

Summary of BAPP-Latvia 2006 Activities

External Environment

In 2006, BAPP Latvia continued to provide support to Civic Alliance Latvia, for its efforts to improve NGO legislation and access to decision-making processes, as well as government/NGO relations overall.

NGO legislative reform

Civic Alliance completed its ongoing legislative reform project in January of 2006, the deadline by which NGOs were required to re-register as associations or foundations and obtain public benefit status in order to be eligible for tax-exempt donations. While overall implementation of the new NGO legislation, passed in 2004, has been smooth, there was increased attention to cases in which NGOs used their public benefit status for private gain. As a result, at the end of 2006, a working group was set up at the Ministry of Finance consisting of public officials and experienced NGO experts including the BAPP LEC chair and representatives of several BAPP grantees, to propose amendments to the Public Benefit Law that would establish a better regulatory framework for monitoring NGO compliance with the requirements of the new legislation. In December 2006, an expert from the U.K. Charity Commission visited Latvia to assess the current legal framework and suggest recommendations for improvement.

NGO involvement in decision-making

Civic Alliance also continued its program to provide NGO input during meetings of State Secretaries¹. In 2006, CAL facilitated the involvement of sixteen NGOs, which provided 118 opinions on draft laws and policy documents during the meetings of State Secretaries. The documents that were commented on by NGOs include a Policy Paper on the State Chancellery's Strategy for 2007-2009 (the part that concerns the development of civil society), draft laws on real estate tax exemptions to public benefit NGOs, and decisions on allocation of the EU structural funds.

The Latvian model has been praised by the Council of Europe and has triggered interest among public servants and NGOs from other countries, such as Moldova, Azerbaijan, Georgia and Poland. BAPP has been the major donor for this program since its inception in 2001. Given that BAPP's support is phasing out, the Civic Alliance is looking for other donors to support this project in the future. At the end of 2006 the Civic Alliance-Latvia initiated promising talks with the State Chancellery and the Secretariat for Integration of Society on the potential of supporting this program with public funds.

Two major steps have been taken in Latvia during 2006 to improve the relationships between NGOs and public authorities:

¹ A state secretary is the highest-ranking civil servant at a government ministry. In their weekly meetings, the State Secretaries review all draft laws prior to their submission to the Cabinet of Ministers.

- In the course of 2006 a committee to monitor implementation of the *Memorandum of Cooperation between the Government and Civil Society*², signed on 15th June 2005 by the Prime Minister and 57 NGOs, was set up. The committee meets once a month and serves not only as a mechanism to discuss the issues explicitly mentioned in the Memorandum, but also as a platform for NGOs to bring up other issues of importance to the sector.
- With the active involvement of the Civic Alliance, the Parliament adopted the “Declaration on Cooperation with NGOs” on March 30, 2006. This Declaration was drafted by a working group consisting of parliamentarians and NGO representatives. Its aim is to facilitate development of civil society in Latvia and to improve cooperation between NGOs and the Parliament on the basis of mutual understanding and support, and to emphasize the role of civil society in a democracy³.

NGO Institutional Sustainability

Grantmaking to advocacy NGOs

BAPP’s aim is to continue to enable NGOs to pursue their missions in the public-benefit advocacy realm and strengthen NGO skills in this area. In the summer of 2006, BAPP approved nine projects in the realm of public benefit advocacy at both the national and grassroots level.

Examples of advocacy work being carried out by BAPP grantees in 2006 include the following:

- The NGO “**English Language Camps**” has worked to create a **parent’s movement for advocacy of the interests of dyslexic children**. In the second half of 2006, the project activists initiated research on the situation of dyslexic children in Latvia and engaged a core group of parents and educational experts in promoting a debate in the mass media. A number of articles about dyslexia were published in all major daily newspapers, and the project activists gave several comments and interviews on national TV. At the end of 2006 the project activists decided to re-register the NGO “English Language Camps” as a new NGO called “Pro-Futura”, and expanded its membership basis by involving new parents in the movement.
- Another advocacy initiative, “**A rural school - the heart of the local community**”, run by a new NGO, *Rural Forum Latvia*, involved 20 schools from rural communities in a discussion of the Latvian Rural Development Plan, which aims at closing schools in small parishes and is opposed by local community members. The idea of the project is to give a voice to these schools and strengthen

² <http://www.mk.gov.lv/en/sabiedribas-lidzdaliba/sadarbibas-memorands/>

³ The English version of this Declaration is available at http://www.nvo.lv/files/6198_saiemasdeklaracija_angliski.doc

them, so that they may still be sustained as centers of activity. In the second half of 2006, under the lead of the *Rural Forum Latvia*, an informal network of the 20 schools involved in the project was set up. The *Forum* has been an active lobbying force at the national level for inclusion of priorities associated with small communities in the planning documents for allocation of EU funds for regional development.

- At the end of 2006, the NGO *Green Movement – Latvia* finished a coalition project to involve environmental NGOs in development planning at the regional and national levels. The coalition actively followed the governmental process on planning the use of the EU funds, especially in regard to new infrastructure projects, and advocated for inclusion of environmental impact assessment criteria in planning documents. In those cases when the public authorities did not take the comments of environmental NGOs into account, the coalition turned to the European Commission and the green parties in the European Parliament.

NGO Institutional development program

A program to contribute to the institutional and financial sustainability of public benefit advocacy NGOs by providing **multi-year core support combined with institutional development support** was launched at the beginning of 2005.

As a result of a three-tier open competition, BAPP committed multi-year funding for six NGOs in summer 2005: Transparency International *Delna*, the Crime Victim Support Center, World Wildlife Fund – Latvia, Riga Samaritan Association, Livani Foundation *White House*, and the Latvian Family Planning and Sexual Health Association *Papardes zieds*. The average size of grants per year per NGO is about \$25,000.

One of the grant recipients, the **Riga Samaritan Association (RSA)**, graduated from BAPP's institutional development program earlier than planned and didn't apply for second-year funding. Thus, in 2006, BAPP was able to bring in another long-term BAPP grantee in the institutional development program: environmental NGO "**Green Medal Undine**" in the town of Jurmala. The aim of BAPP's institutional development grant to Undine is to assist Undine in the diversification of its funding sources, in developing a business plan for running a new property donated to Undine, to turn this property into a model of an environmentally-friendly "business", and to strengthen the communication between Undine and society.

Assessing the results of individual NGOs, it is possible to observe some common patterns across all grantees. For instance, both genuine advocacy NGOs, **Transparency International Delna** and the **Latvian Family Planning and Sexual Health Association Papardes zieds**, with the support of BAPP grants, invested a considerable amount of time and effort to engage in fundraising from individuals and businesses. Both NGOs tested several fundraising strategies. While both NGOs did manage to cultivate relationships with indigenous donors and raised some funding, the leadership of both organizations came to the initial conclusion that NGOs of their type (working on advocacy of difficult

issues) will for a number of years be primarily dependent on project funding instead of donations. Another conclusion was that the leadership itself has to engage very actively in cultivating relationships with potential donors. While individual donations at this stage constitute only a minor share of total income, both NGOs are committed to continue fundraising from individuals due to the legitimacy provided by this kind of contribution.

Capacity-building programs for NGO leaders

In 2006, BAPP continued to provide a range of capacity building programs for NGO leaders, including support for an “NGO Institute” run by **Foundation Ziedot** (<http://www.nvoinstitut.lv/>) and an EU internship program. The institute provides training opportunities in areas such as fundraising, communication and marketing to enable NGOs to better attract funding from local individuals and corporate donors. Thus far, the program has provided training opportunities to over 200 NGOs through various seminars and individual consultations on such topics as PR and marketing, fundraising strategies, preparation of annual financial and narrative reports, and accounting for NGOs.

EU Internship Program

The EU Internship program has proved to be an effective way to connect Latvian NGOs with their EU counterparts, to involve Latvian NGOs in decision-making at the EU level and to contribute to the lobbying skills and capacities of the NGO activists. The internships are a valuable opportunity to ensure a continuous flow of information from Brussels to Latvia on cross-sector issues important to NGOs (e.g., EU funding opportunities, upcoming events and conferences, new legislative and policy initiatives, etc.). The interns not only shared the information with their fellow counterparts, but also prepared some articles that were published in the national press. Given that this program has achieved broad positive publicity, Civic Alliance – Latvia, which coordinated the program, is looking for other funders that might support this program in the future.

Funding sources for NGOs

The goal of this program is to ensure various indigenous funding sources for NGOs, including community, corporate, and individual philanthropy, as well as public funding.

Public funding

With BAPP support, Civic Alliance Latvia carried out research about the current procedures and methods by which direct government funding is allocated to NGOs. Initial conclusions indicated that while considerable funding is made available to NGOs from government, particularly in the education sphere, the process of obtaining this funding is not transparent and accessible to all civil society organizations. On the basis of this analysis, Civic Alliance drafted a set of recommendations to the Ministry of

Finance for improvement of practices and procedures on allocating public funding to NGOs. These will be proposed to the Ministry of Finance for discussion in the spring of 2007.

In the upcoming years a significant source of funding for NGOs will be so-called “**Norwegian money**”. **At the end of 2006**, with the active involvement of Civic Alliance, a separate funding scheme for distribution of these funds for civil society organizations was set up. The total allocation for Latvia from the Financial Mechanisms of the European Economic Area (EEA) and the Norwegian government is 51 million Euros over a period of five years, of which 10% has been allocated to an “NGO fund” to finance core and development costs and activities of civil society organizations. The Society Integration Foundation (a public institution) has been selected as the intermediary institution for the management of this fund, and it will launch the first call for proposals in the spring of 2007.

Community philanthropy

In 2006, BAPP continued its **community philanthropy support program (consulting and capacity building activities)** and provided **direct support (grants) to four community foundations**: the Talsi, Aluksne, Valmiera, and Madona Regional Foundations. The Madona Regional Foundation was established with BAPP’s support on March 1, 2006. As of January 2006, the fifth Latvian community foundation – the Lielvarde Development Fund – is no longer a BAPP grantee.

The key priority in 2006 for BAPP was to come up with a plan for promotion of the concept of community philanthropy and to address the common needs of the community foundations in the future, once BAPP’s support ends in 2008.

In the course of 2006, the five community foundations raised 282,370 USD in total. Four foundations (all except the Madona Region foundation) launched local calls for proposals (altogether 10 competitions) and awarded grants totaling \$123, 327 to 107 community based projects. The major share of funding for the projects was provided by the Dutch corporate foundation KNHM (<http://www.knhm.nl/>) that amounted to 87,600 USD. The other major donor was the bank “Hansabanka”, which in cooperation with the *Ziedot* Foundation donated 1500 tickets for the Ice Hockey World Championship, to community foundations. Latvian community foundations distributed the tickets, which in total cost 54,860 USD, to local school children and disadvantaged groups of people.

In spring 2006, following an invitation from *Ziedot*, all community foundations engaged in a “School bag” fundraising campaign. Altogether over 16,500 USD were fundraised as a result of this campaign, and 386 children from poor families received support in the amount of about 46 USD each.

Community Philanthropy Support Program

BAPP's Community Philanthropy Support Program (since February 2005 this program has been operated under the auspices of BAPP, but at the end of 2006 it was transferred to the Foundation "Ziedot") provides consultations and training to community foundations in such areas as fundraising, donor services, marketing and branding.

In January of 2006, BAPP invited experts from Charities Aid Foundation– Russia and Togliati Community Foundation to deliver training to Latvian community foundations and BAPP's institutional development grantees on development of philanthropy and work with donors. In the course of 2006, BAPP not only funded the participation of the representatives of Latvian community foundations at international conferences, but also initiated a discussion among community foundations and community philanthropy experts about the most efficient ways to address the common needs of the community foundations after BAPP's support is finished.

As a result, on December 6th, 2006, five of Latvia's community foundations established a Community Foundations Movement (CFM) that legally became a separate program of the Foundation *Ziedot*⁴. The goal of the Movement is to promote philanthropy and community engagement in regions all over Latvia. The main goals of CFM Latvia are: 1) to promote and develop community foundations nationally; 2) to develop and monitor standards for community foundations in Latvia; 3) and to strengthen the capacity of the community foundations and of the movement itself. The Movement is governed by a Council that consists of representatives from every community foundation. Members of the Council have elected a Chair (currently the Director of the Valmiera Region Foundation). Inese Danga, a BAPP-funded community philanthropy expert, serves as executive director of this Movement. At the end of 2006 the Movement approved its strategic plan for 2007-2010.

Corporate and individual philanthropy

In 2006, BAPP Latvia continued its work to support the development of an indigenous "venture philanthropy" foundation in Latvia. The role of the foundation will be to tap the resources of the private sector (skills and funding) and channel them to civil society organizations in order to help them develop new ways to serve their mission and to generate funds.

In the first half of 2006, BAPP staff and LEC members undertook activities to explore the concept of venture philanthropy further, to learn from and network with similar foundations in the region and in the U.S., and to search for local partners and engage them in this approach. As a result, the basic framework of the foundation was developed

⁴ The Foundation "Ziedot" ("Donate") has three additional programs - Internet charity portal www.ziedot.lv, the NGO institute (a training and research programme for NGOs), and a service program for the business sector.

and the *Partners in Ideas Fund* was legally established and registered in April of 2006. The founders of the Foundation are BAPP-Latvia LEC member Atis Zakatistovs and BAPP Program Officer Ieva Morica. In order to introduce Latvian businesspeople to the concepts of venture philanthropy and social entrepreneurship, the Partners in Ideas Fund invited two high-ranking representatives from the business community (the President of the World Bank's Latvia office and the Chairwoman of the Board of one of the leading Latvian banks, *Hansabanka*) to participate at the European Venture Philanthropy Association's annual conference in Paris in September of 2006.

While initially it was intended that the board members of the Foundation would manage operations of the Foundation for some time, it became clear in the course of 2006 that a permanent senior staff position would need to be created to manage the Foundation's work effectively. After an extensive search, a new Executive Director was hired, and will begin working with the Foundation in March of 2007.