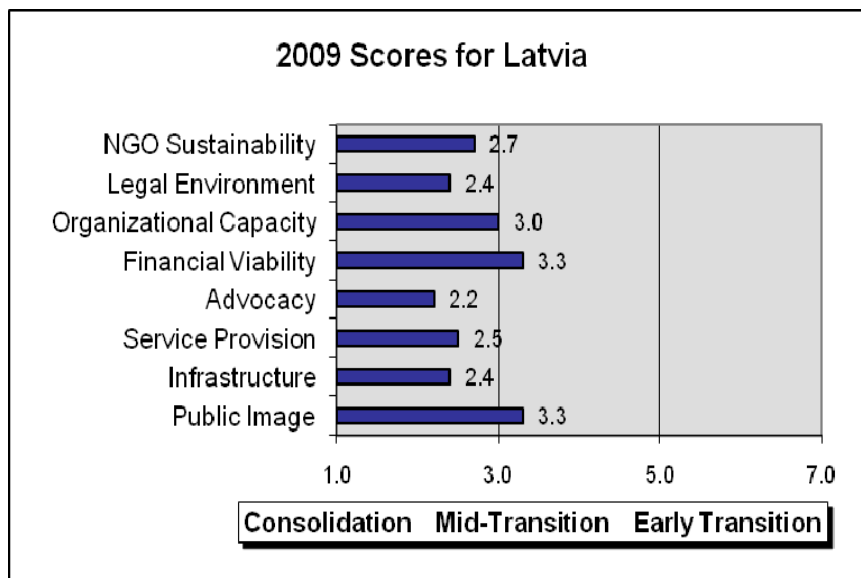


## LATVIA



**Capital:** Riga

**Polity:**  
Parliamentary Democracy

**Population:**  
2,217,969 (July 2010 est.)

**GDP per capita (PPP):**  
\$14,500 (2009 est.)

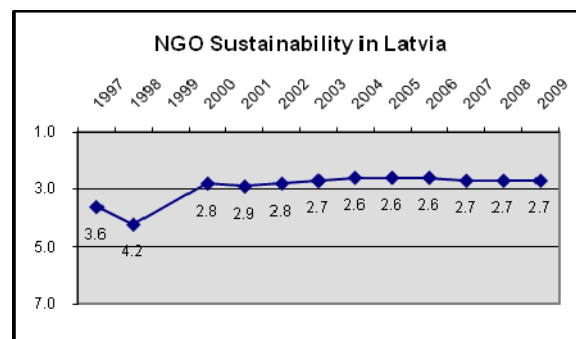
### NGO SUSTAINABILITY: 2.7

As of November 2009, Latvia had 11,669 registered NGOs, including 10,344 associations, 747 foundations, seventy-three open society foundations, fifty-nine sports organizations, and eighteen political organizations.

As result of the economic recession, more citizens have chosen to form NGOs as a way of addressing their communities' needs, and statistics show that twenty new organizations were established every month in 2009. At the same time, NGO support organizations are frequently asked to provide information on how to properly terminate an NGO that is unable to sustain its activities.

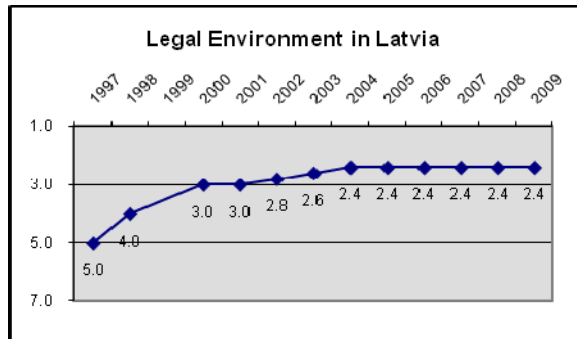
In the beginning of 2009, a new government was established that promised to provide a concrete and feasible plan for reducing civil service expenditures. In the middle of the year, the government held municipal elections and completed an administrative regional reform project, outlining completely new administrative boundaries for the country. Before this reform was completed, many regional developments

were in turmoil due to the uncertainty of administrative divisions.



State officials increasingly accept the participation of NGOs and other civil society groups in decision making. In the beginning of 2009 when the new government was established, NGOs were actively involved in preparing proposals for the government that emphasized citizen engagement. Almost all of their suggestions were included in a subsequent government declaration. Citizens also appear to be more interested in the political process, organizing protests and pickets with clearly defined demands that can be fulfilled by government officials.

## LEGAL ENVIRONMENT: 2.4



In 2009, NGOs suggested a few important changes to the Law on Associations and Foundations. For instance, NGOs proposed a change to a regulation set by the State Register of Enterprises defining a quorum for the annual meetings of relatively large organizations, which would allow organizations themselves to define a quorum in order to ensure that the assembly is legitimate.

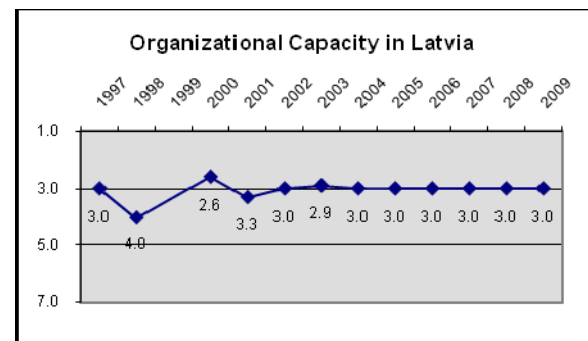
In 2009, several amendments to the Public Benefit Law were implemented that impacted organizations with public benefit status. In particular, in an effort to reduce the budget deficit, parliament reviewed amendments in June that reduced the income tax exemption from 85 percent of the donated sum to 25 percent for businesses making donations to public benefit organizations. For a few months, tax exemptions were reduced, but in the autumn, the parliamentary budget commission decided to restore the previous amount.

There is an ongoing debate in Latvia about changing the legal status of NGO employees who administer projects supported by state funding. The proposed change would force them to register as officials, with the obligation of annually declaring their income to the state revenue service in the same manner as regular state officials. NGOs are actively trying to prevent passage of these amendments.

## ORGANIZATIONAL CAPACITY: 3.0

Most Latvian organizations understand the need for strategic planning. Umbrella organizations and NGO resource centers are increasingly providing consultations on organizational capacity building; these networks have reported that NGOs are requesting consultations on good governance issues and their applicability to daily activities. In 2009, Civic Alliance-Latvia provided 175 unique consultations to NGOs on a variety of topics that included legal issues, organizational governance, and establishing an NGO.

Funding requirements also help build NGOs' capacity. Several international donor programs such as the European Economic Area and Norwegian Financial Mechanisms require applicants to submit three-year capacity building plans with their proposals, forcing NGOs to strengthen their organizational functioning and plan for the future.



Nevertheless, organizational capacity is strongly linked to NGOs' financial viability, and the NGO sector in Latvia has been heavily impacted by the economic crisis. Funding challenges have emerged that influence personnel recruitment and other elements of organizational capacity.

At the end of 2009, during a meeting of the council responsible for overseeing the implementation of the memorandum of agreement between NGOs and the government, several NGOs raised complaints about the

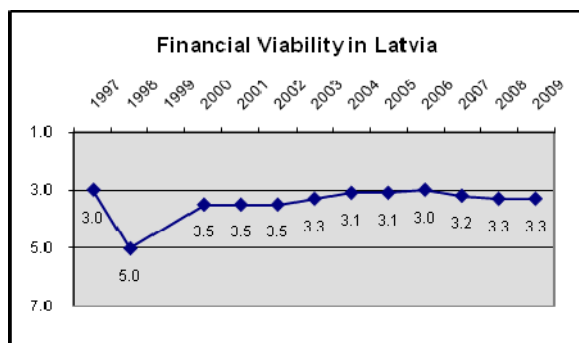
country's system of volunteer management. Odin Vita, an NGO that coordinates volunteers for social programs, analyzed relevant legislation, and concluded that the current system is insufficient. In response, the council established a working group on the matter that

will collaborate with the Ministry of Justice to establish a united volunteer management system.

NGOs are using websites and social networks more often, as well as communication tools like Skype and Twitter.

### FINANCIAL VIABILITY: 3.3

The amount of funding available to NGOs shrank in 2009. NGOs aiming to strengthen democracy or fight corruption have difficulty raising funds for their activities compared to organizations working in the fields of health, children, and animal rights, whose programs tend to show more concrete and immediate results.



Financial support from donors like the European Economic Area and Norwegian Financial Mechanisms, which have a longer investment in NGOs' organizational capacity, are valued and rare support mechanisms for Latvian NGOs. Such funding is limited, however. For example, the European Economic Area and Norwegian Financial Mechanisms' last call for proposals

received over 200 submissions, but only ten projects were awarded grants. Sector observers noted that this was not due to the poor quality of the other projects, but to the limited amount of funding available.

In 2009, the state institutions administering EU Structural Funds allowed NGOs to take part in decision-making processes as equal partners. NGOs issued comments about the Structural Funds' programs and their implementation. NGO representatives involved in the process found it difficult and time consuming, however, and few were able to take full advantage of the opportunity.

Despite the economic downturn, philanthropic organizations have experienced excellent results in collecting donations from the general public for specific projects. For example, a national campaign organized by the Latvia Children's Fund in cooperation with Latvian National Television collected about 50,000 Latvian lats (\$97,000); at the same time, Ziedot.lv, an online charity portal, collected about 300,000 lats (\$580,000) in cooperation with Latvian Independent Television.

### ADVOCACY: 2.2

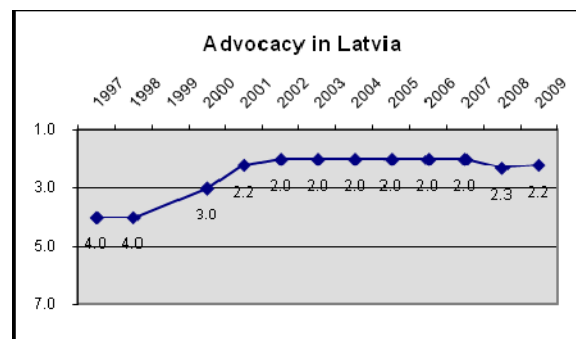
In 2009, NGOs organized advocacy campaigns and initiatives in a more professional manner than in previous years. In 2008 and 2009, the ministries that planned and implemented civil society policy were completely reorganized and functions were assigned to the Ministry of Justice, which initially failed to create a special division for civil society issues or to specify the amount of funding dedicated to the sector. During the reorganization, NGOs engaged in a

variety of advocacy activities—speaking with policymakers, writing newspaper articles, attending meetings—to ensure that civil society remained on the political agenda. In response, the Ministry of Justice recognized that civil society was being overlooked and spoke openly about the need to provide more attention and funding.

Most fields have an organized network of NGOs that cooperate to achieve common aims. For example, youth organizations are united in the National Youth Council of Latvia; thanks in part to their efforts, a youth law they supported has been adopted. Umbrella organizations also exist in the fields of agriculture and farmers' rights, the environment, women, and the rights of the disabled.

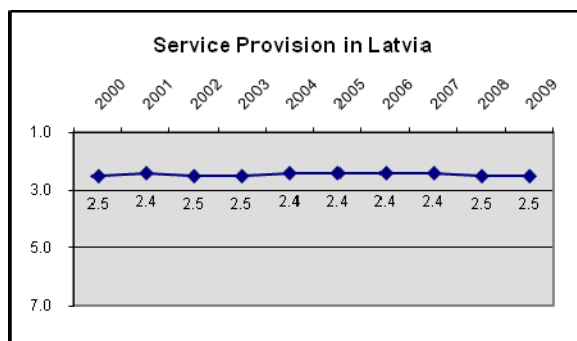
Similarly, NGOs have begun commenting more frequently on legislation in cases where state institutions have made or are preparing to make important decisions concerning NGOs, but have failed to negotiate with the NGO sector. For example, the government decided to reorganize the foundations that administer NGOs' international funding. The decision was made during a closed-door government meeting and NGOs were unable to explain the measure's negative consequences. In response, a number of advocacy organizations identified the government's decision as a violation of the law and organized advocacy activities highlighting its consequences. In what was considered one of

the NGO sector's most visible successes, the government repealed the decision.



Municipal elections took place in June 2009. Before the elections, NGOs arranged panel discussions between candidates and civil society members to talk about crucial issues and highlight the candidates' suggested solutions. These events helped promote increased awareness among politicians about the usefulness of the NGO sector, as well as greater cooperation between the two groups.

## SERVICE PROVISION: 2.5



In response to current needs, NGOs provide services for people who do not receive them from state institutions. The services cover many fields, but are particularly focused on social issues. According to government statistics, there were 405 organizations in the register of social service providers at the end of 2009.

Religious and charity organizations created or expanded programs to provide food to people who have been hard hit by the crisis. For example, the Salvation Army organized a soup

kitchen for the poor, and the Red Cross and other charity organizations are distributing food parcels to those most in need. The funding for these groups comes from different sources; some collect donations on the street, while others receive donated food from farmers and supermarkets.

Sector observers say that the main problem with NGO service provision is quality and the question of whether services will be delivered over the long term. Often, NGOs do not accurately evaluate donors' support; after donors withdraw funding, NGOs have difficulty continuing to provide quality services, particularly when clients cannot afford to pay the full price. There is also a lack of coordination between different service providers to identify and provide services according to society's needs. Frequently, services are designed and established without analyzing the market. In some fields, services may overlap, while in others, no services are provided at all.

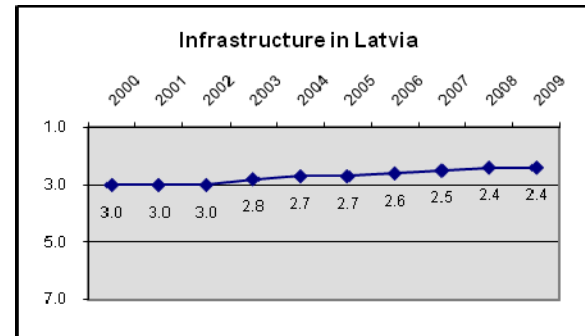
## INFRASTRUCTURE: 2.4

At the end of 2009, municipalities, NGOs, and local enterprises collaborated in working groups to design a development strategy for each region. Based on these strategies, the groups began applying for funding from LEADER, an EU program administered by the European Commission to support rural development projects.

NGOs also began creating coalitions to work together more efficiently to achieve common goals—by sharing space, for example, or jointly utilizing a skilled professional. In a recent initiative, a number of groups joined together to form a network against poverty and social exclusion. The year 2010 is the year of anti-poverty in the EU, and NGOs united to build stronger connections among their programs in order to better accomplish their advocacy and communication goals.

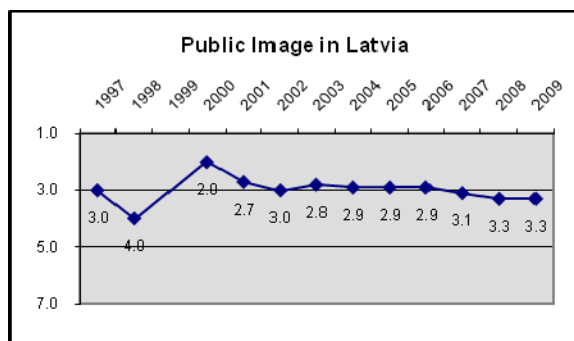
Some longstanding NGO networks established in 2004 (when Latvia entered the EU) with the aim of fostering a coordinated NGO voice in different fields have been affected by the economic crisis. For example, the NGO network

working on development cooperation has been under threat due to state budget cuts.



Some state institutions have closed their regional units, forcing the NGOs in those regions to visit Riga to accomplish some administrative tasks. On the other hand, Latvia has a network of five state-supported NGO resource centers that has been operational since 2006, as well as a few other resource centers that have been actively providing technical assistance to other NGOs. Sector representatives say the network is well developed and provides organizations with access to information on funding opportunities and legal advice, as well as project writing consultations.

## PUBLIC IMAGE: 3.3



There are slight differences in the way NGOs are portrayed in the national and regional press. The regional press is more cooperative about publishing information provided by NGOs, while the national press is more interested in NGO representatives who can serve as experts in

their fields, rather than simply as members of civil society.

Politicians and government officials generally view NGOs positively. Even in long-term strategy documents, the government largely incorporates NGOs as equal partners in assisting with the country's development. The public, too, views NGOs positively; as citizens engage in more community activities, they increasingly recognize NGOs' efforts to promote the public interest.

More NGOs are using blogs to express their views and public statements. Occasionally, due to weak cooperation between organizations working in the same field, several simultaneous social campaigns with different messages are launched, causing confusion for citizens. Around

Christmas, for example, the media is overwhelmed by multiple campaigns by different charity organizations, which may be seen as a waste of resources.

One of 2009's most highlighted activities was a public protest that occurred in Riga in January. The meeting was originally organized by a political party to highlight a recent government decision, but it ended with a group of activists

becoming violent and demolishing buildings and shops. Politicians subsequently threatened to revise regulations on demonstrations. In response, NGOs identified these measures as attempts to limit citizens' freedom of speech and organized a "white ribbon campaign" to support citizens' right to peaceful participation in the policymaking process. The campaign received major media coverage.