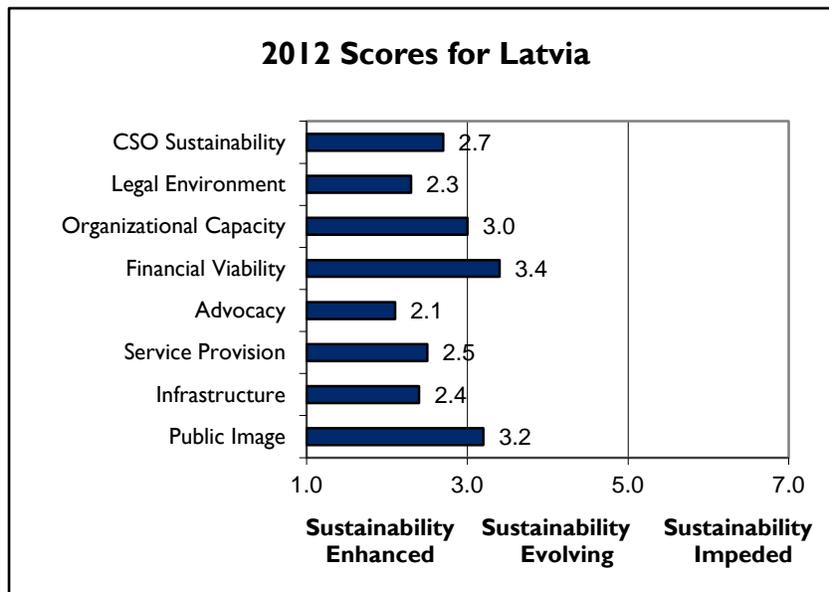


LATVIA



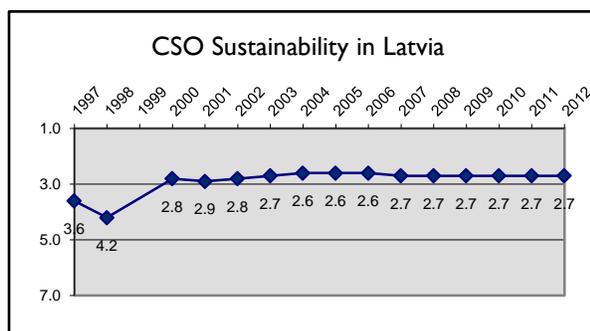
Capital: Riga

Population: 2,178,443

GDP per capita (PPP): \$18,100

Human Development Index: 44

CSO SUSTAINABILITY: 2.7



Latvian citizens have been more active in promoting their views, protecting their rights, and speaking out against injustices recently. Following the parliamentary recall in 2011, politicians recognize that they can no longer ignore society’s views and that they must act in accordance with the will of the citizens.

The most important political event of the year was the referendum on amendments to the constitution to add Russian as a second official language. CSOs expressing extreme views on both ends of the spectrum

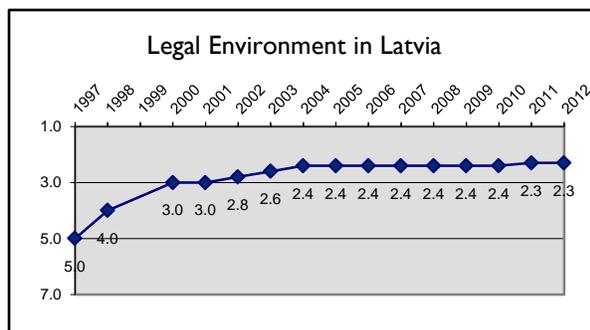
motivated citizens to exercise their rights by voting in the referendum. According to the Central Election Commission, voter turnout was over 70 percent, with approximately 25 percent in favor of the amendment, and almost 75 percent against the amendment.

Throughout 2012, CSOs increasingly participated in the public policy process and constantly worked to improve the legal environment governing associations and foundations. Several citizen groups were also involved in issues such as the quality of education, integration and language, and the role of public media in society. At the same time, CSOs, particularly advocacy organizations, are struggling with weak capacity and limited funding as most resources are targeted at resolving social issues, such as social integration and poverty.



In 2012, there were 14,563 associations and 1,068 foundations registered in Latvia. Each month, roughly forty new associations and seven new foundations are founded.

LEGAL ENVIRONMENT: 2.3



CSOs in Latvia are governed by the Law on Associations and Foundations and the Law on Public Benefit Organizations, in addition to other laws. In 2012, some administrative burdens were diminished for CSOs. For example, changes in accounting laws that came into effect in 2012 made work easier for CSOs with annual turnover below \$50,000.

It takes approximately two weeks to register an association or foundation. CSOs can register online, although this requires an electronic signature, which is

not widely used in Latvia. Registering a CSO remains relatively cheap, costing just 8 lats (approximately \$15). CSOs are required to submit annual reports to the state.

The situation regarding donations by state-owned enterprises remains unresolved. The Latvian state forestry company annually donates funds to sport organizations through a system that is not transparent and lacks clear criteria. In addition, the sport organizations receiving the funds are not public benefit organizations, but professional sport teams that are closely linked with politicians. Annual data shows that the level of funding distributed through the system of public benefit taxation grows each year; however, most of this is also donated to sports organizations.

In 2012, a few members of the Latvian parliament began drafting a law regulating voluntary work, which is still missing from the legislative landscape regulating CSOs. The draft law will be submitted to parliament in 2013.

CSOs are still not treated equally in state tenders. Some organizations continue to lobby state institutions to eliminate legal status as an eligibility criterion in their calls for proposals. For example, some tenders are only open to business organizations, automatically making associations and foundations ineligible. The situation is slowly improving in so called “soft” projects that involve training, publicity campaigns, and some social services, while tenders for research activities, construction, and provision of educational services often remain off-limits.

CSOs are allowed to earn income. However, observers note that organizations that successfully earn income often neglect the missions for which they were founded, while those that fulfill their missions lack the capacity to earn income.

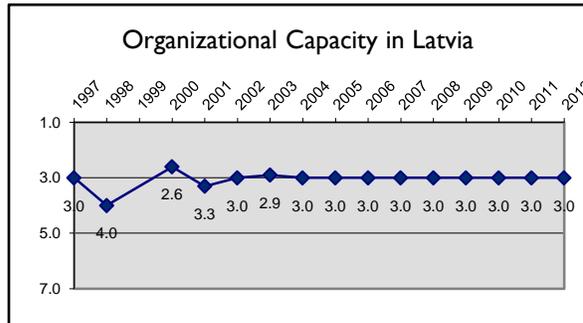
Individual donors are eligible for an income tax deduction of 24 percent of the amount of their donations to public benefit organizations, up to a maximum of 20 percent of their taxable income. Corporate donors can receive a tax credit of 85 percent of the donated amount, not to exceed 20 percent of their total tax liability.

With support from the Society Integration Fund, five regional CSO support centers continue to provide legal advice to CSOs and people planning to establish foundations or associations. According to data collected, Civic Alliance-Latvia provided about one hundred consultations in the region of Riga during a six-month period. There is no data about the rest of Latvia, but CSOs clearly have a great need for additional legal advice, particularly on civil law and other specific legislation in order to advocate effectively for their target groups.

ORGANIZATIONAL CAPACITY: 3.0

Organizational capacity varies within the sector. Some organizations have sufficient capacity, while others face instability caused by their ongoing struggle for adequate resources. Lack of capacity limits CSOs' abilities to build constituencies.

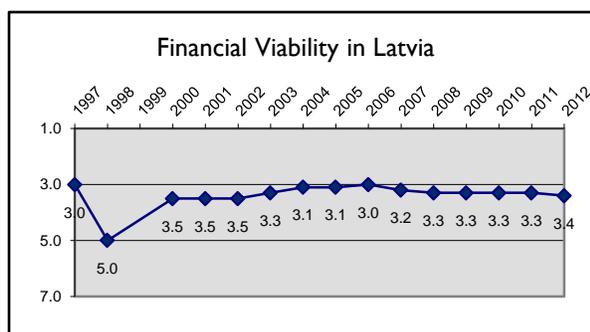
In 2012, the State Chancellery and Society Integration Fund managed a program to build the organizational capacity of CSOs. Through this program, approximately forty CSOs were able to develop their capacity, including internal management systems and strategic planning. However, the implementation of this program is administratively complicated and organizations claim that it has actually diminished their capacity, as completing the required documentation takes more time than is available to implement activities.



CSOs continue to face problems with staffing. Most organizations hire staff on a project basis, and are unable to retain them when the project ends.

Most CSOs are technically well-equipped, and regularly use computers, cell phones, and Internet in their work.

FINANCIAL VIABILITY: 3.4



Policy makers and civil servants have started to clarify the funding system for CSOs in Latvia. A special working group in the Ministry of Finance is looking at the possible delegation of state tasks to CSOs and the creation of a transparent system to support CSO initiatives in different policy areas. The working group is expected to finish its work in the spring of 2013. In addition, on November 7, 2012, the Parliament's Commission on Budget and Taxation approved the creation of a special program to provide co-financing for CSO projects funded by the European Union,

which many organizations are unable to secure. Starting in February 2013, \$140,000 in co-financing will be available through this program.

State financing for CSOs is sporadic and inconsistent. There is no general rule for how CSOs can receive state funding. A few programs provide funds to CSOs, but these are generally related to very concrete topics, such as integration. Experts agree that the administrative requirements for these projects stretch most CSOs' organizational capacity.

Regional CSOs actively seek funding from municipalities and funds that support rural development. Some EU programs, such as LEADER, allow local communities to develop projects that complement local strategies developed by local action groups.

Municipalities still provide limited, but regular, support to local CSOs through calls for proposals. For example, the district of Tukums provides extensive support to regional organizations and the regional support center, while the municipality of Liepāja provides support to local CSOs focused on culture and education. The municipality of Riga provides support to CSO working in the field of integration.

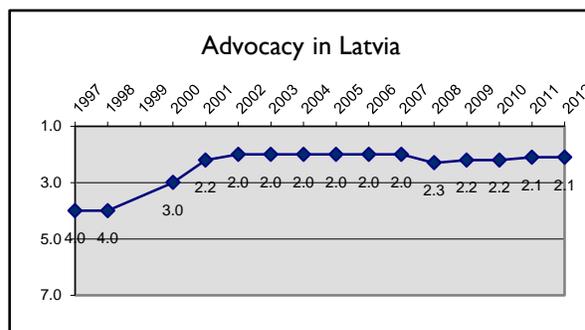
At the end of 2012, a new program called the NGO Fund began operating. The program, funded through the European Economic Area/Norwegian Financial Mechanism, will distribute approximately €10 million to CSOs through open calls for proposals. The first announcement came out at the end of 2012, with the possibility of receiving funds in the middle of 2013.

Some CSOs, particularly those working in the field of charity, continue to organize fundraising campaigns for very specific initiatives, such as poverty reduction and health programs for disadvantaged groups. Some of the most significant campaigns organized in 2012 include Angels above Latvia and Sunny Days for our Children. Some CSOs cooperate with private companies in the framework of their corporate social responsibility programs. The women’s resource center Mara has released a music CD and cooperates with Madara, one of the most successful natural cosmetics companies in the country, to promote the CD and the organization’s values. All proceeds from the sale of the CD supports the organization’s programs.

CSOs use various financial management programs. Commercial software is available to help smaller organizations with bookkeeping.

ADVOCACY: 2.1

Latvian CSOs are very good at raising awareness of certain issues, but are less effective when it comes to achieving concrete policy changes. CSOs regularly cooperate with the state through various mechanisms. For example, CSOs can participate in the meetings of the State Secretaries and the Committee of the Chamber of Ministers, a political body that makes final decisions in cases where the State Secretaries have not reached agreement.



Mana Balss, a system developed in 2011 to collect signatures online for various social and political proposals, continues to provide citizens with the opportunity to express their opinions about important public issues. During 2012, approximately five initiatives collected 10,000 signatures and a few initiatives were submitted to the parliament. For examples, one proposal recommends adjusting the law so that fines are only imposed if a driver is going more than fifteen kilometers an hour over the speed limit.

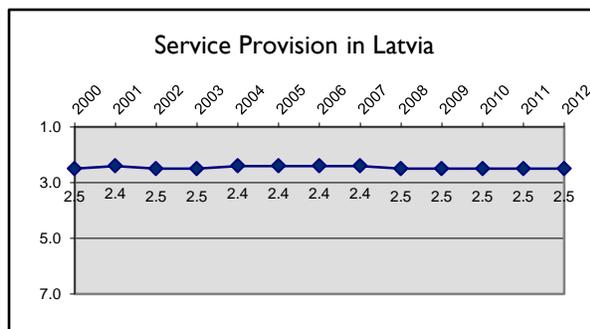
The European Union engaged in long-term budget planning in 2012. Some CSOs were very engaged in this process. For example, a network of organizations uniting Latvian farmers, beekeepers, and others organized local and regional campaigns to ensure that EU subsidies are divided equally among different countries. Farmers in Latvia have apparently received less support than their counterparts in other EU countries to date. The advocacy campaign was visible and effective at educating EU politicians of the discrepancy, and Latvian farmers will receive larger payments beginning in 2019.

On the other hand, state institutions have ignored CSOs’ advocacy efforts on a number of issues, generally because of a lack of understanding on the part of civil servants. For example, an organization fighting for the rights of children with dyslexia was unable to persuade the Ministry of Education to allow children to use computers when taking national exams, even after involving the Ombudsman.

In 2012, two movements developed representing radically different opinions on demographics and family planning. One side – representing Christian opinion – is against abortions, while the other side – consisting of family planning organizations – is driven by a strong opinion about women’s right to make their own decisions on whether or not to keep a child.

During 2012, CSOs advocated on several sector-wide issues. For example, the Office of Anti-corruption was trying to set a limit on the funding received by CSOs, above which the head of the organization would have to register as a civil servant and declare the sources of his or her income to avoid conflicts of interest. CSOs question the legality of such a proposal in the context of a democratic state. Discussions on this proposal were ongoing at the end of 2012. CSOs at all levels have participated in various working groups writing the National Development Plan 2014–2020. CSOs were mainly interested in the open consultation process and eligibility for the funding that will be available to implement the plan. CSOs also lobbied to develop legislation governing social enterprises, sustainable regional development, and environmental issues.

SERVICE PROVISION: 2.5



CSOs continue to optimize and improve the quality and sustainability of their services and to develop new services, such as support for immigrants, care for abandoned animals, psychological support for victims of domestic violence, language courses, summer camps for children, shelters for homeless people, soup kitchens, and public sports campaigns. Rasa, a senior citizens organization in Riga, created a babysitting service for young families called “grandmother on loan”. Spars, another organization in Riga, has developed several tourist routes for people with

disabilities, providing information about transportation options and other issues to make traveling easier. The District of Zemgale, located in the south of the country, has widely promoted service provision by CSOs over the last few years. As a result, even small organizations have started developing services for their target groups, including the elderly and youth.

Dzīvības koks, an organization of oncological patients, is establishing a center for cancer patients and their families with funds raised from private donors and proposals submitted to various donors. These services are developed based on societal needs, but are not recognized or supported by the state or municipalities. Many CSOs also receive support from the State Agency for Unemployed to create subsidized work places for unemployed people and people with disabilities.

Service organizations build relationships with their clients and develop their services based on the needs of the local community. Due to the high competition for funding from all sources, the quality of CSO services is generally high.

CSOs increasingly understand the concept of social enterprises. While more and more organizations are exploring the idea of creating social enterprises, they find it impossible, as there is no regulation governing social enterprises.

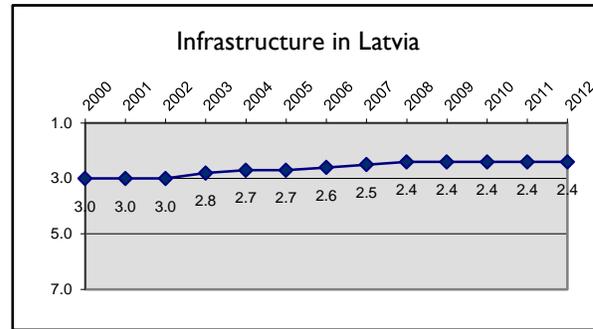
Some organizations continue to struggle to sustain important services, as their clients will never be able to cover the costs of the service. These include services for immigrants and victims of human trafficking. Some organizations, such as crisis center Skalbēs, have successfully attracted funding through specific campaigns to provide psychological support for people at risk of committing suicide.

INFRASTRUCTURE: 2.4

Since 2006, a state program has supported five regional NGO support centers that provide basic assistance, information exchange, and other services to organizations working in their regions. Two of the centers – one in Vidzeme in the north of the country and one in Kurzeme in the west of the country – have organized regional forums about topics important for local organizations. While these decentralized services are

appreciated, the centers need to provide uniform services in all five regions in order to have greater impact on development.

As a movement, community foundations have not been able to develop activities over the long-term. Some individuals have developed new foundations, although they often have a narrow focus. Some even focus on developing a single infrastructure object, such as the memorial Likteņdārzs.

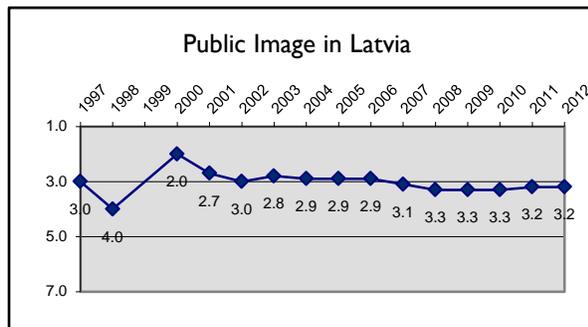


CSOs frequently form networks. Organizations and individuals increasingly use social media and ICT to create informal networks focused on specific topics. For example, parents around Latvia came together through social media to increase the quality of education in the country and increase parental involvement in the decision-making process at the Ministry of Education. Six organizations from different fields formed a consortium to participate in the drafting of the National Development Plan. The consortium met regularly, shared opinions, organized common events, and submitted joint recommendations to state institutions.

A wide variety of training programs are available to CSOs. Most training initiatives are developed through projects supported by EU Structural Funds or state programs, and address concrete CSO management issues, such as bookkeeping, the project planning process, team building, and effective use of social media in communication. Many organizations are interested in taking advantage of the training that is available on advocacy and participation in the public policy process.

Intersectoral cooperation is relatively strong, especially with hospitals and schools. True partnerships with the business sector, however, remain underdeveloped.

PUBLIC IMAGE: 3.2



A recent opinion poll by one of the national newspapers, Neatkarīgā Rīta avīze, confirmed that the general public distrusts the third sector. The poll, which surveyed 1,000 people, included a question on how much respondents trust various institutions. NGOs were in sixth place, ahead of municipalities and political parties, but behind courts, prosecutors, and trade unions. At the same time, CSO campaigns are well-covered by the national media. For example, an awareness raising campaign by environmental organizations to draw attention to the importance of a

clean Baltic Sea received significant media coverage this year. Some CSO representatives are respected experts in the fields of public policy, anti-corruption, citizen participation, education, health, welfare, rural development, and environment. However, the general public does not seem to make the connection between individual experts and the third sector. Awareness campaigns that explain the role of CSOs and citizen participation would help address this problem.

The importance of traditional media is decreasing, as CSOs can now use social media to address their target audience. National television supports a few public benefit projects by promoting their activities. However, the supported projects are not selected in an open and transparent manner.

Government understands the role of CSOs in public policy, while business mostly views CSOs as possible partners in realizing their corporate social responsibility goals. Self-regulation is still not a popular topic among CSOs.