the proposal. This direct contact was essential for NSC for taking adequate and informed decisions, taking into consideration the qualities of the proposal and the experience of the depositor in project implementation cycle. During the period of the programme Technical advisory groups was not established as NSC expertise is considered sufficient.

The **National Coordinator** has lead responsibility for managing the country programme implementation, and ensuring that grants and projects meet GEF and SGP criteria. The NC major functions inter alia include: (i) assisting NGOs/CSOs in the formulation of project proposals; (ii) serving as the *ex officio* secretariat for the NSC; (iii) ensuring sound programme monitoring and evaluation, including periodic project site visits; (iv)

resource mobilization; (v) communication and dissemination of SGP information; and (v) global reporting to CPMT, UNOPS, responding to audits, and other tasks as stipulated in the ToR. The work of the NC is subject of appraisal of the performance and the results undertaken at regular basis by the Regional representative of the UNDP in Bulgaria with the necessary input of the NSC.

During the evaluation process it was marked clear that the roles and responsibilities were established and strictly followed in line with the SGP Operational Guidelines. We can conclude that NC was acting towards promoting and implementing the programme in sound management and promoting the GEF agenda at country level. The SGP country programme and the work of the NC and the NSC was organized in line with the main principles of good governance, transparency and commitment to GEF strategic priorities. The practices for communication with the grantees, monitoring, reporting and evaluation, established by NC and NSC are seen by many interviewees as important conditions for the success of the Programme at local level. These practices also provided benefits for the grantees, e.g. development of capacity for financial and technical management of active grants, improving cooperation status at local level between different levels of stakeholders, etc.

The main findings of the evaluation, related to the Programme management include:

- There are evidences for clear distribution of the roles and responsibilities of the implementation and decision making process in line with the general rules and procedures of GEF SGP but also adapted to the national context and needs.
- Establishment of essential and transparent track record of the work, which is important for next phases of the programme, or administrators of other programmes, who can learn important institutional knowledge.
- Strict to the good governance principles as (i) providing transparency of the work of the NC to the grantees at regular basis for improving accountability; (ii) understanding the role of each member of the unit, and the independent role of the NSC; (iii) ensuring strategic driven work and delivering of organization purpose; (iv) improving the capacities of the NC and the Programme associate, and ensuring effectiveness at individual level and as a team; (v) constant improvement of the effectiveness and efficiency of the SGP in the county, and acting as a responsible professional, always strictly to the legislative framework of the country;
- Ensuring the stakeholders participation and the diversity of the members of the NSC with members of NGOs, Municipalities, Government, Academia and the representative of the UNDP. The members of the NSC supported the work of the SGP voluntary during the full period of the programme, and contributed to the credibility of the Programme, being presented to the public at the web page of the SGP.
- Building grounds for partnerships with different target group, intensity of engagement, geographic scope, size and complex of diversity. The projects provided opportunities for unorganized active people at local level to take part in important social process, to build new contacts and to participate and get introduced to the project preparation and implementation, often with support of the NC. In some cases such partnerships resulted in new initiatives and project proposals to national and EU funded programmes.

- The involvement of independent party for evaluation of the achievements of the SGP in Bulgaria shows the dedication of the national office for transparency and freedom of the opinion and the evaluation.

The sound **financial management** was also an essential part of achieving the results of the program. As well as methodology for identifying the problems, with instant direct contact with the grantees in order to improve the financial control and support for the full execution period of the programme. The NC and PA has introduced to the beneficiaries a number of practices and requirements for improved financial control and reporting. For example every purchase of equipment or materials exceeding 600 BGN has to be based on selection between 3 offers and approved by the NC before payment. This limits the risk of improper or ineligible costs occurrence.

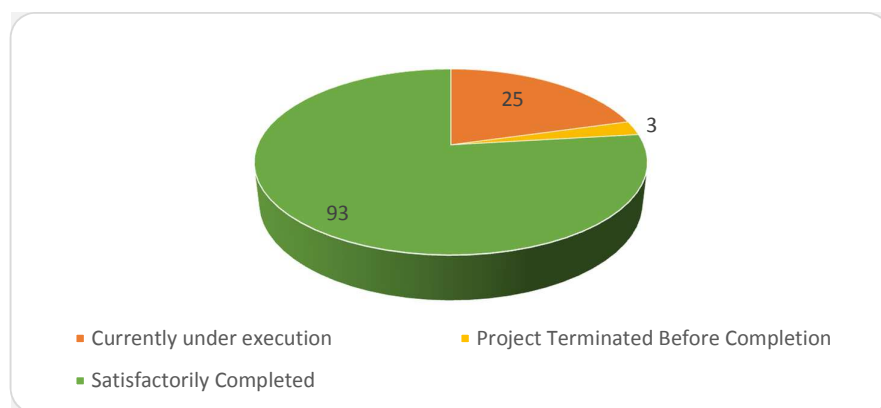
The **monitoring and evaluation at project level** is performed by the SGP team - NC and the Programme Associate. Adaptation of the monitoring system for evaluation of projects funded by GEF SGP involved again the direct contact with the grantees. The monitoring was organized by direct visits at the field, and was focused once, on impact indicators and performance indicators during the execution of the program, and second on the future development of the project, sustainability and replication.

5.3 Achievements of the supported projects

SGP has co-financed 121 projects in Bulgaria. The distribution of this support between the thematic areas in terms of projects number and total amounts is given in the table below:

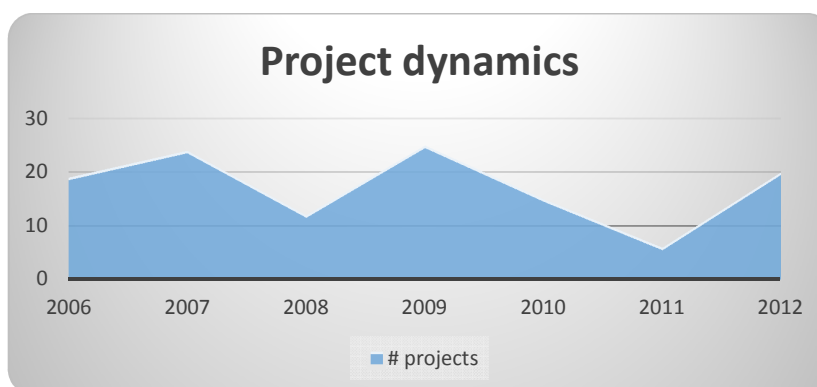
| Focal Areas - Total | Number of Projects | Grant Amount | Co-financing in Cash | Co-financing in Kind |
|-------------------------------|--------------------|---------------|----------------------|----------------------|
| Biodiversity | 60 | 1 270 817 USD | 1 142 903 USD | 547 945 USD |
| Climate Change | 84 | 1 889 758 USD | 2 100 815 USD | 624 455 USD |
| International Waters | 14 | 93 360 USD | 76 099 USD | 29 567 USD |
| Multifocal Area | 4 | 35 227 USD | 6 305 USD | 2 671 USD |
| Persistent Organic Pollutants | 7 | 129 591 USD | 92 910 USD | 139 776 USD |
| Land Degradation | 42 | 433 232 USD | 498 163 USD | 180 828 USD |
| Capacity Development | 4 | 114 091 USD | 47 822 USD | 16 179 USD |

In 2012, when the Final evaluation takes place, the major part of the SGP-supported projects have been already successfully implemented. There are 93 satisfactory completed projects and only 3 ones, terminated before completion. The last ones are mostly cases of inability of grantees to perform planned activities and to achieve the results due to various reasons but there are no cases of fraud and grant misuse reported. Another 25 projects are currently under implementation.

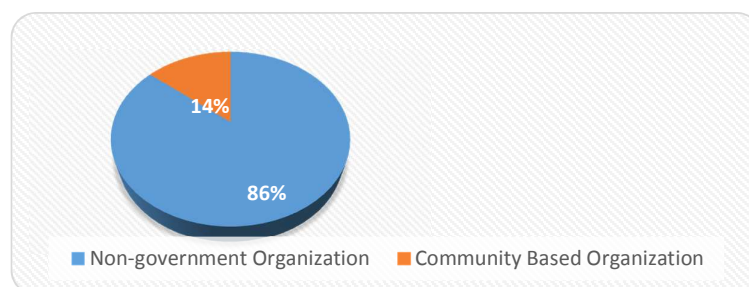


The project support dynamics is presented with the table and charter below:

| Year | Number of Projects | Grant Amount | Co-financing in Cash | Co-financing in Kind |
|------|--------------------|---------------|----------------------|----------------------|
| 2006 | 19 | 663 828 USD | 492 962 USD | 249 065 USD |
| 2007 | 24 | 689 561 USD | 660 904 USD | 300 129 USD |
| 2008 | 12 | 424 204 USD | 460 842 USD | 138 456 USD |
| 2009 | 25 | 1 002 841 USD | 1 213 064 USD | 267 708 USD |
| 2010 | 15 | 476 136 USD | 408 552 USD | 141 833 USD |
| 2011 | 6 | 167 883 USD | 134 144 USD | 69 895 USD |
| 2012 | 20 | 541 622 USD | 594 550 USD | 374 336 USD |



The major part of the grants are awarded to Non-governmental organizations (NGOs) of different size and level of experience. There are 17 grant contracts awarded to Community based groups, established on particular issue or around proposal for particular action. This support opportunity is rather unusual, compared to the other funding opportunities in the environmental domain and it is of high value for encouragement of local grass-root activism.



The evaluation of the total performance and impact of the SGP-supported projects is based on the review of the Projects database and reports against the targets embedded into the Contry programme strategy. The information is presented in tables and charts where the main source of information are the **performance and impact indicators** and achievement of their target values.

The general observation is that **SGP Bulgaria is successful in the main areas of its performance**. Most of the reported indicators are reaching their targets. Some targets are not fulfilled completely however in very few indicators, the deviations are significant. It should be noted that 25 projects are still underway and will contribute to SGP indicators at a later stage. From the other hand, SGP Bulgaria has exceeded its targets in some areas (including the impact on national/local policies, innovations applied and support linkages established with national and local authorities, involvement and establishment of NGOs/CSOs).

| Indicator | Number of Projects | Target | Achievement | Cost-effectiveness (grant) | Cost-effectiveness (total) |
|--|--------------------|-----------|-------------|----------------------------|----------------------------|
| Number of globally significant species protected by project | 43 | 352.00 | 261.00 | 1 658,82 USD | 822 449,66 USD |
| Hectares of globally significant biodiversity area protected or sustainably managed by project | 35 | 981884.80 | 701288,56 | 0,52 USD | 692 224,19 USD |
| Number of innovations or new technologies developed/applied | 5 | 6.00 | 5.00 | 10 728,75 USD | 95 545,57 USD |
| Number of local policies informed in biodiversity focal area | 16 | 50.00 | 40.00 | 2 961,80 USD | 238 506,42 USD |
| Number of national policies informed in biodiversity focal area | 2 | 1.00 | 2.00 | 6 899,71 USD | 40 633,47 USD |
| Tonnes of CO2 decreased or avoided by energy efficient and renewable energy technologies or applying environmentally sustainable transport practices introduced by SGP Project | 26 | 386206.32 | 215020,49 | 1,49 USD | 687 001,44 USD |
| Number of innovations or new technologies developed / applied | 56 | 94.00 | 110 | 7 339,63 USD | 1 679 548,35 USD |
| Number of local policies informed in climate change focal area | 19 | 47.00 | 57.00 | 4 264,54 USD | 480 344,80 USD |
| Number of national policies informed in climate change focal area | 2 | 1.00 | 10.00 | 9 041,48 USD | 165 402,80 USD |
| Pollution discharge into International Water reduced Kilogram (Kg) of Nitrogen (N) discharge into International Water reduced | 4 | 1307.02 | 971.00 | 13,43 USD | 23 238,96 USD |
| Pollution discharge into International Water reduced Kilogram (Kg) of Phosphorus (P) | 4 | 584.00 | 1267.00 | 10,29 USD | 23 237,76 USD |

| | | | | | |
|--|----|------------|------------|---------------|----------------|
| discharge into International Water reduced | | | | | |
| Pollution discharge into International Water reduced Gram per liter (g/L) of solids reduced | 1 | 113.52 | 113.52 | 6,20 USD | 992,01 USD |
| Number of innovations or new technologies developed / applied | 12 | 11.00 | 14.00 | 7 360,49 USD | 162 082,36 USD |
| Number of local policies informed in international waters focal area | 1 | 4.00 | | - | - |
| Number of innovations or new technologies developed / applied | 5 | 34.00 | 14.00 | 7 360,49 USD | 162 082,36 USD |
| Hectares of degraded land rest | 6 | 1251.40 | 1352,05 | 17,88 USD | 45 784,81 USD |
| Hectares of land sustainably managed by project | 22 | 4599.10 | 4822.75 | 37,69 USD | 501 381,42 USD |
| Number of innovations or new technologies developed / applied | 14 | 49.00 | 46.00 | 2 145,42 USD | 170 354,78 USD |
| Number of local policies informed in land degradation focal area | 5 | 9.00 | 12.00 | 1 397,19 USD | 34 451,28 USD |
| Number of national policies informed in land degradation focal area | 2 | 3.00 | 1.00 | 16 301,67 USD | 35 743,00 USD |
| Total monetary value (US dollars) of ecosystem goods sustainably produced and providing benefit to project participants and/or community as a whole (in the biodiversity, international waters, and land degradation focal areas as appropriate) | 10 | 359000.00 | 491321.00 | - | - |
| Total monetary value (US dollars) of clean energy services provided to project participants and / or community as a whole (in the climate change focal area) | 5 | 144273.00 | 25030.00 | - | - |
| Increase in household income by increased income or reduced costs due to SGP project | 46 | 1011927.00 | 1275954.27 | - | - |
| Number of households who have benefited* from SGP project | 45 | 2193.00 | 912.00 | - | - |
| Number of individuals (gender disaggregated) who have benefited* from SGP project | 76 | 71180.00 | 18011.00 | - | - |
| Number of CBOs / NGOs participated / involved in SGP project | 79 | 650.00 | 859.00 | - | - |
| Number of CBOs / NGOs formed or registered through the SGP project | 4 | 1.00 | 4.00 | - | - |
| Number of women participated / involved in SGP project | 68 | 44553.00 | 243824.00 | - | - |
| Number of indigenous people participated/involved in SGP project | 5 | 1150.00 | 317.00 | - | - |
| Innovative financial mechanisms put in place through SGP project | 5 | 4.00 | 4.00 | - | - |
| Number and type of support linkages established with local governments/authorities | 63 | 281.00 | 325.00 | - | - |
| Number and type of support linkages established with national government institutions | 52 | 80.00 | 136.00 | - | - |
| Total additional in cash or in kind support obtained for new initiatives and opportunities through SGP project (in US dollars) | 1 | | 92000.00 | - | - |
| Total additional in cash or in kind support obtained for sustaining, up-scaling, and replicating SGP supported project (in US dollars) | 3 | | 173589.00 | - | - |

There are only few indicators where significant deviations between the reported values and targets are observed, and the reasons for these deviations need particular attention as part of the evaluation:

- A deviation on the indicator of “tonnes of CO2 decreased or avoided by energy efficiency and renewable energy technologies or applying environmentally sustainable transport practices introduced by SGP project” can be determined. In our opinion the target value of this indicator (386’206 t.) was realistic , but a specific issue with indicators based on CO2 emissions raised during the evaluation. For instance, most of the projects and interviewees showed that after taking necessary refurbishment or introducing renewable energy technologies, the saving for the household or the organization became significant. However later on satisfied by the results most of the households decrease their traditional efforts to save energy and soon the bill is reaching again the previous levels or even exceeds it. This state usually corresponds to the financial potential of the household or the SMEs. As a result the consumption becomes higher than before, but the living and working conditions and production are significantly increased.
- The number of the people and households benefitted from the SGP is lesser than expected however the total Increase in household income or reduced costs due to SGP projects exceeds the target, which is an evidence for achieved total impact.
- The lower reported levels of involvement of “indigenous” people may be result of two reasons: (1) the definition of “indigenous” people may be misinterpreted by the grantees and not applied for their target groups and (2) the relatively high rate of 50% co-financing is unachievable to small and inexperienced communities.

Besides the quantitative assessment of the achievements, done by analysis of the indicators, the Final evaluation has included questions regarding the overall Programme success into the questionnaires and interviews performed. Among a representative sample > 20% of the grantees (21 organizations), almost all of the interviewees scored highest number for the achievement of the SGP objectives for the period. The interviewees were asked to score the success of SGP from 1 to 5 and the average number is **4.58**. These results confirm the positive perception and image of the SGP.

In spite of the above-mentioned deviations in some indicators, it can be said that following on the results indicators the SGP programme was successful for Bulgaria and highly appreciated by all of the grantees. Therefore the FE can conclude that the **Attainment of the Programme’s objectives is at *Satisfactory* level.**

5.4 Evaluation of the key aspects of the SGP performance

5.4.1. Programme impact

The global objectives of the SGP are to ensure global environmental benefits through the support of small-scale projects in the GEF thematic areas, to demonstrate local and global benefits from best practices application and to provide sustainability of the initiatives, supported by the Programme.

The **direct impact** of SGP is measured with the impact indicators. The expected outcomes of the Programme and indicator targets are defined in CPS. (see the tables in Section 5.3)

The review of the supported projects in Bulgaria and the analysis of the reported indicator values provide solid evidences that **the objectives of SGP and the expected outcomes at Programme level are fulfilled**. The small size of the supported projects and encouragement of the practical, result-oriented approach deliver relatively high impact. The amount of the mobilized co-financing (4 mln USD financial and 1,54 mln USD in-kind contribution) additionally increases the cost-effectiveness of the entire Programme.

Besides these satisfactory results, related to the direct delivery of the global environmental benefits, the present evaluation confirms that the **indirect impacts** of the SGP are even more important. Even successful, the small projects are not likely to deliver impacts of global importance. However the demonstration and capacity building values of these projects are highly appreciated by all interviewees and pointed as the most important impacts.

Few of the projects are directly aiming at improvements in regulative or legislation framework about integration of global environmental problems. Positive example is the “Development of regulatory strategies for balanced growth of the utilization of the potential for generation of electricity from RES in Bulgaria” project as well as other initiatives in Climate change area.

Some of the SGP supported projects have successfully established networks, partnerships and collaboration between civil organizations and state/local authorities. This impact is predominantly visible at local level where the implementation of policies and regulations, related to GEF SGP strategic targets is most needed. However there are also examples of impacts at national level, such as the project Bulgarian Media in Support of Political Measures for Mitigating Climate Change

The context analysis update, performed along with the FE indicates positive change in perception of state/local authorities on policies of environmental protection, climate changes, waste management and other themes, part of common policies for sustainable development. This impact is a recapitulation of several different initiatives and processes at national scale but SGP has also contributed with the demonstration value and capacity building activities of its 121 projects.

Along with accumulation of knowledge on integrated management of natural resources and policies on sustainability and environmental management there are indications for change in public attitude as a result of project implementation.

SGP in Bulgaria has strong **thematic rather than geographical focus** due to the country size and specifics. The geographical concentration of support is dependent on the local initiative and capacity, but also results from the SGP strategy for concentration around areas of success in order to achieve leveraged effect of SGP funding.

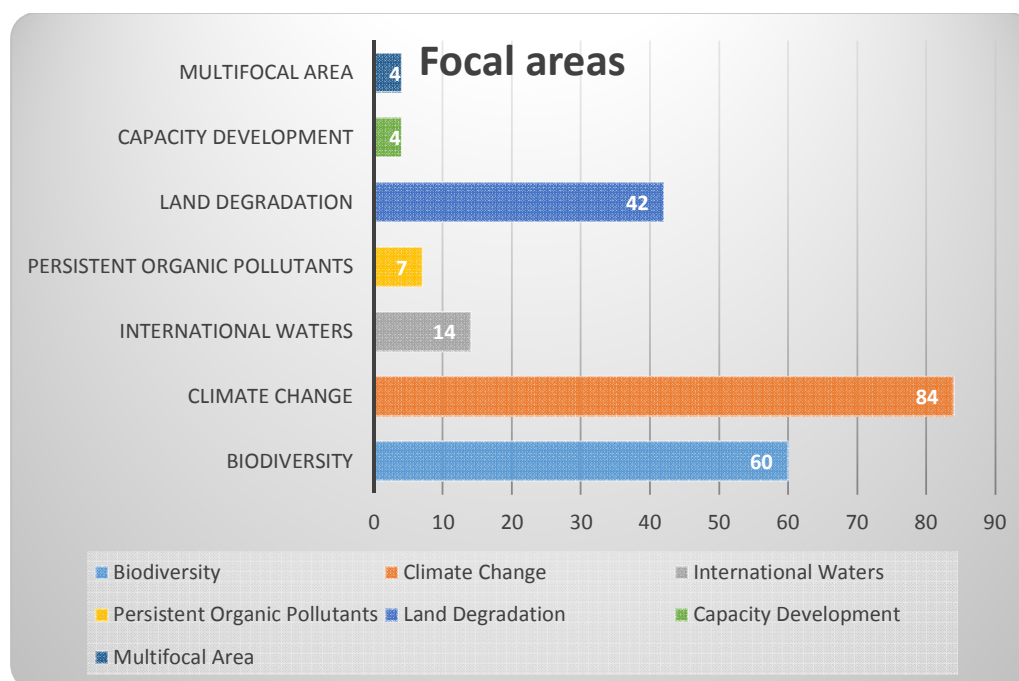
The Final evaluation must take into account the relation between the context changes during the Programme’s implementation and its impact. It can be assumed that the global economic crisis would create risks for the project co-financing and implementation, especially those with a clear business orientation. However this effect

was not evident in SGP funded projects. There are no cases of failures of business oriented projects due to the inability to provide counterpart funds.

5.4.2. Global environmental benefits

Achieving real and measurable positive impacts in the areas of GEF is among the main objectives of the SGP.

Most of the SGP co-financed projects are in the areas of sustainable agriculture, development of ecotourism related to biodiversity protection and demonstration projects on energy efficiency and renewable energy sources.



Due to the small number of acceptable proposals, and respectively supported projects in the areas of international waters and POPs, there is certain misbalance between the supported thematic areas. However this fact is clearly not a failure of the SGP and its management. There are clear evidences that the capacity of the Non-governmental sector and the number of active organizations in these topics is significantly lower. Also the small size of the grants has little potential to contribute to those areas.

More details about the benefits in every GEF thematic area are described below:

Biodiversity

Significant part of the SGP co-financed projects, particularly in the first years of its operation in Bulgaria (OP4), is related to demonstration of sustainable tourism practices in areas with globally important biodiversity. These projects are usually situated in the countryside and the project activities are implemented within or nearby protected natural areas. Activities vary from species/habitats research and analysis, valorization, interpretation, development of eco-trails and visitors centers and marketing actions.

Some of the projects are focused on direct conservation measures about particular species, for example the conservation of land tortoises and their habitats in the Eastern Eminska Mountains, conservation measures for the Imperial Eagle and Otter. Others aim at improvement of the land management and forest management at local/regional level in order to halt the loss of biodiversity in a given area, such as the Dragoman marsh.

The target of 981884 ha. of globally significant biodiversity area protected or sustainably managed by project was not completely achieved according to the indicator values, accumulated from the projects. However this indicator does not show the intensity/value of the impact per hectare and therefore its weight should not be overestimated. The target for the number of globally significant species protected by project also was not completely attained. In the same time the impact at policy level exceeds the target twice.



The Biodiversity thematic area includes also projects on sustainable agriculture, aiming at restoration of traditional farming practices, establishment of organic bee-keeping, conservation of ancient breeds and valorization of ecosystem services through agriculture products. Four projects in this thematic area are focused on elaboration of sustainable products and two projects - on integrated development approaches. Many of the Biodiversity related projects contribute also to the other thematic areas. For example the projects on the development of visitor centers include energy efficiency and renewable energy investments.

Climate change

This thematic area became a top priority for SGP Bulgaria with the start of OP4 due to the substantial RAF allocation from Climate Change area by the Bulgarian government. The projects mainly focus on installation of demonstration renewable energy technologies and wide dissemination of the achieved results aiming at large scale multiplication in the respective local area, but also nationally.

The projects focus on solar energy both for hot water and electricity, combined solar-wind small installations, geothermal pumps either solely or in combination with solar energy as well as installation of energy efficient lighting. The area of biomass utilization for energy purposes turned out to be difficult for SGP Bulgaria. There is only one demonstration project underway aiming at the utilization of reed from protected wetland for heating the Persina Nature Park information centre. This project succeeded in installing the heating system, which is currently fed with pellets as utilisation of reed takes more time to move from idea to technologically acceptable fuel. The reduction of CO₂ emissions is already substantial as electricity based heating is now transferred to biomass based heating. The most outstanding achievement is considered to be the installation of 1 kW photovoltaic system on the highest mountain shelter in Bulgaria - altitude 2512 m. The equipment was brought on horses and now provides electricity for lighting. At the end of 2010 the first SGP supported ground geothermal pump started working in one demonstration house in Gabrovo town ensuring substantial contribution to the heating system at low energy consumption rate.



Desertification

The soil degradation and desertification issues are addressed mainly through the promotion of sustainable agriculture and forestry practices. The targets of 4599 ha lands sustainably managed by projects and 1251 ha. degraded lands restored have been exceeded. Interesting example with good replication possibility is the restoration of the forest shelterbelts system in Shabla municipality. Another project with good experimental and demonstration value aims at the sustainable land use and selection of appropriate crops for the fields polluted with heavy metals in the vicinity to KCM-EAD, Plovdiv (Factory for heavy metals).

The project on multifunctional management of the forests and natural resources in Chepelare Municipality on the territories of Hvoyna State Forestry Board, and Chepelare State Forestry Board is also interesting and positive practice, as it complements the achievements of the GEF Rhodope project. In this way the GEF interventions in Rhodope area deliver results in synergy and establish a cluster of best practices on sustainable forest management.

Persistent organic pollutants

There are only 2 projects, primarily focused on prevention of the spread and generation of POPs. Both are focused on public awareness on the risks for human health, common sources of emissions, as well as the possible actions to eliminate and mitigate

pollutants. Obviously this thematic area is less popular among the environmental activists in Bulgaria and the expert capacity is limited. Additional constrain is that the SGP grant size is not appropriate for application of effective solutions for limiting POP, such as industrial investments.

International waters

This is also an area where the capacity and activity of the NGOs and Civil society groups in Bulgaria is limited. Few project proposals addressed the issues of the international waters and the one approved is the Preservation of the soil and water resources from nitrate contamination in regions in the immediate proximity of important water sources. There are projects, which are primarily targeted in other thematic areas but also contribute to the improvement of water quality. Such examples are the Creation of sustainable campsite area and center of informal education on the shores of lake "Beglika" and the Demonstrational installation of a heating system based on biomass and solar energy in the building of Persina Nature Park

5.4.3. Sustainability

The Country Programme Strategy for SGP in Bulgaria focuses on the support for sustainable business models, demonstration of sustainable products and innovations as a central approach to deliver the SGP impacts.

The **economic viability** of the projects is sought at the stage of application and evaluation of the proposals, and strongly encouraged during the implementation. The business case orientation of the support together with the required co-financing have mobilized private investments to many projects and thus ensured private interest and ownership of the results.

The major part of the interviewed beneficiaries stated that the above-mentioned approach of SGP Bulgaria was successful and has delivered sustainability to the project results. For example, the project for establishment of organic bee-keeping has started 4 new bee farms which after the SGP support continue to function on the free market. The same project has trained the involved private entrepreneurs to assess and valorize the ecosystem benefits in the areas of their operation and to apply for state support after the SGP grant finalization. Another example is the supported ecotourism center in Chatama site (Western Rhodopi), which nowadays is completely sustainable and self-financing.

Many projects, particularly those related to the Renewable energy sources and Energy efficiency focus on the demonstration and application of innovative technologies, which continue to deliver both economic and environmental benefits after the project end. The introduction of biodegradable packaging in the production of honey-products and the series of projects for RES /EE improvements in mountain chalets, family hotels and visitor centers are examples of one-time investments with life cycle beyond the project duration and replication value.

All these interventions, related to establishment and promotion of sustainable business models has important start-up and demonstration value, because most of them take place in remote and unfavorable country areas. In these areas the best practices present at local level are insufficient and every successful example with economic and social value has significant impact on the attitude of the local population.

By support of introduction of innovative “green” technologies and sustainable products SGP contributes to the introduction of the “Green economy” concept - an area where only few funding programmes have been active in Bulgaria and there are no many investments. However this concept is becoming central in the EU funding policy for the 2014-2020 programming period and it is expected that the small-scale investments by SGP may become good ground for replication and follow-up investments.

The **institutional sustainability** resulting directly from establishment of new structures (NGOs, companies, departments in existing entities) has been achieved to a great extent. In fact the indicator on the new established organizations in result of the implemented projects exceeds the target.

The long term sustainability and institutional adoption of the SGP results is ensured also by **improvements of policies, practices and regulations** at national and local levels. This aspect of the SGP impact is well presented in the projects in Climate change areas, such as the Development of regulatory strategies for balanced growth of the utilization of the potential for generation of electricity from RES in Bulgaria, which resulted in total of 8 local political documents reflecting the Climate change thematic area.

5.4.4. Capacity developed

As the SGP is generally targeted to the smaller and in-experienced organizations, the **capacity development for the grantees** is an important aspect of its operation and contributes to the sustainability. Many of the applicants for SGP financing are small to medium size NGOs and civil society groups with limited capacity to develop and implement projects.

SGP did not provide special trainings for its beneficiaries, which some interviewed beneficiaries point as a drawback. However the National coordinator and NSC has ventured with more flexible communication approach and direct consultation/coaching to the beneficiaries, which is assessed very positively.

The two-step procedure for project application allowed the NC to pre-select the project proposals and to ask for improvements to the projects, which meet the eligibility criteria but show some weaknesses. The NSC has also been actively involved in providing advises to the beneficiaries in order to improve the effectiveness at project level. Later, in the phase of the implementation and monitoring the NC and the Programme associate has provided consultations and advises on demand, particularly on the financial and reporting issues. This direct communication and coaching approach costs more efforts to the SGP team but it was effective and appreciated by the grantees.

In broader scope, SGP-funded projects have demonstrated good examples of **capacity building for the target groups**. The involvement of local authorities in project activities is embedded in many projects. Examples are the projects about the Introduction and integration of energy monitoring and Integration of Energy Efficiency (EE), Renewable Energy Sources (RES) and climate change e-learning into the curriculum in Bulgaria, the conservation of Besapara hills and the promotion of cycling in the city of Burgas on the Black sea coast.

The Programme has indirectly contributed to the establishment of partnerships between NGOs, as well as with other types of stakeholders, which have been valorized through follow-up activities and applications in front of another donors. In fact many of the supported NGOs has tried to apply for funding with follow-up actions.

5.4.5 Distribution and reproduction

The knowledge management, distribution and reproduction of the results are compulsory elements of every SGP funded project. Applicants are required to properly plan and describe these elements in the application form and lately in the implementation phase to report on their implementation. The most common channels for knowledge management, distribution and reproduction **at project level** are:

- Workshops, conferences and other events
- Project websites
- Printed materials
- Information boards, required for the projects with construction works or other fixed investments.
- Reports and best practices sheets provided to NC for publishing

At Programme level, SGP has established a **Best practices website**, where the summary reports and description of most successful projects are published. The site is regularly maintained and updated. The SGP main website has a section with links to the existing project websites and also a section for project events. The site also includes a comprehensive database of the projects in Bulgarian language with search and filtering options.

Since 2011, SGP has organized two editions of the annual **Uzana Polyana Fest** - an open air summer festival of the environmental best practices. The festival provides space for sharing experiences and ideas of organizations, projects and companies working in the field of sustainable development and environmental management. This event is highly successful as it gathers not only all the supported projects and demonstrate their results but also engages the key decision makers (ministers, mayors, political leaders) and opens the floor for discussions on key environmental issues. The festival is highly rated by all interviewed representatives and the need for its continuation on annual basis is clearly expressed.



The potential **reproduction of the best practices in the country beyond the duration of GEF support** through alternative funding sources is a question raised several times in the interviews. The SGP flexible and bottom-up oriented approach for project support was proposed to the Bulgarian Council of Ministers and the Ministry of Environment for eventual integration into the EU-funded Operational programmes for the multi annual period 2014-2020. At the moment there are no clear signals that it will be embedded into particular financial mechanism. The main obstacle seems to be the tough and heavily administrative set of EU funding requirements.

5.4.6 Interaction with other financial mechanisms.

The funding provided by SGP in Bulgaria has its **distinctive niche** in spite of the relatively broad thematic scope. The support is provided for local, grass-root initiatives and the Programme is accessible for broad range of beneficiaries. Most of the SGP Bulgaria projects are managed by NGOs (80%). The rest is implemented by citizen groups formed around the project idea theme.

The grants size, thematic orientation and the relatively flexible approach towards the beneficiaries distinguish the Programme from the other financial mechanisms, particularly from the EU funds, which are main source for support for the environmental domain since 2007. Some interviewees have stated that in practice SGP has no alternative and its withdrawal in 2013 will leave gap in funding.

Co-financing requirements of SGP encourage beneficiaries to mobilize resources from other financial mechanisms. The Programme requires relatively high ratio of co-financing, which normally the NGOs/CSOs could not cover from their own resources. Therefore in many cases the project proposals submitted by NGOs/CSOs are in relation with other grants implemented by the lead organization or its partners. The SGP's focus on the sustainable economic practices and sustainable products mobilizes also significant share of business co-financing. From the other hand the SGP grants are mentioned by several interviewees as a useful resource for co-financing for EU-funded projects.

6. Summary of the Evaluation findings

The Final Evaluation Team evaluates the GEF SGP Bulgaria overall as **Satisfactory**. The Programme has been extremely well managed, implemented and delivered, with some important products, particularly in the areas of Biodiversity and Climate change and significant positive impacts in directions of demonstration of grass-root initiatives for solving global environmental issues, developed capacity and replication.

The overall evaluation rating is formed by the following ratings of the key aspects of the Programme:

(1) Outcome/Achievement of objectives - Satisfactory;

The Programme has achieved its expected results, and delivered global environmental benefits in line with its CPS. The best aspects of its impact, where the achievements exceed the targets are number of national policies improved in the Biodiversity and Climate change areas, number of involved organizations, number of partnerships and support relations established with the authorities and the number of CBOs / NGOs formed or registered through the SGP project.

The Programme did not achieved the target values of decreased carbon emissions, monetary values of services and goods for the local population as well as some values, related to the International waters area. Obviously some of the targets, particularly quantitative values related to the global environmental benefits, were set too ambitious for the size of the Programme and the national specifics.

(2) Sustainability - Satisfactory;

The Programme's focus on the sustainable business models, demonstration of sustainable products and innovations provides a good ground for utilization of the results, achieved by the individual projects beyond the SGP support. The economic viability is encouraged in every co-financed project and it is achieved in most cases. The Programme has provided important and cost-effective contribution to the efforts for introduction of the "Green economy" in the country.

(3) Implementation Approach - Highly satisfactory;

The general perception of the SGP and its management team among granted organizations and the key stakeholders (MOEW, UNDP, national associations and scientific organizations) is very positive. The Programme was mentioned in many interviews as "successful", "fair and transparent", "visible" and "well managed". The smooth operation of the Programme during its entire period of implementation, the achieved effectiveness of the activities and the practical

absence of fund misuse are the reason for FE to rate the Implementation approach as Highly satisfactory.

(4) Stakeholder Participation/Public Involvement - Satisfactory;

The stakeholder participation at decision making level in SGP has been successfully achieved through the constitution and operation of the National Steering Committee. NSC has been actively involved since the first year of SGP when the CPS was elaborated, and in the course of the Programme implementation by regular meetings and communication.

The broad public awareness, dissemination and replication of the results at Programme level became most intensive in the last three years of SGP operation, when the critical mass of best practices and lessons was accumulated. The comprehensive Best practices website, highly successful Uzana fest and a series of other public activities deliver the SGP achievements to a broad target audience.

At project level the stakeholders participation was also well presented, which is visible from the high number of involved organizations, partnerships and supportive links, established with other institutions. These are exactly the indicators, which exceed the target values.

(5) Monitoring & Evaluation - Satisfactory.

Appropriate procedures for monitoring, evaluation and reporting of the SGP supported projects have been in place since the first call. The monitoring at project level has been among the main responsibilities of the NC and PA and included large number of monitoring visits and consultations to the beneficiaries. Monitoring was outcome-oriented with strong emphasis on delivering global environmental benefits and sustainability.

The key Programme achievements identified by the Final evaluation include:

- 121 supported projects, of which 118 are successfully implemented and only 3 are terminated before completion.
- Total amount of Cash co-financing of 3 965 018 USD and total amount of In-kind co-financing 1 541 422 USD mobilized as contribution to achieving global environmental benefits.
- 261 globally significant species protected by the co-financed projects and 701289 Hectares of globally significant biodiversity area protected or sustainably managed.
- Significant improvements in the management of particular natural sites, visitors infrastructure and biodiversity valorization as potential for tourism development.
- 40 local policies and 2 national policies improved in biodiversity focal area.
- 1352 hectares of degraded lands restored and interesting new solutions for land management/ restoration applied and promoted.

- 859 CBOs / NGOs involved in SGP projects and 4 new organizations established
- Significant number of support linkages established with local governments/authorities and successful capacity development for decision-makers, particularly at local level.
- Bright image and acceptance of GEF SGP from the beneficiaries and other key stakeholders in Bulgaria.
- Strong demonstration impact and best practices value at Programme level; Created opportunities for replication of successful approaches to other financial mechanisms.
- Successful practices for promotion of the SGP results - Best practices website, Uzana Fest and the Last Minute movie.

7. Key issues and Recommendations

- GEF SGP has produced a number of best practices through its projects. The future promotion and utilization of these should be ensured even after the official closing of the Programme. The website Best Practices should be maintained some years after the 2013.
- The positive perception of the Uzana Poliana Fest from the environmental community and the broad public worth the efforts for its continuation on annual basis. TIME Foundation has ensured financing by the State Enterprise for Environmental Actions (State fund governed by MOEW) for the festival in 2013. For the next years funding is unclear but if the governmental support continues the festival could serve as a national event for sharing best practices from various environmental projects.
- Closing SGP in 2013 will leave a gap in the environmental financing in the country, particularly the one targeted to smaller NGOs and grass-root local initiatives. Although the EU funds for environment have increased over the last years, these funds are much more centralized and overloaded with administrative requirements. The withdrawal of SGP and other bilateral donors leaves the civil society sector in unfavorable situation. However the positive experience and the best practices of SGP, established at programme level could be integrated to some extent into other financial mechanisms. Most promising in this regard are the National NGO support mechanism, which is currently under reform, as well as the OP Environment 2014-2020, which is under development.
- Final evaluation of SGP Bulgaria has a recommendation for the development of SGP in other countries based on the experience in Bulgaria. Currently used indicators for performance and impact are focused on the delivery of global environmental benefits. However the demonstration, promotion and capacity building value of the programme is not properly evaluated using these indicators. These “indirect” impacts are valuable and important in respect to

the target group needs although more difficult for quantitative assessment. Proper indicators should be elaborated for this purpose.

- Some of the supported projects resulted in establishment of partnerships between the granted NGOs with the national and local authorities. The intensity of these partnerships varies from case to case as it is driven by particular interests. Many grantees report better cooperation and results in their work with the more specialized administration, such as forestry authorities and park administrations, which have more direct interest and ownership of the project products.
- In many cases the projects result in economic benefits for the target groups in various ways. The direct monetary values from the project products could not reach the desired target values but in the same time the long-term and indirect benefits to prevail. However these benefits are difficult for quantitative assessment.
- Many of the smaller and less experienced organizations have reported difficulties to ensure the required level of co-financing. The higher co-financing ratio makes SGP accessible rather for the larger NGOs with more diverse project portfolios and for the business initiatives. The major part of the co-financing of the smaller NGOs and the civil groups have been ensured by personal contribution and voluntary work.
- GEF SGP has proved as a valuable source of funding for small-scale sustainable business investments. Being much more flexible and less complicated in administrative terms than the state and EU subsidies/ funding schemes, it is friendlier to the beneficiaries. Some interviewees described SGP as “filling the gap between the state support schemes and the private financing”.
- According to some beneficiaries, additional trainings and administrative support are needed, particularly for the smaller and less experienced organizations. The training on project development and administration is insufficient for the NGOs/CSOs in Bulgaria. Unfortunately SGP did not organize such trainings, but rather provided one-to-one coaching to project applicants and beneficiaries.

Annex 1 - List of interviewed people

1. Participants in interviews organized by the Final evaluation team on sites as well as during the Uzana Fest 2012

| Name | Organization, position |
|----------------------|--|
| Veleslava Abadzhieva | National coordinator of GEF SGP |
| Emilia Kraeva | Member of NSC, Head of International Cooperation Department at MOEW, National Operational Coordinator of GEF |
| Emiliana Zhivkova | Member of NSC, Programme analyst, UNDP |
| Maria Sokolovska | Member of NSC, Institute of Forestry, BAS |
| Rossen Vassilev | Member of NSC, Bulgarian Biodiversity Foundation |
| Dimo Dimov | Chairman of the Society for organic bee keeping |
| Anton Zdravkov | Society "Ecoforum For the Nature" |
| Stojanka Ljuncheva | Local Initiative Group - Momchilovci |
| Georgi Mavrov | Society Bikearea |
| Edita Difova | Bulgarian Society for the Protection of Birds |
| Kalojan Anev | Society "Development - XXI" - Smolyan |
| Dimitar Plachijski | Society "Biosphera" |
| Krassimir Hristov | "Balkani" Wildlife Society |
| Andreana Trifonova | Society "Rhodope Project" |

2. Representatives of granted organizations, provided feedback by filling the questionnaire

| Name | Organization, position |
|-------------------|--|
| Todor Tonev | Black Sea Energy Cluster |
| Milena Ilieva | Directorate of NP Bulgarka |
| Iva Lalovska | Foundation "Gea Chelonina" |
| Polina Antonova | Regional Association for Energy Management - Burgas |
| Maria Broshtilova | Association "Professionalism for health and ecology" |
| Vesselin Drobenov | Regional Environmental Center for central and Eastern Europe - branch Bulgaria |
| Emil Vaklinov | Environmental Organization Rhodopi |
| Petya Georgieva | Non-formal citizens group "Unity" |
| Biser Bekyarov | Association for Cultural and Alternative Tourism - Smilyana |
| Teodor Todorov | Association "Initiative Group Dospat - 2006" |
| Nina Bajkova | Association "Dobarsko" |
| Eli Petrova | Association "Sun for everyone" |

Annex 2 - Update of the Country Context Analysis

Analysis of the present situation and changes in context 2006 - 2013

Introduction

Small Grants Programme (SGP) of the Global Environment Facility (GEF) has started its operation in Bulgaria in 2006. Preparation process includes the development of a Country Programme Strategy in 2005, which sets the priorities and objectives of the thematic support areas based on a thorough analysis of the context and needs.

The purpose of the present analysis is to reflect the changes in the environment and to identify the main external factors that influenced the outcome of co-financed projects and the overall impact of the Programme. Thus, the analysis is a necessary component of the final evaluation of the SGP. The analysis focuses on the period 2006 - 2012, and largely follows the structure of the initial Context analysis performed in 2005.

Socio-economic analysis and key challenges

1.1 Macroeconomic situation

Over the last decade, Bulgaria has experienced strong capital inflows, coupled with a significant increase in external debt and private sector credit, and a rapidly growing current account deficit. In 2006-2008, private consumption, inflation, prices of real estate and construction also rose significantly. During this period, GDP grew by 6% in the context of accelerated development.

Bulgarian economy was significantly affected by the global economic crisis in 2008 – 2009. Negative changes of the basic macroeconomic parameters occurred with some delay (most noticeably in the second half of 2009). Recovery is sluggish, reflecting not only the global economic difficulties, but also the process of deleveraging after a high economic growth and the sudden stop of capital inflows. During the economic crisis had made large and rapid adjustment of capital flows and the real economy. Current account quickly turned into a slight surplus in 2011 and is expected to remain almost balanced in the short term. (*Source: Report of the EC in accordance with Article 5 of Regulation (EU) № 1176/2011 on the prevention and correction of macroeconomic imbalances on 30.05.2012*).

In the recent years, Bulgarian fiscal situation can be described as stable, especially compared to the turbulences in other Southern European countries. The careful fiscal policy, currency board and utilization of agreed EU funds for the programming period 2007-2013 are indicated as mitigating factors to the negative effects of the global financial and economic crisis.

According to the National Statistical Institute (NSI) lag to the Bulgarian economy since the beginning of 2010 is reported. In the first, the second and third quarters of 2011, GDP growth on an annual basis is respectively 3.3%, 2.0% and 1.6%. For all of 2011, GDP increased by 1.7%.

The intensity of inflation in recent years has been largely influenced by the financial and economic crisis. The level of inflation in 2011 was 2.8%. The average annual inflation as measured by the Harmonized Index of Consumer Prices for 2011 was 3.4% and 4.2%, as measured by the Consumer Price Index over the same period.

The structure of Gross value added (GVA) by economic sectors in 2012 is as follows: Services - 64.4%, industry - 39.9%, agriculture - 3.7%. Compared with data from 2003 (used in the initial analysis of the context at the start of the SGP), the share of services GDP growth was 9.8%, industry - 33% and the share of agriculture has shrunk by 67%.

Economic sectors directly related to the thematic areas of support for the SGP are tourism, energy (PRE and EE), agriculture, forestry, and some sectors of basic industries.

Tourism marks significant growth over the years until 2009, when it declines due to worsening global economic context. Restoration is observed in 2011 when the revenues from tourism are around 2.8 billion euro.

1.2 Income and Employment

The average total household income in the fourth quarter of 2011 was 997 BGN and if compared with the third quarter of 2010, it has increased by 7.8%. The main part of total household income (80%) is formed from the received salary and pensions. The main source of household income continues to be salary. Wage income in the fourth quarter of 2011, average per household is 508 BGN, which is 5.7% more than the same quarter of 2010. In the same time the share of wages in total income declined from 52% to 51% or 1 percentage point.

The unemployment rate was 11.2% in 2011, compared to 10.2% for 2010. The global crisis has resulted in significant increase in the level of youth unemployment in the country. In 2011, the level of youth unemployment in the age group 15-24 was 26.7% or 3.4 percentage points more than in 2010. The unemployment in the first quarter of 2012 was 12.9%, and the trend is for increasing.

Negative are also the trends related to disadvantaged groups in the labor market. According to the Employment Agency 54.7% of all registered unemployed are women. Significant increase is reported in the long-term unemployed, for more than one year, among all registered in labor offices in 2011, compared to 2010. Their share of the total number of unemployed registered in labor offices was 35.5%. The share of unemployed over 50 years the total number of unemployed was 36.1% and that of unskilled unemployed and specialty remains high: 57.1%. (*Source: National Social Report of Bulgaria for 2011 - 2012*)

1.3 Population and demographic situation.

Demographic processes in Bulgaria are characterized by sustainable trends for decline of the population and aging. These negative trends pose a serious challenge to the long-term sustainability of public finances, the macroeconomic stability and economic growth.

According to data from the National census conducted in the month of February 2011 the population of Bulgaria is of 7'364'750 people. For comparison, in 2003 the population was 7'801'273 or 5.6% more.

In geographical terms, concentration of population in economic and administrative centers in the country and depopulation of rural areas are clearly observed.

1.3 Political Context

Processes associated with accession to the European Union had a leading role in legislative and structural changes in the country over the past decade. Harmonization of national legislation with the European was largely carried out in the period before formal accession (2007). However, this process is constant because of the rapid development of the EU regulatory framework.

The period of GEF SGP operation in Bulgaria comprises mainly with two parliamentary mandates (2005-2009 and 2009-2013). The first is characterized by the absence of a clear parliamentary majority and a coalition government formed by the political groups Coalition for Bulgaria (led by the Bulgarian Socialist Party), National Movement Simeon II and the Movement for Rights and Freedoms.

During the second mandate (2009-2013), the dominant party in the political life in Bulgaria was Citizens for European Development of Bulgaria, abbreviated in Bulgarian language as GERB. The government led by Mr. Borissov emphasis on the infrastructure development but it could not complete its mandate. In February 2013 after a series of civil protests against the monopolies in energy sector, the government resigned and appointed early parliamentary elections. Meanwhile temporary caretaker government was appointed.

The parliamentary elections held in May has resulted in formation of a parliament without clear political dominance. Currently the government of Bulgaria is formed by the Bulgarian Socialist Party and the Movement for Rights and Freedoms.

The problems associated with corruption and organized crime accompany the entire transition period since late 80-es of XX century, although the size and impact of these phenomena are difficult to prove by objective indicators. *Euro Barometer* survey in May 2012 showed that 96% of people said that corruption and organized crime as serious problems of the country and 92% indicate weaknesses in the judicial system. The areas of corruption, organized crime and judicial reform were identified by European institutions as problematic before Bulgaria joined the EU in 2007. Therefore a mechanism for cooperation and verification was introduced to monitor annual progress in these areas. The latest monitoring report since July 2012 describes a progress of the country but

recommends further efforts to ensure transparent and independent functioning of the judiciary system, civilian control of the application and best practices in the fight against organized crime and corruption.

2. Analysis of the current situation in the field of environment and key challenges

2.1. General Information

During the implementation of the GEF SGP in Bulgaria there were no dramatic changes in the status of environment. However, changes in this area exist and these changes are direct consequence of changes in the socio-economic context. Period of intensive economic development was associated with more intensive anthropogenic impact on the environment components. Intensive development, the expansion of tourism and transport infrastructure, restoration of the intensive agriculture and some forestry reforms led to loss of natural areas. These effects were most intense until 2009, when the effects of the global financial and economic crisis occurred by reducing consumption, decline of investment and foreign capital inflows.

Development is visible in the legislation and implementation of national priorities in the sector. Harmonization with EU legislation in the Biodiversity area and its implementation resulted in the establishment of the National Ecological Network (part of the European Natura 2000 network), which covers 34 % of the country. Significant investments have been made also in the water sector, systems for waste management, renewable energy and energy efficiency over the last years.

There is an improvement in the public awareness and building of environmental citizenship. This is indicated by significant mass mobilization of nature protection supporters in campaigns initiated in cases of violation of nature. Green solutions and messages are getting well present in corporate social responsibility strategies and marketing of leading companies in the country.

2.2. Thematic areas

Global problems in the environment are reflected in several strategic and planning documents at national level. National Environmental Strategy and Action Plan 2000 - 2006 documents in force but not properly updated after their planned implementation period. Annual goals and priorities of the Ministry of Environment and Waters (MOEW) and the annual activity reports give more details but still not a comprehensive picture of the progress. The EU accession and the associated intense legislative and structural reform result in increasing the priority of global environmental issues in national policies improved integration into sector strategies and programs.

United Nations Convention on Biodiversity (CBD)

CBD was signed by Bulgaria during the United Nations Conference on Environment and Development in Rio de Janeiro in 1992 and ratified on 29 February 1996. On 26 July 2002 the Republic of Bulgaria ratified the Cartagena Protocol on Biosafety (PC) to the Convention.

National Strategy for Biodiversity Conservation was developed in 1995 and has not been updated during the implementation of SGP. During the same period, however National Plan for Biodiversity 2005-2010 was developed and implemented.

The most significant progress in the field of biodiversity is the establishment of Natura 2000 network after the EU accession. Identification of the Natura 2000 sites was launched in 2002 and to the great extent completed in 2007. The legal designation of the sites and further biodiversity studies are still underway. There are significant challenges related to the provision of administrative capacity to manage such a comprehensive network of protected areas and the provision of public support for their conservation. Meanwhile shifting the Government's priorities entirely on Natura 2000 to some extent blocks the designation of protected areas in other categories (e.g. parks.)

Some globally important species are subjects of national action plans and consensus on their conservation was achieved between the government and NGOs. Number of projects funded under different programs increases the level of knowledge about the status of the species, habitats and ecosystems in the country. National System Biodiversity Monitoring (NSBM) was developed.

Parallel to these processes, however, the loss of biodiversity continues. Development and growth of tourism areas in the mountains and along the Black Sea coast have been the most significant anthropogenic pressure on natural areas in the past period.

The trend of degradation and loss of aquatic habitat and wetlands continues too. It is mostly result unsustainable patterns of economic use (drainage fishponds, construction of hydropower, corrections courses, poaching). Progress in addressing these problems is the integration of Natura 2000 register into the River Basin Management Plans (RBMP) and the implementation of a number of successful restoration projects (e.g.: restoration of wetlands on the Belene island, Dragoman marsh recovery, etc.)

Invasive species are still an area in which no serious measures are taken. There is massive and unregulated introduction of foreign plant and animal species (wild and cultural). In a globalized agriculture and aquaculture, the issue of maintaining local and indigenous varieties and breeds is more severe. No adaptation measures at the ecosystem level to climate change are identified and implemented so far.

Improvement of the public awareness on the nature conservation is an area where the Government and NGOs has worked for decades. In spite that the environmental education and education for sustainable development are not sufficiently integrated into the state education system, there are a number of successful initiatives. The broad public attention on issues such as illegal construction in Natura 2000 and National Parks and the active citizens position of a critical mass of the population is an evidence of increased awareness on these issues.

Valuation of the ecosystem services and economic mechanisms, subject to Art. 11 of the CBD remains field without much development for long time. First major national subsidy schemes for sustainable uses in agricultural lands are included in the Rural Development Programme 2007 - 2013 (co-financed by the European Agricultural Fund). Specific measures included in the program are:

- Measure 212 "Payments to farmers in areas with disadvantages, other than mountain areas".
- Measure 213 "Natura 2000 payments" to compensate farmers for the recognition of earnings due to the limitations deriving from the protected zones.
- Measure 214 "Agri-environmental payments" which includes support for organic production and conservation of endangered local breeds and varieties.

Ecotourism has evolved significantly over the past decade. Private investment in this form of tourism are mainly in accommodation facilities, while state support for various programs lead to the development of a significant number of eco-trails, cognitive routes and related infrastructure. In many cases, these investments are not planned and executed in the best way in terms of environmental impact. Usual problem is the subsequent maintenance of eco-trails after the external financing end.

At pilot projects level other forms of financial support for the adaptation of economic benefits in biodiversity-friendly manner are developed and implemented.

United Nations Framework Convention on Climate Change (UNFCCC)

UNFCCC was signed by the Bulgarian side of 05.06.1992, and ratified by the Republic of Bulgaria on 28.03.1995. In 1997 the Kyoto Protocol was adopted, signed by the Bulgarian side of 18.09.1998, and ratified by the Republic of Bulgaria 25.07.2002, according to Annex B of the Kyoto Protocol, quantitative commitments to reduce emissions in Bulgaria for the first commitment period (2008 - 2012). were 8% of emissions in 1998.

The Second National Action Plan on Climate Change (NAPCC) was developed to cover the period 2005 – 2008. It focuses on measures in several key sectors to reduce greenhouse gas emissions, the implementation of mechanisms "Joint Implementation" and "International Emissions Trading." Is discussed and the application of the Scheme of the European Union Emissions Trading, which affects large industrial emitters in Bulgaria.

After the accession of Bulgaria to the EU on 1 January 2007, the climate policy in the country is changing significantly, as it complies not only with the international commitments under the Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol (KP), but also with the existing and newly adopted EU legislation in this area. As the policy and legislation of Bulgaria in the field of climate change had to harmonize with the EU and this process lasted some years, the NAPCC has not been updated for the period 2008-2012.

National Action Plan on Climate Change for the period 2013 – 2020 has been already prepared and consulted in 2012 and its formal approval is expected soon.

The total annual amount of carbon emissions generated from 1988 to date has seen a continual decline, primarily due to significant structural changes in the economy. Statistics cited in the Third NAPCC show the change from 1988 to 2009.

Since January 1, 2007 with the accession to the EU, Bulgaria has started the implementation of Directive 2003/87/EC, which introduces a European scheme for trading of greenhouse gases (EU ETC). Coordinating agency for the implementation of the Directive is the Ministry of Environment and Water. The scheme is regulated in the country by the Law on the Environmental Protection.

As a country under Annex 1 of the Kyoto Protocol, Bulgaria is eligible for the "Joint Implementation" mechanism. Projects under this mechanism include investments in low-carbon industries in Bulgaria and periodically receive emission reduction units generated by these industries. Partner country supply technologies in Bulgaria and often funded project against the requirement to purchase units subsequently generated - reduction of greenhouse gases. The partners in the project are described in the purchase contract units reductions emissions. This mechanism covers the period of the Kyoto Protocol on 2008-2012. Operation of the facility after 2012 is still unclear.

By 2011, Bulgaria has successfully launched 13 projects under the facility, which has verified monitoring reports, and thus fulfilled its obligations to the acquiring parties. The projects are all in the energy industry and energy efficiency.

The last changes in the Law on Environmental Protection, approved by the Council of Ministers on 17 March 2010, establish the foundations of the National Green Investment Scheme (NGIS). Arrangements were made on announcing the calls for proposals, evaluation, validation and project financing for green investments through National Trust Ecofund (NTF). The monitoring and supervising the implementation of such projects and verification is implemented by independent accredited organizations.

The funds from the sale of part of the free Assigned Emission Units (AEU) will be used to support projects, programs and activities that are not otherwise financed and their implementation is difficult or impossible. This is particularly valid for projects in the field of energy efficiency in the private and municipal sector, transport and forestry. NGIS can support and any other projects that directly or indirectly reduce emissions of greenhouse gases.

Convention to Combat Desertification (UNCCD)

United Nations Convention to Combat Desertification was adopted in Paris on 17.06.1994, entered into force on 26.12.1996 and ratified by the Republic of Bulgaria adopted by 38th National Assembly, promulgated in SG issue 7 / 01.23.2001.

Agricultural areas cover 5,782 ha. and represent 52.1% of the country (11,099 ha.), of which 48-50% are managed crop fields, 31% - as pastures, 7-8 % set aside, 4% as perennials, and approximately 8% are uncultivated lands.

Soil erosion (water, wind and irrigation) as the area distribution is the most serious degradation process in the country. Around 65% of the area of arable land has been affected by water erosion and about 24 % - by wind erosion. Significantly eroded are 11.8% of the country.

According to the climate scenarios of the Joint Research Centre of the European Commission (EC JRC), drought and uneven distribution of rainfall as the effects of climate change will be clearly expressed in the Balkans, including Bulgaria.

In the period 2002 - 2007 a national GEF project "Capacity Building for Sustainable Land Management" was implemented. National Action Programme to combat desertification and sustainable land management was adopted in 2007.

The Programme for Rural Development 2007-2013 (co-financed by EAF) have supported various actions of the land owners and users to prevent erosion and processing of agricultural lands since 2007. This includes schemes for direct payments under Axis 1 and the agri-environment measure of Axis 2.

A serious problem remains the poor condition of irrigation systems in the country that need structural reforms and major investment as measures against desertification in agricultural lands.

International waters

Progress in the establishment of transboundary water management is primarily concerned with the transposition of the Water Framework Directive 2000/60/EEC that has specific requirements in this regard.

Convention for the Protection of the Black Sea Against Pollution

In 2007 was drafted Transboundary Diagnostic Analysis. It confirms the main four priority transboundary problems in the Black Sea: eutrophication / nutrient enrichment, changes in marine living resources, chemical pollution (including oil) and changes in biodiversity / habitats, including the occurrence of alien species. Based on it the Strategic Action Plan for the Protection of the Black Sea (SAP PBS) was developed in 2009. This plan aims to allow cross-border environmental problems of the Black Sea and brings together six Black Sea countries. It includes quality objectives for the ecosystem, short, medium and long term objectives, legal and institutional reforms and investments needed to solve major environmental problems identified by the diagnostic analysis in 2007.

Convention on Cooperation for the Conservation and Sustainable Use of the Danube River

The Convention has been ratified by Bulgaria on 29.06.1994, and entered into force on 02.08.1999, the country participates in the International Commission for the Protection of the Danube River (ICPDR).

Extensive research of the ecosystem of the Danube River (Joint Danube Survey) was performed in years 2001 and 2009, which involved Bulgaria. Series of other research and development projects have been implemented at the river basin level.

In 2009, the Danube River Basin Management Plan was finalized and adopted in accordance with the requirements of the Water Framework Directive 2000/60/EEC. In practice the catchment area of the Bulgarian section of the Danube RBMP has been prepared in accordance with national legislation. However, both documents are harmonized.

Convention on the protection and use of transboundary rivers and international lakes

The Convention has been ratified by Bulgaria on 17.09.2003 and is effective as of 26.01.2004.

Many of the major river basins at the Western and Southern borders of Bulgaria has transboundary characteristics. Agreements with neighboring countries are concluded for many of them have concerning the economic use of water quantity management and risk management. Bilateral agreements have limited application to integrated management of river ecosystems.

3. Institutional and management environment

Bulgaria's policy on the environment is fully aligned with the policies at European level. With the accession to the EU the main efforts and investments in this area are focused on the implementation of commitments made by the country under European law.

In terms of environmental protection and sustainable development the objectives are horizontally integrated in all major strategic documents and sectoral policies, programs and plans. The progress in the period 2007 – 2012 is visible but so far the real integration of the global environmental issues problems into relevant sectoral policies may be considered insufficient. The horizontal integration and the achievement of environmental goals can't be objectively assessed due to lack of appropriate indicators in the most of the sectoral strategies.

Institutional environment in the environment does not face significant structural changes in described period. A major challenge remains the development and maintenance of human and administrative capacity of the institutions of regional and local authorities for the implementation of national policies in the field. This is especially true for units that have committed to the implementation of major investment projects (mainly in the sectors of water, waste and biodiversity).

4. Analysis of NGOs / CSOs

Currently, the number of organizations registered under the Act on Non-profit Organizations is about 30'000. The large number does not necessarily mean greater civic activity as most NGOs have not substantial activities, projects and turnover. The number of active organizations can be assessed at 20% of all existing and no more than 2000 have permanent activity and staff. It can be said that the trend over the past 10 years, is to increase the number of registered NGOs, but not in the number of institutionally sustainable and active ones.

Approximately 9'000 NGOs are registered in the Central Register of public benefit organizations and 5'300 are registered at the Information Portal for NGOs in Bulgaria.

According to data from Information Portal registrations shows that 6% of organizations are active in the environment sector.

Most NGOs are active in a limited geographical coverage: 19% are active in only one municipality, 46 percent work at the regional level, 24% had activities on the whole country and 11% work internationally (Report on NGO management, Bulgarian Center for Not-profit Law 2007).

Territorial coverage of NGOs in Bulgaria follows the general trends of urbanization and administrative centralization in the country. Most of civic initiatives and forms of association of citizens occur in the capital and big cities, where there is an accumulation of a critical mass of young, educated and socially active people. According to the Information Portal for NGOs in Bulgaria, 40% of NGOs are registered in Sofia.

In rural areas, the amount and variety of forms of civic activity are much smaller. On the other hand, many NGOs and COs with national coverage operate in rural areas. This is especially true for organizations active in the environment sector.

There has been a clear trend towards the diversification of social activity and participation over the last years. According to the report *Civil Society Index, prepared in 2010 by the Open Society Institute*, the level of civic engagement through traditional forms - institutional developed and registered NGOs is low. The image of associations and foundations in society is contradictory. They are often regarded as more oriented to donors than to the representation of the public interest. Civil society is increasingly represented by informal citizen groups on an issue, social networks and increasing activity on the Internet.

On one hand, this trend allows for direct citizen participation and there are many examples of generated positive changes. On the other hand, informal groups and social networks have not sustainability, legitimacy and the formulation of constructive solutions is difficult. This situation indicates civic energy that remains unused by the traditional and registered NGOs.

Another challenge the NGO community is relatively low consolidation and cooperation. The need for coalitions building is clearly understood by many organizations, especially in the environment, which in the last 10 years have initiate networking and coalitions to achieve greater social and political impact. Positive examples are the Coalition "For the Nature" and "Climate coalition".

5. Horizontal areas

5.1 Poverty and Poverty Reduction

The living standards in Bulgaria, calculated by purchasing power parity and GDP per capita (IndexMundi) for 2011 is 13,500 USD (13,200 USD respectively in 2010 and 13,100 USD in 2009).

Bulgaria is among the countries where the risk of poverty for the population is among the highest levels in the EU. According to data from the survey of income and living conditions / EU-SILC / a 2009, the level of poverty in Bulgaria was 20.7% or poor were about 1,565 million people. The main risk for the poverty for the majority of households

in Bulgaria is determined by their economic activity and participation in the labor market. (Source: National Social Report of Bulgaria for 2011 - 2012)

In the context of the strategy "Europe 2020" and taking into account recorded higher levels of poverty among certain population groups, the Bulgarian government adopted a national target to reduce the number of people living in poverty by 260,000 people until 2020.

5.2. Integration and care for vulnerable groups

People with disabilities.

Ethnic minorities

Equal treatment regardless of race, ethnicity and religion is guaranteed by the Constitution of the Republic of Bulgaria and the main horizontal policy present in all strategic and program documents.

In fact, the most significant problems are associated with ethnicity inclusion of Roma communities in the country mainly due to their poor socio-economic status, social isolation and relative accumulated historical stereotypes. Roma integration is the focus of several strategies for addressing social, educational and health problems of the Roma community. The main documents devoted to solving these problems are: the National Plan for Equality, Strategy for Combating Poverty and Social Exclusion Framework Programme for Integration of Roma in Bulgarian Society, Memorandum on Social Inclusion National Action Plan for Employment. Following documents along with the initiative Decade of Roma Inclusion (2005-2015) and its national program provides a number of concrete actions to ensure full integration of Roma into society.

5.3. Gender Equality

In 2008 the government adopted a national action plan to promote gender equality. Development and publishing of annual reports on the state of gender equality in Bulgaria has started since 2009, based on available statistical data and analytical papers on the participation of women and men in the social, political and public life. The last published report (2011) reported the following achievements.

- Strengthening the administrative capacity of central and local governments, social partners and society as a whole and strengthen institutional mechanisms / structures for gender equality;
- Creating better conditions for achieving economic independence for women and men equally and reduce or eliminate the gender gap in wages through measures for better reconciliation of work, private and family life and reduce discrimination on gender in the labor market;
- Awareness raising and public awareness of gender equality and the importance of addressing the associated stereotypes, etc.

6. Environment for developing programs of donors and complementarities

Bulgarian accession to the EU has significantly altered the context associated with the financing of projects in the field of environment and sustainable development. Particularly dramatic is the change in funding opportunities for NGOs and civil society organizations with the withdrawal of most bilateral donor programs in the country.

In the period prior to 2007 a series medium and large projects funded by the EU pre-accession funds (PHARE, SAPARD ISPA) were budgeted and negotiated. The implementation of some projects continued after 2007 under the rules of the Financial Memoranda.

The first multi-annual planning period for Bulgaria as a member of the EU has started in 2007. For the 2007-2013 period EUR 7.9 billion were budgeted by the Structural Funds and the Cohesion Fund of the EU. This significant funding is organized and managed by sectoral Operational programs governed by the respective ministries and state agencies.

Despite the large size of this resource, small part of it is earmarked for activities of NGOs and funding of initiatives. Although some measures and programs are targeted to support civil society, their complicated administrative procedures and requirements limited the funding opportunities of small local associations and civil initiatives.

In this sense, we can assume that the accession of Bulgaria to the EU places the main SGP target group in front of new challenges and difficulties in providing co-financing. Although financial resources from EU sources for funding are much greater access to it is more difficult for smaller organizations.

According to the report *Monitoring the absorption of EU funds (2010, Civil Coalition for Sustainable EU Funds)*, the experience of the beneficiaries highlights a few areas of concern in the utilization of funds: Insufficient communication between the managing authorities / intermediate bodies and beneficiaries, rules and procedures are sometimes modified after the conclusion of grant agreements; Bureaucratic procedures for selecting, monitoring and reporting focused on administrative details rather than the outcomes and impact, conflicts of interest and other unfair practices; activities to enhance the capacity does not always lead to cooperation and networking between beneficiaries. Solidarity among beneficiaries is low and is surpassed by competing.

The opportunities for co-financing over the period of the SGP in Bulgaria, adequate to the areas of support and program beneficiaries are listed below:

- Operational Programme "Environment 2007-2013" (co-financed by the ERDF and CF), especially part of measures Pr. Axis 3 "Biodiversity", where NGOs can be beneficiaries.
- Programme for Rural Development 2007-2013 (co-financed by the ERDF and CF). The program provides agri-environmental measures, compensatory payments for Natura 2000, which may have a role in co-financing in the thematic areas of the SGP.

- Operational Programme Human Resources Development (co-financed by ESF) - 60 million EUR for the period 2007 - 2013;
- Operational Programme "Administrative Capacity" (co-financed by ESF) - 17 million EUR for the period 2007 - 2013;
- State budget for NGO - 17 million EUR for the period 2009 to 2011;
- EEA Grants Program NGO - 2.07 million EUR for the period 2008 to 2011, and 11.79 million euros in 2014
- Swiss funds - up to 19 million Euro in 2012

Flexible scheme for co-funding and orientation SGP thematic areas to demonstrate sustainable business models allow for the use of funds from other sources beyond these basic institutional funds. For example, projects related to ecotourism, organic farming and successful energy efficiency could be co-financed by the business own capital or through various schemes to support small and medium enterprises.