



**BCNL**

# **ANNUAL REPORT | 2014**

**BULGARIAN CENTER FOR  
NOT-FOR-PROFIT LAW**

# WHO ARE WE

**BCNL's mission is to provide support for the drafting and implementation of legislation and policies aiming to advance civil society, civil participation and good governance in Bulgaria.**

## About us

The Bulgarian Center for Not-for-Profit Law (BCNL) was founded in July 2001 and is incorporated as a public-benefit foundation in the Central Register at the Ministry of Justice. The founder of BCNL is the International Center for Not-for-Profit Law.

BCNL pursues its mission with the strong belief that the improvement of the NGO legal framework is instrumental for the creation of an independent and prosperous civil society.

## Main activities

- Organize legislative initiatives and advocacy campaigns, provide technical assistance to NGOs and institutions for drafting and implementing legislation;
- Enhance the capacity of NGOs on issues related to the legislation regulating their activities, advocacy and good governance;
- Provide legal support to NGOs through consultations on the legal and tax framework for the activities of foundations and associations;
- Conduct legal studies, analyses and research on topics related to the legal framework and the activities of NGOs, draw up strategies and organization development plans;
- Organize trainings on the legal and financial framework for NGOs, good governance, fund-raising, provision of social services, advocacy, etc.



**BULGARIAN CENTER  
FOR NOT-FOR-PROFIT  
LAW**

## Team

- Luben Panov** – Director of the Foundation as from February 2005, expert with international experience in the field of legal and financial framework for NGOs.;
- Ralitsa Velichkova** – Director of BCNL (February 2009 – February 2015), lawyer, expert on the legal framework for NGOs;
- Nadia Shabani** – Program Director, lawyer, expert on the legal framework for NGOs, and social contracting;
- Pavleta Alexieva** – Program Director, lawyer, expert on the legal and tax framework for NGOs;
- Ivan Georgiev** – lawyer, expert on the legal framework for NGOs;
- Marieta Dimitrova** – lawyer, expert on social contracting and anti-discrimination;
- Elina Petkova** – office administrator till May 2014;
- Rumiana Yotova** – office administrator as from November 2014;
- Georgi Genchev** – NGOBG.info Manager;
- Plamen Todorov** – Financial Accountability & NGOBG.info Admin;
- Victoria Yulianova** – editor of NGOBG.info;
- Svetlana Todorova** – expert on fundraising and communication till July 2014;
- Natalia Zlatarska** – expert on fundraising and communication as from July 2014;
- Aylin Yumerova** – intern till December 2014; legal consultant as from January 2015;
- Petya Petranova** – accountant till March 2015;
- Donka Ivanovska** – accountant as from March 2015.

## Board of Trustees

- Vyara Mukova** – Chairperson of the Board (attorney-at-law);
- Desislava Bizheva** – member (lawyer);
- David Moore** – member (Vice President of the International Center for Not-for-Profit Law);
- Svetlana Georgieva** – member till March 2015 (journalist);
- Velina Todorova** – member as from March 2015 (associate professor, Ph.D. in Law);
- Stephan Klingelhofer** – member (Senior Vice President of the International Center for Not-for-Profit Law);
- Ivo Hristov** – member (associate professor, Ph.D. in Law);
- Luben Panov** – ex officio member, Director of BCNL.



## Dear colleagues, friends, like-minded supporters,



Here is the Annual Report of the Bulgarian Center for Not-for-Profit Law for the year 2014.

Similar to all previous reports, this report also provides a summarized account of what we were concerned and excited about and what we strove to change throughout the year.

The introduction to all previous reports has faced us with the challenge of finding a key word to convey the essence of the whole year – dynamic, active, transitional, etc. – a single word telling it all.

However, sometimes the attempts to find the unifying word prove pointless, as there are enough words we can use to tell the story about what drove our emotions and efforts during the year.

Insofar as this report also contains a personal note (if you perceive it as the diary book of an organization over the previous year), to start with, I would highlight two issues that were at the core of our activity throughout the year and are still valid for our organization: how should we disseminate our ideas in such a way as to keep winning over a growing number of supporters; and how can we ensure that all the nice achievements we have had so far remain sustainable.

Hence, we started testing various venues for raising support and openness for our ideas. You will see for yourselves how we have managed to boost our online presence during the year – the NGO Information Portal was enriched with a new and more interactive content; we developed the Social Contracting Platform, we started up the Our Voice platform – a virtual space for socially responsible people with a strong civil stance.

We started telling in simple words the story about how we are attempting to change an outdated legal concept that has existed for ages and has served to justify restrictions on human rights – a situation which we consider incompatible with either the contemporary views on the free human will or the belief that, in addition to being a holder of rights, any human being must have the opportunity to exercise these rights.

We encourage organizations to be brave in making their dreams come true by initiating business ideas or finding innovative ways to raise funds and, thus, attain their goals and missions.

At the close of the year we also made a change in the management of the organization – hence, as from 2015 our colleague Luben Panov is the Director of BCNL.

Last but not least – we have done our best to tell you the above story on the pages to follow.

It all seems to boil down to one single word – experience which we believe to have been successful!

Have a nice reading,

A handwritten signature in blue ink, appearing to read 'Ralitsa Velichkova'.

Ralitsa Velichkova

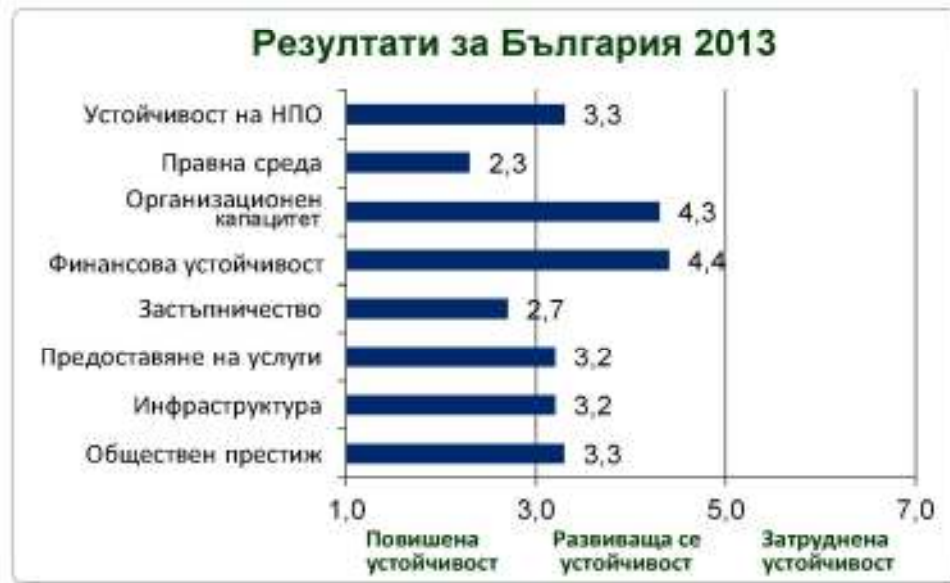
Director of BCNL

# LEGAL FRAMEWORK FOR NGOs

## The environment for civil organizations in Bulgaria

The Bulgarian Center for Not-for-Profit Law is the Bulgarian partner of the US Agency for International development (USAID) in the development of the CSO Sustainability Index. This is a tool to evaluate on an annual basis the state of civil organizations in 29 countries in Central and Eastern Europe and the former Soviet Union. Bulgaria ranks 9th (one of the lowest rankings among the EU Member States). The evaluation results for Bulgaria for the year 2013 remain unchanged (3.3) compared to the previous year. This Index measures the country's progress in 7 areas: Bulgaria has the worst performance in the areas of financial viability and organizational capacity (the country ranks 23rd in this category).

The year 2014 continues the trend set in the previous year – the Strategy for Supporting the Development of NGOs in Bulgaria has remained a document on paper, as no real actions were taken for its implementation. The emerging environment of mistrust between a number of civil organizations and the government contributed to the lack of progress in delivering on the Strategy. Nonetheless, the Bulgarian Center for Not-for-Profit Law carried on its consultations with organizations across the country with a view to discussing their ideas about ways to improve the environment for civil organizations in Bulgaria. We organized regional discussion forums in Plovdiv and Stara Zagora, which enabled us to meet with over 60 representatives of local organizations and media.



On 25 April 2014 the Bulgarian Center for Not-for-Profit Law held a roundtable to discuss the progress in implementing the Strategy; the roundtable was attended by representatives of many non-governmental organizations and coalitions. While the meeting was intended to be also attended by policy-makers, there were no representatives of the administration at the political governance level, except for an advisor to the President of the Republic of Bulgaria.

The second half of 2014, however, was marked by changes. The delivery of some of the Strategy measures, for example the establishment of a Council for the Development of Civil Society, acquired realistic prospects. On 1 October 2014 BCNL organized a discussion forum on the possibilities for setting up a Fund for financing civil organizations. The forum was attended by Maris Jogeva, Executive Director of the Network of Estonian Non-governmental Organizations (NENO), who presented the experience with establishing a National Foundation of Civil Society in Estonia.





In November the Ministry of Justice published a draft law on amendments to the Non-Profit Legal Entities Act, whereby three major developments were proposed:

- Establish a Council for the Development of Civil Society that will monitor the implementation of the Strategy for Supporting the Development of Civil Organizations and will advise the state policy on civil society development issues;
- Set up a Fund for the development of civil organizations and financing their initiatives;
- Improve the activity and functioning of the Central Register of Non-Profit Legal Entities Acting for Public Benefit in Bulgaria, including the implementation of an option for online filing of registration applications.

The Bulgarian Center for Not-for-Profit Law supported the proposals made and will facilitate both advocacy and consultation actions with a broad range of civil organizations in relation to

these proposals. As regards the Fund for the support and development of civil organizations, our position in terms of such an instrument is that the Fund should be planned as a separate budget line and allocated via an operator to be selected on a competitive basis.

In 2014 the Bulgarian Center for Not-for-Profit Law was a major actor in terms of another two reforms:

- Abolish the requirement for NGOs implementing EU-financed projects or projects financed from the financial mechanism of the European Economic Area to advertise tender procedures for the acquisition of goods or services, irrespective of their value (i.e. even for procedures whose value is 1 BGN). In August the Government repealed Art. 9, paragraph 2 of Decree No 118 laying down this requirement;
- Abolish the requirement to fill in and submit declarations for donations received from public benefit organizations, given the fact that the latter are exempt from donation tax, hence such an administrative burden is unjustified. As a result of a joint campaign with the Bulgarian Donor's Forum, supported by other organizations, the Local Taxes and Fees Act was amended in such a way as to clearly regulate that organizations acting for the public benefit shall not file declarations on the donations received.

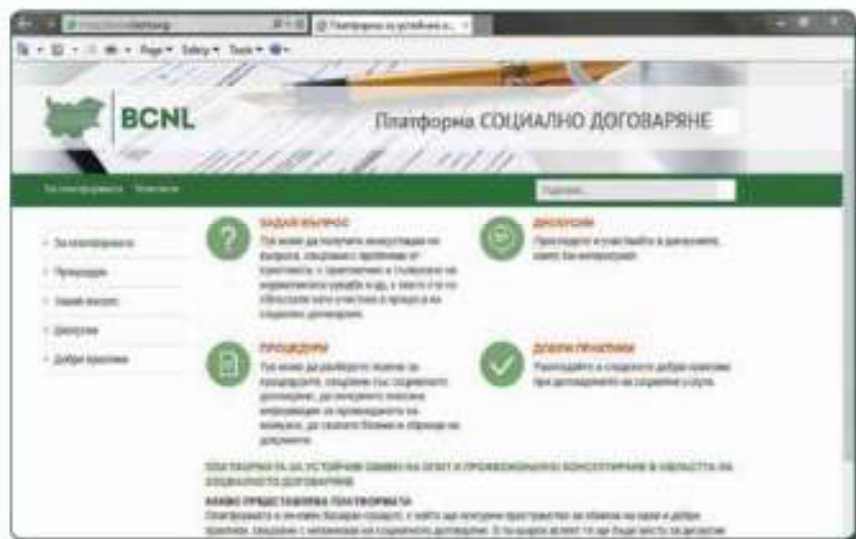
## Social contracting.

### Can integrated approaches be applied to the provision of social services?

This was the motto of a conference organized by the Bulgarian Center for Not-for-Profit Law and the National Association of Municipalities on 29 and 30 October 2014. The conference addressed the options for such interaction among the various systems – healthcare, education and social affairs – that would result in integrated support for the citizens or the most useful and efficient support. The conference was attended by over 150 representatives of municipalities, of social services providers and state institutions.







In 2014 BCNL continued its activities on the improvement of the social contracting mechanism with a focus on the following: on the one hand, remedying some shortcomings identified in the practical application of this mechanism over the last 12 years, and, on the other hand, as the mechanism has proved a successful one, ensuring its application to the extent possible in other areas (such as education and healthcare) by decentralizing services and contracting them out to private providers.

In view of the above BCNL carried out a legal analysis of the social contracting mechanism, an important part of it being the study of the effective legislation and the possibilities to contract out educational and healthcare services with public financing to private providers.

The publication contained also an assessment of the effective social contracting practices, and a presentation of the European experience in outsourcing social services.

In 2014 BCNL experts took part in a working group with the Ministry of Labor and Social Policy in relation to drafting a new Social Services Act. The mandate of the working group also covers the year 2015. In addition, we support the possibility to contract out educational services to private providers, as laid down in the draft of the new School and Preschool Education Act.

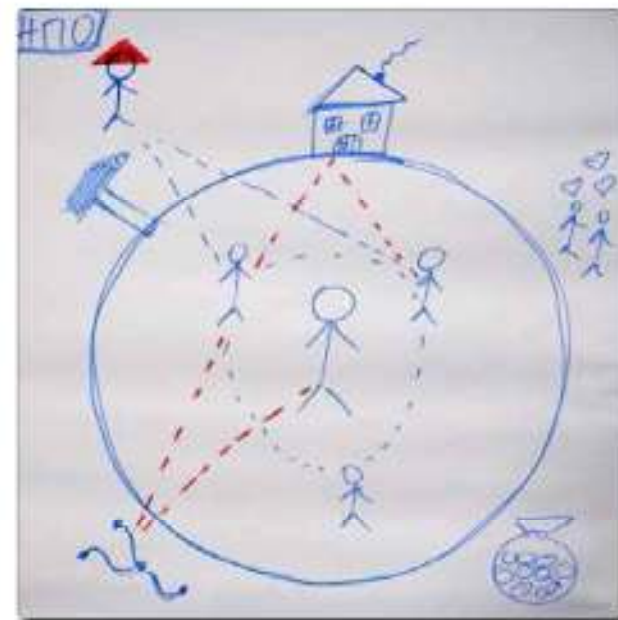
In order to offer benefits to the various stakeholders in the process of social contracting, in 2014 we developed yet another online-based product – a Social Contracting Platform (<http://social.bcni.org>), a virtual space for discussions on topical issues pertinent to the social system reform and best practices in the application of the social contracting mechanism.

## Supported decision-making – an opportunity for everybody to exercise their rights

In 2014 we continued the Next Step program implemented by the Bulgarian Center for Not-for-Profit Law, the Global Initiative in Psychiatry, the Bulgarian Association of Persons with Intellectual Disabilities, and the National Organization of the Users of Mental Health Services. The purpose of this program is to offer support to individuals with mental health issues or intellectual difficulties in order to enable them to exercise their rights independently, depending on their wishes and preferences. The Program started up in 2012 with 40 persons, while now it already encompasses 80 persons in 8 settlements. A similar program for supported decision-making in the exercise of civil rights (instead of placing individuals under guardianship) has been underway in Bulgaria (Australia and Israel are the only three countries with such a program).

The experience gained under the program has been reflected in 5 substantial studies and publications, including:

1. A study on changing attitudes by means of action (led by the social anthropologist Haralan Alexandrov);
2. An assessment of the economic benefits (jointly with our partner De Pasarel – Bulgaria);
3. “The New Formula of Legal Capacity” – a document with a detailed presentation of the proposals regarding a new regulation replacing the guardianship regime (Velina Todorova, associate professor in family law, and Aneta Genova, lawyer at MDAC, were also involved in the drafting of this document). The document was at the basis of an article published in the Pravna Misal (Legal Thought) magazine;







4. An article on the measures for supported decision-making, published in the Pravna Misal magazine, issue 1 of 2014;
5. A survey on changes in policies, including also guidance on how and what should be changed in order to implement measures for supported decision-making in Bulgaria;
6. A guide on safeguarding rights, which is the first ever handbook on what supported decision-making is about, and how to implement the relevant measures.

Lawyers from Moldova and Nigeria showed interest in the supported decision-making program; these lawyers attended a short training conducted by BCNL experts.

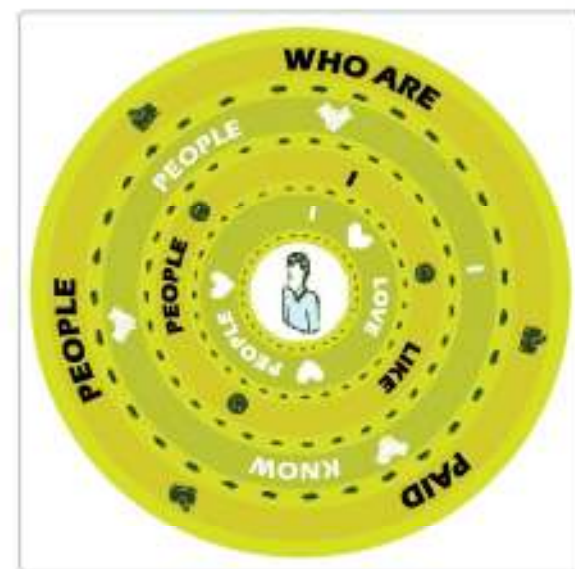
The most significant achievement in terms of the above topic is, in our view, the drafting of a brand new Natural Persons and Support Measures Act, which was developed by a working group with the Ministry of Justice with the active participation of BCNL experts. The proposals incorporated and developed in the draft law are based on the studies made under the Next Step Program. The draft law provides an entirely new legal framework of legal capacity for individuals aged above 18, and is in itself an extremely advanced and modern piece

of legislation in view of applying the standards laid down in Art. 12 of the Convention on the Rights of Persons with Disabilities. On a global scale, in addition to Bulgaria, Ireland is the only other country that has a draft law with a brand new regulation of legal capacity.

An important element of our advocacy efforts in relation to the new concept of supported decision-making was organizing discussion forums with representatives of various professional communities. In January 2014 we held, together with the Union of Judges, a Conference on law implementation issues related to the ratification of the Convention and the national legal provisions on guardianship that are contrary to the Convention. In partnership with leading organizations in the area of policies for people with disabilities, we also took part in initiating the first national conference on the progress made by Bulgaria in bringing the national legislation in line with the Convention. The event was held on 27 February under the auspices of the President of the Republic of Bulgaria and with the participation of the Ombudsman of the Republic of Bulgaria. In April we once again invited social services providers, and representatives of organizations of and for people with disabilities to attend a discussion forum on the reforms needed in various sector policies for ensuring that people with disabilities are equally treated by the law. Similar forums took place in Dobrich and Varna in September upon the initiative of the Bulgarian Association of Persons with Intellectual Disabilities.

In 2014 the Ombudsman, Mr. Penchev referred to the Constitutional Court a request for declaring provisions of the Persons and Family Act regarding guardianship as unconstitutional. BCNL was approached for an official opinion within the constitutional proceedings instituted. In addition, the request by the Ombudsman was supported with a letter signed by 64 non-governmental organizations, including BCNL.

The destiny of people placed under guardianship challenged the journalist Maria Cherneva (BNT) to produce the film "Under Guardianship" which tells the story of Roussi Roussev (the person who won the first case against Bulgaria in Strasbourg in relation to Art. 12 of the UN Convention on the Rights of Persons with Disabilities) and of other persons suffering from the guardianship regime. In November 2014 we organized, jointly with the National TV, the public launch of this film which was followed by a discussion attended by people with disabilities, representatives of civil organizations, judges, policy-makers, and journalists.





## A new impetus to the idea about a new volunteering act

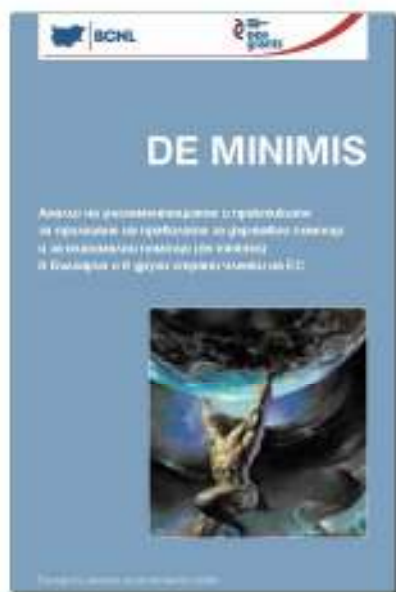
In 2014 we conducted a survey amongst active volunteers in order to identify the incentives and disincentives for volunteers, the public perception of volunteers, the areas where volunteers mostly act, and, last but not least, to get an idea as to the need to regulate volunteering by means of a separate law. The survey covered 3,000 active volunteers via the networks of our partner organizations – the National Alliance for Volunteer Action, the Bulgarian Food Bank, and Time Heroes.

The findings from the survey were presented at a discussion meeting in the Parliament organized by the Ministry of Youth and Sport and the National Assembly. A major highlight in the discussion was focused on the content of a potential Volunteering Act and the extent to which volunteer relations require regulation. The discussion took place on 5 December 2014 and set the beginning of a sequence of further debates on the future regulation of volunteering.

BCNL experts took part in a variety of forums on this topic, such as an online discussion organized by Move.bg, participation in TV broadcasts, and working meetings with ministry staff.



## What did we analyze in 2014



## NGO Information Portal – [www.ngobg.info](http://www.ngobg.info)

In 2014 the NGO Information Portal continued being used by the Bulgarian non-governmental sector as the major source of information. Our efforts throughout the year were focused on the media aspect of the Portal – news, events, and announcements and advertisements. We encouraged NGOs to tell their stories by means of publications and ensured that as many materials as possible related to civil organizations and civil participation are quoted in other mass media.

Here is the data for 2014:

- New registrations of NGO users – over 200;
- Total number of visits – over 370,000;
- Unique visits – over 230,000;
- Pages visited – over 1,300,000;
- Countries from which the Portal has registered over 500 visits: Bulgaria, the U.S., Germany, the U.K., Italy, Greece, Spain, Belgium, France, the Netherlands, Austria;
- Most viewed pages:
  - Jobs and volunteering;
  - Profiles of NGOs;
  - News and calendar;
  - Funding;
  - Legislation;
  - Library.
- Posts by users – over 1,250, most of them in the News and Calendar pages;
- Journalist materials quoted – over 3,000;
- Candidates for volunteers registered – 200.

Through the Portal page in Facebook our publications reached out to over 10,000 people per week, while the number of followers and supporter grew from 6,000 to 7,200. The subscribers of our weekly newsletter increased from 4,600 to 5,500.

The portal carried on providing a range of free-of-charge services to registered NGOs – publishing of news, events in the Calendar and Announcements pages, creation of own websites, access to advertisements about candidates for volunteers, etc. The publications posted by NGOs have exceeded 1,200, which is an increase by 30% compared to 2013. The Portal has reported on 50 events, projects and initiatives of NGOs by means of own materials posted in the Stories about NGOs section. These texts are among the most frequently read publications. The materials quoted by other media are by 3 times more than in 2013.

As from the summer of 2014 the Portal can be accessed and used from mobile devices.





## Annual awards of the NGO Information Portal

In December 2014 the NGO Information Portal ([www.ngobg.info](http://www.ngobg.info)), maintained jointly by BCNL and PACEL Foundation gave its Fifth Annual Awards. These awards are a token of our gratitude to all the organizations that have assisted us in maintaining the largest virtual NGO community in Bulgaria. The Portal has been and will be a project built up by its own users.

The organizations with the highest number of own publications in 2014 are: the National Network for Children (116), followed by the National Alliance for Social Responsibility, the Caritas Association and the Bulgarian Donor's Forum.

The NGO whose profile was most frequently visited in 2014 is Possible Association – visits by 300 users – followed by the Professional Forum for Education, the European Center for Innovations, Education, Science and Culture, and 42 Training.

In addition to our traditional awards, we introduced another three award categories. The Center for Inclusive Education was awarded the prize for the Most Read News in 2014. In the course of one month the site visitors had the opportunity to vote for their favorite organization. The highest number of votes were cast in favor of Ideas in Action Foundation which became the Audience Favorite. The third prize was a personal one and went to Iliana Tonova from the National Association of Sarcoidosis who became the Most Faithful Follower of the Portal due to her active contribution to advocating the Portal.



## Our Voice – [www.glasatni.bg](http://www.glasatni.bg)

In support of our efforts to make people more active in coming up with proposals for and comments on changes in the legislation concerning civil organization, in late 2014 we started a new initiative – an online platform Our Voice ([www.glasatni.bg](http://www.glasatni.bg)). The main purpose of the platform is to help like-minded and socially responsible people to meet and get united on topical matters that are relevant to the civil sector. The platform pursues bringing together opinions and constructive proposals for crucial changes in the civil environment and referring these proposals to decision-makers by advocating direct participation in future legislative initiatives.

The platform started up with the following discussion topics:

- Civil participation – how can citizens participate in the decision-making process; how can real access to information be ensured; who assesses the legislation and its impact and how is the assessment made, etc.;
- Volunteering – why is a volunteering law needed, what and how should it regulate; is active state support for the development of volunteering needed; what does a volunteer organization look like, etc.;
- Civil education – what is the essence of civil education; is it important for civil education to be part of the curriculum, etc.;
- Non-governmental organizations – what are the relevant legislative changes that will contribute to changing and supporting the environment; what should the appropriate funding sources for NGOs be and how should the funding be implemented; what role do NGOs play in public life.





# SUPPORT FOR NGOs

## Summer School for NGOs

Our Summer School has marked its 3rd anniversary. We celebrated this anniversary with the third round of participants in Arkutino, at the Black Sea coast. In addition to the celebration, in the course of 5 busy days we shared our knowledge on the NGO legal and tax framework, fundraising, advocacy, target setting and planning, social entrepreneurship. This third edition of training also included both theory and role games and practical exercises based on the real experience of the Bulgarian NGO sector.

The outcomes – a higher level of knowledge, self-confidence, and skills acquired by over 20 organizations; more than 20 people with a clearer vision about what they are doing and what could be done better in the NGO sector.

We would highlight – running the risk of being boastful – that we once again had an international lecturer, Ms Jitka Nestrstova from Greenpeace Czech Republic, while the corporate social responsibility module was conducted by Manuela Toteva, communication manager at Aurubis Bulgaria, one of the major tax payers and corporate donors in Bulgaria.

Thus, over its 3 years of existence the Summer School has managed to raise three classes of like-minded supporters whom we united within an Alumni Club. The club members can make use of the long winter days to get in touch with NGO people of a different mind who are ready and willing to share ideas, skills, and perceptions. We believe that this is the way forward in supporting NGOs: using the most attractive methods to ensure that the well-defined priorities in our mission, goals, and vision are observed and implemented.



## Social Entrepreneurship Program and Best Business Plan Award

The 2014 edition was the third one in the sequence of Best NGO Business Plan competitions. In January 2014 we received 20 business plans out of which we shortlisted 8 finalists who were to present their ideas before an independent board of people with business experience (representatives of UniCredit Bulbank, America for Bulgaria Foundation, Capital newspaper, Microfund AD, Yatot.com, Musala Soft, and Srednogie Med Industrial Cluster).

On 20 February 2014 the board selected 3 organizations among which the award fund in the amount of BGN 30,000 was distributed:

- Transformers Association with its idea about a Bike Stand – interesting and convenient solutions for parking bicycles in urban areas;
- Hug Me Association – art workshops for children with the participation of well-known artists;
- Protection, Love and Faith Association – a vegetable greenhouse where people with intellectual disabilities will work.

In addition to the above, we organized, jointly with UniCredit Bulbank, a voting campaign among their staff for selecting the best idea amongst the winners in the 2013 edition of the competition. 2,345 employees cast their votes; the special award in the amount of BGN 10,000 was won by the Hope Soap idea of the Foundation for Social Change and Inclusion – children who are former residents of specialized institutions are involved in making soaps.





In May we advertised the fourth edition of the Social Entrepreneurship Program for NGOs. The Program consists of training for the organizations selected and support in drafting business plans. We received 48 applications out of which we selected 25 organizations that were provided with training (conducted in September and October 2014). As part of the Program we organized a public lecture on entrepreneurship delivered by Mr. Levon Harpazoumian (Chief Executive Director of UniCredit Bulbank) and Mr. Elvin Guri (Executive Director of EMP Invest, consultant at Empower Fund, and investor at yatoto.com). The presentation was attended by over 100 representatives of NGOs and mass media.

## Fundraising for NGOs Program

In 2014 BCNL started a new program for enhancing the fundraising capacity of cultural organizations. With the support of the Czech Fundraising Center we organized two trainings, and each trainee was assigned the task to draw up a plan for a fundraising campaign. 27 participants from 22 organizations took part in the program. Furthermore, BCNL organized another 4 fundraising trainings – for museums and for social and educational organizations – which were attended by approx. 100 participants

BCNL continued its support for the Fundraiser Club. 7 meetings of the Club attended by 25 persons took place in 2014.

## The Key Academy and *why is working for an NGO a meaningful occupation*

In 2014 we continued our partnership with the Smart Foundation in implementing the Smart Academy project. The idea behind this project is for young people to get acquainted with the non-governmental sector and the specifics of NGO activities. The Academy covered 20 young people who worked as interns at various non-governmental organizations, had the opportunity to get an insight into their activities, contributed to the causes of these organizations, and described their experience in a short report.

Last year the NGO Information Portal served as the traditional media partner for the two Key forums that took place in March and October 2014. These forums allowed 200 young people to “share the change” (this was the event slogan) and to partake in the speakers’ exciting stories about overcoming various personal challenges, pursuing causes, and all those small nice things happening in our life. We also acted as the partner of a “Small Key” (a smaller, specialized format of Key) on the topic of implementing health education in schools.

## Consultations

In 2014 we met with people of different ages in order to tell them the story about NGOs; we also provided support to experienced organization in order to contribute to their development. The memories to keep from 2014 are:

- We encouraged and supported emerging organizations whose focus is on addressing urgent social problems such as food and education for refugees;
- We continued our fight with a number of district courts in relation to incorrect applications of the Non-Profit Legal Entities Act;
- We assisted Bulgarian municipalities in improving their interaction with NGOs.

We provided legal support in a comprehensible language in person, by e-mail or telephone across the territory of Bulgaria.





# INTERNATIONAL EVENTS

In 2014 the Bulgarian Center for Not-for-Profit Law continued being part of various international initiatives. On the basis of an agreement with the European Center for Not-for-Profit Law Luben Panov participated in developing an Analysis of the State of the Civil Society in the Western Balkans and Turkey (May, 2014). He was also involved in drafting a policy document regarding the development of social contracting in Albania. The purpose of the document was to study the practices in the interaction between non-governmental organizations and the state in terms of social services provision, and to come up with recommendations for the future development of this process (November 2014).



In February 2014, also based on an assignment by the European Center for Not-for-Profit Law, Luben Panov visited Cyprus for the purpose of submitting comments on the draft law on organizations, institutions and clubs, and on the draft law on organizations acting for the public benefit. As a result of the meetings held the draft laws were revised and improved.

The Bulgarian Center for Not-for-Profit Law organized training on the good governance of NGOs for civil organizations from Azerbaijan in Baku in April 2014. In mid October a meeting was held with non-governmental organizations on the implementation of good governance standards.

In September TUSEV (Turkey) approached us with a request to draw up Guidelines on the Interaction between Civil Organizations and the State. The purpose of the document produced was to provide practical advice about joint activities of the state and civil organizations.

In 2014 experts from the Bulgarian Center for Not-for-Profit Law also took part in the following events:

- Meeting of the Balkan Civil Society Development Network, Pristina, Kosovo (April 2014);
- Meeting of representatives of the EC and countries from the Western Balkans and Turkey to discuss the Guidelines for EU Support to Civil Society in Enlargement Countries, Tirana, Albania (May 2014);
- International Conference on the Interaction between the State and Civil Organizations, Tashkent, Uzbekistan (June 2014);
- Meeting of the partners of UniCredit Foundation for discussing social entrepreneurship, Milan, Italy (July 2014);
- Regional Conference for South-Eastern Europe on the Right to Free Movement, Skopje, Macedonia (August 2014);
- Advisory meeting for drafting Guidelines on the Freedom of Peaceful Assembly of the Organization for Cooperation and Security in Europe and the Venice Commission, Warsaw, Poland (September 2014);
- Workshop for civil servants on the interaction between the state and civil organizations organized by the TAIEX program, Podgorica, Montenegro (October 2014);
- Meetings with the local authorities and non-governmental organizations for the purpose of presenting the Bulgarian experience with partnership at the local level, Bursa, Turkey (October and December 2014);
- Discussion on the challenges before social contracting in Albania in October 2014;
- Participation in the Forum of the Civil Society in Central and Eastern Europe, Bucharest, Romania (November 2014);
- Workshop/Trainings on options for NGO economic activities and taxation of such activities, Ankara, Turkey (December 2014);





- Regional Conference on the implementation of the Convention on the Rights of Persons with Disabilities, Istanbul, Turkey (June 2014); organized by Rusihak, Turkey (NGO, part of the international project PERSON) – BCNL experts presented the experience under the Next Step Program;
- Meeting of representatives from Ireland, Australia, France, Hungary, Sweden, and Bulgaria organized by the NET Foundation, Sofia (December 2014); BCNL experts presented the experience under the Next Step Program;
- Conference in Strasbourg (November, 2014) organized by the Council of Europe; BCNL experts presented (in addition to the experience under the pilot projects for supported decision-making) the ideas incorporated in the draft law on natural persons and support measures.

In December 2014 BCNL experts took part in a conference organized by Nilufer municipality in the Bursa region, Turkey. Examples of success stories about the interaction between the state and non-governmental organizations in Bulgaria at the central and local level were presented at the conference. The forum addressed the opportunities for Turkey to draft and pass a law on volunteering, and a strategy for the interaction among NGOs, the state, and local authorities. In this context, the presentation of the Bulgarian experience was welcomed with particular interest by an audience of over 500 participants.

The study visits for the exchange of experience organized by BCNL were also on the agenda in 2014. In September and November 2014 delegations from Azerbaijan and Afghanistan visited Bulgaria in order to get acquainted with the state of the civil society in Bulgaria, the forms of civil participation, the mechanisms for contracting out social services to private providers, and other topics of interest to the participants.

## First International Summer School organized by BCNL

In early September 2014 BCNL organized an International Summer School for NGO leaders from different countries. The School was attended by NGO representatives from Greece, Tajikistan, Kazakhstan, Azerbaijan, and the U.S. The training topics were related to the principles of NGO good governance, the advocacy strategies, financial management, creating networks and coalitions, business planning, etc.

The International Summer School is an initiative of BCNL aimed at building up network and coalitions of NGOs from different countries for the exchange of experience and best practices.

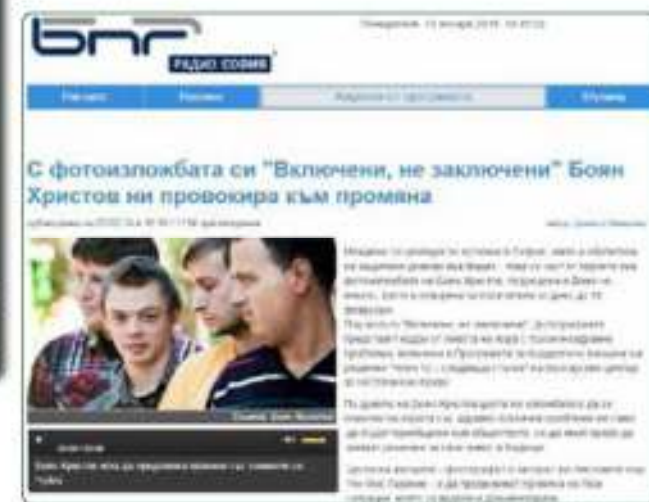


# MEDIA COVERAGE OF BCNL

The year 2014 was also marked with key initiatives and important events aimed at achieving publicity for pressing civil issues. The Bulgarian Center for Not-for-Profit Law was recognized by the mass media as a key participant with a high level of expertise on topics such as civil participation, civil sector development, and lobbying for key legislative changes.

Here are the highlights in the media reports relevant to BCNL:

- *Social Entrepreneurship Program* of BCNL and the Uni-Credit support for it;
- Legal seminar on the new concept of the legal capacity of people with mental disabilities under the Application of Art. 12 – the *Next Step in Bulgaria Project (2012–2014)*“;
- *Included, not Locked* exhibition, part of the Campaign for supported decision-making in conformity with the new legal capacity formula in line with the UN Convention on the Rights of Persons with Disabilities hosted by the Home of Cinema;
- Roundtable on the topic *Development of the civil sector – is a strategic approach possible?*, as part of the *Partnership in Strategies and Action project*;
- Conference *Is the World of People with Disabilities Changing?* whose honorable guest was the President of the Republic of Bulgaria Mr. Rossen Plevneliev – BCNL was partner of the World of Maria Foundation;
- Final conference *Included, not Locked* under the Application of Art. 12 – the *Next Step in Bulgaria Project* ;
- NGO Summer School, Arkutino– 2014;
- Broadcastings of Maria Cherneva's film *Under Guardianship*, provoked by BCNL's initiative to declare the placement under guardianship as unconstitutional;
- Publishing the analysis *Index of NGO Sustainability in Bulgaria in 2013*;
- Presentation of the survey *New Aspects of Volunteering – a survey on the perception among active volunteers in Bulgaria*, conducted in partnership with the Bulgarian Food Bank, the National Alliance for Volunteer Action, and Time Heroes.





## Mass media reporting on BCNL's activities in 2014:

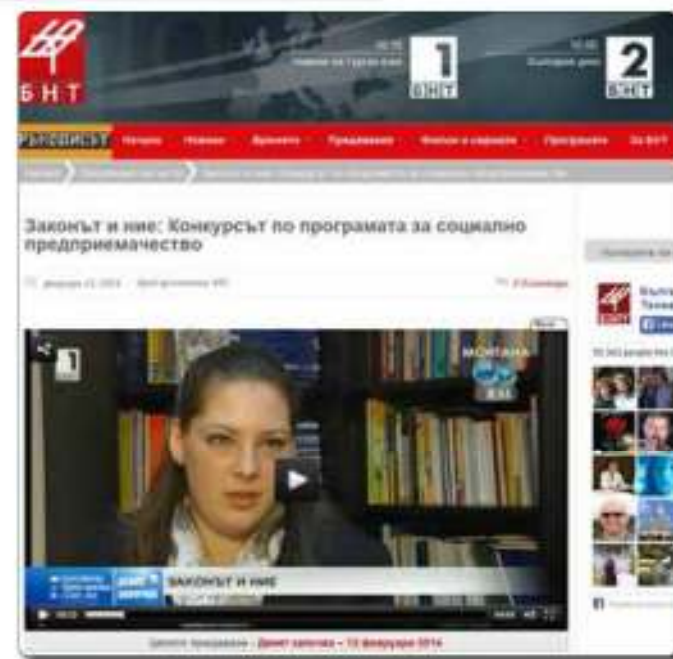


- Capital newspaper;
- OffNews;
- BNT;
- BTV;
- NOVA TV;
- Dnevnik newspaper;
- BNR Horizont;
- Europe TV;
- Standard newspaper;
- Ekip News;
- Sega newspaper;
- Duma newspaper;
- BTA;
- Actualno.com;
- Darik radio;
- Mediapool;
- fakti.bg;
- novini.bg
- ...






## ... and publications of associations, professional groups, networks or civil organizations:

- National Alliance for Social Responsibility;
- National Network fro Children;
- Bulgarian Donor's Forum;
- Bulgarian Chamber of Commerce and Industry;
- Sofia Bar Association ;
- Bulgarian Judges Association;
- CSR Bulgaria.



# FUNDING

## Projects, Funding, Donors

Donor	Project	Time-frame of the project	The sum spent on the project in 2014
 AMERICA FOR BULGARIA FOUNDATION Фондация Америка за България	Effective Approaches to Sustainability of Nonprofits	05.2012–05.2015	273 287 BGN
	NGOBG: Legitimacy through Visibility, Knowledge and Shared Resources	01.2012–12.2014	109 123 USD
 OPEN SOCIETY FOUNDATIONS  ИНСТИТУТ „ОТВОРЕНО ОБЩЕСТВО“ – ШВЕЙЦАРИЯ	Art.12 – the Next Step in Bulgaria	10.2012–05.2014	49 744 USD
 OPEN SOCIETY FOUNDATIONS  ИНСТИТУТ „ОТВОРЕНО ОБЩЕСТВО“ – ШВЕЙЦАРИЯ	The Next Step in Bulgaria Program	10.2014–09.2016	15 011 USD
  Оперативна програма „Развитие на човешките ресурси“ 2007–2013  Министери на труда и социално осигуряване	Social Contracting – A Tool For Better Results For The People, Contract BG051PO001 – 7.0.07-0104-C0001	06.2013–11.2014	143 838 BGN
 BULGARIAN-SWISS COOPERATION PROGRAMME БЪЛГАРО-ШВЕЙЦАРСКА ПРОГРАМА ЗА СЪТРУДНИЧЕСТВО	Partnership in Strategies and Action	10.2013–09.2015	38 854 CHF



Donor	Project	Time-frame of the project	The sum spent on the project in 2014
	Program for Social Entrepreneurship	06.2013–05.2016	17 220 EUR
	Study tour on Procurement Law and Practice for a group from Azerbaijan	09–10.2014	11 900 USD
	The House of Civil Society	03.2014–02.2016	22 259 EUR
	Key Academy – A Partners Project	09.2013–10.2014	4819 BGN
	Active Citizenship Together	02.2014–02.2015	4540 EUR

# ФИНАНСОВ ОТЧЕТ

AUDIT  
TAXATION  
ACCOUNTANCY



ОДИТ  
СЧЕТОВОДСТВО  
ДАТЪДИ И ФИНАНСИ

## INDEPENDENT AUDITOR'S REPORT

To the management of  
Bulgarian Center for Not-for-Profit Law  
Sofia

We have audited the accompanying financial statements of Bulgarian Center for Not-for-Profit Law (the Foundation), which comprise the balance sheet as at December 31, 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes (from page 8 to page 12).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Bulgarian Financial Reporting Standards for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

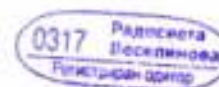
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of "Bulgarian Center for Not-for-Profit Law" as of December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with the Bulgarian Financial Reporting Standards for Small and Medium-sized entities.

FOR AND ON BEHALF OF  
ATA KO LTD

  
Radosveta Vesselinova  
Certified public accountant



March 05, 2015

Sofia, Bulgaria



**BALANCE SHEET**  
as at 31 December 2014

Bulgarian Center for Not-for-Profit Law

ASSETS	Notes	31.12.2014 thous. BGN	31.12.2013 thous. BGN
<b>Non-current assets, net</b>	3		
Non-current tangible assets, net		4	4
Shares and portion in subsidiary company		5	5
Long-term investments		12	11
		<u>21</u>	<u>20</u>
<b>Current assets</b>			
Receivables	4	69	30
Cash and cash equivalents	3	595	716
		<u>664</u>	<u>746</u>
<b>Deferred expenses</b>			1
<b>Total assets</b>		<u>685</u>	<u>767</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Other reserve		280	286
		<u>280</u>	<u>286</u>
<b>Current liabilities</b>			
Current liabilities	4	14	6
Unspent from financed project	7	391	475
		<u>405</u>	<u>481</u>
<b>Total equity and liabilities</b>		<u>685</u>	<u>767</u>

Director:

Luben Panov

Prepared by:

Petya Petranova

05 March 2015

As per auditors report:

**INCOME STATEMENT NON-PROFIT ACTIVITY**  
for the year ended 31 december 2014

Bulgarian Center for Not-for-Profit Law

	Notes	2014 thous. BGN	2013 thous. BGN
<b>Revenue from regulated activity</b>	8	840	612
Revenue from conditional donations		839	600
Revenue from unconditional donations		1	12
<b>Financial incomes</b>		36	31
Interest income		14	12
Foreign currency exchange rate gains		22	19
<b>Expenses by regulated activity</b>	9	837	599
Other costs		837	599
<b>Financial expenses</b>		30	17
Foreign currency exchange rate loss		29	17
Others		1	
<b>Result from non-economic activities</b>		<u>9</u>	<u>27</u>
<b>Profit from economic activities</b>		<u>4</u>	<u>6</u>
<b>Result for the year</b>		<u>13</u>	<u>33</u>

Director:

Luben Panov

05 March 2015

Prepared by:

Petya Petranova

As per auditors report:

**INCOME STATEMENT FOR ECONOMIC ACTIVITY**  
for the year ended 31 december 2014

**Bulgarian Center for Not-for-Profit Law**

	Notes	2014 thous. BGN	2013 thous. BGN
<b>Operating incomes business activities</b>	<i>10</i>	35	36
Net sales incomes from services		35	36
<b>Financial incomes</b>		3	20
Interest income		1	1
Foreign currency exchange rate gains		1	18
Positive results from transactions with financial instruments		1	1
<b>Expenses by economic elements</b>	<i>11</i>	32	28
Materials		0	1
Cost of hired services		4	10
Employee expenses		21	12
Other costs		7	5
<b>Financial expenses</b>		2	22
Foreign currency exchange rate loss		1	21
Bank charges		1	1
<b>Profit from operating activities</b>		4	6
<b>Profit before income tax</b>		4	6
Income tax	<i>12</i>	-	-
<b>Profit after tax</b>		4	6
<b>Net profit for the period</b>		4	6

Director:  
Luben Panov  
05 March 2015



Prepared by:  
Petya Petranova

As per auditors report:



**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2014

**Bulgarian Center for Not-for-Profit Law**

	Reserves thous. BGN	Financial result thous. BGN	Total equity thous. BGN
<b>Balance as at 31 December 2012</b>	253	-	253
Financial result for the period	33	-	33
<b>Balance as at 31 December 2013</b>	286	-	286
Financial result for the period	-	13	13
Distribution of reserves	(19)		(19)
<b>Balance as at 31 December 2014</b>	267	13	280

Director:

Luben Panov

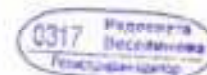
05 March 2015



Prepared by:

Petya Petranova

As per auditors report:





**CASHFLOW**

for the year ended 31.12.2014

**Bulgarian Center for Not-for-Profit Law**

	Notes	2014 thous. BGN	2013 thous. BGN
<b>Cash flow from non-economic activities</b>			
Conditional financing received		708	833
Financing received		23	34
Other receivables		2	1
Payments to employees		(165)	(114)
Payments to social security		(16)	(35)
Payments for services		(556)	(397)
Grants paid		(98)	(57)
Payments for assets		(4)	-
Interest and bank tax paid		(10)	(22)
Other cashflows from operating activities		(9)	-
<b>Net cash flow from non-economic activities</b>		<b>(125)</b>	<b>243</b>
<b>Cash flow from economic activities</b>			
Received amounts on contracts		35	37
Financing received		2	-
Payments to suppliers		(8)	(15)
Payments for services		-	(2)
Payments to employees		(21)	-
Tax payments		(1)	(3)
Other cashflows from operating activities		(3)	(17)
<b>Net cash flow from economic activities</b>		<b>4</b>	
<b>Net change in cash and cash equivalents</b>		<b>(121)</b>	<b>243</b>
<b>Cash as at 01 January</b>		<b>716</b>	<b>473</b>
<b>Cash as at 31 December</b>		<b>595</b>	<b>716</b>

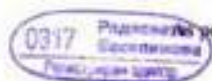
Director:  
Luben Panov



Prepared by:  
Petya Petranova

Handwritten signature of Petya Petranova.

05 March 2015



per auditors report:

Handwritten signature of the auditor.

## PROJECTS DURING 2014

The Foundation „Bulgarian Center for Not-for-Profit Law” realized during 2012 the following projects:

### **1. Contract with Global Initiative on Psychiatry - Sofia**

**Project:** Pilot implementation in the Bulgarian context of the concept “expert by experience”, that has suffered social exclusion

**Source of funding:** European Social Fund and the Republic of Bulgaria through Operational Programme "Human Resources Development" scheme "Without Borders - Component 1

Balance from 2013	-9 795.89 BGN
Funding received	9 795.89 BGN
Costs total	0.00 BGN
Balance as of 31.12.2014	0.00 BGN

### **2. Contract with Foundation Open Society Institute, Switzerland**

**Project:** Article 12 – The Next Step in Bulgaria

**Source of funding:** Foundation Open Society Institute, Switzerland

Balance from 2013	49744.38 USD
Funding received	0.00 USD
Costs total	49744.38 USD
Balance as of 31.12.2014	0.00 USD

### **3. Contract with America for Bulgaria Foundation**

**Project:** Effective Approaches to Sustainability of Nonprofits (2012-2015)"

**Source of funding:** America for Bulgaria Foundation

Balance from 2013	216 287.80 BGN
Funding received	182 000.00 BGN
Costs total	273 287.05 BGN
Balance as of 31.12.2014	125 000.75 BGN

### **4. Contract with Charles Stewart Mott Foundation**

**Project:** NGO-BG: Legitimacy Through Visibility, Knowledge and Shared Resources

**Source of funding:** Charles Stewart Mott Foundation

Balance from 2013	89 112.93 USD
Funding received	20 011.00 USD
Costs total	109 123.93 USD
Balance as of 31.12.2014	0.00 USD

### **5. Contract with the Ministry of Labour and Social Policy**

**Project:** Social contracting - a tool for better outcomes for the people, contract № BG051PO001 - 7.0.07-0104-S0001 "

**Source of funding:** European Social Fund 2007 - 2013, OPHRD Without Borders - Component 1 - Phase 2

Balance from 2013	18 179.18 BGN
Funding received	94 682.75 BGN
Costs total	143 838.21 BGN
Balance as of 31.12.2014	-30 976.28 BGN

### **6. Contract with UniCredit Foundation**

**Project:** Social Entrepreneurship Programme for NGO's

**Source of funding:** UniCredit Foundation

Balance from 2013	13 107.43 EUR
Funding received	15 000.00 EUR
Costs total	17 220.66 EUR
Balance as of 31.12.2014	10 886.77 EUR

### **7. Contract with the Balkan Institute for Labour and Social Policy**

**Project:** Partnership in strategies and action

**Source of funding:** Bulgarian-Swiss Cooperation Programme

Balance from 2013	10 027.09 CHF
Funding received	33 093.13 CHF
Costs total	38 854.41 CHF
Balance as of 31.12.2014	4 265.81 CHF

### **8. Contract with the East-West Management Institute**

**Project:** Exchange Visit for Representatives of Civil Society Organizations to Bulgaria

**Source of funding:** U.S. Agency for International Development (USAID)

Balance from 2013	0.00 USD
Funding received	11 900.38 USD
Costs total	11 900.38 USD
Balance as of 31.12.2014	0.00 USD

### **9. Contract with Open Society Foundation - Sofia**

**Project:** Civil society house – community for development

**Source of funding:** NGO Programme in Bulgaria under the European economic area Financial Mechanism 2009-2014 through fund operator for Bulgaria Open Society Institute – Sofia

Balance from 2013	0.00 EUR
Funding received	50 467.76 EUR
Costs total	22 259.11 EUR
Balance as of 31.12.2014	28 208.65 EUR



**10. Contract with Foundation Smart**

Project: Key Academy

Source of funding: NGO Programme in Bulgaria under the European economic area Financial Mechanism 2009-2014 through fund operator for Bulgaria Open Society Institute – Sofia

Balance from 2013	0.00 BGN
Funding received	4 819.17 BGN
Costs total	4 819.17 BGN
Balance as of 31.12.2014	0.00 BGN

**11. Contract with Pirgos Association**

Project: ACT – Active Citizenship Together BG-RS No. 2007CB16I-PO006-2011-2-103

Source of funding: EU through the Bulgaria – Serbia IPA CBC Programme

Balance from 2013	0.00 EUR
Funding received	2 343.57 EUR
Costs total	4 540.84 EUR
Balance as of 31.12.2014	-2 197.27 EUR

**12. Contract with Foundation Open Society Switzerland**

Project: Advancing CRPD Article 12 – Next step programme in Bulgaria

Source of funding: Foundation Open Society Switzerland

Balance from 2013	0.00 USD
Funding received	53 514.50 USD
Costs total	15 011.14 USD
Balance as of 31.12.2014	38 503.36 USD

**13. Contract with America for Bulgaria Foundation**

Project: Supporting fundraising in Bulgaria

Source of funding: America for Bulgaria Foundation

Balance from 2013	0.00 BGN
Funding received	116 200.00 BGN
Costs total	0.00 BGN
Balance as of 31.12.2014	116 200.00 BGN

Date: 05.03.2015,

Prepared by:

Petya Petranova, Accountant

Sofia

Director:

Luben Panov





BULGARIAN CENTER  
FOR NOT-FOR-PROFIT  
LAW

# ANNUAL REPORT | 2014

Sofia, March 2015