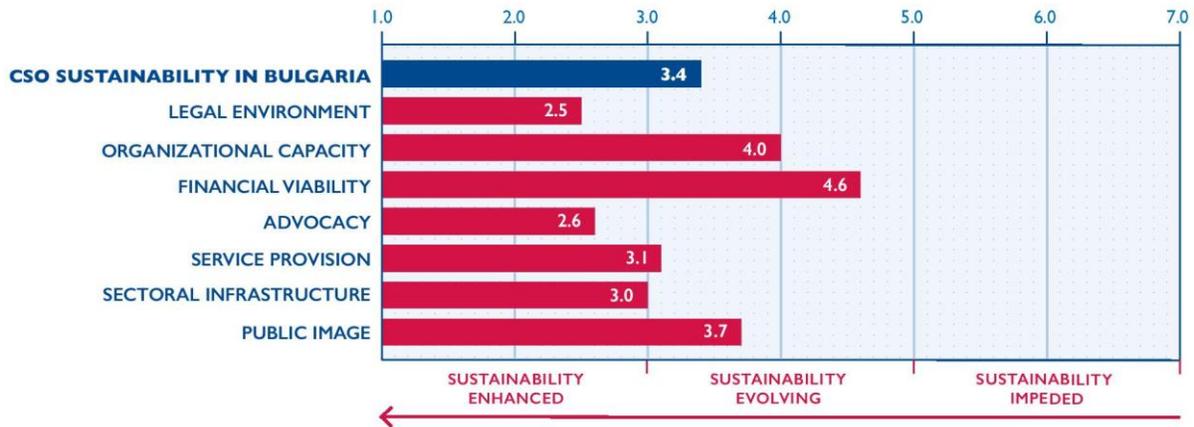


BULGARIA

Capital: Sofia
Population: 7,057,504
GDP per capita (PPP): \$21,800
Human Development Index: Very High (0.813)
Freedom in the World: Free (80/100)

OVERALL CSO SUSTAINABILITY: 3.4



According to Eurostat, 38.9 percent of Bulgaria’s population is at risk from poverty or social exclusion, the highest rate among all member states of the European Union (EU). Moreover, 30 percent of the country’s population suffers from severe material deprivation, meaning that they cannot cover their bills or pay for heating.

During the first half of 2018, Bulgaria held the presidency of the EU. At the same time, with the approach of elections—both EU and local—in 2019, politicians were in pre-election mode and began to take positions in order to attract voters. This influenced CSOs’ advocacy strategies and politicized some of the debates in which CSOs were engaged, including the debate around the ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence—popularly called the Istanbul Convention.

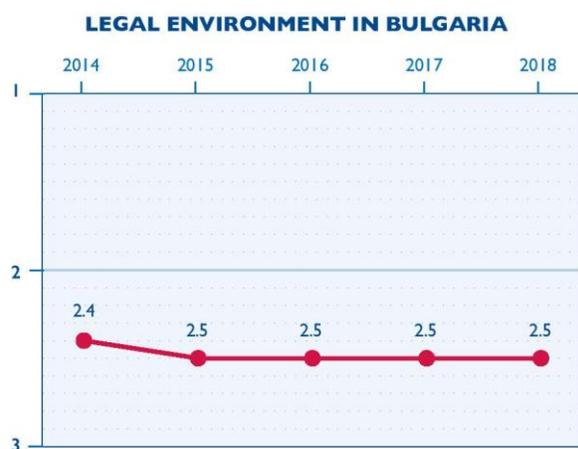
CSOs organized or supported several big protests during the year that had great public outreach. The Save Pirin initiative aimed to stop construction on Pirin mountain and demonstrated the divide between some environmental organizations and activists on one hand and the government, investors, and local businesses on the other. Mothers of children with disabilities organized protests in Sofia demanding more funding, which received significant public support.

Overall CSO sustainability worsened slightly in Bulgaria during the year. Financial viability deteriorated because of the continued lack of funding opportunities for CSOs, while public image decreased as a result of the ongoing negative campaigns against CSOs. The constant attacks against CSOs have prompted them to start discussing how to counteract the negative rhetoric, leading to a minor improvement in sectoral infrastructure. Organizational capacity also improved slightly during the year as new social movements created during the year attracted public attention and received public support.

At the end of 2017, there were almost 50,000 registered CSOs in the country. On January 1, 2018, CSO registration was moved to the Registry Agency. CSOs must transfer their registration from district courts

to the Agency by the end of 2020. More than 8,000 CSOs transferred their registration in 2018. In addition, almost 1,400 new CSOs were registered with the Agency during the year. According to the National Statistical Institute, 13,441 CSOs submitted annual reports for 2017.

LEGAL ENVIRONMENT: 2.5



Bulgarian CSOs continue to enjoy basic freedoms of association, expression, and assembly. While the legal environment score remained unchanged, a great deal of legislative activity affected the sector in 2018.

On January 1, 2018, amendments to the Law on Non-Profit Legal Entities (hereinafter the CSO Law) entered into force. According to these amendments, all new associations and foundations seeking legal entity status now register with the Registry Agency, instead of the district courts as they did previously. Registration processes should be completed in three days. Documents can now be submitted

electronically. In addition, what used to be three different registration processes—the court registry, registration in the Bulstat agency (to get a unique entity number), and registration in the Central Registry (for public benefit organizations)—is now a single process. The amendments also terminated the Central Registry for Public Benefit Organizations, which was part of the Ministry of Justice, and transferred its functions to the new registration authority.

Existing organizations have three years to transfer their registration from the courts to the new registration authority. There were some problems with this process in 2018, including delays in receiving documents needed for the transfer from the courts. In addition, there was some confusion as to where organizations that have not yet transferred their registrations should submit their annual reports. This led to the adoption of changes in the law in November 2018 to clarify the deadlines for CSO reporting and to confirm that CSOs should submit their financial reports to the Registry Agency only after they transfer their registration.

On March 27, 2018, parliament adopted the new Law on Prevention of Money Laundering in response to a new EU anti-money laundering directive. In line with the previous anti-money laundering regulation, the law designates CSOs as reporting entities. According to the legislation, all CSOs must identify their beneficial owners, organize trainings for their employees, and monitor their operations. CSOs with a turnover of EUR 10,000 or more must also prepare individual risk assessments and adopt internal regulations against money laundering. At the same time, the law exempts CSOs from many of the requirements other obliged entities are subjected to, such as identifying the beneficial owners of their clients and verifying the source of their funds—an improvement from the previous system achieved after a campaign by CSOs. However, it remains to be seen if the treatment of CSOs in practice will be better than under the previous law.

In May 2018, the EU's General Data Protection Regulation (GDPR) entered into force. While its objective is to protect the right to privacy, its implementation has placed substantial administrative burdens on CSOs by requiring them to review their practices related to data protection, adopt new policies, and re-assess

their relationships with beneficiaries and donors. In addition, the preparations for complying with GDPR involve additional costs for trainings and legal services.

State oversight of CSOs is regulated by law. There are legal requirements for the internal governance of CSOs, but organizations have substantial freedom to adapt these basic requirements to their needs. There is also court oversight and CSOs have the right to appeal decisions that affect them. However, according to amendments to the Administrative Procedural Code adopted in 2018, some cases—including access to information cases—can only be appealed in one instance. In addition, the fees for appeals may increase more than seventy-fold, although they were quite low prior to the amendments.

There were no known cases of CSOs being dissolved for political reasons in 2018. However, the stigmatization of CSOs peaked during the year. Debates around the Council of Europe Convention on preventing and combating violence against women and domestic violence—popularly called the Istanbul Convention—has created a negative meaning of the term “gender,” either referring to a third gender that is different from male or female gender or in the context of lesbian, gay, bisexual, transgender, and intersexed (LGBTI). As a result, CSOs engaged in this area faced serious obstacles working with schools during the year. The Ministry of Education stopped promoting a program called School without Gender-Based Violence and Stereotypes that it had supported for the last five years in partnership with Gender Education, Research, and Technologies (GERT), a Bulgarian CSO. The Ministry of Education also refused to support a project promoting gender-balanced models in school implemented by one of the institutes of the Bulgarian Academy of Sciences.

Other CSOs also faced pressure during the year for criticizing the government. The National Youth Forum had problems communicating with the Ministry of Youth and Sport after criticizing the organization of the European Youth Conference, while a number of environmental organizations were the subject of negative statements by public officials because of their active positions against construction in nature reserves.

CSOs are exempt from taxes on their income from nonprofit sources, including donations, grants, and membership fees, but pay corporate income taxes on any profit from economic activities. Donors to public benefit organizations enjoy tax deductions for their donations up to 5 percent of the annual income for individuals and 10 percent of the net profit for corporations.

CSOs can receive funding from abroad, take part in public procurements, sell goods and services, and engage in fundraising. In September 2018, the municipality of Sofia issued a new regulation that places some limits on CSOs’ access to resources. Among many other issues, it regulates public fundraising campaigns and introduces a permission regime in order for a CSO to engage in public fundraising on public spaces in the Bulgarian capital. Moreover, only public benefit organizations can obtain such permission. At the end of the year, the municipality was considering revising this regulation to ensure that it does not violate the rights of CSOs.

The Law on the Enterprises of Social and Solidarity Economy, which was adopted in October 2018, may also negatively affect CSOs. While the law provides benefits to social enterprises, it defines social enterprises in a manner that may exclude many smaller CSOs, stating that a social enterprise needs to reinvest at least EUR 3,750 of its profit back into its social purpose or to employ at least three people from vulnerable groups.

Local legal capacity outside of the capital is limited. There are lawyers that can support CSOs in the process of transferring their registration, but in some cases their knowledge of CSO specificities is limited or the services might not be affordable, especially for small, volunteer-based organizations.

ORGANIZATIONAL CAPACITY: 4.0

Organizational capacity in the sector improved slightly in 2018 as new social movements created during the year attracted public attention and received public support. For example, a group of mothers of children with disabilities started protests demanding more funds from the national budget. As described in more detail below, these efforts received a significant amount of positive media attention, and attracted the support of the Ombudsperson and a great deal of public sympathy, which eventually helped them achieve their objectives.

ORGANIZATIONAL CAPACITY IN BULGARIA



Despite this positive trend, CSOs continue to face a tough period in their development and many CSOs struggle to survive. For example, according to the National Alliance for Voluntary Action, 27 percent of their members are not operational.

Constituency-building efforts were difficult, particularly for CSOs that struggled with their financial sustainability, which faced problems engaging in outreach activities. CSOs that were portrayed negatively in the media also found it more difficult to attract constituents or explain the important role they play. Small, local organizations struggle to attract young people as youth often move to bigger cities. Environmental organizations are generally the best known organizations in the country and have larger constituencies.

According to research commissioned by the Bulgarian Center for Not-for-Profit Law (BCNL) and carried out by Alpha Research in October 2018, only 9 percent of people have had contacts with CSOs and only 3 percent are members of a CSO. The research also found that 60 percent of respondents had not participated in any civic activity (including donating) over the previous year.

CSOs have missions but some of them undertake projects in other areas in order to survive. A few donors support the organizational development of CSOs, including strategic planning, but without long-term support many of the strategic plans developed remain on paper and are not fully implemented.

Most CSOs do not have permanent staff and experience high turnover of personnel. The majority of organizations depend on the efforts of one or two key people. Many organizations also lack clear divisions of responsibilities between their board members and staff. According to data for 2017 from the National Statistical Institute, the number of paid people engaged in CSOs increased slightly, while the number of volunteers decreased from around 85,000 people to 82,000. According to the Charities Aid Foundation's 2018 World Giving Index, Bulgaria ranks second to last in the world on the level of volunteering, with only 5 percent of respondents in the country reporting that they volunteered for a CSO during the reporting period in 2017, the same percentage as in the previous year. The low level of volunteering in the country was confirmed by the Alpha Research survey, in which only 7.3 percent of people stated that they volunteered.

Most CSOs have basic information technology (IT) infrastructure, including computers and cell phones. However, few organizations consider more advanced issues such as IT security and data protection. Internet access is readily available and CSOs use social media, including Facebook, on a regular basis.

FINANCIAL VIABILITY: 4.6



The financial viability of CSOs declined in 2018, largely because of the ongoing lack of funding opportunities. As there have been almost no large donors in the country for several years now, CSOs have not had access to regular funding and have experienced long periods without funding, forcing some CSOs, primarily smaller organizations, to close down.

Most CSOs do not have diversified sources of funding. Certain types of organizations, such as human rights CSOs, have particularly limited access to funding. One of the few donors that still funds human rights groups is the America for Bulgaria Foundation (ABF). In 2018, ABF provided nearly \$20

million in grants, more than all other foundations in Bulgaria combined. More than half of this amount was provided to CSOs, with the remainder going to entities such as schools and municipalities.

The prolonged lack of grants from previously important donors continues to affect the sustainability of CSOs. After two years without any calls for projects, the European Economic Area (EEA) Financial Mechanism 2014-2020 launched the Active Citizens Fund in October 2018 with total funding of EUR 15.5 million. The first grants are expected to be awarded in the second quarter of 2019. The EU Operational Program for Good Governance finally announced its first project competition in July 2018 after almost four years without any calls. In December, it announced that approximately BGN 10 million (approximately \$5.8 million) will be provided to 118 CSOs for projects supporting citizen participation. These positive developments, however, will only have an effect on CSO financial viability in 2019.

At the same time, CSOs continue to have limited access to other funding programs. For example, the program for social entrepreneurship under the EU Operational Program for Human Resources Development announced the results of its last call for proposals, under which only 20 percent of the 270 supported projects were awarded to CSOs. The EU Operational Program on Environment did not support any CSO projects in 2017 or 2018 while previously it was a significant source of support for environmental organizations. The so-called *de minimis* rule for state aid—which limits the amount an organization can receive to EUR 200,000 over a three-year period—still applies to all EU programs.

The State Budget Law for 2018 allocated BGN 68 million (approximately \$40 million) for CSOs, but a large portion of this money was designated for sports clubs and religious organizations or monasteries. The government still has not established the Civil Society Development Council which was supposed to develop a transparent and competitive mechanism for distributing state funds to CSOs. Therefore, the BGN 1 million (approximately \$580,000) planned for this mechanism in the budget remained unspent. The only positive step taken during the year was that the draft regulation of the Council was released for public consultation in October, almost eight months after it was developed by a working group composed predominantly of CSOs. The Official Development Assistance (ODA) Law, which will create mechanisms to support development projects, including by CSOs, has been under discussion since 2017, but no steps were taken to develop it further in 2018.

There are some positive examples of government funding mechanisms for CSOs at the local level, but the amounts are limited in smaller municipalities. Sofia Municipality continued to support CSOs under its two existing programs in 2018, distributing more than BGN 280,000 (approximately \$163,000) under its Europe program and BGN 1.4 million (approximately \$810,000) under its Culture program, much but not all of which goes to CSOs. In addition, in early 2019, Sofia Municipality will launch a new BGN 100,000

(approximately \$58,000) fund for social innovations. The AGORA Platform has successfully advocated for the creation of small municipal funds to support local civic initiatives in nine towns. The funds will total more than BGN 157,000 (approximately \$91,000), with approximately half of the funding coming from municipal budgets and the other half coming from AGORA.

An analysis by the Bulgarian Donors Forum shows that the level of donations increased slightly in 2017, the last year for which data is available. Companies donated more than BGN 38 million (approximately \$22 million), compared to approximately BGN 34 million in 2016 and well below the BGN 46 million donated in 2015, although no information is available about how much of these donations went to CSOs. Still less than 1 percent of companies that submitted tax declarations donated funds to CSOs. Individuals donated almost BGN 9 million (approximately \$5.2 million) in 2017, a slight increase from BGN 8.5 million in 2016. The most common ways of donating are through SMS or donation boxes. According to the 2018 World Giving Index, 18 percent of people reported that they donated money to charity in 2017, compared to 17 percent in the previous year.

Fundraising is still a relatively new phenomenon for Bulgarian CSOs, but there are organizations that attempt to raise funds in this way. Some large organizations, such as For Our Children Foundation, WWF, SOS Children’s Villages, and the Bulgarian Red Cross, have fundraising strategies and employ a variety of fundraising methods, such as online appeals, charitable events, charitable sales, and regular donations through SMS. The National Youth Forum collected BGN 12,000 (approximately \$7,000) in just twelve days through platformata.bg, a Bulgarian crowdfunding website. At the end of 2018, thirty-one Bulgarian CSOs were raising funds through the Global Giving crowdfunding platform.

CSOs try to diversify their funding by offering paid services or selling products that they produce. For example, Maria’s World Foundation provides catering services, and Concordia Foundation produces candles. However, these efforts are still in the nascent stage. Membership fees are not a significant source of funding for membership-based organizations.

CSOs are legally required to publish financial reports and active organizations adhere to these requirements. While large organizations have their own financial personnel, small ones usually use the services of external accountants.

ADVOCACY: 2.6

Advocacy did not change significantly in 2018.

While the law requires public consultations, there are cases in which the government or parliamentarians avoid using these. For example, in 2018, the Fund for Medical Treatment of Children was transferred to the National Health Insurance Fund, thereby essentially terminating its work, through a provision in the State Budget Law for 2019, which is exempt from public consultation requirements. In addition, while public consultations must be organized on draft laws before they are introduced in parliament, members of parliament often insert substantial changes to laws between the first and second readings in parliament, thereby avoiding these requirements.

Various bodies, such as the Public Council with the Parliamentary Committee for Interaction with CSOs and Citizen Complaints, facilitate cooperation between CSOs and public institutions. However, some public councils exist only on paper. For example, the Public Council of the Ministry of Youth and Sports only met once in 2018. Others—such as



the Public Council of the Fund for Medical Treatment of Children—have been terminated because the host institutions do not see the benefits of their existence.

One of the biggest public debates in 2018 focused on the Istanbul Convention. A number of CSOs fighting for women’s and LGBTI rights advocated for the convention’s ratification, while conservative civic groups, the Orthodox Church, and some political parties, including the Bulgarian Socialist Party and the United Patriots, opposed ratification of the treaty, arguing that it would introduce a third gender that contradicts biological sex and that Bulgaria would give up its sovereignty to a body established under the Convention. The government asked the Constitutional Court to review the Convention, and the Court found that the Convention contradicts the Bulgarian Constitution. Following the decision, the ratification proposal by parliament was withdrawn. As a result of the debate, the word “gender” essentially became an insult, and progressive CSOs that supported ratification were labelled as traitors or “genders.”

The protest of mothers of children with disabilities was also among the most visible advocacy and lobbying campaigns in 2018. Mass protests were organized for several months under the slogan The System Kills Us. As a result of this campaign, a new Law on Personal Assistance was adopted, which allocates an additional BGN 150 million (approximately \$87 million) to provide social assistants to people with disabilities, including children. In addition, the vice prime minister had to resign as a result of the negative statements he made about the mothers and their aims.

CSOs have been able to work in partnership with the government to bring results in the social area. The new Draft Law on Social Services was developed through the joint efforts of CSOs and the authorities. By the end of 2018, the draft had been approved by the government and submitted to parliament. In the process of consultation, the Ministry of Labor and Social Policy even engaged an independent moderator.

Some campaigns were unable to achieve positive results in 2018. Fifty CSOs advocated against amendments to the Administrative Procedural Code that affect citizens’ right to appeal government decisions and the fees for these appeals. The president agreed with the arguments and imposed a veto; however, the veto was overridden by parliament and the amendments were ultimately approved.

Under the auspices of the Public Council in Parliament, CSOs organized a meeting with the Ministry of Justice and the Registry Agency to discuss problems with the implementation of amendments to the CSO Law, leading to amendments related to CSO reporting (described in the legal environment section). On the other hand, no progress was made on the Law on Volunteerism, which was introduced in parliament in 2017. Similarly, the creation of the Civil Society Development Council within the Council of Ministers was postponed despite the active participation of CSOs in the working group established by the government to prepare the draft regulation.

SERVICE PROVISION: 3.1

CSO service provision did not change significantly in 2018. CSOs continue to provide a diverse range of services in areas such as education, sports, culture, social needs, and environmental protection.



CSOs provide many services free of charge. For example, WWF provides advice to people about what to do if they witness illegal cutting of trees. A growing number of organizations sell their services on the market to generate funds to further their missions. Most CSO services target a much wider audience than their members although CSOs need to develop their marketing capacity as they

traditionally have access to a narrow group of potential clients.

Some organizations also sell products, including online. For example, Olemale.bg is an online shop that sells products made by mothers of children with disabilities. However, CSOs' production capacity is generally limited and they have problems regularly supplying bigger commercial chains. For example, there was an idea to set up a special stall to sell CSO products in a big retail chain, but it turned out that CSOs could not produce inventory in the scale necessary to satisfy demand.

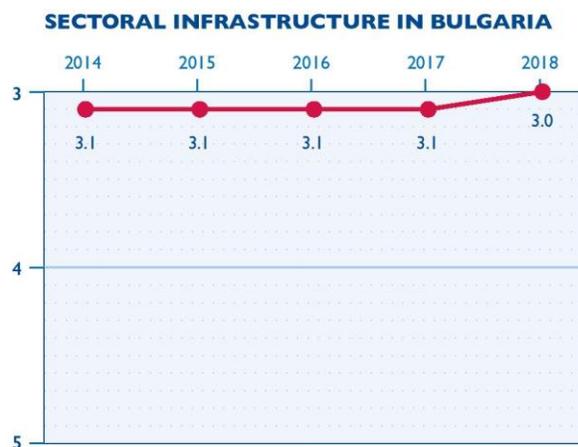
The concept of social entrepreneurship is developing and more CSOs see themselves as potential social enterprises. However, it remains to be seen how the newly adopted Law on the Enterprises of the Social and Solidarity Economy will affect CSOs, especially smaller organizations.

The government recognizes the added value of CSOs and awards contracts in some areas, such as the social arena. For example, the State Agency for Child Protection outsources the management of the national telephone hotline for children to the Animus Association. However, many state institutions still do not recognize CSO expertise in areas such as analysis or drafting documents as services that they need to pay for. Legislative developments from 2015 in the Law on Pre-School and School Education and the Law on Healthcare Institutions, which were expected to facilitate contracting in the educational and healthcare areas, have not been implemented in practice, so the number of contracted services has not increased. In addition, some conditions related to social contracting have worsened. For example, there have been examples of newly contracted CSOs being required to maintain the municipal personnel instead of using their own experts.

Even when there are already established partnerships, such as in the area of HIV prevention, the government is unwilling to decentralize or delegate these services. For example, the Global Fund to Fight AIDS, Tuberculosis and Malaria, which closed its programs in Bulgaria in 2018, wanted the state to establish a mechanism to finance CSOs to continue to provide prevention and awareness raising services. The Ministry of Healthcare, however, had still not set up such a mechanism at the time of writing this report.

SECTORAL INFRASTRUCTURE: 3.0

The infrastructure supporting the CSO sector improved slightly in 2018 as the constant attacks against CSOs over the past few years have prompted CSOs to start discussing how to counteract the negative rhetoric. In October 2018, the Citizen Participation Forum, BCNL, WWF, the Red House for Culture and Debate, the NGO Informational Portal (www.ngobj.info), the Bulgarian Donors Forum, the AGORA Platform, and the National Network for Children organized the Future Search Conference, which brought together more than eighty organizations from all over Bulgaria. A joint strategic plan that identified common needs and measures was developed as an outcome of the conference. A CSO coalition coordinated by the Citizen Participation Forum will be responsible for implementing the plan.



Existing CSO coalitions, such as the National Network for Children, the Citizen Participation Forum, and the Bulgarian Donors Forum, continue to be the main source of expertise and capacity-building support for CSOs. These groups provide trainings, consultations, and information to their members. In addition, specialized CSOs, such as BCNL and the Access to Information Program, provide assistance in their areas of operation, such as CSO legal requirements or access to information.

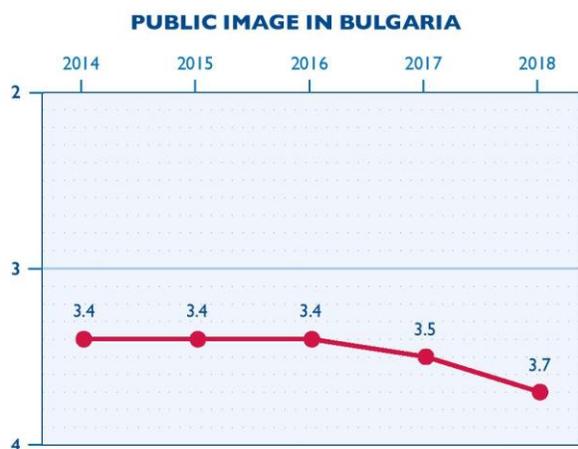
There are several experienced grantmakers in Bulgaria, including the Open Society Institute, Tulip Foundation, Workshop for Civic Initiatives Foundation, Trust for Social Achievement, and BCause Foundation. There are also several community foundations. In addition, a consortium of three Bulgarian organizations manages the Active Citizens Fund of the EEA Financial Mechanism.

The campaign against the ratification of the Istanbul Convention brought together a large group of CSOs that defended the rights of victims of violence. Another large ad hoc initiative called 7000, which was supported by several CSOs of people with disabilities, members of the Bulgarian Association of People with Intellectual Disabilities, the Global Initiative on Psychiatry, and BCNL, aimed to stop people with intellectual disabilities or mental health problems from losing their legal capacity to exercise their rights by adopting a new Law on Physical Persons and Support Measures. The 7000 initiative collected more than 12,000 signatures which helped put this issue on the floor of parliament.

Experienced CSO trainers offer CSOs training in a wide range of topics, including accounting, legal issues, GDPR, and how to work with social media. Trainings are widely available in Sofia but are rarer outside of the capital.

Corporations are very open to establishing long-term partnerships with CSOs. For example, Reach for Change and Nova TV jointly develop a program on social entrepreneurship; Lidl (a grocery chain) and the Workshop for Civic Initiatives Foundation work together to provide grants to CSOs; and BCNL and Vivacom (mobile operator) have partnered to carry out the Regional Grant program. There are also examples of partnerships between state authorities and CSOs. For example, Sofia Municipality signed a partnership agreement with CSOs providing social services. Diversity Pays Off brings together CSOs, companies, and state institutions to support diversity in the corporate sector and help people from disadvantaged groups to find a job.

PUBLIC IMAGE: 3.7



The sector's public image deteriorated moderately in 2018. The Human and Social Studies Foundation monitored anti-democratic propaganda in the media in 2017. According to its report, published in 2018, one of the leading propaganda messages was about corrupt elites in Bulgaria. The propaganda grouped together representatives of opposition political parties, businesspeople, and CSOs, all of which were labelled as "grant-eaters," "sorosoids," and "puppets." Such propaganda aims to discredit any criticism or alternative ideas by CSOs. The report further stated that the publications that disseminate this propaganda "violate all standards of professional journalism." Research conducted by the

NGO Information Portal in September 2018 found that more than 46 percent of surveyed CSOs state that the anti-CSO campaign has affected their organizations very strongly or strongly. At the same time, there

are still media outlets that show the CSO perspective and publish positive CSO stories. At the local level, media is particularly open and actively seeks news from CSOs.

In 2018, public officials made a number of negative statements towards CSOs and liberal values. For example, the head of the press center of the Ministry of Defense attacked Sofia University, the Bulgarian Donors Forum, and several of its member companies for spreading “gender ideology” during the debate about the Istanbul Convention. The Minister of Education officially stated that he will terminate any courses in schools that spread “gender ideology.” Even the President of Bulgaria, when speaking about the ratification of the Istanbul Convention, stated that: “the Convention takes powers from the state and gives them to CSOs. They will become the main source of information and will transform them into control bodies. This will not lead to decrease of the violence against women and children but will more likely stimulate lawsuits against the state.”

Environmental organizations are constantly attacked for their opposition to government investment plans in protected nature areas. The minister of environment and waters contracted an independent company to estimate the losses due to court appeals of investment proposals. The report claims that over a period of eleven years, unrealized gains from the disputed investment projects exceed the losses from natural disasters by BGN 900 million (approximately \$523 million). As a result, the minister declared that “natural disasters have caused less damage than environmental activists.”

The public has limited awareness of CSOs. According to the survey carried out by Alpha Research in October 2018, more than 50 percent of surveyed people have no opinion about CSOs and only 49 percent of respondents could identify at least one CSO. Only five organizations were named by more than 2 percent of people. While the level of trust in CSOs is limited, there is also a general lack of trust in Bulgarian society, with 80 percent of Bulgarian respondents in the European Values Survey 2017/2018 saying that you cannot trust other people.

While the government has a mixed attitude towards CSOs, the business sector looks at CSOs as potential partners and there are visible examples of partnerships, as described above.

CSOs understand the importance of media coverage. Television is still the main source of information for people in Bulgaria, but it is difficult for smaller organizations to access this medium. While CSOs lack capacity on how to engage media and journalists, they actively use social media, such as Facebook.

CSOs have no common code of ethics although they understand the value of observing high standards in their work.