

CENTER FOR THE STUDY OF DEMOCRACY

ANNUAL REPORT 2018



Building bridges

**CENTER FOR THE STUDY OF DEMOCRACY
2018 ANNUAL REPORT**

Drawing: Anri Koulev

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Center for the Study of Democracy

Building Bridges between Scholars and Policy Makers

Founded in late 1989, the Center for the Study of Democracy (CSD) is an interdisciplinary public policy institute dedicated to the values of democracy and market economy. CSD is a non-partisan, independent organisation fostering the reform process in Europe through impact on policy and civil society.

“Building bridges” is the old-fashioned way of bringing together social actors and cementing new alliances. Born as a think-tank, the Center for the Study of Democracy has evolved into policy development through dialogue and partnership.

Bringing cutting-edge solutions to transition problems is our way of keeping the middle ground between academia and social practice.

The CSD has pioneered in several areas traditionally perceived as the inviolable public property, such as anti-corruption institutional reform, and national security.

Our belief is that bringing a new culture of cooperation and trust in a milieu of inherited fragmentation and opacity is equally rewarding as the achievement of concrete social goals.

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Introduction

The 25th Annual Report of the Center for the Study of Democracy (CSD) contains the key issues we work on, our achievements, our human, financial and organizational resources, and the main challenges we look forward to. CSD's Annual Reports, the first of which was published in 1994 (shortly after the Center was established in late 1989), are meant to set an example of the openness and transparency we expect from public institutions. There is no other effective way to ensure social change and institutional reforms. And we are happy that others take note. For a fourth year in a row, CSD has been among the think-tanks awarded the top global rating for financial transparency among the 150+ major organizations from 47 countries ranked by [Transparify.org](https://www.transparify.org).

In CSD's best traditions, the poster on the cover of this Annual Report tries to capture the spirit of the year. The year 2018 revealed starkly how Europe and the whole world are moving in different gears, amid strengthening of populism and illiberalism at the expense of the classical forms of liberal democracy. The growing rift between reformers and the status quo among EU Member States and within countries has undermined trust in institutions and eroded their efficiency to serve their citizens and deal with crises. This has become most obvious by the self-centered approach in tackling migration pressures, the Eurozone reform, and Russia's malign influence in Europe. At the same time, democratic backsliding has dealt a major blow on the prospects for economic and political convergence in Europe, especially in its southeastern corner.

In this environment, CSD goes back to its basics and aims to give its best to promote social change and better governance. We have witnessed how the governance gaps and deficits, including state capture in some countries, that have cracked open by the strains of the economic downturn or that have persisted because of the lack of political will and action have been exploited by authoritarian regimes and forces to the detriment of democratic practices. Civil society plays a crucial role in building resilience against these threats to democracy. Striving for and promoting full transparency is one of the most important instruments at its disposal. CSD will continue to lead the way there.



Sofia, January 2019

Dr. Ognian Shentov
Chairman

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Part One

Program Reviews

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Law Program

In 2018, the Law Program worked in the areas of crime and justice, victims of crime, integration and social inclusion, and fundamental rights and ethics.

- **Crime and justice.** CSD's activities in the area of crime and justice focused on the prevention of and fight against organised crime, terrorism (including radicalisation and violent extremism in prison) and money laundering, and on enhancing the presumption of innocence of suspects and accused. The relations between trafficking in human beings (THB) and various economic activities were also explored. Other research areas included legal aid and EU financial support to national justice systems.
- **Victims of crime.** CSD continued to explore numerous aspects of the protection of victims of crime, and specifically women victims and victims of trafficking, and the related legal aid, referral and cooperation between public institutions and NGOs. Transposition of relevant EU legislation was assessed, while awareness events explored avenues to overcoming difficulties on normative and practical level.
- **Integration and social inclusion.** Based on its long policy experience in the area of migration, CSD continued to promote integration and social orientation of foreigners as a tool to empower them against racism and xenophobia. Work started on developing pan-European ICT tools to facilitate interaction between migrants, institutions and service providers.
- **Fundamental rights, equality and ethics.** As a member of the FRANET network of the EU Fundamental Rights Agency, CSD collected data and information for the Agency's comparative studies. Research topics included, among others, asylum and migration, drivers and barriers for independent living of persons with disabilities, detention conditions and procedural rights of detainees. Work on ethics aims to build upon earlier activities in the area of promoting a trust-based policy and self-regulation with a focus on professional responsibility and integrity.

I. Crime and justice

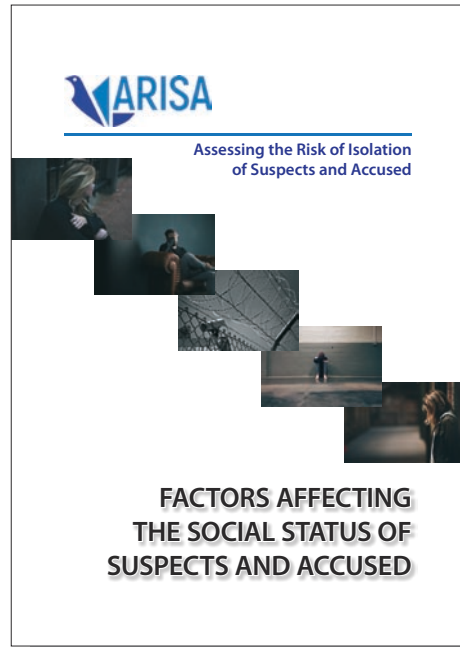
Work in this area focused on the prevention of and fight against organised crime and terrorism (including radicalisation and violent extremism), on the protection of the rights of suspects and accused, as well as on exploring the links between human trafficking and different sectors of the economy.

Across Europe, organised crime and terrorism (including radicalisation and violent extremism) represent a major challenge for public security and safety, while at the same time there is an increasing need for multidimensional approaches to better understand and address these phenomena. To respond to this need, public institutions, research institutes and private compa-

nies from 13 countries have launched the international initiative *Understanding the Dimensions of Organised Crime and Terrorist Networks for Developing Effective and Efficient Security Solutions for First-Line Practitioners and Professionals*. In 2018, CSD contributed to the provision of content for two platforms. One of them will be targeting first-line practitioners, the research community, and the wider public, while the other will be designed for law-enforcement agencies and providers of (digital) security solutions.

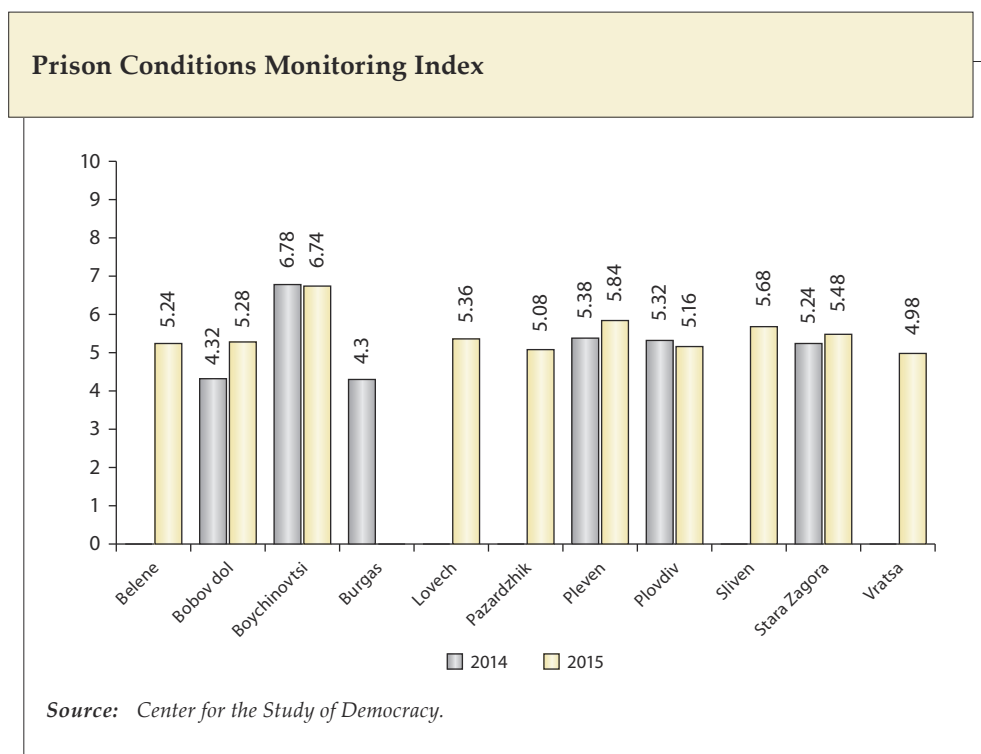
CSD is also actively contributing to the [Judicial Strategy against All Forms of Violent Extremism in Prison](#) which aims at promoting and enhancing capacities among judicial services to counter all forms of violent extremism in prison. More specifically, it seeks to facilitate informed policy-making on cases of radicalisation at all stages of judicial proceedings, and to support prison and probation staff in the execution of sentences through a coherent set of programmes and an integrated flow of information among stakeholders. Within the framework of this pan-European effort, CSD is collaborating with public institutions and research institutes from seven EU countries, as well as relevant national stakeholders.

The rights of persons suspected or accused of committing a crime was another key subtopic. As part of the international initiative [Assessing the Risks of Isolation of Suspects and Accused](#), an analytical report titled *Factors Affecting the Social Status of Suspects and Accused* was published. The report examines the factors that affect the social status of suspects and accused drawing upon the prevalent legal practices in four EU Member States: Belgium, Bulgaria, Greece, and Italy. Each of the [four national case studies](#) is structured along the following key aspects: legal status



of suspects and accused, custodial and non-custodial measures during proceedings, disclosure of information, legal and practical impact of proceedings on suspects and accused, and assessment of the impact of proceedings by competent authorities. Further work on the initiative entails the development of a methodology for assessing the risk of social isolation of suspects and accused, which is intended to assist judicial and law-enforcement bodies in making informed decisions about the potential consequences of their investigative actions for the suspects and accused, and in undertaking measures to reduce any harmful effects without hindering the investigation.

In October 2018, work on the identification, needs assessment and equal treatment of offenders with psycho-social and intellectual disabilities was started with the aim of upholding the criminal procedural rights of suspects and accused with such disabilities by strength-



ening the implementation of relevant EU criminal law.

The results of the second round of implementation of the *Prison Conditions Monitoring Index* (PCMI) were presented. The PCMI, developed by the Law Program team, was piloted in 2015 and then applied again in 2016. The comparative data were presented for the first time at an international conference in Bucharest (Romania) in late 2017 and published several months later. This PCMI is an innovative prison monitoring tool aimed at providing a more operational and managerial perspective than the already existing instruments, which are rather critical and hostile toward prison administrations.

Another topic under analysis was the **nexus between human trafficking and different economic sectors** such as tour-

ism. Research was undertaken on the various aspects of those links, based on which a practical kit will be developed for businesses on how to counteract this criminal phenomenon and co-operate with other anti-trafficking actors.

Back in 2017, CSD was commissioned by the National Legal Aid Bureau to **assess the effectiveness of the Bulgarian legal aid system**. The assessment was carried out in the beginning of 2018 and included an evaluation of the implementation of the *Legal Aid Act* combined with a national survey on the public awareness and needs of legal aid.

CSD also contributed to the **evaluation of the EU support to the national justice systems**. The objective of the study was to review the extent and the way in which Bulgaria and fifteen other Member States used the European Social

Fund and the European Regional Development Fund in the programming periods 2007 – 2013 and 2014 – 2020 to support their justice systems. The work included collection of specific and comprehensive factual information on the extent and the way in which programming documents were set out to support justice systems, on ex-ante assessment conducted by the Member States concerning the needs in the justice systems, and on planned, ongoing and finalised projects supporting the justice systems.

II. Victims of crime

CSD continued to work towards the improvement of the situation of victims of crime through improving multidisciplinary work in their protection, especially of women victims and victims of human trafficking, and through enhancing stakeholder cooperation.

In the area of protection of THB victims, a strategic paper on the provision of legal aid in national and transnational cases was developed. The paper, together with the preceding handbook for lawyers, social workers and health professionals, was presented at an [awareness event](#) for the representatives of relevant institutions and NGOs.

Following a scoping of institutions and organisations involved in protecting victims of crimes for a new web platform, allowing access to all citizens in case of need, CSD experts together with law-enforcement officials took part in developing a victim referral paper and a victims' rights brochure, which was sent out to major victim support institutions to be used by victims themselves. A new mobile app was promoted, where victims could find contacts of all major institutions as well as a short description of the procedures for



*Protection of the Rights of Victims of Trafficking Round Table,
Sofia, 16 October 2018*

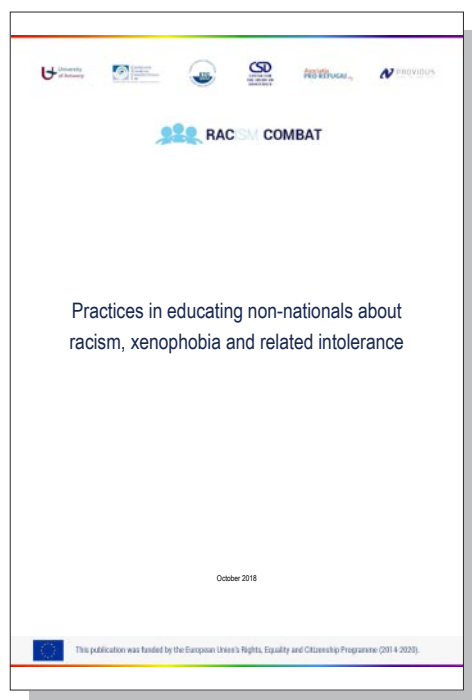
reporting a crime and taking part in proceedings.

Based on CSD's long-term engagement with women's rights, an initiative promoting the rights of women victims of crime and seeking ways to improve their situation was launched to scope reasons for underreporting of crimes and review the process of financial compensation of victims' damage.

The CSD team also took part in a major study on the completeness and conformity of transposition of *Directive 2012/29/EU of the European Parliament and of the Council of 25 October 2012 establishing minimum standards on the rights, support and protection of victims of crime, and replacing Council Framework Decision 2001/220/JHA*, including comprehensive desk research and interviews with relevant stakeholders.

III. Integration and social inclusion

CSD, together with universities and organisations from Austria, Belgium, Romania, Latvia and Greece, continued working on an [initiative to prevent and combat racism and xenophobia through social orientation of non-nationals](#). With the aim of introducing an innovative approach to non-nationals' language tuition and social orientation as part of integration to incorporate a rule of law education element, CSD managed the mapping of existing integration frameworks in twelve Member States and an analysis of integration courses and curricula in the six partner countries. Fifteen promising practices were collected and presented online with rich illustrative material, including video testimonials. The Center's team coordinated two stakeholder workshops and study visits in Antwerp, Belgium, and Graz,



Austria, where partners and stakeholders engaged into an in-depth discussion on the challenges to migrant integration and migrants' pathway towards citizenship.

Responding to the need to alleviate migrants' situation and facilitate their interaction with institution and service providers, CSD, together with 14 other research institutes, government agencies and private companies from all over Europe, started work on the issue of **ICT enabled public services for migration**. Following a rigorous research, ethical and practical approach and using test locations in Cyprus, Italy and Spain, the partnership will develop a comprehensive platform out of which specific end-user applications will help portray migrant skills and needs and match them with institutions' capacities and employers' demands.

IV. Fundamental rights

As a member of the FRANET multidisciplinary network of the **EU Agency for Fundamental Rights (FRA)**, CSD continued to monitor the protection of fundamental rights in Bulgaria. In addition to its regular contribution to FRA's annual *Fundamental Rights Report*, CSD delivered reports on academic institutions and human rights, access to remedy in the context of business and human rights, constitutional provisions implementing the *Charter of Fundamental Rights of the EU*, and legal instruments regulating detention conditions. The periodic reporting on the migration situation in Bulgaria, which started back in late 2015, continued for a third consecutive year (the full collection of monthly reports is published on the [FRA website](#)).

The in-depth research on the drivers and barriers related to the transition from institutional care to community-based support of persons with disabilities initiated in 2016 was completed in early 2018. The results were presented at a national event in Sofia on 1 – 2 February 2018, which brought together all relevant stakeholders including FRA, the Bulgarian Ministry of Labour and Social Policy, local authorities and NGOs.

Within the framework of FRANET, in 2018 CSD produced two more comprehensive studies on issues related to fundamental rights. The first one explored the effectiveness of fundamental rights of arrested persons and the situation of fundamental rights of suspects and accused who have not been arrested in relation to their right of access to a lawyer.

The study was based on legal research and in-depth interviews with practitioners (judges, lawyers and police officers) and defendants (including detainees). The second study explored, through a series of focus group discussions, the views of the general population on fundamental rights related issues such as security and safety, equality and non-discrimination, and personal data protection.

In October 2018, activities were undertaken to promote diversity management in Bulgaria by, *inter alia*, developing and launching a national [Diversity Charter](#).

In the area of ethics, CSD has continued earlier policy research activities regarding the development and promotion of trust-based policy and effective self-regulation, focusing on the governance of technology through scientist engagement. In June 2018, CSD took part in a joint initiative of the US National Academy of Sciences, the Interacademy Partnership (IAP) and the Croatian Society for Biosafety and Biosecurity titled *Governance of Dual Use Research in the Life Sciences: An International Workshop*. At the 13th Annual Conference of the [Asia-Pacific Biosafety Association](#) in Beijing, China, in August 2018, CSD delivered specialised continued professional development training on *Dual-Use Bioethics Education for Effective Biosecurity*. CSD contributed a chapter titled "Role of the Non-Governmental Life Science Community in Combatting the Development, Proliferation and Use of Chemical Weapons" to the UK Royal Society of Chemistry's edited volume *Preventing Chemical Weapons: Arms Control and Disarmament as the Sciences Converge*.

Economic Program

In 2018, the Economic Program focused its work on the following areas:

- **Energy security and governance in the transition to a low-carbon future.** The Economic Program worked on defining, modelling, and impacting the factors that influence Bulgarian and European households' and businesses' choices in their transition to low- or no-carbon energy solutions. CSD focused on the role of governance in this transition and the capacity of governments in Europe to deliver complex yet affordable transition paths. CSD joined forces with other European partners in finding solutions at community level which would ensure that the energy poor also benefit from the creation of the Energy Union in the EU. CSD introduced to the Bulgarian public and to the policy-makers the *South East Europe Electricity Roadmap (SEERMAP)* until 2050, which informed the debate on the definition of priorities for the National Energy and Climate Plan until 2030.
- **Diagnosing and tackling foreign economic, political and media influence in Europe.** The risks of adverse foreign economic, political and media presence in the Western Balkans remained in focus. Assessments of the Russian economic footprint in Serbia, Montenegro, Macedonia and Bosnia and Herzegovina were developed. The tools used by Russian-controlled media for disseminating content and political messages in the Black Sea countries were also analysed.
- **Monitoring and addressing corruption and state capture risks.** In the framework of Bulgaria's EU Presidency in the first half of 2018, CSD organised the largest international civil society driven conference on making democracy deliver for the Western Balkans. It brought together EU, NATO and US representatives to chart the way forward for anticorruption in the Western Balkans. CSD continued its pioneering work on finding a practical monitoring instrument for state capture risks in Europe. In Bulgaria, CSD updated the *Money Laundering Investigation Manual (MLIM)*, a specialised instrument aiming to support the operational work of civil servants, investigation authorities and members of the judiciary in Bulgaria.
- **Holistic approach to hidden economy and undeclared work.** As part of the support to the European Platform Tackling Undeclared Work, CSD prepared papers, analyses and toolkits aimed at sharing good practices and experiences among EU Member States. CSD experts compiled a pilot study on indicators for measuring and monitoring cross-border undeclared work in Europe.
- **Competitiveness and innovation for higher growth.** CSD continued analysing the barriers to the Bulgarian business, provided recommendations

for improvement of the economic competitiveness, and contributed to the development of the *2018 IMD World Competitiveness Yearbook*. CSD experts participated in the preparation and the presentation of the annual *Innovation.bg* report, drawing key recommendations for the national innovation policy for smart specialisation in Bulgaria.

I. Energy governance, decentralisation and transition to a low-carbon future

Bulgaria and Southeast Europe (SEE) face challenges in adapting their national priorities to the dynamically evolving European strategies and policies for a low-carbon economy. The process of reaching the targets agreed with the EC reflects the regional characteristics of SEE and the technological potential of the SEE economies and their energy sectors, which causes tension between market players, consumers and stakeholders. In response to these challenges

and the need for communication between the various stakeholders, CSD organised the round table *South East Europe Electricity Roadmap until 2050: Decarbonisation and Decentralisation* on 27 March 2018. The round table included constructive discussion on the electricity market liberalisation and the decarbonisation and decentralisation of electricity generation. In continuation of its work on the topic, CSD held a stakeholder workshop on *Governance Practices in the Transition to a Low-Carbon Future*, as well as a two-day *Transition Visioning Workshop* within the framework of the [ENABLE.EU](#) initiative on 14-15 June



*Envisioning the Transition to Low-Carbon Energy Workshop,
Sofia, 14-15 June 2018*

2018 in Sofia. Sixty participants from 10 countries discussed the measures and possible solutions with regards to energy efficiency and prosumer practices in households.

Besides its analytical and stakeholder consultation work, CSD has undertaken steps to develop and test pan-European best practice examples in developing community-based tools and solutions for low-carbon transition in high-energy-poverty environments. Facilitating vulnerable consumers (e.g. low-income and long-term unemployed ones) to become (co-)owners of renewable energy sources built on community level in cooperation with local authorities, external investors and credit institutions is in the focus of a new initiative for piloting the innovative Consumer Stock Ownership Plans in Europe. As part of it, CSD is developing a novel methodology for identification and involvement of vulnerable consumers, and will facilitate the transfer of knowledge and know-how to Bulgarian stakeholders. Experts from CSD's Economic Program used the insights gathered through the analyses and stakeholder consultations and provided recommendations for the *Priorities for the National Energy and Climate Plan until 2030* during a round table discussion on 19 June 2018. Their findings were based on the three SEERMAP scenarios for the development of the electricity sector in Southeast Europe. In July 2019, the Economic Program analysed in a *Policy Brief* Bulgaria's long-term potential capacity for decentralised PV-based power generation, which was estimate at more than 5.4 TWh per year, one-seventh of the current power consumption in the country. In August 2018, the Economic Program published an analysis of the *Development of Small-Scale Renewable Energy Sources in Bulgaria: Legislative and Administrative Challenges*. CSD presented the report at a policy round



table at the Bulgarian Parliament on 27 November 2018 with the participation of the energy and climate parliamentary committees, and experts from the ministries responsible for the development of the *National Energy and Climate Plan* for the 2020 – 2030 period. On 20 November 2018, CSD also co-organised the *Korea – Bulgaria Energy Forum*, which explored the opportunities for mutual learning between Korea and Southeast Europe in implementing and managing a successful energy transition to renewables.

CSD held its traditional *energy security policy forum* on 26 November 2018, presenting its updated energy security *Policy Brief* dedicated to the critical issues of gas diversification and electricity production decentralisation. The Chairman of the Parliamentary Energy Committee, the Minister of Energy, the Ambassadors of the USA and Greece, and the Chairman of the Energy and Water Regulatory Commission, among oth-



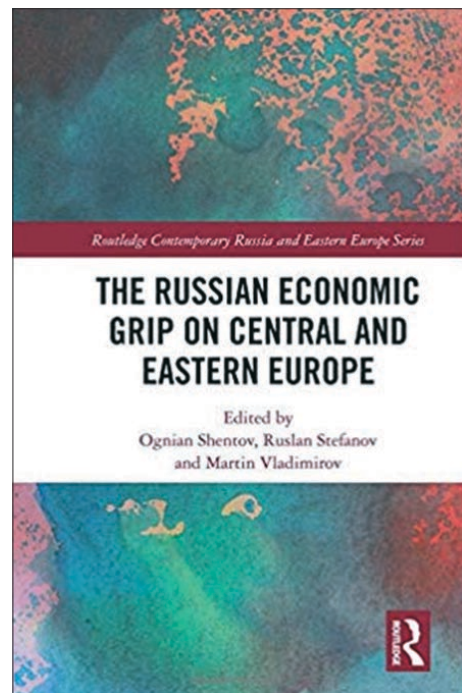
Energy Security Risks and Energy Security Agenda in Southeast Europe Round Table, Sofia, 26 November 2018

ers, debated Bulgaria's future in the EU Energy Union, its gas diversification options, the updated Energy Strategy of the country, and the challenges of the transition to low-carbon economy. During the discussion, the US Ambassador Eric Rubin underlined the importance of energy cooperation for the health of the Euro-Atlantic alliance by stating: "Your energy security is our energy security because your national security is our national security".

II. Assessing and tackling foreign economic and media influence

The Russian Economic Grip on Central and Eastern Europe

CSD's Economic Program edited and co-authored a book on the Russian economic influence in nine Central and Eastern European countries. The book



dwells on the use of economic and state capture levers for achieving political clout. It details how Moscow has been able to exploit governance deficits and influence decision-making in the countries of the region through a range of economic means. By collating economic data with an analysis of governance loopholes and the political process, the authors reveal the Kremlin's methods for swaying national policies, especially through the exploitation of governance failures in these countries. The book highlights how Russia's economic power is related to its wider strategic goals. It concludes that Russia's economic grip is tighter than official statistics imply.

Russia's economic footprint on the Balkans

CSD continued its work on defining the risks of adverse foreign economic, po-

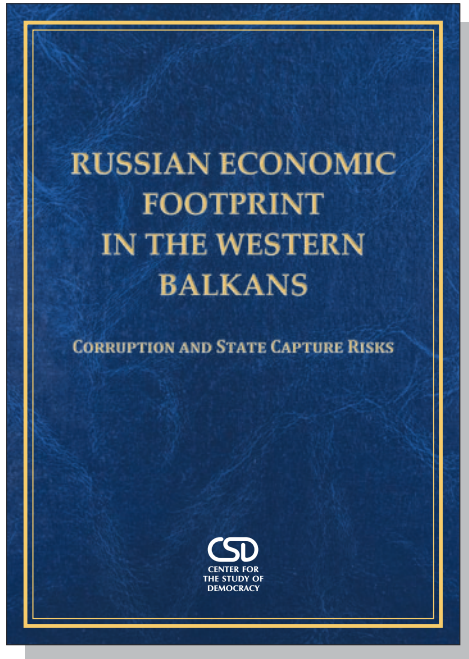
litical and media presence in the Western Balkans. In an attempt to improve the understanding of the size and scope of these risks, CSD developed [assessments](#) of the Russian economic footprint in Serbia, Montenegro, Macedonia and Bosnia and Herzegovina, presented at a [briefing](#) at the **Commission on Security and Cooperation in Europe (the Helsinki Commission)** on 30 January 2018 in Washington D.C. CSD summarised the key findings in a regional comparative report *Russian Economic Footprint in the Western Balkans. Corruption and State Capture Risks*.

Because the Russian economic footprint is concentrated in a small number of strategic sectors, such as banking, energy, metallurgy and real estate, the four small, energy-dependent countries assessed in the report remain vulnerable to Russian pressure. An over-reliance



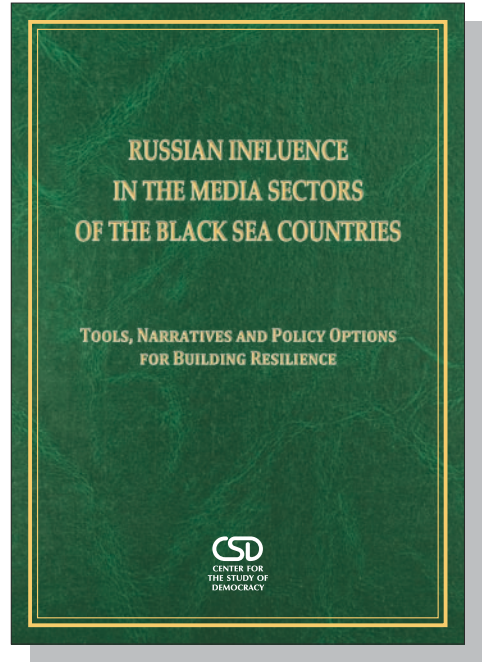
Briefing on Foreign Meddling in the Western Balkans: Guarding against Economic Vulnerabilities, Washington D.C., 30 January 2018

on Russian imports, coupled with an expansion of Russian capital, has made the governments of the Western Balkans particularly susceptible to pressures on strategic decisions related not only to energy market diversification and liberalisation, but also to Russian sanctions, and NATO and EU expansion.



Mapping the links between Russian influence and media capture in the Black Sea countries

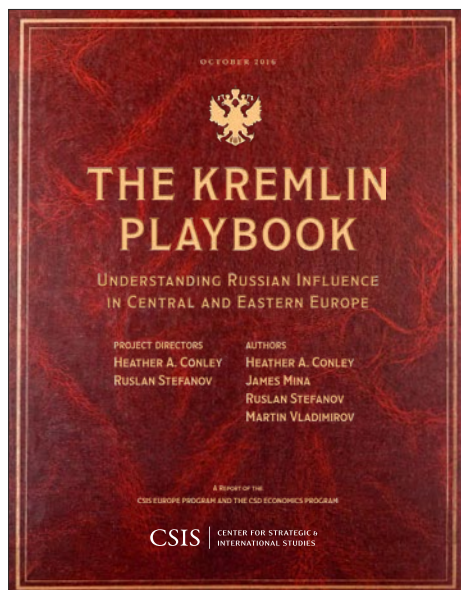
Russian influence in the media sectors of the Black Sea countries has been established through the deployment of a diverse set of instruments. Some of these instruments include the establishment of financial dependencies especially on the basis of ownership, political support for pro-Kremlin domestic media, the utilisation of commercial companies, NGOs, educational and cultural institutions for agenda-setting; the exploitation of the Black Sea coun-



tries' governance deficits to prevent media transparency and freedom, the conferral of honors and awards on pro-Russian media and their staff, and the use of hybrid warfare tools such as fake news and internet trolling. To address these issues, CSD has engaged in analysing the Russian economic footprint and ownership links in the media sectors of Black Sea countries. CSD and its local partners summed up their findings in a [Policy Brief](#) and a regional comparative report *Russian Influence in the Media Sectors of the Black Sea Countries: Tools, Narratives and Policy Options for Building Resilience*. The report was presented at an international policy roundtable on 4 September 2018 in Kyiv, Ukraine. CSD partnered with the German Foreign Relations Institute (IFA) and the German Council on Foreign Relations (DGAP) to produce an analyses [Russia's communication strategy vis-à-vis Serbia and Estonia](#) focusing on the role of Russian media ownership, propaganda and disinformation.

The Kremlin Playbook 2: The Enablers Edition

CSD continued its cooperation with the Center for Strategic and International



Studies on their seminal *Kremlin Playbook* report on assessing and exposing the economic underpinnings of Europe's vulnerability to Russian influence. In the sequel of the Playbook planned to appear in early 2019, CSD and CSIS expand their analysis on Central and Eastern Europe and add three Western European countries considered most vulnerable to Russian influence: Austria, Italy, and the Netherlands.

III. Regional and European cooperation in good governance and anti-corruption

Making democracy deliver for the Western Balkans

The Western Balkans have made continued progress in addressing rule of law and governance issues. The advancement has been made possible thanks to the triangulation of reforms led by local civil society, reformist-minded politicians, and external aid. Still, in some



Democracy That Delivers: Ten Years Later. Unlocking the Potential of the Western Balkans International Conference, Sofia, 16 May 2018

countries and policy domains systemic rule of law issues have resulted in state capture. In order to discuss the governance gaps, exploited and amplified by resurgent authoritarian powers in the region, CSD and its regional anticorruption initiative SELDI.net published a [Policy Brief](#), and organised an [international conference](#) on 16 May 2018 in the framework of the Western Balkans Summit of the Bulgarian EU Presidency. The conference brought together the key transatlantic players for the Western Balkans with representatives of the civil society and the private sector on the eve of the informal meeting of the EU-28 and Western Balkans heads of state in Sofia. Zoran Zaev, the Prime-Minister of the Republic of Macedonia, was the guest of honor at the conference and delivered a lunch keynote address. The conference discussions focused on the key policy actions necessary for strengthening the stability and unlocking the potential of the Western Balkans and its Euro-Atlantic perspective: effective prosecution of high level corruption, utilisation of innovative tools for countering administrative corruption, streamlining EU assistance, engaging directly with civil society, development of dedicated units to track illicit transactions, stronger oversight on development funds, placing greater focus on critical sectors, such as energy, banking, and telecommunications.

Fighting money laundering

In 2018, CSD updated the [Money Laundering Investigation Manual \(MLIM\)](#), a specialised instrument CSD first developed back in 2008 in cooperation with the key law-enforcement institutions in the country. It is aimed at supporting the operational work of investigation authorities and members of the judiciary in Bulgaria. The manual offers a detailed overview of (a) the national and international legal frameworks for



countering money laundering; (b) the specifics of the money laundering offence within the operational work of law-enforcement authorities; (c) the investigation process of money laundering; (d) the mutual legal assistance in cases of money laundering; and (e) the process for identification and confiscation of property acquired from criminal and illegal activity. Due to the sensitivity of the information, the MLIM is not intended for public use and/or distribution, and was developed for the exclusive ownership of the relevant government authorities.

IV. Tackling the hidden economy and undeclared work in Europe

As part of the support team of the [European Platform Tackling Undeclared Work](#), in 2018 CSD developed several papers and analyses aimed at sharing good practices and experiences among the Member States: a discussion paper, a

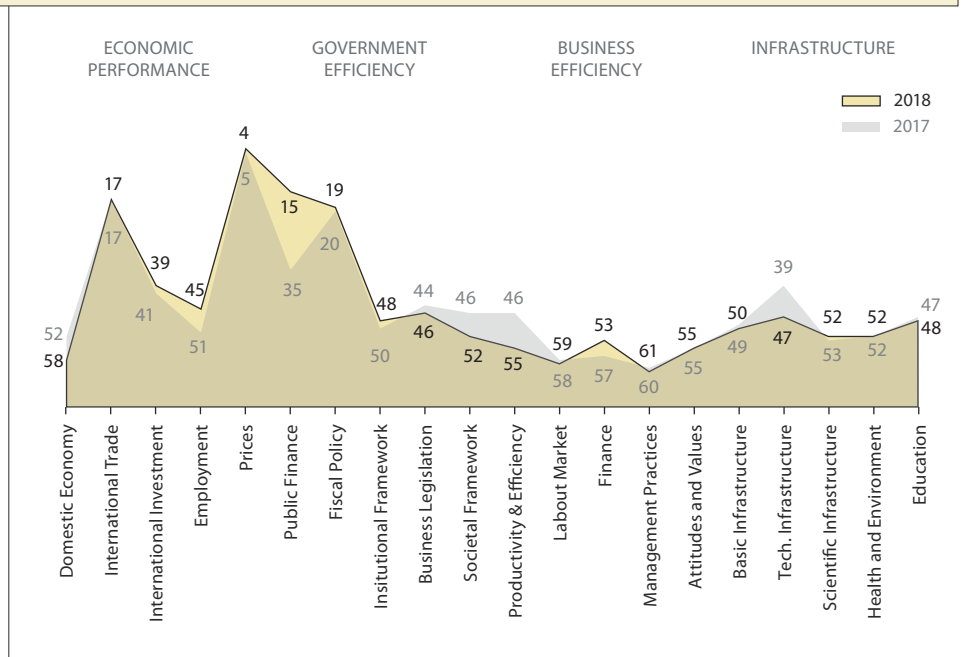
toolkit and a learning paper on *Information Tools and Approaches to Reach Out to Workers and Companies in the Fight against Undeclared Work* and on *Risk Assessments for More Efficient Inspections as Means to Tackle Undeclared Work*; a study on *Evasion of Taxes and Social Security Contributions*; a study on *Estimating Cross-Border Undeclared Work*; and two small case studies on *Belgium – Netherlands* and *France – Poland cooperation* in tackling undeclared work through joint inspections and data exchange.

V. Competitiveness and the knowledge economy

In 2018, the competitiveness and the innovation potential of the Bulgarian economy remained in focus. The experts from the Economic Program contrib-



Changes in the competitiveness landscape of Bulgaria 2017 – 2018 according to IMD WCY 2018



uted to the development of the annual report *Innovation.bg 2018: Smart Policies for Innovation* and the 2018 World Competitiveness Yearbook of the Institute for Management Development (IMD), Switzerland. The *Innovation.bg* report, which

has become the main policy document for regular monitoring of innovation performance in the country, was presented at the 14th National Innovation Forum, held under the auspices of the President of Bulgaria.

Sociological program

The work of the Sociological Program in 2018 focused on integration of migrants, social inclusion of vulnerable groups, monitoring of migration, and prevention of radicalisation leading to terrorism.

- **Integration of migrants and social inclusion of vulnerable groups.** Effective policy solutions to facilitate the inclusion of vulnerable groups in Bulgarian society and at EU level were identified and evaluated. A training module for social and cultural orientation of beneficiaries of international protection and migrants focused on the needs of women was developed; gaps in the access to and uptake of Youth Guarantee measures by Roma youth in Bulgaria, Hungary and Romania were identified; and the situation of same-sex couples with recognition in other EU Member States who travel and reside in Bulgaria was explored. Measures for the implementation of activities in Bulgaria, Greece, Italy, the Netherlands and Spain to promote social inclusion within secondary schools by way of establishing educational communities involving teachers, students, parents and local communities were designed.
- **Prevention of radicalisation leading to terrorism.** An initiative was launched aimed at comparing current religious diversity governance models in Europe, Asia and Australia to bring insights into preventing and countering radicalisation.
- **Monitoring of migration.** Unified standards for independent monitoring of forced return in Bulgaria were developed and tested.

I. Integration of migrants and social inclusion of vulnerable groups

In the context of increasing refugee inflows in Europe it becomes highly relevant to propose and implement practical actions responding to existing gaps in migrant/refugee integration across the EU. In response to this challenge and based on a study that identified the training needs of beneficiaries of international protection, CSD coordinated the development of *Training Modules for Social and Cultural Orientation of International Status Holders and Migrants in Bulgaria, Greece and Malta*. The modules were developed following a wide

consultation with national stakeholders working in the field of refugee protection and service provision in the three EU countries. The draft modules were tested through trainings for beneficiaries of international protection and asylum seekers. The trainings in Bulgaria were conducted in cooperation with CVS Bulgaria, Caritas Sofia and the Bulgarian Red Cross.

The initiative is a joint effort of seven research and service providing institutions from five EU Member States (Bulgaria, Greece, Malta, Italy and Spain) and has effectively involved exchange of knowledge and experience at cross-



Workshop on Cultural and Civic Orientation of Beneficiaries of International Protection, Sofia, 25 April 2018

national EU level in the sphere of integration training.

Between 2013 and 2016, EU Member States started implementing the *Youth Guarantee* scheme targeting NEET (not in employment, education or training) youth across the EU. In Bulgaria, as well as in Hungary and Romania, a substantial part of NEET youth originate from Roma communities. To understand the outreach and uptake of the EU-funded Youth Guarantee among Roma youth in Bulgaria, field research was conducted in 10 locations across Bulgaria. The progress results of the research were summarised in the report *The Youth Guarantee in Bulgaria and the Uptake among Roma Youth* and provided grounds for the formulation of recommendations that CSD presented at three matchmaking workshops (Stara Zagora, Vidin, and

Sliven) between Youth Guarantee stakeholders to advocate for change in relevant administrative and policy practice in Bulgaria. Similar activities have been conducted by partner organisations in Hungary and Romania.

Homophobia and unequal treatment for LGBTI people remain widely spread across the EU. While indicators vary in the different Member States and the situation seems more favorable in some compared to others, data show that no country has achieved full equality. Bulgaria is among the countries where the situation remains rather unfavorable. A national study was conducted on the situation of same-sex couples with recognition in other EU Member States who travel and reside in Bulgaria. The results of the research provided grounds for the development of an awareness-



Workshop in Stara Zagora, 12 September 2018

raising campaign and a series of community events. The problems faced by same-sex families residing in Bulgaria were put under discussion during a national stakeholder round table, as well as during an [international conference](#) in Sofia which gathered experts in the field of marriage equality from the Netherlands, Ireland, Malta, the Czech Republic, Romania and Bulgaria.

At the beginning of 2018, CSD joined a team of research and educational organisations from Greece, Italy, the Netherlands and Spain to experiment educative and social pedagogic practices related to the concept of pro-sociality and aiming at involving local communities in the promotion of social inclusion of students at secondary schools. The concept of pro-sociality refers to behaviours intended to benefit others, and implies

a series of voluntary actions for the development of skills for mutual help and empathy and the formation of a sense of belonging to a community. A comparative [research](#) was launched to study the pro-social attitude and skills of students at secondary schools in the five participating countries to feed recommendations on how schools can structure tools for promoting pro-sociality.

II. Radicalisation leading to terrorism

In the last decade, countering radicalisation that turns to terrorism has become an issue of particular concern for many European governments. Alarming trends relating to Islamist radicalisation and far-right extremism call for a **policy response to identify and reverse**

the radicalisation process which often precedes the use of violence. In 2018, CSD took part in the development of an analytical framework to study models of religious diversity governance across countries in Europe, North Africa, the Middle East, South Asia and Oceania to identify practical lessons for prevention of religious radicalisation in Europe. The comparative research exercise will take place in 2019 and 2020, aiming to assess the relative success of various religious governance regimes in integrating minorities and migrants, and to provide evidence-based recommendations to European policy-makers.

CSD took part in the establishment of a network in Central and Eastern Europe for the prevention of intolerance and group hatred as a way of preventing youth radicalisation. Through evidence-based research and advocacy activities the network will be joined by relevant

stakeholders in Bulgaria, Germany, the Czech Republic, Hungary, Poland and Slovakia.

III. Monitoring of migration

In partnership with CVS – Bulgaria the pilot initiative on developing and testing unified standards for monitoring of forced return was finalised. CSD assisted the Bulgarian government in applying common standards and procedures for the return of illegal third-country nationals in compliance with the fundamental rights of returnees and in line with *Directive 2008/115/EC*. In the course of implementation of 14 monitoring missions, CSD and CVS – Bulgaria worked jointly on the development and enhancement of mechanisms for cooperation between the government and the civil sector in the sphere of independent monitoring of forced return. In



*Unified Standards for Forced Return Monitoring Round Table,
Sofia, 19 December 2018*

addition, they tested and finalised the pilot *Standards for Monitoring and Ensuring Respect for Fundamental Rights and Freedoms of Third-Country Nationals*. The key observations from the implemented pilot forced return monitoring missions and policy recommendations for the establishment of a national system for monitoring of forced return operations were summarised into a *National Analytical Report*.

A [round table](#) was organised to present the finalised *Unified Standards for Forced Return Monitoring* to representatives of the Migration Department within the Ministry of Interior, the Ombudsman, UNHCR, the Bulgarian Red Cross and other NGOs working in the field of legal advice and protection of migrants.

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Security program

In 2018, the Security Program's efforts were focused on the following areas:

- **Assessing organised crime threats.** A strategic assessment of organised crime threats in Bulgaria was made as well as an in-depth analysis of two criminal markets – the financial aspects of trafficking in human beings and the illicit trade of tobacco products along the Balkan Route.
- **Corruption and fraud.** CSD participated in the development of an innovative methodology – *Private Corruption Barometer* – to measure and monitor business corruption in the EU. The current legislative and institutional anti-fraud framework was analysed and an international conference was held dedicated to countering fraud in EU funding for agriculture.
- **Monitoring and countering radicalisation and terrorism.** The latest trends in countering radicalisation and terrorism and the vulnerability factors for violent extremism in Jordan were analysed.
- **Monitoring and evaluation policies in the field of security and home affairs.** An innovative *Data Management System* for illegal assets was developed. The ICT tool aims to help practitioners collect, manage and analyse data on forfeited assets. CSD also prepared and presented an analysis of the current problems in managing seized illicit proceeds. External evaluations of the Internal Security Fund – Police and the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) were performed.

I. Assessing organised crime threats

In 2018, CSD continued working on the second *Bulgarian Organised Crime Trend Assessment* (BOCTA) to be carried out over three successive years and covering ten organised criminal markets and their dynamics during the 2013 – 2019 period. The previous BOCTA performed by CSD had dealt with the period 2010 – 2011. Among the newly examined criminal markets in the [first of the three reports](#) are: human smuggling (which peaked in the period 2014 – 2016 and is linked to organised criminal networks), telephone frauds (despite generating only small revenues, this market has a rather adverse

effect on society), and certain cyber and web-based crimes.

On 2 October 2018, a BOCTA training was held to present the methodology used to analyse the criminal markets and discuss the assessment's findings. It was attended by prosecutors and officials from the Ministry of Interior, the Customs Agency and the National Revenue Agency. The report was officially launched at a [round table](#) on 9 October 2018 and the data was discussed before a wider audience, also including representatives of the National Commission for Combating THB, the Supreme Court of Cassation, and the State e-Government Agency.



Organised Crime Trend Assessment Round Table, Sofia, 9 October 2018



Financing organised crime – focus on human trafficking

A two-year study on the financial aspects of human trafficking was completed in 2018. It covered 9 EU Member States, including Bulgaria, and an overview of the findings concerning the state of the issue at home were published in the Policy Brief *Trafficking for Sexual Exploitation in Bulgaria: Criminal Finances and Capacity for Financial Investigations*.

The [report](#), covering all 9 countries, makes a detailed review of the structure and financial aspects of the THB market, the human trafficking networks, and the sources and ways of financing of this criminal activity. It also dwells on the role of the Internet in the human trafficking process and its financing, viewing it as a further source of oppor-

tunities for the traffickers, and considers the challenges to the financial investigation of THB crimes.

The study findings were presented at a series of events. The round table on *Financing of Human Trafficking for Sexual Exploitation* held on 28 June 2018 at CSD gathered representatives of the National Commission for Combatting Traffic in Human Beings, the National Police, the General Directorate for Combating Organised Crime, the Sofia Directorate of Interior, the Commission for Countering Corruption and Illegal Asset Forfeiture, academia and experts working in this field. On July 4, in Paris a seminar on *Financing and Financial Investigations of THB for Sexual Exploitation* was organised with the support of the French National Institute for Advanced Studies in Security and Justice. On November 15, a seminar on *Financing of Trafficking in Human Beings for Labour Exploitation* was held in partnership with the University of Trento


on university grounds. Both seminars were targeted at raising the awareness of THB and its financing among police officers and magistrates.

On December 13, a round-up international conference was held in Ghent, Belgium, to present the study findings to an audience from Europol, Eurojust, the National Institute for Advanced Studies in Security and Justice, the University of Trento, as well as Belgian, Bulgarian, French and Italian magistrates and police officers.

The tobacco market in Bulgaria: trends and risks

The revenue generated by VAT and excise tax on tobacco products forms a significant share of the Bulgarian state budget which makes the illicit tobacco market in Bulgaria worthy of exploration and essential to forming anti-organised crime policies. In 2018, CSD's experts coordinated a team of international researchers to conduct the study *Illegal Trade in Tobacco Products and the Balkan Route: Overcoming Institutional Gaps and Corruption*, which involved the collection and analysis of data for Bulgaria, Greece, Romania and Italy. The initial findings of the study were summarised in two successive publications. *The Tobacco Market in Bulgaria: Trends and Risks* report examines the development of the illicit tobacco market in Bulgaria and the deficiencies to overcome in order to sustain the current low levels of the market. Both the legal and illegal market are reviewed, as well as the existing risks that should be taken into account by policy-makers.

The Policy Brief *The Illicit Trade of Tobacco Products along the Balkan Route – Bulgaria, Greece, Italy and Romania* examines in detail the four countries along the Balkan route, dwelling on their specific excise policy and measures to curb smuggling



**TRAFFICKING FOR SEXUAL EXPLOITATION IN BULGARIA:
CRIMINAL FINANCES AND CAPACITY
FOR FINANCIAL INVESTIGATIONS**


Policy Brief No. 78, June 2018

Trafficking in human beings (THB) for the purpose of sexual exploitation has become one of the largest Bulgarian criminal markets since the beginning of the new millennium. After the lifting of Schengen visas for Bulgarian nationals in 2001, Bulgaria became a major country of origin for the trafficking in human beings exploited in the EU. THB and prostitution not only generate huge incomes for Bulgarian organised crime but also have detrimental social and economic impact on local communities. The changing nature and the level of sophistication of some trafficking operations is posing new challenges to law enforcement and judicial authorities. Apparently, none of them are fully equipped to meet these challenges. This is particularly true with regard to financial investigations, which struggle with a variety of impediments, such as the lack of sufficient resources and functional and structural gaps in the institutional setup.


The accession of Bulgaria to the European Union in 2007, and the lifting of the restrictions for access of Bulgarian citizens to the common EU labour market in 2013 resulted in significant transformations of THB phenomenon. The freedom to travel to and legally work in EU member states barred criminal networks from controlling victims' access to the common European labour market, including that of sexual services. In addition, as European and Bulgarian law enforcement and judiciary bodies stepped up cooperation with their counterparts on an international scale, criminal networks became less prone to use violence against THB victims and, therefore,

KEY POINTS


- Trafficking in human beings remains a highly profitable criminal market for Bulgarian organised crime.
- Unlike independent traffickers, organised crime groups often make significant initial investments and incur operational costs (e.g. for client acquisition, monitoring, protection and concealment).
- Information and communication technologies have transformed both the modus operandi and the cost structure of human trafficking operations.
- The 'follow-the-money' doctrine has still not been fully institutionalized in Bulgaria and money-laundering investigations are rarely carried out in parallel with criminal investigations of trafficking in human beings.
- Recruitment, training and deployment of additional police officers able to conduct complex financial investigations must be prioritised.
- There is an urgent need to develop effective mechanisms for coordination between criminal and financial investigations within the prosecution, as well as with the other relevant institutions.
- In the long term it should be considered to bring non-conviction based forfeiture of illegal assets within the remit of institutions charged with investigating and prosecuting the predicate offenses in order to avoid duplication of resources and streamline parallel financial investigations.



This policy brief has been elaborated with the financial support from the European Commission and the Bulgarian-Swiss Cooperation Programme.



Българско-швейцарско сътрудничество




Center for the Study of Democracy



The Illicit Tobacco Market: Limits to Institutional Enforcement Round Table, Sofia, 6 March 2018

and illegal trade as factors affecting the tobacco market.

On 6 March 2018, CSD held the round table *The Illicit Tobacco Market: Limits to Institutional Enforcement* to discuss the data and recommendations for the Bulgarian tobacco market with key stakeholders such as the National Revenue Agency, the General Directorate for Combating Organised Crime, the Border Police, the MoI Analyses and Policies Directorate, the Customs Agency, and the tobacco industry.



**THE TOBACCO PRODUCTS MARKET IN BULGARIA:
TRENDS AND RISKS**

Policy Brief No. 75, March 2018

The market for legal and illegal tobacco products has been one of the junctures of the transition where the interests of organised crime, secret services and political parties intersect. For this reason, public attention to the issue has always been high, with substantial political overtones. Paradoxically, after Bulgaria's accession to the European Union, in particular between 2009 and 2014, the illegal tobacco market resurfaced as one of the major sources of revenue for organised crime. In this period, illegal cigarette consumption in the country varied between 25 % and 40 %, while sales reached between BGN 300 and 500 million per year, equal to between 0.5 % and 1.0 % of the country's GDP.

The situation changed radically after 2014. The government undertook a series of measures to tighten border control, discourage illegal cigarette producers and tackle the spread of illicit tobacco products, which led to a record decline in illegal cigarette sales leaving the latter at 6-7 % of total sales. Accordingly, excise and VAT revenues rose by 25-30 %. This positive development, however, has turned out to be strongly dependent on the country's political stability. In 2016 and 2017, when presidential and early parliamentary elections were held, it became evident that the process of effectively reducing the illegal tobacco products market is rather unstable and unsustainable.

KEY POINTS

- Bulgaria's commitment to reach the minimum excise levels for tobacco products in the EU has been met through several sharp price hikes, amounting to 60-80 % in some years. This policy has practically boosted illegal tobacco trade.
- The illicit tobacco products market is one of the largest sources of revenue for organised crime in Bulgaria, reaching between 0.5 % and 1 % of the country's GDP.
- The huge revenues of this criminal market generate extremely strong corruption pressure at all levels.
- Revenue from tobacco products (excise and VAT) are of great importance for the state budget. Its share in total tax revenue is 9-10 % per year.
- The government's decision to curb the illegal market for tobacco products led to a sharp drop in the consumption of illegal cigarettes from an average of 20 % in 2016 to 6-7 % in 2017.

The present publication was funded by PAM (IMACT), a grant award initiative of Philip Morris International ("PMI"), in the performance of its research. CSD maintained full independence from PAM. The views and opinions expressed in this document are those of CSD and do not necessarily reflect the views of PMI. Responsibility for the information and views expressed in this publication lies entirely with CSD. Neither PAM, nor any of its affiliates, nor persons acting on their behalf may be held responsible for any use which may be made of the information contained herein.

II. Corruption and fraud

For over 20 years, CSD has analysed the causes and level of corruption in all its forms. In 2018, the Center finalised the tool *Private Corruption Barometer* developed and applied to assess levels of prevalence and specific characteristics of corruption in the private sector. In a pioneering attempt to explore the phenomenon of private corruption in Bulgaria, CSD published the report *Private Sector Corruption in Bulgaria* which also



*Delyan Dobrev, Chairman, Parliamentary Committee on Energy;
Ruslan Stefanov, Director, CSD Economic Program; and Dimitar Margaritov,
Chairman, Consumer Protection Commission, Sofia, 30 March 2018*

suggests the most effective indicators of its measurement.



The report was launched at a [round table](#) on 30 March 2018, at which participants united around the view that the existence of private corruption in such dimensions considerably distorts the market environment, leads to implementation of practices which destroy the free market competition and eventually decreases the overall effectiveness and competitiveness of the private sector.

Unlike in the majority of EU Member States, in Bulgaria and Romania the agricultural sector still has a major impact on the economy. The value added of the sector as a share of GDP in the two countries is more than twice as high as the average in EU28. Romania and Bulgaria remain the two countries in EU with the highest share of agriculture in their national GDP accounts. As such, fraudulent irregularities and corruption-related activities in the EU financing of Bulgaria's and Romania's agricultural sector present a serious threat to the financial interests of the EU.



Key speakers at the international conference “Standing Up To State Capture: Innovative Methods to Investigate Fraud and Corruption in EU Funding for Agriculture”, Sofia, 13-14 September 2018



Participants in the international conference “Standing Up To State Capture: Innovative Methods to Investigate Fraud and Corruption in EU Funding for Agriculture”, Sofia, 13-14 September 2018

At the same time, the high concentration of land ownership, particularly in Bulgaria, together with persistent levels of irregularities and corruption in the procurement process, puts the national interest in agriculture at risk of being captured by private interests. This may lead to detrimental effects for economic life, opposite to those intended by the Common Agricultural Policy (CAP) funding rationale.

These were the topics in the focus of the high-profile international conference with the support of the European Anti-Fraud Office (OLAF) organised by CSD on 13 and 14 September 2018 and gathering law-enforcement practitioners, research institutes and academia. Participants also discussed state capture measurement and showcased the current and up-and-coming tools and methods in detecting, preventing and investigating fraud and corruption in the EU funding for agriculture.

III. Countering radicalisation and terrorism

In 2018, CSD continued pursuing innovative approaches in countering radicalisation and terrorism within and beyond the EU. A detailed report on violent extremism in Jordan was prepared. In addition, the development a radicalisation needs assessment in probation services and prisons of five EU Member States was started. The completed assessment will provide a basis for designing a mentorship program targeted at probation and prison staff.

CSD, in cooperation with GLOBSEC, took part in a study of the links between crime and terrorism in eleven Member States. The first in the series of publications – *From Criminals to Terrorists and Back: Bulgaria Quarterly Report* – presents emergent findings on the link



between extremism and crime in Bulgaria, whereas the second report – *Who Are the European Jihadists?* – analyses the



*Prof. Dr. Peter Neuman, Ruslan Stefanov and Rajan Basra,
Sofia, 8 November 2018*

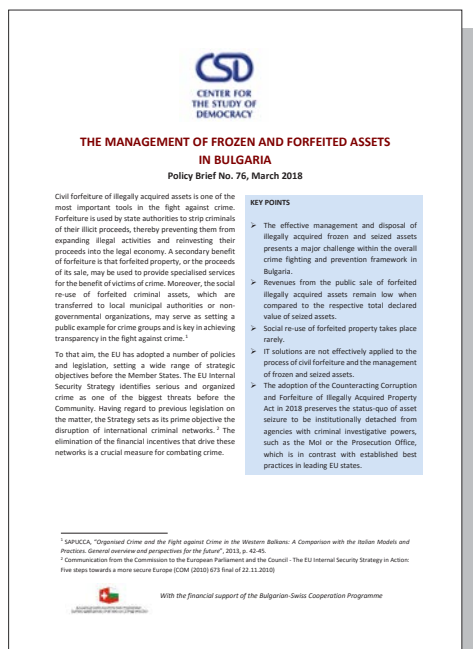
findings of the crime-terror nexus on a European level.

In 2018, CSD also hosted a round table entitled *The Links Between Crime and Terrorism in Europe* during which Prof. Dr. Peter Neumann, Rajan Basra and Zora Hauser from the International Centre for the Study of Radicalisation and Political Violence at King's College, London presented the results from the Crime-Terror Nexus project.

IV. Monitoring and evaluation policies in the field of security and home affairs

Civil forfeiture and management of illegally acquired assets is one of the most important tools EU and national governments use to fight political corruption and Bulgaria needs to bring its

system in line with them. In 2018, CSD made an overview of the current challenges Bulgarian institutions face in this area in the Policy Brief *The Management of Frozen and Forfeited Assets in Bulgaria*. An innovative Data Management System for illegal assets (prototype PAYBACK DMS) was developed and tested in partnership with the University of Trento. The ICT tool aims to help practitioners collect, manage and analyse data on forfeited assets. CSD also prepared and presented an analysis of the current problems in managing seized illicit proceeds. PAYBACK DMS is a scalable and transferable ICT tool with a multi-language interface for the collection, management and automatic analysis of data on seized assets that can be applied in various national contexts. The tool is expected to facilitate information sharing and more effective asset management within the EU.



In 2018, CSD also became involved in a full compliance assessment and an assessment of the practical implementa-

tion of the national measures in Bulgaria for transposing *Directive 2014/42/EU on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union* ("Confiscation Directive") assigned by DG Migration and Home Affairs and implemented in partnership with the international consultancy Milieu Ltd.

In 2018, CSD was actively involved in the interim **evaluation of the Internal Security Fund – Police (2014 – 2017)** as well as in an **external assessment of the European Monitoring Centre for Drugs and Drug Addiction (2013 – 2017)**. Both studies were commissioned by DG Migration and Home Affairs, whereby the roles assigned CSD are data collection and analysis and recommendation drafting. In addition, CSD started work on an overview of the availability, comparability and consistency of administrative statistical data on recorded crime and on the stages of the criminal justice process in the EU in partnership with GOPA Consultants.

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Part Two

Administration and Management

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Institutional Development

CSD is registered as a public benefit organisation with the *Central Registry of NGOs* at the Bulgarian Ministry of Justice. Public benefit organisations are obliged by law to conform to a number of additional financial reporting rules and to submit annual activity reports.

In 2018, CSD continued its efforts to optimise its internal administrative and financial reporting systems. The remuneration procedures, introduced in 2014, were further streamlined in line with the requirements from various financing institutions, and the need to comply with national labour regulations.

In 2018, CSD employed a staff of twenty-eight, of whom twenty-three in professional and management positions, including part-time consultants, and five employees in administrative positions.

Accountability and transparency are guiding principles in the operation of the Center for the Study of Democracy. They are intrinsic to CSD activity and are related to the critical analysis of social processes and trends in Bulgaria and in the EU. These principles are implemented by means of:

- annual audit reports published since 1992;
- audits of individual projects;
- CSD *Annual Reports* published since 1994;
- regular updates about CSD's activities on its website;
- press-releases about on-going projects and their results;
- publications of a wide range of analyses and reports.

The application of good management practices has been critical to the successful work of CSD. In 2018, the Center continued its efforts to diversify its sources of funding in addition to the traditional EU financial instruments: *Horizon 2020*, the European Social Fund, and the financial instruments in the area of justice and home affairs. Some of CSD's activities were funded through the operational programs administered by the Bulgarian government, as well as the Open Society Institute, the Center for International Private Enterprise, and National Endowment for Democracy. CSD took part in tenders through its consulting arms, Vitosha Research and Project One.

In 2018, CSD proved its reputation as a reliable partner and coordinator of EU-wide projects encompassing research in the legal, security and social policy areas. In partnership with leading European think tanks and academic institutions, CSD took part in the European debate on the assessment and development of policies related to the fight against organised crime, the integration of victims of trafficking and other vulnerable groups, public confidence in justice, (de-)radicalisation, and cybercrime.

Internship program

The Center for the Study of Democracy aims to provide internship opportunities for outstanding students from various universities. In 2018, the Center hosted 16 interns from 6 different countries. In addition to Bulgarian students and recent graduates, the Center accommodated interns from Brazil, Canada, Italy, Kazakhstan, Spain, and the USA. In 2018, CSD hosted an intern under the Open Society Internship for Rights and Governance (OSIRG) programme specifically tailored to invest in the next generation of leaders poised to pursue innovative policy ideas to foster and sustain open societies, as well as two interns within the EuGen (European Generation) social promotion association supporting the process of integration in Europe by working with young professionals from all over Europe who share the values subscribed by the EU, such as mobility, technological progress, sustainability and social inclusion.

CSD attempts to match interns' professional aspirations to their assignments. As a minimum, the Center attempts to involve interns in contributing to reports and other outputs (with supervision and feedback where needed) on a topic relevant to the intern's educational background and/or future professional goals.

In 2018, all CSD programs actively engaged interns in their core activities such as desk research, data collection, literature reviews, collection and review of information and good practices and drafting parts of research and policy papers. This helped them gain practical skills and in-depth knowledge in areas such as:

- anti-corruption and good governance in Europe; state capture and Russian economic, political and media influence in Central and Eastern Europe; energy security and transition to a low-carbon future; hidden economy and undeclared work; international competitiveness;
- integration of migrants and social inclusion of vulnerable groups, youth employment and education policy for ethnic minorities; prevention of radicalisation leading to terrorism; pro-sociality and improved social inclusion in secondary schools; root causes of asylum trends; women's political rights; overcoming employment barriers for young European citizen;
- countering radicalisation and violent extremism, prevention of radicalisation in prisons, external evaluation of EMCDDA, innovative methods to investigate fraud and corruption in EU funding for agriculture;
- rights of suspects and accused, including of those with psycho-social and intellectual disabilities, migration, reception, integration and social orientation of migrants, legal and social support to victims of crime, diversity charters throughout the EU, business and human rights, stakeholders in the area of counter-ing organised crime and terrorism.

In 2018, interns also assisted in the preparation and conducting of face to face interviews, and the transcribing and processing of collected qualitative data. Notably, they were involved in the project preparation process, gaining valuable experience in developing grant and tender proposals and assisting the

process with technical tasks. They also provided invaluable support in the organisation of CSD's public events.

The Center has a robust, standardised policy for mentoring newly hired interns, which frequently leads to extending offers for permanent positions as researchers and experts at CSD or at other institutions, offers of admission to elite graduate schools, or to funding schemes for additional employment and/or education. Interns, who are employed for a period of up to six months, undergo a two-stage selection and are provided with complete information to facilitate

their adaptation to the receiving country and the organisation's specificities. In all cases, when interns are hired, CSD uses established templates and procedures for developing intern action plans, as well as mentorship plans to guide the intern's supervisor(s), while clearly identifying the expected timeline(s) and performance indicators that would determine the successful completion of the internship. The action and mentorship plans provide initial assessment of the strengths and opportunities of the internship for both the intern and the organisation.

"My experience working for CSD was a truly wonderful learning experience. During my two months at the Center for the Study of Democracy, as part of a longer internship for SELDI, a network of which CSD is the Secretariat, I worked for the Economic Program. Among the tasks I was assigned were in-depth research, writing, or preliminary research on topics such as Russian influence on the Western Balkans and undeclared work, both very interesting. I was also given the opportunity to take part in high-level conferences as well as a training at another NGO's venue.

The team at CSD is so welcoming, available to answer questions and eager to involve the interns that you feel comfortable since day one. I was lucky to experience first-hand the work of a civil society organisation, especially in the great learning conditions that are laid out for the interns: supervisors, employees and interns altogether participate in the exchange of ideas and a daily forging of opinions. Without a doubt, I encourage students in the field to spend some time at CSD, if possible, longer than I could. Thank you again for everything!"

Eva Juric, Serbia/France, intern at CSD's Economic Program (SELDI),
29 March – 25 May 2018

“Working for CSD has been an important, unrivalled experience. Since day one, I was assigned to the Law Program dealing with human rights, international crimes, practices for migrants and extensive research on trafficking in human beings, and applications for international protection. CSD gave me a chance to put into practice all the skills learned during my academic studies, such as time management, decision-making, planning, stress management, working effectively with others, always leaving room for dialogue, questions, and clarification as a way to improve knowledge and capacities. CSD is a professional operator, and has made meticulousness, punctuality and experience its trademark.

The CSD staff is exceptional. They are well acquainted with problems that young people coming to a foreign country may have and they make you feel comfortable from the very beginning. They are friendly, kind and always available to help you on specific issues or uncertainties you may have. Unfortunately, all good things come to an end. During my career, I have been engaged in several traineeships but, without a doubt, CSD has made this the best experience ever.”

Fabrizio Valerio Bongiorno, Italy, intern at CSD’s Law Program,
1 February – 30 June 2018

“I spent six months as an intern at CSD during which I had the chance to take part in various research projects. Although I was initially assigned to work on a couple of projects related to the energy transition, I was also quickly involved in other research activities such as illegal cigarettes trafficking and media capture, which helped me gain a valuable insight of both the quality and the breadth of the work performed by the Economic Program, while allowing me to grow and improve my research abilities and writing skills. I was able to take part in the organisation of two international conferences delivered by the Centre, as well as international project and consortium meetings.

I was foremost astonished to witness the outstanding quality of both the work performed and the expertise of the staff. Working with the analysts of CSD allowed me to learn every day, while benefiting from their knowledge, experience and guidance. Moreover, I would like to stress the benevolence of the staff and thank them for always including us in their work and activities, for their patience and for always leaving room for opinion and conversation. Finally, I am grateful to my fellow interns for the quality of their company and their support. Working with them made my stay at CSD most valuable, both professionally and personally.

For these reasons, I recommend every student or recent graduate with a direct or indirect background in Political Science to consider an internship at CSD that, I am sure, will be as enriching as mine.”

Christophe Rolland, France, intern at CSD’s Economic Program,
14 May – 30 October 2018

Consulting Arms of CSD: Vitosha Research and Project One

Vitosha Research EOOD and Project One EOOD are wholly owned by CSD and form the CSD Group. Vitosha Research EOOD had started as one of the programs of CSD dealing with sociological issues and in 2000 was set up as a separate commercial company aiming to support the long term financial sustainability of CSD through involvement in marketing and social research. The General Manager of the company is the Director of Research of CSD.

Project One EOOD was founded after consultations with the auditing company KPMG in order to enable CSD's participation in tenders and consultan-

cy projects on the territory of Bulgaria and the EU. Project One is also in charge of the management of CSD investment activities. The Manager of Project One EOOD is the Executive Director of CSD. The three organisations share facilities, human, and financial resources in order to better achieve their goals, while observing distinct separation of CSD Group's commercial and non-commercial activities.

In 2018, Vitosha Research focused its activities on conducting consulting projects, building upon its expertise in quantitative analysis and social research.

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Tsvetomir Avramov, Financial Officer
Petar Lozanov, Accountant

Technical Support

Boyko Tassev

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Part Three

Financial Review