

Challenges and Opportunities for Civil Society in Bulgaria

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Introducing BCNL

- Mission: To provide legal + policy support for the development of civil society, public participation and good governance in Bulgaria.
- Registered as public benefit foundation (2001)
- Affiliate of ICNL and ECNL
- Activities:
 - Technical assistance
 - Capacity building
 - Legal consultations
 - Research



Introducing the Bulgarian NGO Sector

- Legal Framework
 - Law on Nonprofit Legal Entities
 - Associations and foundations
 - Public benefit status
- Size of Sector
 - Officially registered NGOs: 26,000+
 - Public benefit NGOs: 5000+
 - Active NGOs: 2000 – 4500



Sources of Income in 2007

[Survey May 2008]

<i>Income Sources</i>	<i>Percentage of Overall Income</i>
International donors	47%
- EU	- 30%
- Non-EU	- 17%
Economic activity	9%
Membership fees	9%
BG Gov't funding (national + local)	13% (9+4)
Private donations (individ + corp)	12% (6+6)
Bulgarian NGOs (local grantmakers)	3%
Other (charitable events, etc.)	7%

Key Challenges

- Financial sustainability
 - Tax Treatment of NGOs
 - Public benefit status
- Government/NGO relationship
 - Government funding
 - Mechanisms for partnership
- Civic participation
 - Volunteerism
 - Participation in law and policy making



Financial Sustainability: Taxation

- European Court of Justice
- Discrimination a/g foreign-based PBOs
- European Commission: donations to domestic and foreign (other EU states) PBOs should be treated on equal footing
- Bulgarian MoF proposal: *eliminate* donor incentives for donations to PBOs and tax exemptions for PBOs



Financial Sustainability: Public Benefit Status

- Benefits being removed?
 - MoF proposal to remove fiscal privileges
 - Undermines concept of PB status
- Registration process
 - Two-tiered process (court + MoJ registration)
 - Denial in case of late applications
- Accountability
 - Weak capacity of MoJ, Central Registry to ensure PBO accountability



Government Funding

- Government grant funds for NGOs
 - Less than 500,000 euro in 2007
 - Grant-making procedures need improvement
- Social contracting developing slowly
- NGOs cannot provide health services
- But growing dependence of NGO sector on state?



Government/NGO Partnership

- No government or parliamentary strategy re development of NGO sector
- No compact or bilateral agreement
- No regular dialogue on NGO sector development



Civic Participation

- Volunteerism
 - No legal recognition of volunteerism
- Participation in law and policy making
 - Not supported by clear regulation
 - Citizen/NGO input into draft law + policy is dependent on individual ministry



Opportunities

- Financial sustainability
 - Pursue advocacy on tax issue
 - Maintain and strengthen PB status
 - Strengthen local donor base
- Government/NGO relationship
 - Increased grant support
 - Increased contracting in areas of social care, healthcare, education
 - Public foundation to support NGOs
- Civic Participation
 - Draft law on volunteerism



Thank you for your attention!

Information and contacts at:

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