

**TO:
DUBRAVKA ŠUICA,
VICE-PRESIDENT FOR
DEMOCRACY AND
DEMOGRAPHY**

**TO:
VĚRA JOUROVÁ,
VICE-PRESIDENT FOR
VALUES AND
TRANSPARENCY**

**TO:
ELISA FERREIRA
COMMISSIONER FOR
COHESION AND REFORMS**

**TO:
NICOLAS SCHMIT,
COMMISSIONER FOR
JOBS AND SOCIAL RIGHTS**

**TO:
DIDIER REYNDERS,
COMMISSIONER FOR
JUSTICE**

**TO:
HELENA DALLI,
COMMISSIONER FOR
EQUALITY**

LETTER FROM BULGARIAN CIVIL SOCIETY ORGANIZATIONS

**Re: ATTACK AGAINST CIVIL SOCIETY ORGANIZATIONS AND PRO-
EUROPEAN POLICIES**

Dear representatives of the European Union institutions,

In the last few years, Bulgaria has been facing challenges regarding the civil society similar to those in some other countries of Central and Eastern Europe: smear campaigns against groups of CSOs, increasing anti-EU propaganda and actions stigmatizing human rights groups¹. In

¹These developments started in the beginning of 2018 with an attack on gender organizations within a campaign against the ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence (the Istanbul Convention). The attack later targeted also child rights organizations involved

October 2019, the situation escalated via organized attacks against community social services providers. After an aggressive social media campaign the entering into force of the new Social services legislation was blocked. The Socialist Party asked the Constitutional Court if the new law contradicted the Bulgarian Constitution. Among the arguments for this statement is the one that CSOs are providers of foreign interests.

On 1 July 2020 a group of MPs from the parliamentary group “United Patriots” (a partner in the ruling coalition) proposed a package of amendments to the Not-for-Profit Legal Entities Act (CSO Law) and to several other laws. The amendments contain the following main proposals:

- **Proposals related to the Civil Society Development Council (art. 4 from the CSO Law).** These proposals eliminate the obligation of the state to provide funding from the state budget for projects of CSOs. They also eliminate all the powers of the Civil Society Development Council related to determining the priorities which should be funded, the procedure through which the projects will be selected, etc.
- **Obligation to report all income from foreign sources (foreign states, individuals or companies) above 1000 BGN (500 EUR).** This obligation applies to public benefit CSOs (art. 40a) which have to submit a declaration of proof for the funding up to 7 days upon receiving it. The only exception provided is for funds from the European Union. In case this obligation is violated, there will be financial sanctions.
- **Creation of a register of nonprofit legal entities financed from abroad.** The Minister of Finance will issue a decree on how this register will be established. It is unclear from the draft proposal whether the register will be public or not.
- **The Public Financial Inspection Agency will be able to conduct financial inspections of CSOs.** Currently, the mandate of the Agency is limited to expenditures of state, municipal or EU funds or of companies controlled by the state or CSOs but only such with direct or indirect state or municipal participation in their property. The bill does not envision any specific requirements and/or conditions to initiate such inspections other than the decision of the Minister or a person authorized by the Minister. Thus the fact that a CSO has received more than 500 EUR from a foreign person or state may induce an inspection.
- **Possibility to terminate the CSOs or temporarily suspend its public benefit status.** For a violation of the obligation to declare foreign funding, in addition to the financial sanction, the Minister of Finance may ask the Registration Agency to designate “temporarily suspended public benefit status”. A second violation may lead to termination of the CSO on the grounding of contradicting to the Constitution, the law and the good morals.
- **Obligation for reporting to the Commission for Combating Corruption and Illegal Assets Forfeiture -** The Chairpersons and members of Management Boards of CSOs that have received foreign funding are obliged to declare their assets and interests to this Committee. There is no limitation of the amount of the foreign funding received that may subject CSOs to this obligation and even the receipt of 1 EUR would be sufficient. Currently, such requirement is applicable for high-ranking state officials e.g.

in helping the Government develop a National Child Strategy, a policy document that shall be adopted, as required by the law, every 10 years. Following an [aggressive campaign](#) conducted by informal movements on social media, the Prime Minister withdrew the draft National Strategy.

the President, the Vice President, Members of the Parliament, the Prime Minister, Deputy Prime Minister, Ministers, Members of the EU Parliament, Mayors, managers of state-owned enterprises, etc. The declarations of these people are public and if the Commission finds a difference between the declared property and the actual assets, this may trigger a procedure against the individuals that may lead to confiscation of property.

If adopted, these proposals will:

- Lead to **official labelling of organizations as foreign agents**.
- Give the authorities **broad powers to subject CSOs to financial inspections without any specific violation of the law**, simply for the fact that the organization has received foreign funding. In addition, they give the authorities the possibility to impose two sanctions for the same violation (failing to submit a declaration for receipt of foreign funding) – a financial sanction and suspension of the public benefit status.
- Provide the **possibility to terminate a CSO for a minor breach of the law** (not declaring foreign funding).
- **Create discriminatory treatment** for CSOs by requiring them to declare income from foreign sources while there is no similar requirement for private companies.
- **Subject chairpersons and Board members of CSOs with foreign funding to the obligation to submit declarations of their income and property** that will be made public. Such a requirement may affect any Board members of any CSO that receives any amount of foreign funding and force them to terminate their membership and even stop working or being involved in a CSO in general.
- **Open the possibility for the executive authorities to impose additional burdens** as the regulation related to declaring foreign funding is left to the discretion of the Ministry of Finance and the law does not define what is considered a foreign individual or a foreign company.
- **Discriminate CSOs comparing to other private sector actors (companies)** by requiring for them higher reporting responsibilities applicable to state actors.

These proposals happen at a time when numerous representatives of this political coalition (United Patriots) have launched verbal attacks against CSOs, e.g. the former Minister of Environment and Waters declared that *“natural disasters have caused less damage than environmental activists”*, the Minister of Defense criticized the fact that institutions take into consideration CSO opinions and referred to them as *“structures that call themselves civil society whom no one has elected for anything”*. In 2019 representatives of United Patriots requested the termination of one of the biggest and oldest human rights organizations, the Bulgarian Helsinki Committee, for being unconstitutional.

With regard to the Civil Society Development Council, after more than 2 years delay the procedure for its establishment was finally initiated in February 2020. In May 2020 the results from one of a kind, transparent, electronic voting, were publicly announced and 14 CSOs were elected as members of the Council. On 10 June 2020, after the results were made public, the

Committee for Combating Corruption and Confiscation of Illegally Acquired Property decided to exercise for the first time its power to analyse areas with potential for corruption and propose legislative changes. It issued a statement² that the Regulation of the Civil Society Development Council needs to be amended because it does not follow the principles of publicity and transparency and prevention of conflict of interests.

Active civil society is a core element of European society and any attacks against the very existence of CSOs are attacks against the EU and its values. In view of this, we ask you as representatives of the EU institutions:

- To come up with a clear public statement on the importance of civil society and the disturbing processes going on in the country;
- To urge the Bulgarian parliament and government to work towards protecting civic space and standing against hate campaigns questioning the very need for civil society organizations.

We look forward to your response.

Yours sincerely,

Iva Taralezhkova, Citizen Participation Forum - over 120 CSO members

George Bogdanov, National Network for Children - over 130 CSO members

Nadya Shabani, Bulgarian Centre for Non-for-Profit Law

Krasimira Velichkova, Bulgarian Donors' Forum

Emilia Lissichkova, Agora platform - over 100 CSOs and cultural clubs

Vesselina Kavrakova, WWF Bulgaria

Nadezhda Dermendzhieva, Bulgarian Fund for Women - over 30 NGOs - platform members

Bilyana Gyaurova-Wegertseder, Bulgarian Institute for Legal Initiatives

Svetla Kostadinova, Institute for Market Economy

George Genchev, NGO portal

² <https://www.segabg.com/category-observer/strahuva-li-se-vlastta-grazhdanite>
https://www.dnevnik.bg/bulgaria/2020/06/10/4077379_i_komisiiata_na_cacarov_vidia_zapla_ha_ot_grajdanskiia/