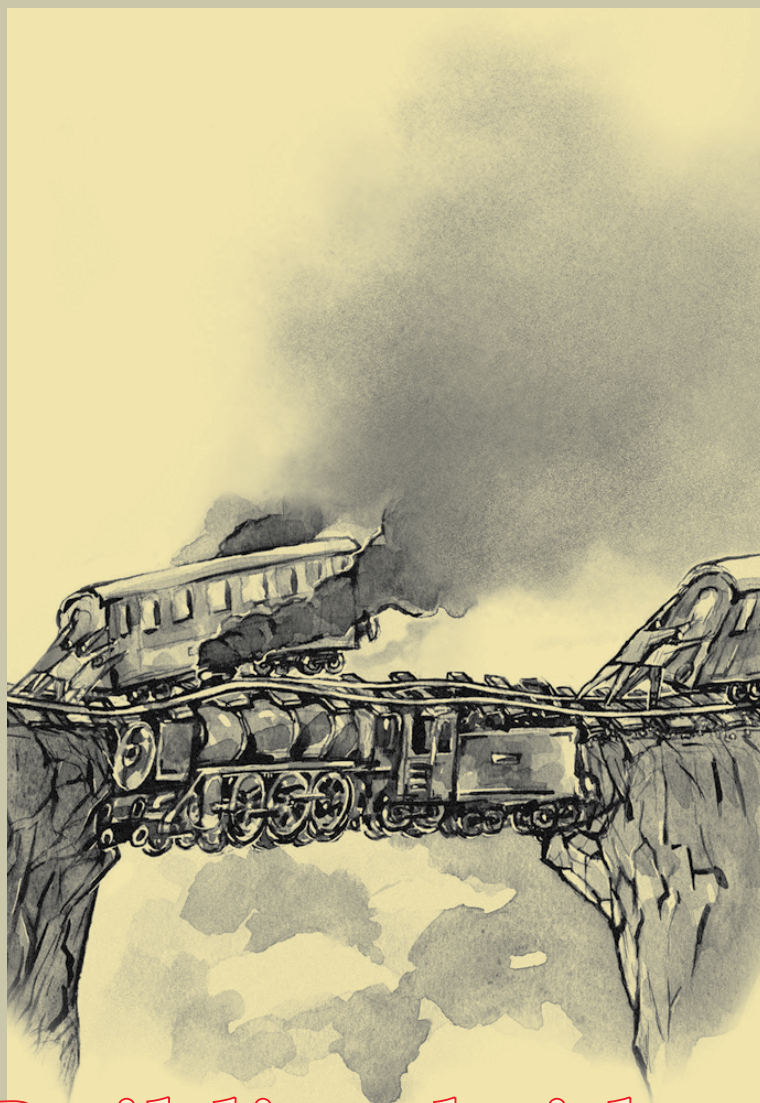


# CENTER FOR THE STUDY OF DEMOCRACY

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ANNUAL REPORT 2024



Building bridges



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**CENTER FOR THE STUDY OF DEMOCRACY  
2024 ANNUAL REPORT**



Drawing: Anri Koulev

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# Introduction

As we reflect on 2024, the Center for the Study of Democracy (CSD) has driven impactful policy changes and has convened critical public discussions at the national, regional and international levels.

From building civic alliances to protect and rebuild Ukraine and to expose sanctions hypocrisy and economic security gaps, to shaping the European Union's policy evaluations on security and governance as well as combating hybrid threats, illicit financial flows and strategic corruption, CSD has been at the forefront of addressing today's most serious global challenges. Our *State of Capture* report, revealing the failures of the EU and Bulgaria's capacity to deliver governance leadership, garnered significant attention and political momentum as a cross-cutting effort to counter systemic corruption and build democratic resilience.

CSD proposed an impactful policy agenda to strengthen media resilience in Europe by combining public funding with targeted private investments. This approach leverages the European Commission's experience with blended finance tools, while addressing legislative and regulatory gaps to enhance media freedom. Engaging Big Tech through mechanisms like a bargaining code or taxation could add to these efforts.

In 2024, CSD intensified efforts to address loopholes in the global sanctions regime targeting Russia's energy revenues. It revealed vulnerabilities such as the refining loophole that allowed significant amounts of Russian crude to be processed in Turkey and India and re-exported to the EU and G7 markets. CSD's findings, highlighted in exclusive articles by *Politico* and *Newsweek*, sparked high-level discussions and action in Washington and Brussels, emphasising the urgent need to finally phase out Russian gas and oil imports in Europe.

CSD expanded the coverage of its flagship *Kremlin Playbook* report by examining Russia's influence strategies in Latin America, assessing vulnerabilities in Venezuela, Bolivia, Argentina, Brazil, and Panama, and providing actionable measures to counter state capture, strategic corruption, and economic coercion.

In Europe, CSD exposed the ongoing threat of informal Russian–German networks that the Kremlin exploits for political influence in Europe's largest economy. Dismantling these networks and better enforcing sanctions could strengthen democratic institutions and safeguard the EU's strategic autonomy. Additionally, CSD continued to advance positive economic statecraft by enhancing the capacity for investment screening and promoting the green transition, energy and climate security, and low-carbon technologies

In 2025, CSD will continue to leverage its talent and convening power to effectively integrate Ukraine, its Black Sea neighbors, and the Western Balkans under the EU's democratic shield, while strengthening European governance and resilience.



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# **Part One**

## **Program Reviews**

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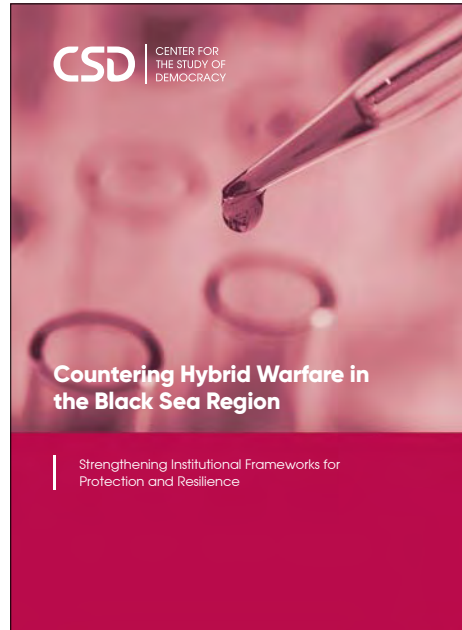
## Law Program

In 2024, the Law Program focused its efforts on four main domains: security and criminal justice, protection of vulnerable groups, equality and diversity, and fundamental rights.

- **Good governance, justice and security.** CSD supported the adoption of the country's first investment screening mechanism aimed at safeguarding critical sectors against foreign malign influence and strengthening economic resilience. The team contributed to enhancing the country's institutional resilience against hybrid threats in information and cyber space. CSD also promoted reforms to improve whistleblower protections, fostering transparency and accountability across public and private institutions.
- **Legal empowerment and capacity building.** To address systemic challenges in child justice and juvenile offending, CSD developed training tools and educational resources equipping justice and corrections professionals with child-centered approaches. These efforts focused on improving the rehabilitation of juvenile offenders and aligning practices in Bulgaria and other EU Member States with international child-rights standards. CSD's work has enhanced institutional capacities to meet the specific needs of children in conflict with the law.
- **Equality and diversity.** CSD expanded its efforts to promote inclusive workplace practices by increasing the number of organisations committed to diversity, equity, and inclusion in Bulgaria. Through training sessions and mentoring programs, CSD strengthened the skills of corporate leaders and professionals, helping them foster environments that combat workplace inequality and discrimination.
- **Fundamental rights.** As a member of FRANET, CSD conducted comprehensive research and reporting on fundamental rights issues, contributing to FRA's EU-level studies on topics such as migration, border management, and the rights of displaced persons. CSD analysed the integration of the EU *Charter of Fundamental Rights* into Bulgarian policies, identifying gaps and proposing actionable recommendations. In its efforts to combat domestic violence, CSD highlighted the intersection of workplace dynamics and gender-based violence, providing concrete proposals to enhance victim support and protection mechanisms.

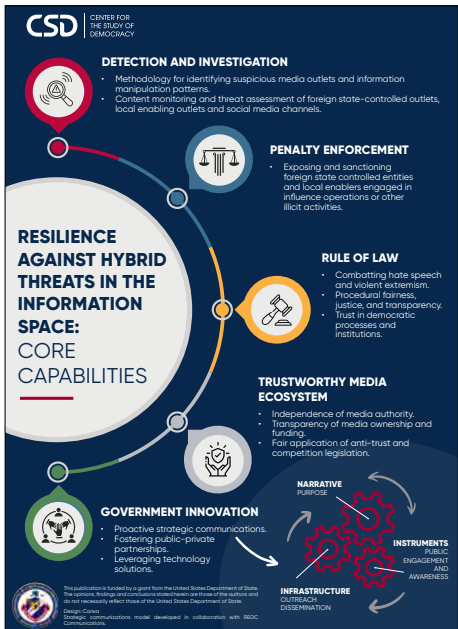
## I. Good governance, justice and security

CSD continued its work on countering hybrid threats, including such that involve the misuse of chemical, biological, radiological, and nuclear (CBRN) materials and related information. CSD published a report that demonstrated how the systematic and coordinated spread of manipulated information and misleading narratives on issues related to weapons of mass destruction (WMD) amounted to cognitive warfare. Fieldwork research focused on countering state-sponsored malign activities in cyberspace. The study featured interviews with stakeholders across government and business to map the regulatory, institutional, and operation arrangements for cybersecurity and cyberdefence in Bulgaria. In June 2024, CSD held an international policy roundtable on [institutional resilience against foreign malign influence](#) which examined the Kremlin’s hybrid warfare



tactics in the information and cyber space. The event featured leading experts and researchers from the USA, South Korea, France, the UK, and Bulgaria. Participants in the roundtable agreed that regional cooperation in the Black Sea region in the field of security and strategic partnership within the EU and NATO are key to synchronising efforts to deter and counter hybrid threats.

Building upon the outcomes of this policy roundtable, in December 2024 CSD held a two-day workshop entitled “[Countering Hybrid Threats in the Information Space](#)”. Participants discussed the manifestations of disinformation threats in Bulgaria, the vulnerabilities that malign actors exploited to carry out such threats, and the impact of the spread of manipulated information. The event provided a platform to review innovative techniques for developing strategic communications capabilities for preparedness and response to disinformation threats.



CSD expanded its efforts to raise awareness and build capacity to safeguard CBRN materials and related information against misuse. In collaboration with SECURUS Strategic Trade Solutions, CSD held a two-day training workshop on safeguarding the biotechnology innovation ecosystem. The workshop brought together stakeholders from the government, research, academia, and the business sector to discuss emerging biosecurity challenges and good practices for managing risks regarding transfers of sensitive biological materials and equipment that could be exploited for weapon development purposes. CSD also contributed expert presentations to a roundtable discussion on the prevention of the proliferation of WMD and dual-use materials hosted by the US Defense Threat Reduction Agency (DTRA). Together with Health Security Partners, CSD rolled out a series of outreach events on safeguarding collaborations in science, technology, and health from foreign malign interference. Three

interactive workshops were held for stakeholders from Bulgaria, Romania, and Serbia.

CSD reinforced its commitment to advancing whistleblower protection and fostering a culture of safe and effective whistleblowing. CSD played an instrumental role in supporting the Bulgarian government's implementation of the EU Whistleblowing Directive. This support included providing detailed opinions, recommendations and proposals to improve the transposing of legislation and ensure compliance with EU standards. CSD remained an active member of the South East Europe Coalition on Whistleblower Protection (SECWP), contributing to policy development efforts ahead of the Coalition's upcoming 10<sup>th</sup> anniversary. Since March 2024, CSD has also been a key partner in the [Open the Whistle](#) initiative, which aims to strengthen whistleblower protection in Bulgaria, Italy, and Spain by advancing transparency, fostering cooperation, and integrating open government principles into national frameworks.



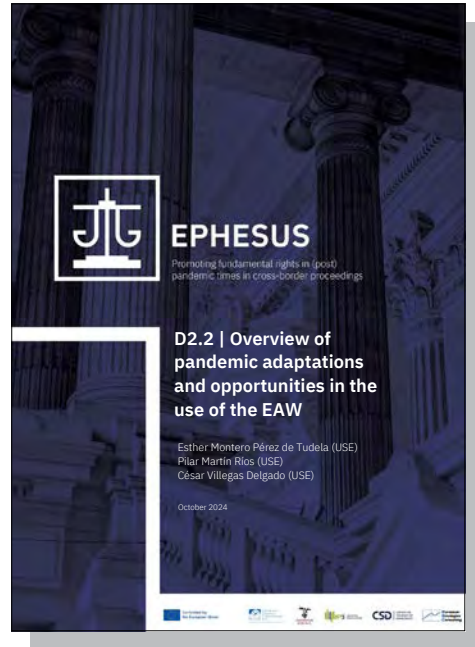
CSD continued to engage actively in the development of the Bulgarian government's concept note on lobbying regulation, promoting legislative solutions to enhance transparency and integrity in public decision-making. CSD also participated in a timely roundtable discussion at the CEELI Institute in Prague on the region's greatest challenge – corruption.

In 2024, CSD continued its work on building up the country's investment screening capabilities. CSD organised a high-level [policy forum on economic security and investment screening](#) in March 2024, bringing together key policy-makers, business leaders, and experts to discuss best practices and legislative solutions.

As a result of comprehensive research, stakeholder consultations, and outreach, CSD published reports such as *Open Gates, Guarded Walls*, which examines the evolution of FDI screening frameworks in the EU and highlights achievements, challenges, and best practices, and *Forging the Shield*, which outlines leading approaches to integrating FDI screening into broader national economic security strategies. The adoption of Bulgaria's first national FDI screening mechanism, integrated into the *Investment Promotion Act*, is set to play a critical role in countering corrosive capital, ensuring transparency, and fostering sustainable economic growth, while protecting strategic sectors.

In the context of growing challenges to the protection of fundamental rights in cross-border judicial cooperation, particularly highlighted during the COVID-19 pandemic, CSD joined the EPHESUS initiative to enhance the proportional and effective use of the European Arrest Warrant (EAW) and its alternatives. Despite being a cornerstone of EU judicial cooperation, the EAW has faced criticism for procedural and fundamental rights breaches, necessitating reforms to foster mutual trust among Member States' judicial systems.

CSD played a pivotal role in developing a [report](#) on the use of EAW during and after the COVID-19 pandemic. CSD's comprehensive analysis of the impact of COVID-19 on EAW proceedings in Bulgaria, including procedural adaptations and the use of alternative instruments, provided critical insights into Bulgaria's judicial responses during the pandemic, contributing to the report's broader comparative analysis across EU Member States. Additionally, CSD facilitated interviews with Bulgarian legal practitioners, gathering firsthand accounts of challenges and

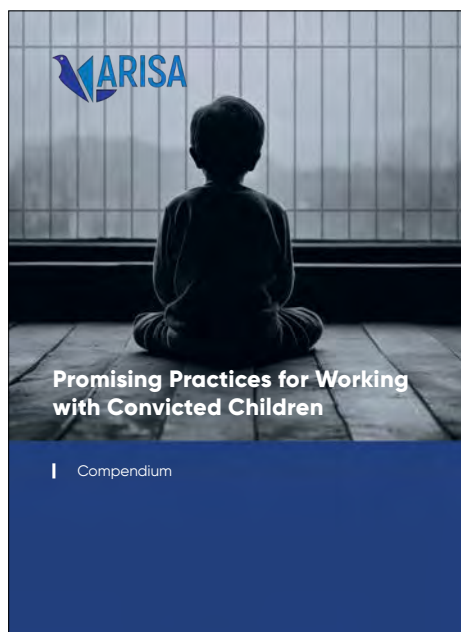


best practices in EAW processes amid the health crisis. These contributions enriched the report's understanding of pandemic-induced adaptations in cross-border judicial cooperation, highlighting both obstacles and opportunities within the EAW framework.

## II. Legal empowerment and capacity building

The year 2024 saw several cases in Bulgaria involving violence by young people and children, resulting in serious physical injuries and even fatalities among other children and adults. These incidents brought increased attention to the growing issue of juvenile offending and raised questions about the readiness of public institutions and their staff to address the needs of children in conflict with the law.

For years, CSD has partnered with organisations across Europe to



strengthen the rights of individuals suspected, accused, or convicted of a crime. In 2024, CSD focused on the treatment of juvenile offenders in correctional facilities and those serving non-custodial measures.

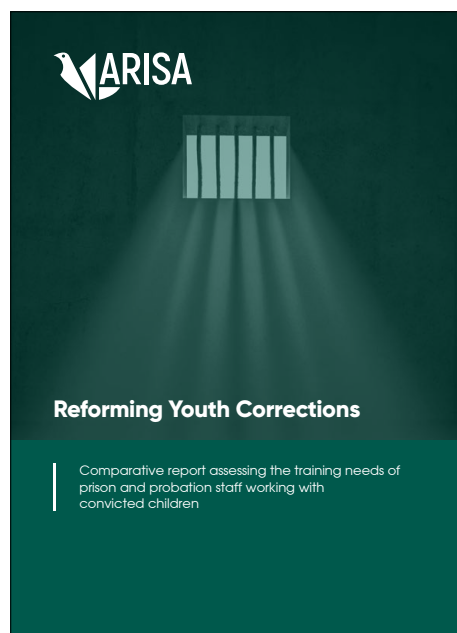
CSD worked to enhance the skills and capacity of prison and probation staff to adopt and apply child-friendly approaches in their interactions with children. To this end, CSD issued a [compendium](#) of best practices and [policy recommendations](#) aimed at reforming the juvenile correctional system. The proposed measures seek to address the specific needs and vulnerabilities of children, enhance the educational impact of interventions, facilitate lasting rehabilitation and ultimately decrease recidivism among this vulnerable group in society.

In 2024, CSD made significant progress in developing a comprehensive online training program for professionals in juvenile prison and probation services,

piloted in November 2024. CSD is working closely with the General Directorate for the Execution of Sentences within the Ministry of Justice to ensure the training reaches its target audience: prison and probation staff working with convicted children.

CSD continued to promote the effective and coherent implementation of European child-friendly justice policies and legislation. Collaborating with organisations from Greece and Cyprus, CSD contributed to the development of an innovative educational platform. The tool offers training modules in both Greek and English for acting and trainee judges and prosecutors, as well as judicial trainers specialising in child-friendly justice.

CSD continued its efforts to address persistent rule of law deficiencies across the EU. Over the past decade, Bulgaria has faced increasing scrutiny due to allegations of judicial corruption, selective application of justice, and



inadequate safeguards for judicial independence – issues that have undermined public trust and compliance with EU standards. Against this backdrop, the [LighT](#) initiative emerged as a critical response to these challenges, aiming to equip legal professionals with the tools needed to uphold democratic principles and the rules of law. The initiative supported over 300 lawyers from Bulgaria, Romania, Hungary, Poland, and Greece – countries grappling with significant rule of law challenges – by providing specialised training on ECJ and ECtHR case law. These trainings enhanced their capacity to protect fundamental rights and promote the consistent application of EU law. The program’s policy impact was showcased at a high-profile EU conference in Budapest, where key recommendations were presented to EU decision-makers. Proposals included the need for the EU to adopt a more consistent approach to rule of law issues across Member States and to

intensify efforts in combating SLAPPs, safeguarding judicial independence, and ensuring equality before the law. To ensure long-term impact, a digital [e-course](#) was developed providing legal professionals with continuous access to EU legal resources and fostering their involvement in strategic litigation efforts. By strengthening the capacity of lawyers to navigate complex legal challenges, the initiative laid the groundwork for long-term resilience against rule of law backsliding across the EU.

In early 2024, CSD concluded its transformative [SHE](#) initiative addressing the persistent issue of domestic and gender-based violence in Bulgaria. Despite legislative advancements, the country continues to face high levels of domestic and gender-based violence, compounded by institutional gaps, limited resources, and deeply ingrained societal norms. The initiative sought to tackle these challenges by focusing



*CSD analyst Maria Doichinova (middle) presenting best practices of judicial proceedings involving children during an international conference on child-friendly justice, Thessaloniki, 26 March 2024*



on targeted training and awareness campaigns within public institutions, which play a critical role in supporting

victims and fostering systemic change. Building on its success in 2023, when CSD trained nearly 350 HR specialists across the Bulgarian public administration, the initiative culminated in a high level [policy conference](#) in January. This event spotlighted the often-overlooked intersection between gender-based violence and workplace dynamics, presenting actionable recommendations to improve victim support mechanisms. Complementing the conference was a detailed [blog article](#) analysing amendments to the *Domestic Violence Protection Act* and identifying additional legislative reforms needed to close protection gaps.

As a member of the National Council for Prevention and Protection Against Domestic Violence under the Council of Ministers CSD contributed to shaping national policies, including the adoption of essential bylaws to operationalise recent amendments to the *Domestic Violence Protection Act*.



*CSD analyst Iliana Boycheva presenting key findings and recommendations during the policy conference on domestic and gender-based violence, Sofia, 24 January 2024*

In 2024, CSD launched a pioneering [initiative](#) to address the overlooked connection between gender-based violence and corruption. Corrupt practices in law enforcement, social services, and the judiciary erode public trust, delay justice, and exacerbate the vulnerability of gender-based violence survivors. These challenges are particularly acute for marginalised groups such as ethnic minorities and economically disadvantaged women, who are disproportionately affected by institutional failures. To shed light on this critical intersection, CSD produced a [data-driven report](#) that examined how systemic corruption and the resulting institutional mistrust affects victims of gender-based violence deterring them from reporting abuse or seeking legal recourse and protection. The analysis challenged entrenched stereotypes, highlighting how both phenomena are interlinked in ways that deepen social inequalities and hinder justice.

CSD also published a [guide](#) aimed to support victims of domestic violence and the organisations that assist them

in addressing corruption or institutional neglect when seeking protection. In December, the results were presented at a roundtable discussion with frontline practitioners, civil society organisations, and media representatives.

### III. Equality and diversity

As one of the founders of the [Bulgarian Diversity Charter](#), CSD continued to promote the values of diversity, equality and inclusion (DEI) within Bulgarian business and society. Established in 2020 as a joint initiative of CSD and the Bulgarian Business Leaders Form (BBLF), the Charter has consistently worked to foster more inclusive and equitable workplaces. The Bulgarian Diversity Charter community significantly expanded reaching a total of 102 signatories in 2024, among which a growing number of civic and educational organisations.

The fourth edition of the [Diversity@Work Award](#) recognised companies with outstanding DEI initiatives



*Dimitar Markov, Director of the CSD Law Program, at the Bulgarian Diversity Charter Annual Meeting, Sofia, 14 May 2024*

implemented in Bulgaria. Following the ceremony, CSD took part in the [Best Corporate Practice Webinar](#) where the award-winning companies shared insights about their successful DEI programmes with a wider audience.

CSD collaborated with Shell Bulgaria, Hewlett Packard Enterprise Bulgaria, and Lidl Bulgaria to launch the Building Bridges initiative, which shares DEI practices from large corporations with small and medium-sized enterprises (SMEs). CSD's report analysed DEI awareness in Bulgaria's private sector. Presented at a public event in October 2024, the initiative featured key findings, and the companies pledged to support SMEs through pro bono training and capacity building.

In 2024, CSD continued its efforts to foster inclusive communication in the workplace through the regional partnership [NICE](#). Throughout the year, over 60 professionals from Bulgarian companies and non-governmental organisations participated in meaningful dialogue through [public](#)



[consultations](#) and [training sessions](#). CSD, in collaboration with BBLF, piloted the [NICE training pack](#) with members of the Diversity Charter. The training sessions enhanced participants' understanding of constructive and



*“Diversity and Inclusion: Building Bridges” event, Sofia,  
1 October 2024*

inclusive communication targeting CEOs and experts in human resources, communications, corporate social responsibility, and the environmental, social, and governance fields. Additionally, the initiative extended its impact to employees across 16 companies and organisations that completed the [NICE mentorship program](#). All participants were certified in inclusive communication and celebrated their achievements at a special [event](#) held at the House of Europe in December 2024.

#### IV. Fundamental rights

As a long-time member of [FRANET](#) CSD continued to monitor the protection of fundamental rights in Bulgaria, contributing to FRA's annual *Fundamental Rights Report* and producing country reviews on a number of topics. CSD drew up reports on criminal detention conditions, fundamental rights compliance at external borders, fundamental rights protection of persons with disabilities living in institutions, mapping and analysis of human rights structures, ensuring environmental protection in the context of the just transition and EU Green Deal, and fundamental rights issues in the context of external border management and return. CSD is also reporting to FRA on the fundamental rights situation of displaced persons from Ukraine as well as asylum seekers and migrants coming from the Western Balkan route and from Belarus. The reports, delivered on a monthly basis, feed into the regular meetings and reports of the EU's mechanism for preparedness and management of crises related to migration (Blueprint).

CSD also contributed to FRA's efforts to address the fundamental rights implications of the introduction of the Entry/Exit System (EES) at EU's

external borders by undertaking a comprehensive assessment of Bulgaria's preparedness to implement the EES. The research focused on key procedural steps, such as the collection and processing of biometric and alphanumeric data, queue management, and data protection at border crossing points. The reports highlighted challenges such as non-discrimination, rights of vulnerable groups, and data protection and were discussed at an expert roundtable organised by FRA in September 2024.

FRA continued to publish on its website the Bulgarian country studies delivered by CSD in previous years. The reports released in 2024 included the studies on [enforcing consumer rights to combat greenwashing](#), [mapping child protection systems](#), and political participation of people with disabilities.

In 2024, CSD joined other FRANET members in efforts to strengthen the implementation of the *EU Charter of Fundamental Rights* across the Union. Despite the Charter's potential to safeguard fundamental rights, its practical application remains uneven among EU Member States, often due to limited awareness, inconsistent enforcement, and varying legal frameworks. CSD contributed to an in-depth mapping exercise, analysing how Member States incorporate the Charter into their national legal systems and identifying gaps in implementation. The findings provided valuable insights and practical pathways for aligning national policies with the Charter's provisions, ensuring a more consistent protection of rights across the EU.

These efforts were enriched by a multilingual survey conducted among nearly 6,000 EU citizens, assessing their awareness of the Charter's content and

objectives. The survey gathered crucial feedback on the challenges faced by individuals seeking to invoke their rights under the Charter and collected best practices for using it as a key tool in protecting fundamental rights. By bridging this knowledge gap, the initiative highlighted opportunities for empowering citizens, enhancing judicial practices, and fostering a stronger culture of rights awareness within the EU.

Through this collaborative effort, CSD helped shape actionable recommendations aimed at improving the Charter's visibility and effectiveness. These recommendations are expected to inform EU policy-makers and national authorities, reinforcing the Charter's role as a cornerstone of rights protection across Europe.

To further strengthen the application of the *EU Charter of Fundamental Rights*, CSD published a report examining the [role of national bodies with a human rights remit in ensuring fundamental rights compliance of EU funds in Bulgaria](#). The report, commissioned by the Ombudsman, examined the capacity and role of Bulgarian institutions in monitoring and safeguarding fundamental rights during the allocation and implementation of EU funds.

CSD carried out extensive fieldwork research on the implications of the use of AI systems and technologies for fundamental rights. This fieldwork featured interviews with legal practitioners, magistrates, representatives of national human rights watchdog bodies, as well as AI developers working in business and academic sectors in Bulgaria. The research is part of an international initiative which aims to raise awareness of the *EU Charter of Fundamental Rights* and how it can contribute to responsible AI innovation and use. The research results will be published in early 2025 and will inform the development of practical tools for different target audiences including AI developers, legal professionals, and the general public.

The Law Program also contributed to a report on disrupting the illicit flow of small boats and equipment, providing critical legal analysis to assess the existing legal framework and institutional responses to this growing challenge. The report plays a pivotal role in supporting efforts to prevent incidents involving migrants using such boats, offering actionable recommendations to enhance regulatory measures, disrupt trafficking networks, and safeguard lives, while addressing security and migration concerns.

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# ECONOMIC PROGRAM

In 2024, the Economic Program focused on the following topics:

- **Countering global illicit financial flows.** CSD addressed the interconnect-edness of illicit financial flows, state capture, and strategic corruption by de-veloping new methodologies and tools for detecting, measuring, and coun-tering these threats. Key findings and recommendations were shared at the International Anti-Corruption Conference (IACC) in Vilnius, Lithuania.
- **Strengthening anti-corruption efforts in Bulgaria and regional anti-corruption policies.** CSD presented its latest *Corruption Monitoring System* results, highlighting key areas for intervention and putting forward policy recommendations. CSD also provided inputs to the European Commission’s annual *Rule of Law Report*. CSD supported the Western Balkans’ EU accession process through the anti-corruption initiative SELDI.
- **Building resilience against foreign information manipulation and interference (FIMI).** CSD exposed the scale and dynamics of misinformation and disinformation spread online, in particular on social media across Europe. The studies have revealed the production and amplification networks of malign actors behind these campaigns and highlighted their harmful impact in Bulgaria, Romania, Montenegro, North Macedonia, and Serbia, among others.
- **Identifying sustainable solutions to support media freedom in Europe.** CSD developed practical recommendations aimed at enhancing media sus-tainability, such as implementing a bargaining code for independent news outlets, introducing a mitigation fee on Big Tech platforms, and improving the utilisation of existing EU funding instruments to foster innovative sup-port for journalists and media outlets
- **Tackling the informal economy and undeclared work.** CSD continued its efforts to tackle the informal economy across the EU. Technical assistance was provided to the Bulgarian General Labour Inspectorate to enhance its risk assessment methodology aiming to improve the targeting of inspections. CSD supported the European Labour Authority in developing strategies for using public procurement conditionalities to combat undeclared work.
- **Innovation and competitiveness.** CSD analysed national performance indi-cators in the *IMD Global Competitiveness Yearbook 2024* and contributed to the development of the *Innovation.bg* report, providing insights into Bulgaria’s innovation landscape and recommendations for boosting national competi-tiveness in the global market.

## I. Countering global illicit financial flows

CSD is developing new methodologies and tools for detecting, measuring, and countering illicit financial flows as enablers of state capture and strategic corruption as part of the Governance & Integrity Anti-Corruption Evidence (GI ACE) program. This initiative builds on CSD's previous work, including *The Kremlin Playbook* series, the *State Capture Assessment Diagnostics* (SCAD) tool, and CSD's methodologies for measuring the economic footprint of Russia and China.

In the framework of the Summit for Democracy's Cohort on Anti-Corruption Policies and National Security, CSD, SELDI and the Regional Anti-Corruption Initiative held the workshop "[Confronting Strategic Corruption and Illicit Finance: Democratic Resilience and Economic Security](#)" during the IACC on 20 June 2024 in Vilnius, Lithuania. The discussion featured Christian Beck, Parliamentary Assistant of MEP Daniel Freund; Dr. Oksana Huss, Anti-Corruption and Public Integrity Policy Analyst

at OECD and Associate Researcher at BIT-ACT, University of Bologna; Prof. Dr. Elizabeth David-Barrett, Director of the Centre for the Study of Corruption, University of Sussex; Dr. David Jackson, Senior Adviser at U4 Anti-Corruption Resource Centre; Daniela Mineva, Senior Analyst at CSD; Dr. Nedim Hovic, Postdoctoral Research Fellow at the University of Oslo and Dr. Ramadan Ilazi, Head of Research at the Kosovar Centre for Security Studies. Participants recommended that corruption risk assessments expand their focus beyond financial losses or corruption incidence to also cover the damage done to the functioning of public institutions and their ability to uphold the public interest.

Recognising strategic corruption as a significant threat to global governance and democratic resilience in Europe and beyond, CSD conducted a comprehensive analysis leading to a report on the impact of sanctions on infiltration of Russia in Europe. The report focuses on three case studies that exemplify Russia's use of strategic



CSD Senior Analyst Daniela Mineva (second from the right) at the workshop "[Confronting Strategic Corruption and Illicit Finance: Democratic Resilience and Economic Security](#)", IACC, Vilnius, 20 June 2024



*(L-R): Goran Georgiev, Analyst, and Dr. Todor Galev, Director of Research, CSD; Dr. Claudiu Tufiş, University of Bucharest and Romanian Academic Society; Dr. Kristian Lasslett, Ulster University and the Institute for Futures Studies; Martin Vladimirov, Director for Climate and Energy, CSD; Ruslan Stefanov, CSD Program Director and Chief Economist, at the public discussion "Democratic Resilience, Rule of Law and Economic Security: Charting Europe's Policy Options", Sofia, 27 June 2024*

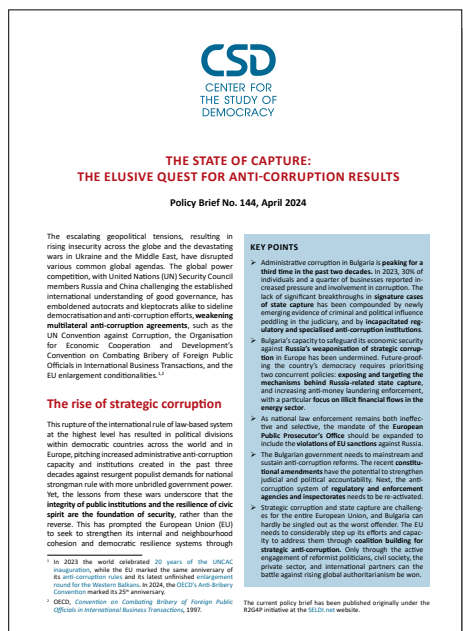
corruption to advance its geopolitical ambitions. These include the Nord Stream II Pipeline, the Turk Stream Pipeline, and strategies for the evasion of sanctions on Russian oil exports. Each case highlights Russia's exploitation of energy projects, reliance on diverse brokering networks, and manipulation of systemic vulnerabilities.

To contribute to academic and policy discussions, CSD hosted a [public discussion](#) dedicated to examining the intersection of corruption and undue foreign influence on 27 June 2024 in Sofia. The event facilitated the dialogue on Europe's policy options for strengthening democratic resilience, upholding the rule of law, and safeguarding economic security

in response to foreign authoritarian influence in the region.

## **II. Strengthening anti-corruption efforts and policies**

In 2024, all CSD programs joined efforts to strengthen the rule of law in Bulgaria, focusing on monitoring emerging trends in corruption and state capture, while providing policy guidance on necessary institutional and legal reforms. According to CSD's *Corruption Monitoring System, 2023* saw a surge in administrative corruption, reaching alarming levels for the third time in two decades. Thirty percent of individuals and a quarter of businesses reported experiencing heightened pressure and



compounded by emerging evidence of criminal and political influence peddling in the judiciary and by incapacitated regulatory and specialised anti-corruption institutions.

Russia is actively exploiting these weaknesses, wielding corruption as a weapon to undermine Bulgaria's economic security and democratic institutions. Future proofing the country's democracy requires prioritising two concurrent policies: exposing and targeting the mechanisms behind Russia-related state capture, and increasing anti-money laundering enforcement, with a particular focus on illicit financial flows in the energy sector. Given the ineffective and selective nature of national law enforcement, it is also crucial to expand the European Public Prosecutor's Office's mandate to include powers for investigating violations of EU sanctions against Russia. These conclusions were presented in a [policy brief](#), as well as at a public discussion "The State of Cap-

involvement in corrupt practices. The lack of significant breakthroughs in signature cases of state capture has been



(L-R): Ruslan Stefanov, Program Director; Dr. Todor Galev, Director of Research; Martin Vladimirov, Director, Energy and Climate Program; Dimitar Markov, Director, Law Program, and Atanas Rusev, Director, Security Program – CSD's management and research leads at the public discussion "The State of Capture in Bulgaria: The Elusive Quest for Anti-Corruption Results", Sofia, 16 April 2024



*CSD Senior Analyst Daniela Mineva (second from the right) at the policy forum “Countering Corruption and State Capture – Advancing EU Accession of Western Balkan Countries”, Tirana, 3 October 2024*

ture in Bulgaria: The Elusive Quest for Anti-Corruption Results” held on 16 April 2024.

CSD supports the Western Balkans’ EU accession process through the SELDI anti-corruption initiative, navigating a challenging global geopolitical landscape that has disrupted EU integration efforts and governance reforms in the region. On 3 October 2024, SELDI hosted its regional policy forum in Tirana to explore ways of breaking the anti-corruption deadlock. Daniela Mineva, Senior Analyst at CSD, presented the *SELDI Regional Anti-Corruption Report Mind the Trap: Breaking the Anticorruption Deadlock in the Western Balkans* based on the latest corruption victimisation data from the *Corruption Monitoring System* applied across the Western Balkans. The report offers recommendations for adopting a result-oriented approach to strategic anti-corruption planning, notably through strengthening the investigation and prosecution of high-level corruption, tackling sanctions evasion, and embedding anti-state-capture measures into the design of EU assistance programs. In a follow-up blog post “Enlargement without State Cap-

ture: A Call for Action for the Next European Commission”, CSD notes that while leading to technical improvements, EU’s efforts have failed to achieve a breakthrough in ensuring a functioning rule of law, and further calls for placing a stronger focus on achieving a tangible impact.





*(L-R): Petko Doykov, Ambassador of Bulgaria; Emanuele Giaufret, Ambassador of the EU; Christopher Hill, Ambassador of the U.S. to Serbia and CSD Program Director Ruslan Stefanov at the public discussion “Democratic Resilience, Rule of Law, and Economic Security: Charting Policy Options for the Western Balkans”, Belgrade, 12 September 2024*

On 12 September 2024, the Belgrade Europe House hosted the public discussion “Democratic Resilience, Rule of Law, and Economic Security: Charting Policy Options for the Western Balkans” organised by CSD in

collaboration with SELDI and regional partners. The event brought together diplomats, scholars, and political leaders to address the key challenges facing Serbia and the broader Balkan region. Participants noted the growing



*Regional conference “Southeast Europe Together Against Corruption: Developing Regional Resilience”, Sarajevo, 20 February 2024*

influence of Moscow and Beijing, even as the EU remains Serbia's largest trading partner and political ally. They stressed the need to strengthen democratic institutions – fair elections, an independent judiciary, and free media – as Serbia advances in its EU accession.

CSD and SELDI also took part in the regional conference [“Southeast Europe Together Against Corruption: Developing Regional Resilience”](#) organised by the Regional Anti-Corruption Initiative on 20 February 2024 in Sarajevo. The conference highlighted the need to further enhance the corruption risk assessment mechanisms, strengthen the corruption proofing of legislation and promote the advancement of asset disclosure systems through regional collaboration.

In order to promote citizen participation in democratic life, CSD held a civic consultation session on 22 November 2024 in Plovdiv. Citizens and activists took part in three parallel interactive workshops, exploring challenges and

future scenarios in the areas of sustainable environmental development, Bulgaria's role in the EU, and the rule of law. The ideas proposed by citizens will feed into further discussions with experts and policy-makers at the national and the EU levels in 2025 aimed at formulating concrete measures and policies.

### III. Building resilience and countering FIMI

The Center for the Study of Democracy has built a distinctive track record in analysing FIMI by employing state-of-the-art tools and methods, and combining insights from economics, sociology, political science, criminology, and data science to address this critical challenge.

In 2024, CSD focused on examining the toolbox of foreign interference, highlighting the intricate links between disinformation, strategic corruption, and information security. These themes were the focus of an [international conference](#) co-organised by CSD and the Embassy



*Civic consultation session “Economic Development and Growth through Civic Engagement”, Plovdiv, 22 November 2024*

of the Republic of Korea on 24 June 2024. Participants discussed the complex networks of local enablers who exploit economic power to hijack political agendas and shape public opinion in target countries, the necessity of robust and adaptive security approaches, the monetisation of disinformation, and the role of social media platforms as vehicles for foreign malign influence. Among the prominent speakers were Dr. Song Tae-Eun from the Korea National Diplomatic Academy, Cristian Pantazi, Editor-in-Chief of the Romanian independent news outlet Group4Media, and Vladimir Milenski, Director of the Information Center at the Ministry of Defense in Bulgaria.

In the run-up to the European and national parliamentary elections, CSD conducted an express opinion poll on potential malign foreign interference in the elections, including through the use of disinformation. The Center presented the results at a [press conference](#), which also highlighted the results of media monitoring on three critical issues shaping the election campaign: Bulgaria's accession to Schengen, the country's en-

try into the euro area, and the provision of military aid to Ukraine. The findings and conclusions were widely reported by more than 80 national and regional news outlets, including the Bulgarian National Radio, the Bulgarian National Television, Nova TV and Euractiv.

The [vulnerabilities of the civil security sector](#), i.e. law enforcement, intelligence, and the judiciary, to malign misinformation and disinformation in Montenegro, Serbia, North Macedonia and Bulgaria were analysed as part of the Kremlin's escalating efforts to destabilise the Balkans through a series of covert operations, that leverage information manipulation, strategic corruption, and governance vulnerabilities in the sector.

CSD analyses have covered also [gender dimension of disinformation](#) spread by the pro-Russian segments in Bulgarian social media networks, that are the main disseminators and amplifiers of disinformation narratives against women of Ukrainian origin in Bulgaria.

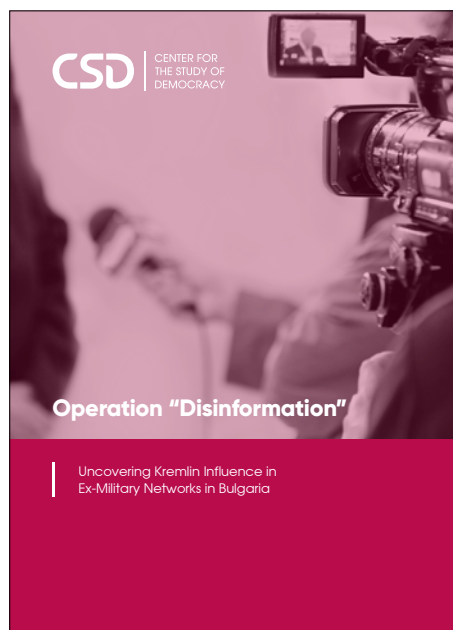
Pro-Russian narratives, are promoted and supported also by [ex-military and](#)



*International conference “Building Resilience to Foreign Malign Influence and Disinformation”, Sofia, 24 June 2024*

security sector networks, including former military officers holding high-level political positions, despite Bulgaria's NATO membership. These efforts are reinforced by long-standing Russian intelligence networks within Bulgaria's security apparatus, and paramilitary groups aligned with Putin's geopolitical strategies.

Recognising the urgent need for regional cooperation and joint actions against FIMI in Southeast Europe and the Black Sea region as the most vulnerable to anti-democratic manipulation and hybrid warfare, CSD was among the main ideation partners and organisers of the Sofia Information Integrity Forum, held on 7-9 November, with the ambition of turning into a recurrent regional event devoted to building information space resilience. The forum was opened by the Bulgarian Minister of Defence Atanas Zaprjanov, and Dana Spinant, Director-General at the European Commission's Directorate-General for Communication, bringing together over 65 speakers and 170 attendees from 15 countries, among them well-known researchers and practitioners from



the public administration, business, academia and civil society. Within this framework, CSD held several sessions aimed at discussing policy options for supporting the Europe's media democracy shield through countering FIMI and supporting vibrant and



*International workshop "Psychological, Social, and Behavioral Approaches to FIMI Studies", Brussels, 3-4 June 2024*

independent media sectors in SEE; [building institutional capacity](#) for resilience in public administration, and [sharing research findings](#) on gender and identity based disinformation.

To advance conceptualisation of FIMI, CSD co-organised the [international workshop “Psychological, Social, and Behavioral Approaches to FIMI Studies”](#) on 3–4 June 2024, in Brussels. James Pamment, Director of the Lund University Psychological Defence Research Institute and Massimo Flore, expert in citizens’ vulnerabilities to disinformation, formerly with the European Commission and the United Nations, delivered keynote addresses. Leading FIMI experts discussed societal and demographic drivers of vulnerability to FIMI and approaches such as behavioral modeling, psychometric tests, computational big data techniques, and AI.

CSD organised a series of capacity building events, such as the three trainings for the Diplomatic Institute at the Bulgarian Ministry of Foreign Affairs, and contrib-

uted to the 3-day international NATO training course on cognitive warfare, organised by the NATO Crisis Management and Disaster Response Centre of Excellence, and the [public lecture and training](#) on media literacy and disinformation landscape in Bulgaria for American University’s students.

#### IV. Supporting media freedom in Europe

A significant factor enabling disinformation campaigns is the declining resilience of the media sector, particularly in Eastern Europe, where independent news outlets face increasing financial challenges and external pressures.

Through [public discussions](#), briefings and a series of publications, featuring [policy briefs](#) and an [analytical report](#), CSD urged the European Commission and big techs to strengthen media resilience by combining public funding with targeted private investments, leveraging its experience with blended



*Policy workshop “Information Integrity, Media Freedom & Rule of Law: Priorities for European Policy Actions”, Sofia, 24 September 2024*



*Ambassador Mark Gitenstein, U.S. Mission to the EU, and Jamil Anderlini, Politico Europe's Editor-in-Chief, discussing freedom of the press and its impact on transatlantic relations at the Politico 28 Post-Gala Lunch, Brussels, 11 December 2024*

finance tools. Additionally, CSD calls for increased financial support for facilitating technological innovation in the media sector and structural reforms within institutions such as the European Board for Media Services, in order to reinforce media sustainability.

The best way forward is to align solutions to these problems on both sides of the Atlantic, as noted in [a recent blog](#) by the US Ambassador to the EU Mark Gitenstein and former European Commission Vice President Věra Jourová.

## V. Tackling the informal economy and undeclared work

In 2024, CSD continued its efforts to address the informal economy and undeclared work across the EU. CSD experts are providing technical support to the Bulgarian General Labour Inspectorate to enhance its risk assessment methodology, enabling more targeted inspections of companies likelier to resort to undeclared work, particularly in the HORECA, retail, and construction sectors. The underlying



factors contributing to the persistence of this phenomenon in these three industries are also analysed. In its blog post "[How to bring the hidden economy to the light?](#)", CSD notes that in the context of globalisation it is increasingly relevant to take measures

against undeclared work. According to the latest CSD survey, 11.8% of the population have not signed a contract with their primary employer, 20% admit receiving a higher pay at their main job than the amount stated in the contract, and 10.5% are covered by minimal social security contributions, lower than those due for their actual remuneration.

- describing good practices of civil society initiatives as well as non-governmental organisations cooperating with the public authorities in tackling undeclared work;
- cooperation in investigating and tackling undeclared work among EU-mobile workers and third-country nationals.

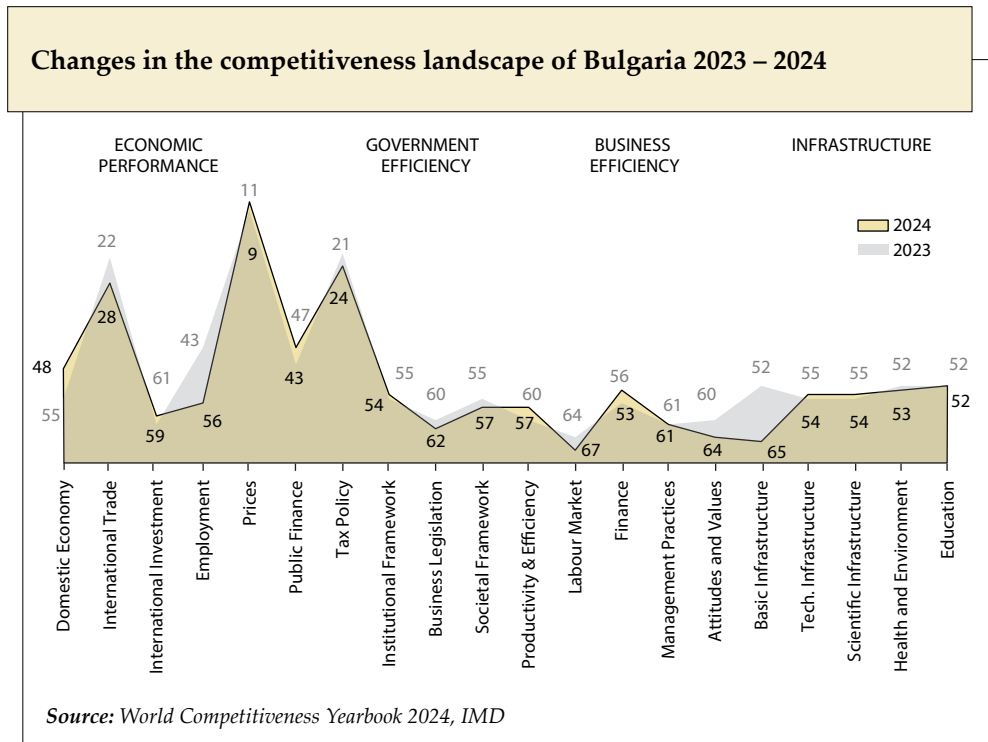
CSD supported the European Labour Authority by developing a series of analyses aimed at sharing good practices and experiences on tackling undeclared work among the EU Member States. The papers focused on:

- methods for utilising the public procurement conditionalities to prevent undeclared work;
- mapping the types of evidence and legal presumptions that could be used to prove the existence of undeclared work in court;

## VI. Innovation and competitiveness

CSD continued its cooperation with the Institute for Management Development (IMD) and its World Competitiveness Center in Switzerland. The CSD team produced the chapter on Bulgaria published in *IMD's Global Competitiveness Yearbook 2024*.

In 2024, Bulgaria went down by one position, ranking 58<sup>th</sup> out of 67 countries,



which a sign of a stagnation trend starting in 2021. The country's ranking has deteriorated by 10 positions compared to 2020 and by 20 positions compared to 2009.

The major challenges to improving Bulgaria's competitiveness in 2024 were:

- persistent political instability, weak rule of law, and endemic corruption;
- delayed Eurozone entry and risk of loss of EU funds;
- deteriorating business climate: low competitiveness and productivity, substantial informal economy and inclusion in the FATF grey list;
- continuing population decline, a tight labor market, and deficiencies in infrastructure;
- deepening socio-economic inequalities.

For years on end, the Economic Program has been contributing to the development of the *Innovation.bg* report, which is the main policy document for regular monitoring of innovation performance in the country. Marking its twentieth anniversary, this year's edition voiced concern about the lack of progress in national innovation policy, which remains heavily reliant on EU vision, instruments, and funding. The report



analyses how research, technological development and innovation policies and trends have evolved over the past two decades. It aims to extract valuable lessons to guide Bulgaria's future in the globalised world, where regional agendas hold a growing influence. *Innovation.bg 2024* was launched on 10 December 2024 at the twentieth National Innovation Forum.

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## ENERGY AND CLIMATE PROGRAM

In 2024, the Energy and Climate Program focused on the following topics:

- **Countering the Kremlin Playbook for energy sanctions evasion.** In 2024, CSD intensified the efforts to uncover loopholes in the global sanctions regime, including the exemptions from the EU ban on the imports of Russian crude oil and the refining loophole, which allows third countries like India and Turkey to export petroleum products to the European market. CSD analysis highlighted Turkey's role as a key hub for Russian energy exports, contributing over \$30 billion to Kremlin revenues. In Czechia, CSD provided recommendations to expedite the phaseout of Russian oil imports. Meanwhile, the Kremlin Playbook analysis expanded to Latin America, where CSD has examined Russia's exploitation of governance gaps in Venezuela, Argentina, Bolivia, Brazil and Panama. In Germany, CSD continued to expose the influence of Russian-German informal networks on the country's economic security and foreign policies.
- **Accelerating the low-carbon energy transition and innovation.** CSD has continued its efforts to advance Bulgaria's green transition by supporting the process of updating the National Energy and Climate Plan, presenting alternative decarbonisation scenarios, and fostering stakeholder discussions. Offshore wind energy development also took center stage with the establishment of the Black Sea Renewable Energy Coalition and the publication of guidelines to address regulatory and technical barriers to developing the sector. The Energy and Climate Program promoted the uptake of bioenergy innovations to improve transparency and public trust, while linking illegal logging and energy poverty to sustainable energy solutions for vulnerable households.
- **Energy efficiency, just transition and air quality.** CSD supported energy efficiency and clean air reforms in Bulgaria, enhancing the regulatory framework for Sofia's Low Emission Zone and advocating for sustainable housing solutions. Through the development of the STEP Index, the team measured citizen participation in just transition efforts, addressing systemic barriers to inclusive energy policies and fostering public trust in the green transition.

## I. The Kremlin Playbook: Sanctions enforcement and strategic decoupling

In 2024, CSD continued to tackle Russia's unceasing efforts to circumvent the sanctions against its oil supply around the world. The measures introduced by the G7 countries have failed to deter Moscow from continuing its war of aggression in Ukraine. CSD has revealed three main gaps in the global sanctions regime: 1) the ongoing exemptions from the EU ban on Russian oil imports; 2) the refining loophole allowing G7 countries to import refined products from processed Russian crude oil in third countries such as Turkey and India; 3) the growing Russian natural gas supply in Europe.

CSD's assessment builds upon the decade-long research of the [Kremlin Playbook in Europe](#), which has consistently identified how [Russia has taken advantage of energy security vulnerabilities](#) and energy sector

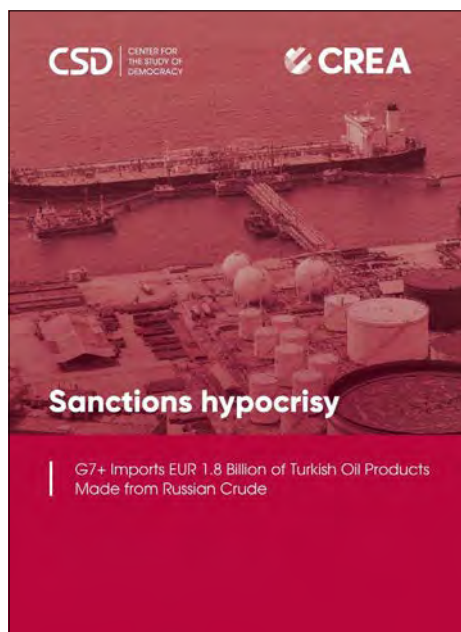
governance deficits to lock in countries in asymmetric economic dependencies, including in wasteful large-scale energy infrastructure projects and long-term fossil fuel supply agreements. In January 2024, CSD extended the analysis of energy insecurity risks outside of the EU, in [Moldova](#), following the evaluation done for Ukraine in 2023.

In 2024, CSD argued for the complete halt of Russian pipeline gas imports before the Kremlin can launder the supply through [Turkey](#) and discussed the need to accelerate the phaseout of Russian oil imports in [Czechia](#). The assessment had a significant [media](#) and political impact in Czechia and across Europe and became the focal point of a high-level policy discussion during [Forum 2000](#).

CSD has [assessed](#) that the EU can fully phase out Russian gas in 2025 and even the most dependent countries on Russian pipeline supply can replace Russian gas completely. This, however, requires [concerted action](#) at the EU level to sanction TurkStream and create a mechanism to tax Russian gas imports from Turkey and Ukraine to a level of price parity with TTF.

The Energy and Climate team worked in tandem with the Centre for Research on Energy and Clean Air (CREA) to develop a series of analytical reports on how the Kremlin has maximised its oil revenues by using Turkey as a "[pitstop](#)" for petroleum products re-exports to the EU and the U.S. CSD and CREA also assessed how Turkey has become the biggest importer of Russian fuels and the third largest buyer of Russian crude since the Russian invasion of Ukraine contributing more than \$30 billion in oil and gas revenues for the Kremlin. The two organisations also launched a [comprehensive report](#), which received exclusive [media coverage](#), revealing that





G7+ countries imported EUR 1.8 billion worth of oil products derived from Russian crude, from three refineries in Turkey in the first half of 2024.

The sanctions evasion analyses in Turkey were presented during two high-level policy roundtables, organised jointly by CSD and the Hudson Institute, in Washington D.C. on [democratic resilience](#), [economic security](#), and [sanctions enforcement in Europe](#), the second of which was joined by the EU's Chief Prosecutor. CSD also conducted multiple policy briefings for senior EU and U.S. policy-makers, including with the team of the sanctions coordinator at the U.S. Department of State, the Deputy National Security Adviser responsible for energy policy and investment, the Senate and House of Representatives' foreign relations committees, as well as with Congressman Joe Wilson. In Brussels, the team briefed the EU Sanctions Coordinator, the energy security and sanctions department of DG Energy, as well as the sanctions



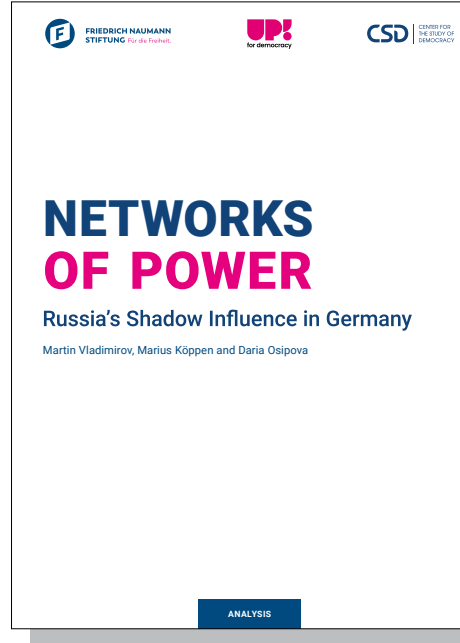
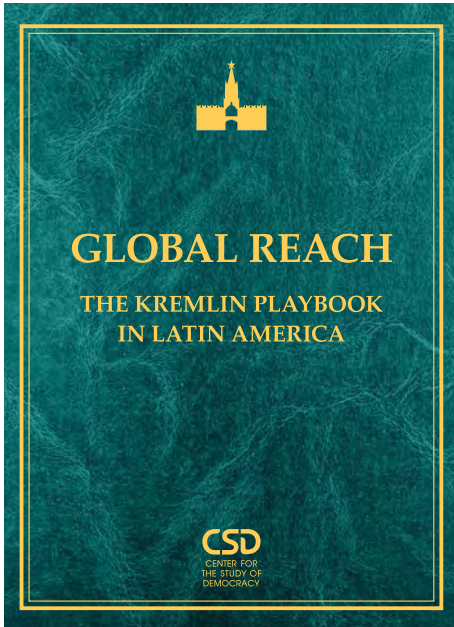
team at the European Anti-Fraud Office (OLAF). CSD subsequently provided OLAF with additional details about the sanctions evasion cases, which resulted in an official investigation.

CSD has also expanded its work on countering the Kremlin Playbook in Europe and beyond and in 2024 developed a detailed analysis of the informal German–Russian networks of influence to identify the key enablers of Russian interference in Germany. In addition, a detailed analysis of bilateral trade patterns revealed how German dual-use goods, crucial to the Kremlin's war effort, continue to find their way to Russia via re-export hubs such as Turkey, the United Arab Emirates and former Soviet republics in Central Asia.

The assessment of the *Networks of Power: Russia's Shadow Influence in Germany* attracted significant attention from policy-makers as well as [German](#) and international media. The analysis was presented during a [policy roundtable](#) in

Berlin on 12 December, which focused on the governance gaps that have allowed and continue to aid Russia and its German enablers to maintain close business ties, evade sanctions and influence the country's strategic security and foreign policy decisions in favour of re-engagement with Russia. CSD also briefed the German Ministry of Foreign Relations and the German Ministry of Economy and Climate Action on key policy strategies for countering Russian economic and political influence in Germany and the EU.

In the wake of its invasion of Ukraine, Russia has turned its focus towards building alliances in regions beyond Europe, particularly in Africa and Latin America. In 2024, CSD assessed the [global reach of the Kremlin Playbook in Latin America](#). The region has emerged as a particularly vulnerable target in this global power struggle. Russia has sought to establish long-term, asymmetrical dependencies with Latin American countries, aiming to influence



their foreign policy and democratic orientation. The assessment zoomed in on how the Kremlin has utilised state capture, economic coercion, military ties, and information warfare to extend its influence. Countries such as Venezuela, Bolivia, Argentina, Brazil, and Panama have become focal points for Russia's growing engagement. The study provided targeted policy recommendations on governance and accountability reforms, economic measures, and international cooperation to strengthen key domestic institutions, counter Russia's malign activities, and bolster the region's resilience to external risks. The international policy conference "[Defending the Rising Authoritarian Tide: Countering the Kremlin Playbook in Latin America](#)" in Washington D.C. brought together some 60 U.S. and Latin American policy-makers, experts and business representatives and was disseminated through various channels. In September 2024, CSD conducted a closed-door [policy roundtable](#) hosted by the Inter-American Dialogue and



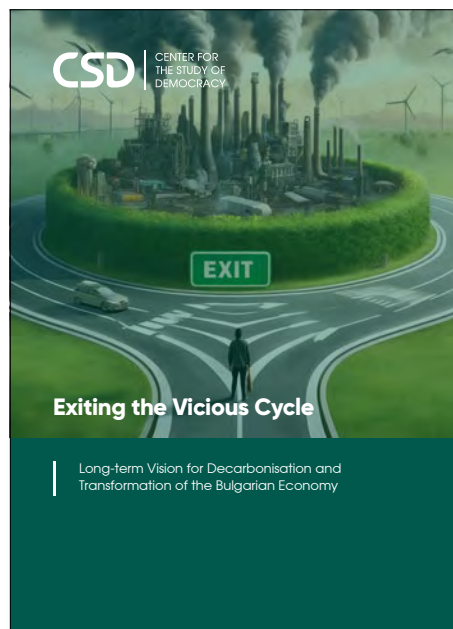
*Juan Guaidó, President of Venezuela (2019 – 2022), speaking at the policy roundtable  
“Global Reach: Countering the Kremlin Playbook in Latin America”,  
Washington D.C., 18 September 2024*

gathering over 30 U.S. experts and policy-makers, including Juan Guaidó, interim president of Venezuela, whose insights were particularly illuminating. The discussions fed into an assessment of democratic institutions in the region, which is under development.

## II. Low-carbon energy transition and innovation

Alongside its work on reducing Russia’s influence in the energy sector, in 2024 CSD’s Energy and Climate team expanded its work on the uptake of a wide range of low-carbon technologies as a way of achieving carbon neutrality and improving the country’s energy and climate security. CSD supported the Bulgarian government in updating the National Energy and Climate Plan, including by providing [alternative modelling scenarios](#), which demonstrated that full decarbonisation requires more policy ambition and funding support

for individual and collective behaviour change and large-scale deployment of cutting-edge low-carbon technologies. The modelling results and the proposed





policy measures for the acceleration of the decarbonisation process were presented to policy-makers from the Ministry of Energy and the Ministry of Environment, business and civil society representatives, and independent experts on 25 April 2024 during the roundtable “Exiting the Vicious Circle: Long-Term Vision for Decarbonisation and Transformation of the Bulgarian Economy”. CSD also organised a series of discussions on the NECP, to build trust, ensure engagement and more wide-reaching social acceptance of the green transition process.

Throughout 2024, CSD focused on identifying the main barriers to the deployment of low-carbon technologies in Bulgaria and on providing strategies to unlocking their potential. An [assessment of the amendments to the Energy Act and the Renewable Energy Act](#) showed that although they will help unlock the potential for small, decentralised generation capacities, the legal framework must

be further developed to support energy communities. CSD also held four thematic roundtables across Bulgaria to identify obstacles and possible policy solutions for the deployment of [offshore wind](#), [battery storage](#), [decentralised electricity generation](#) and [grid upgrades](#), which led to the development of the comprehensive assessment titled [Low-Carbon Technologies: Roadmap for Deployment in Bulgaria by 2050](#). To reap the huge potential of clean technologies, Bulgaria must urgently adapt its regulatory framework and liberalise its electricity market to unlock investments and democratise electricity generation.

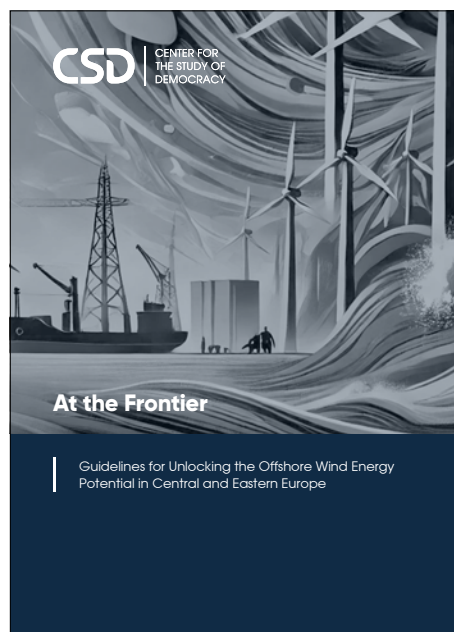
### Offshore wind

Offshore wind has the potential to become the cornerstone of Bulgaria’s decarbonisation efforts, accelerating coal phaseout and boosting the economic development of maritime regions. In 2024, CSD continued to champion the development of the sector by advocating for the adoption of a dedicated [Renewable Energy in Maritime Spaces Act](#) that draws out a concrete regulatory framework for offshore wind, outlining the necessary strategic policies required to overcome the current barriers before the investments in the sector.

To facilitate the transfer of good practices between more advanced blue economies in Europe and CEE countries, the [Black Sea Renewable Energy Coalition \(BSREC\)](#) brought together EU institutions, NGOs, offshore wind farm developers, researchers, renewable energy experts and grid operators. In April 2024, members of the BSREC and leading policy-makers from the region visited Denmark as part of a series of policy and business consultations with the country’s energy agency, the transmission system operator, some of the biggest offshore wind developers,

as well as Odense and Esbjerg ports, two of the largest offshore wind hubs in Europe. The study visit served as a way to gain insight into Denmark's experience with developing the necessary regulatory environment and infrastructure to capitalise on its offshore wind potential.

Together with its partners from Romania, Croatia and Poland, CSD developed guidelines addressing the key challenges to the successful development of the offshore wind industry in the CEE region. The comprehensive policy analysis, *At the Frontier: Guidelines for Unlocking the Offshore Wind Energy Potential in Central and Eastern Europe* provides a clear perspective based on best practices from established offshore wind markets. CSD experts met with representatives from DG Energy, DG Maritime Affairs



(L-R): CSD Analyst Remina Aleksieva; Ivan Ivanov, Chairman, Energy and Water Regulatory Commission; Martin Vladimirov, Director, Energy and Climate Program, CSD; Nikolay Nalbantov, Director for Energy Strategies and Policies for Sustainable Energy Development, Ministry of Energy, at the roundtable “Fast-tracking RES: Removing Barriers to Decentralization and Democratization of the Energy Transition in Bulgaria”, Sofia, 27 February 2024

and Fisheries, DG Internal Market, Industry, Entrepreneurship and SMEs, DG Climate Action, the Recovery and Resilience Taskforce, and WindEurope to present key guidelines and highlight both the potential for offshore wind in Central and Eastern Europe (CEE) and the challenges facing sector development.

On 21 November 2024, CSD presented its latest analysis on adopting a *Strategic Legal Framework for Offshore Wind in Bulgaria* during the policy conference “Unlocking the Potential of Offshore Wind in Central and Eastern Europe” in Sofia. The event explored the mechanisms for overcoming key regulatory and technical bottlenecks, and sharing good practices from well-established governance regimes to maximise positive outcomes. The speakers focused on the need to create a transparent and coherent regulatory framework to attract investors, as well as strengthen regional cooperation.

### **Biofuels**

In 2024, CSD continued to advocate for the adoption of bioenergy as a critical component of the EU’s green transition, addressing the significant challenge of its lower social acceptance compared to other renewable energy sources such as wind and solar. A cornerstone of CSD’s efforts was its role in organising the *TrustXBio Innovation Challenge*, designed to expedite the development of innovations that incorporate digital technological solutions to enhance transparency and foster public trust in bioenergy feedstocks.

CSD took an interdisciplinary approach between energy and climate security policy, to demonstrate the close link between illegal logging, timber trade, deforestation and energy poverty, which have negative environmental,

health and economic impacts. The study was presented on 20 June 2024 at the roundtable “Tackling Illegal Logging: Accelerating Decarbonisation and Reducing Energy Poverty”, which highlights the need to provide incentives for households to stop using wood for heating and make subsidies for energy-poor households conditional on the use of less polluting heating sources.

### **III. Energy efficiency, just transition and air quality**

In 2024, CSD focused on the critical intersection of energy efficiency, energy poverty, housing inequality and air quality by working towards integrated solutions for vulnerable communities. Building on previous efforts, CSD worked with policy-makers at the European, national and local level, as well as civil society organisations and local communities to develop strategies that improve housing conditions, reduce energy costs and benefit air quality. In June 2024, CSD participated in the European Sustainable Energy Week with a dedicated interactive session, presenting the multiple benefits of energy efficiency with the cutting-edge REFEREE tool to simulate energy efficiency measures and gauge their impacts.

CSD continued its work with Sofia Municipality to advance clean air initiatives by addressing critical regulatory and operational challenges in the city’s residential heating Low Emission Zones (LEZs). The team found significant gaps in enforcement and compliance, including difficulties in identifying offenders, verifying infringements and imposing penalties, which limit the measure’s potential to improve air quality. The recommendations focus on improving regulatory clarity, strengthening monitoring and enforcement mechanisms, and expanding the scope of the LEZ.

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With a view to investigating the factors affecting energy citizenship, including the barriers obstructing the involvement of social groups that are underrepresented in the energy sector, the Center for the Study of Democracy and the Applied Research and Communications Fund co-organised a roundtable discussion on the topic of [“Energy Citizenship in Bulgaria: Independence and Energy Transition”](#). The speakers addressed key policy recommendations for overcoming the current regulatory impediments and the creation of effective instruments for encouraging energy citizenship in Bulgaria.

In 2024, CSD also continued providing solutions to overcoming the transition challenges faced by Bulgaria’s coal regions. Experts from the Energy and Climate Program developed the Stakeholder Engagement and Participation (STEP) Index for

measuring citizen involvement in just transition policies. The tool can assist authorities in evidence-based reporting on Territorial Just Transition Plans and empowers NGOs and civil society observers to monitor citizen participation effectively.

The urgency of the just transition has been heightened by the Russian invasion of Ukraine, which has brought the intersecting issues of energy security, economic resilience, and climate policy into sharper media focus, driving radical political and social actors to spread misleading and disinformation narratives related to the transition. CSD experts collaborated to assess prevailing narratives on just sustainability transitions in eight case study regions across Europe, analysing the role of social and traditional media in disseminating disinformation narratives and their impact on participation in the policy-making processes.

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# SECURITY PROGRAM

In 2024, the Security Program's efforts were focused on the following areas:

- **Preventing and countering organised crime and corruption.** CSD continued its research of a variety of organised crime markets: illegal logging, smuggling of small boats, trafficking in human beings, asset recovery and corruption. CSD analysed the role of biomass within Bulgaria's energy system, quantified the impact of illegal logging and timber trade, and proposed recommendations for a long-term forest management strategy. CSD also reviewed international, EU, and Bulgarian legal frameworks, and Bulgaria's institutional response to tackling the smuggling of small boats and related equipment, and drafted recommendations for legislative and institutional improvements.
- **Monitoring and evaluation of EU security and home affairs policies.** The Center contributed to the analysis and assessment of two European Commission funding programmes: The Union Anti-Fraud Programme (UAFP) and the Internal Security Fund (ISF). CSD also took part in an evaluation of the EU Drugs Strategy and Action Plan 2021 – 2025, commissioned by DG HOME, and supported the European Commission's Radicalisation Awareness Network (RAN), carrying out an assessment on ethnonationalism in the Western Balkans and its links to radicalisation and violent extremism.
- **Strengthening civil security, and societal and media resilience in the context of the Russian aggression against Ukraine.** CSD analysed vulnerabilities in the civil security sectors of Bulgaria, Montenegro, North Macedonia, and Serbia, revealing how foreign actors exploit them. CSD also assessed the impact of cyber violence and gendered disinformation on Ukrainian women and refugees in Bulgaria, focusing on access to services and resilience. The Center also analysed the factors for the decline of Europe's media landscape and developed detailed recommendations for improving the news media sector.
- **Fostering European security and defence.** CSD continued its support for Ukraine's defence and democratic resilience against Russian aggression through advocacy, strategic initiatives, and capacity-building, including a visit to Kyiv to engage with senior political and military leaders on advancing defence capabilities, deterring aggression, and fostering technological resilience.

## I. Prevention and countering of organised crime and corruption

### Illegal logging

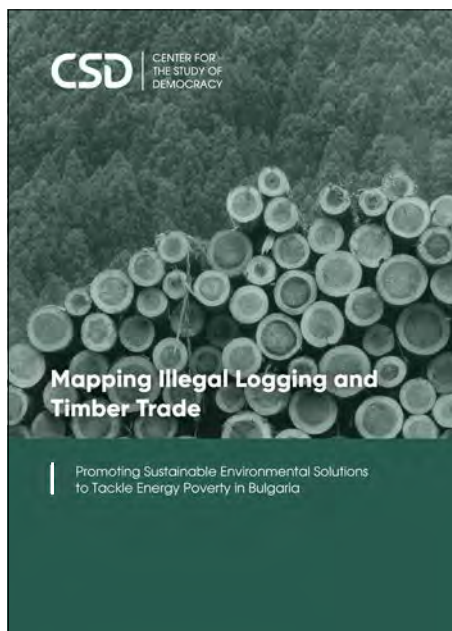
Illegal logging, timber trade, deforestation and energy poverty remain pressing challenges for Bulgaria. The use of firewood by around a quarter of the Bulgarian population testifies to the inability of many households to adequately heat their homes, or cover their utility bills. Despite efforts to combat these problems, energy poverty and illegal logging persist, leading to deforestation and a lower potential for carbon emissions sequestration with severe environmental and climate impacts.

The 2024 CSD study of this issue mapped the role that biomass plays in the Bulgarian energy system, measured the extent of illegal logging and timber trade, assessed the size of the licit and illicit firewood market, and discussed the pathway to curbing illegal logging and promoting decarbonisation via a long-term forest management strategy.

The study's conclusions were discussed at a [roundtable](#) on June 20, which gathered experts from the Executive Forestry Agency, the National Police, the Bulgarian Academy of Sciences, the University of Forestry, the timber processing industry and civil society. Participants agreed that in order to disrupt illegal logging, the government needs to take more ambitious steps, including incentives for households to stop using wood for heating.

### Smuggling of small boats and related equipment

Irregular migration and organised immigration crime remain critical challenges for the UK. Since 2018, criminal networks have increasingly



relied on small boats to smuggle migrants across the Channel, leading to numerous tragic losses of life at sea. These incidents are often attributed to the poor quality



of the boats and equipment used on these perilous journeys. In response, the UK government has intensified efforts to intercept such boats before they can reach their destination in France.

At the request of the UK Foreign, Commonwealth & Development Office, CSD conducted a review of international, EU, and Bulgarian legal frameworks, as well as Bulgaria's institutional response to addressing the illegal flow of small boats and related equipment. The Center provided recommendations for potential legislative changes and institutional measures to enable the lawful interception and seizure of small boats and equipment used in irregular migration. The proposed measures aim to strengthen the legal and operational capacity to disrupt such activities effectively and align responses with international standards.

### Trafficking in human beings

Fighting trafficking in human beings requires constant development of the capacities and operational cooperation of law enforcement, prosecution and other



relevant authorities to address the rising use of information and communication technologies and new modi operandi of traffickers. CSD conducted a needs assessment of key institutions in the field across six European Union member states – Bulgaria, Germany,



*Training on trafficking in human beings for Bulgarian police and prosecutors, Hisarya, 1-4 July 2024*

Greece, Poland, Romania and Slovenia. The study comprised an inquiry among law-enforcement agencies, prosecutors, labour inspectors, social servants, first-line practitioners and non-governmental organisations about challenges and good practices in their work, which aided the identification of specific capacity-building needs.

The Center also held two trainings for Bulgarian police officers and prosecutors focusing on the use of OSINT and cryptocurrency tracking in the investigation of trafficking of human beings, supported by the U.S. State Department's Office to Monitor and Combat Trafficking in Person. The training sessions featured lecturers with state-of-the-art expertise and practical experience from the United States, the United Kingdom and Romania.

### Recovery of criminal assets

Asset recovery remains a cornerstone of the European Union's strategy to combat organised crime and corruption.

Studies reveal significant disparities in the implementation of asset recovery measures across Member States, undermining the effectiveness and efficiency of legal cooperation within the Union. In 2024, CSD intensified its efforts to bridge these gaps by advocating for a more unified policy approach and building capacity within judicial and law-enforcement institutions across the EU. To this end, CSD developed comprehensive resources tailored to judges, legal clerks, prosecutors, and lawyers, equipping them with practical guidelines to navigate the complexities of the mutual recognition of freezing and confiscation orders.

In March, CSD hosted a [high-profile forum in Brussels](#), bringing together Members of the European Parliament, representatives of the European Commission, EUROJUST, national courts, and investigative authorities. The event provided a platform to discuss the urgent need for harmonised practices and showcased a set of practical standards and recommendations



*Training on trafficking in human beings for Bulgarian police and prosecutors, Hisarya, 1-4 July 2024*

developed by CSD in collaboration with academic experts from the Universities of Turin, Luxembourg, and Maribor. These standards aim to strengthen judicial cooperation, enhance the traceability and confiscation of illicit assets, and uphold the rule of law across the EU.

### **Assessing the impact of asset and conflict of interest declarations**

Assets and interest declarations are an important multi-purpose tool in the fight against corruption. While their objective is to prevent malpractices and promote transparency and overall trust in public officials and the civil service, the lack of common standards for measuring the impact of asset and interest declaration systems is a serious challenge to achieving this objective. Within a multi-national initiative involving government anti-corruption agencies and civil society organisations, CSD reviewed existing global best practices in the area and embarked on developing an integrated methodology, including a set of quantitative indicators, for assessing declaration systems' impact in EU Member States and candidate countries. The methodology will be further tested in Bulgaria, Romania, Italy and the Western Balkans, and a common standardised model will be offered for adoption across the EU.

## **II. Monitoring and evaluation of security and home affairs policies**

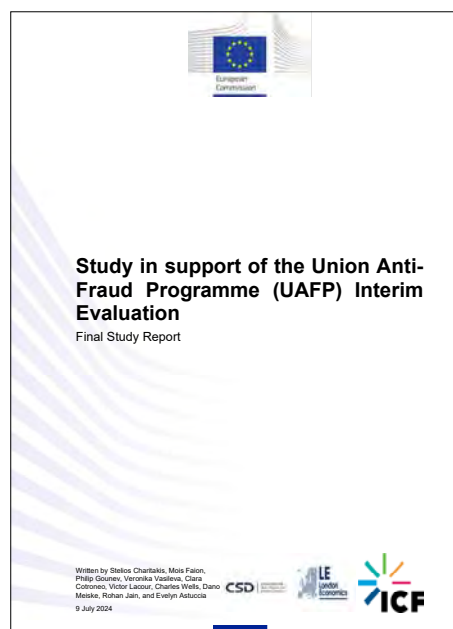
### **Assessment of the EU Drugs Strategy and Action Plan 2021 – 2025**

In 2024, CSD completed a study to support the assessment of the EU Drugs Strategy and Action Plan 2021 – 2025. CSD's contribution focused on the evaluation of the effectiveness of the drug supply priorities and measures

and examined in depth the existing mechanisms for the reuse of confiscated assets from drug crime and countering the supply of drugs through small ports in selected Member States. CSD elaborated the recommendations to the European Commission about the future priorities in the field of drug supply reduction, which should be considered when charting the next EU drugs policy cycle. Among those were: prioritisation of the fight against high-risk criminal networks and their infiltration into the legal economy, increasing capacity to tackle criminal use of encryption, and reinforcing action against the recruitment of youth by drug-related organised crime.

### **Evaluations of the Union Anti-Fraud Programme and the Internal Security Fund**

The Center contributed to the assessment of two flagship EU funding programmes in the areas of internal security and combatting fraud and corruption.



CSD co-authored a study of the effectiveness and efficiency of the **Union Anti-Fraud Programme**, a funding instrument managed by the European Anti-Fraud Office (OLAF). The study offered strategic insights into the strengths and weaknesses of the programme and elaborated recommendations for wider participation of potential beneficiaries and improving multinational cooperation and exchange of information among Member States.

The **Internal Security Fund** is the main EU financial instrument for funding both national law-enforcement agencies and innovation in the field of internal security. CSD's evaluation report supported DG HOME in its efforts to align the objectives of the Fund with new and existing security needs and to engage civil society and academia in raising awareness and elaborating adequate responses to emerging threats.

### **Working with RAN Policy Network in the Western Balkans**

In 2024, CSD continued its support of the RAN Policy network in the Western Balkans and completed a consolidated overview of ethnonationalism in the region and its links to radicalisation and violent extremism. The study covers Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia and analyses the interplay of various historical grievances with current developments in the sphere of P/CVE.

Within RAN, CSD also organised two trainings for policy-makers from the region in Podgorica and Belgrade. They focused on strategic communications, media monitoring and the cooperation between national and local authorities in preventing radicalisation and violent extremism, especially among youths.

CSD experts spoke at an international conference in Brussels, also attended

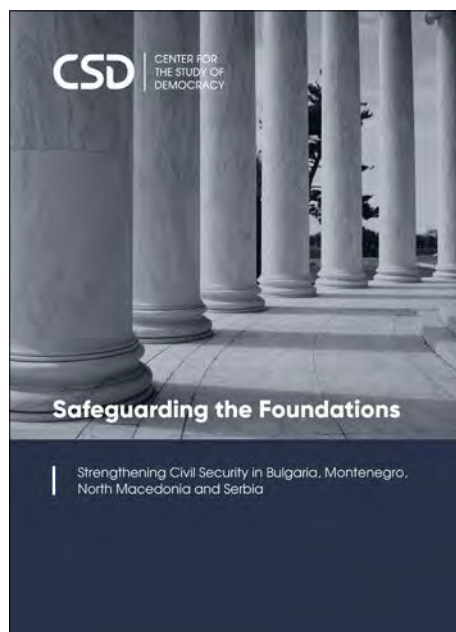


*International conference “Context of Extremism in MENA and Balkan Societies”, Brussels, 25-26 January 2024*

by DG HOME and DG NEAR representatives, to recommend policies in the field of preventing and countering violent extremism in MENA and the Balkan regions.

### III. Strengthening civil security, and societal and media resilience

Since the onset of the war in Ukraine, the Kremlin has intensified its destabilisation efforts in the Balkans through covert operations targeting key civil security institutions, including law enforcement, intelligence agencies, and the judiciary. In response, CSD published its [trail-setting analysis](#) in May, examining the vulnerabilities within the civil security sectors of Bulgaria, Montenegro, North Macedonia and Serbia. The report highlights how these weaknesses are exploited by foreign malign actors, particularly Russia, to establish deep-rooted influence and control.



The conclusions and recommendations of the study were presented and discussed in a series of high-profile



*Public discussion “Democratic Resilience, Rule of Law and Economic Security: Charting Policy Options for the Western Balkans”, Belgrade, 12 September 2024*

policy briefings and events, designed to influence decision-making and bolster the resilience of the civil security sector against foreign interference. The report garnered significant attention among policy-makers, experts, and diplomats during strategic forums in [Skopje](#), [Podgorica](#), [Belgrade](#), [Brussels](#) and [Washington D.C.](#) These discussions, which brought together scholars and political leaders, explored the challenges of safeguarding the Balkans in an era of heightened geopolitical rivalry.

### **Exposing disinformation and cybercrime targeting Ukrainian women**

CSD examined the intersectional impacts of gendered disinformation and cyber violence on women and refugees, with a focus on access to public services and socio-political resilience. CSD also evaluated the role of online platforms in disseminating harmful narratives and developed recommendations for

policy reforms, including strengthening legislative measures to combat gender-based cyber violence. These findings and recommendations aim to inform Bulgarian policy-makers and the European Commission's strategies for addressing online abuse and disinformation.

### **Empowering civil society and reversing shrinking civic space**

CSD continued its efforts to empower civil society in Bulgaria by supporting CSOs and practitioners in identifying, reporting, and addressing threats and violations against them, while promoting positive narratives. In 2024, CSD initiated a comprehensive mapping of the current state of Bulgaria's civil society, focusing on its legal environment and the key challenges it faces amidst ongoing political crises, the global pandemic, and the Russia–Ukraine war, including an increased number of incidents



*Public discussion “Rule of Law and Democratic Values: Perspectives for Civil Society”,  
Plovdiv, 22 November 2024*

related to freedom of association and expression, hate speech coming from far-right groups, and new challenges related to Russian hybrid tools. This study involved consultations with civic leaders, senior CSO managers, and activists.

## Strengthening media resilience

CSD strongly advocated for coordinated action at an EU level to address the weakening news media industry. As a vital component to the health of Europe's democracy and a critical line of defence against foreign information manipulations and interference, the further decline of the media ecosystem would have serious implications for the EU's democratic values. In July, CSD published a policy brief *"Transforming Europe's Media Landscape"*, outlining the many factors causing this decline, and identifying why intervention efforts have failed thus far. This analysis was presented



at the policy workshop *"Information Integrity, Media Freedom & Rule of Law: Priorities for European Policy"*



*Policy workshop "Information Integrity, Media Freedom & Rule of Law: Priorities for European Policy Actions", Sofia, 24 September 2024*

*Actions*” in Sofia on September 24. This event attracted significant policy and [media attention](#).

The second policy brief on the subject, “[Supporting Media Freedom in Europe](#)”, provided more detailed recommendations for improving the media landscape in Europe. These recommendations were shared during the [Sofia Information Integrity Forum](#) on November 7. This analysis, alongside the report *Media Financing in Europe: Media Pluralism, Market Failure and Instruments for Funding Independent and Pluralist Media*, has been shared widely amongst European policy circles.

#### IV. Fostering European security and defence

CSD has consistently demonstrated its commitment to Ukraine’s defence and democratic resilience through advocacy, strategic engagement, and capacity-building initiatives. In late September, CSD Senior Security Analyst Marian Sabev visited Kyiv, engaging with senior Ukrainian political and military leadership and advocating for deeper cooperation between Ukraine, the EU, and NATO allies. These discussions highlighted Ukraine’s innovative ecosystem for enhancing its defence capabilities, deterring aggression, and building technological resilience.



*Marian Sabev during his visit to Ukraine, Kyiv, 22–29 September 2024*

# SOCIOLOGICAL PROGRAM

In 2024, the Sociological Program focused on addressing societal vulnerabilities that undermine democracy and human rights while promoting citizen empowerment in the following key areas:

- **Populism and societal drivers of vulnerability to foreign information manipulation and interference (FIMI).** In a complex global landscape constantly revealing the effects of populism and FIMI, CSD's ambition is to outline important society and polity vulnerabilities exposing countries to populist and FIMI influence. Building up on the knowledge what makes societies susceptible to FIMI and how emotions are exploited in the populist and disinformation narratives to undermine democracy, innovative approaches can be invented to counter such threats and construct the narratives of the future in the EU.
- **Exploring regional dimension of the links between corruption and gender-based violence (GBV).** CSD pioneered research on the intersection of these two significant phenomena, estimating regional vulnerabilities to GBV and equipping policy-makers with immediate intervention tools to use in critical regions.
- **Empowering young people not in employment, education or training (NEETs).** In 2024, the Sociological Program continued to provide academically sound arguments for the need to adjust youth employment policy in Bulgaria and across the EU.
- **Energy citizenship and energy democracy.** CSD advanced its work in this area through international and domestic policy discussions among diverse stakeholders that addressed challenges and solutions for fostering civic engagement in sustainable energy. These efforts culminated in the publication of a policy guidance on inclusive participation.

## I. Populism and societal drivers of vulnerability to FIMI

As part of an EU-wide effort to identify the emotional factors affecting EU politics, CSD specifically analysed the sentiments that affect politics on social media and evaluated the link between emotions and disinformation, democratic values, and societal resilience to FIMI.

To deepen the knowledge of societal and demographic drivers of FIMI vulnerability, CSD co-organised an international workshop in June titled “Psychological, Social, and Behavioral Approaches to FIMI Studies”, Held in Brussels, the event convened leading scholars, creating a platform for interdisciplinary exchange and promoting holistic, multidimensional approaches to understanding and



*International workshop “Psychological, Social and Behavioral Approaches to FIMI Studies”, Brussels, 3–4 June 2024*



*Dr. Alexander Politov, Analyst at the CSD Sociological Program, presenting at the Sofia Information Integrity Forum, Sofia, November 2024*

addressing FIMI. CSD further examined the social and collective drivers of FIMI at the [Sofia Information Integrity Forum](#) during the panel “[Building Resilience in Public Administration and Society](#)”. The discussion highlighted the importance of bridging academic research and practical policy-making to promote a whole-of-society approach for strengthening responses to FIMI and enhancing societal resilience.

## II. Regional dimension of the links between corruption and GBV

Building on its extensive work addressing GBV and domestic violence, CSD pioneered indices estimating regional vulnerabilities to both GBV and corruption in Bulgaria. Using the indices would enable targeted interventions in regions identified as having high or very high vulnerability. The regional indices, along with studies on the links between GBV and corruption and policy recommendations for improvement, were presented in the report [Invisible Chains: Mapping the Links Between Corruption and Gender-based Violence against Women in Bulgaria](#).

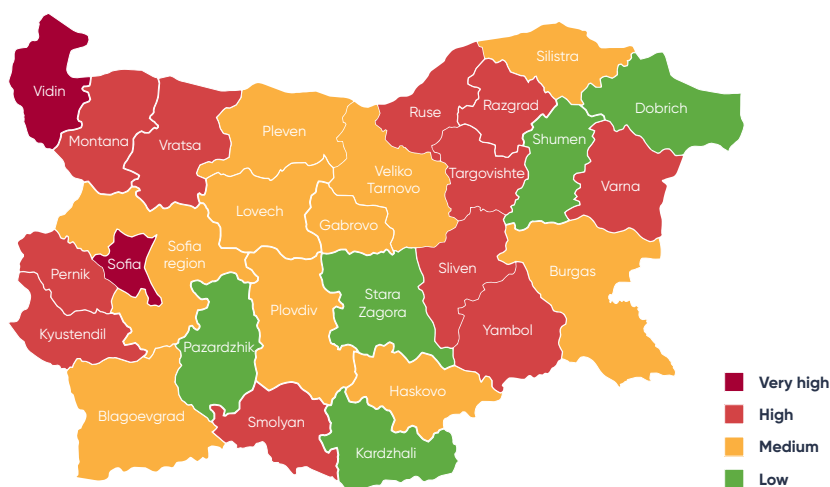
The findings were further discussed during the [roundtable](#) “Disinformation, Administrative Corruption and Violence against Women” organised by CSD on 29 November 2024 in Sofia.

## III. Research and policy for the empowerment of NEETs

In 2024, CSD continued to support research and policy for the empowerment of young people not in employment, education or training (NEETs). CSD’s work was published in the Q1 journal *Social Policy & Administration*, the longest-established academic journal in the field of social and public policy globally. CSD’s research reported on the need for adjustments in youth employment policy in Bulgaria and across the EU, as well as an urgent need for the [inclusion of young people in the employment policies of the EU](#).

## IV. Energy citizenship and energy democracy

During the year, CSD organised a series of policy events and discussions



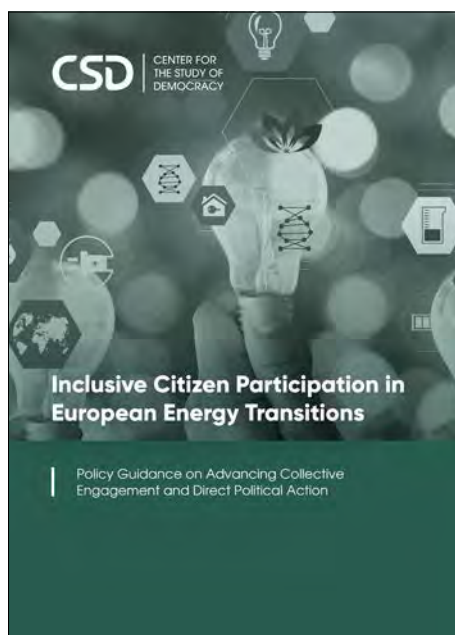
*The Index of Vulnerability to Gender-Based Violence*



*International policy forum “Strengthening Energy Citizenship: Policy Solutions and Tools to Support Collaborative Policy-Making”, Barcelona, 24 January 2024*

as part of its international efforts to foster citizen participation in sustainable energy transitions across Europe. The international policy forum “Strengthening Energy Citizenship: Policy Solutions and Tools to Support Collaborative Policy-Making”, held in Barcelona in January, provided a platform for deliberations on the critical policy challenges and opportunities in encouraging various forms of civic involvement in the energy domain. Representatives of local government, energy communities, civil society organisations and independent experts shared perspectives and promising practices on enhancing renewable energy systems deployment and energy citizenship uptake in the region and tackling major barriers thereto. Insights on the topic were captured in the publication “Inclusive Citizen Participation in European Energy Transitions” offering policy guidance on advancing collective engagement and direct political action.

In April 2024, CSD organised the roundtable discussion “Energy Citizenship in Bulgaria: Independence



and Energy Transition”, which was held in Sofia and focused on the factors affecting energy citizenship, including impediments to the involvement of social groups that are underrepresented in the energy sector. The event featured representatives of Greenpeace Bulgaria,



*Victoria Bogdanova, Analyst at the CSD Sociological Program (middle), at the roundtable "Energy Citizenship in Bulgaria: Independence and Energy Transition", Sofia, 9 April 2024*

the Sustainable Energy Development Agency, Slatina Municipality, and others. The discussion centered on removing administrative and regulatory

barriers at the national and regional level as a way to transforming citizens into active consumers and small-scale renewable energy producers.

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## **Part Two**

# **Administration and Management**

# Institutional development

CSD is a not-for-profit organisation acting for the public benefit. Up to 2017, CSD was registered at the Sofia City Court and the *Central Register of Not-for-Profit Legal Entities* at the Bulgarian Ministry of Justice. In 2018, following amendments to the relevant national legislation, CSD was re-registered in the public *Commercial Register and Register of Not-for-Profit Legal Entities* at the Registry Agency under the Minister of Justice. Not-for-profit legal entities acting for the public benefit are obliged by law to conform to a number of additional rules, *inter alia*, to draw up and submit annually an activity report and financial statements for entry in the public Register.

During the year, CSD employed a staff of forty-eight, of whom forty in professional and management positions, including part-time consultants, and eight employees in administrative positions.

**Accountability and transparency** are guiding principles in the operation of the Center for the Study of Democracy. 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;
- publication of a wide range of analyses and reports.

In 2022, CSD adopted a *Gender Equality Plan 2022–2024* (GEP). The GEP was developed in continuation to and in compliance with CSD's Code of Ethics and Code of Conduct. The Plan is built upon five pillars of equality: achieving pan-organisational gender balance; promoting gender equality in recruitment and career progression; optimising work–life balance; integrating a gender dimension in research, as well as preventing harassment and bias.

In 2024, women make up 50% of all employees, and 48% of researchers. Female employees with a PhD constitute 30% of all employees with a doctoral qualification. Women are well represented and recognised as senior and top-level researchers. Women led various research endeavors in 2024, and numerous initiatives contained a substantive gender element, including gender impact assessments. Female employees took part in public dissemination events, such as international conferences, media appearances, policy roundtables, and expert workshops.

The organisation continued implementing its fair recruitment policy, welcoming candidates from various backgrounds and of diverse traits. A fair and inclusive parental leave policy operates in the organisation, offering a standard of protection and benefit to all employees on an equal basis and in compliance with national legislation. Accommodating the needs of the staff remained a priority for CSD, realised through a flexible working time policy.

# Communications

## Policy engagement

In 2024, CSD continued its efforts towards attaining recognition as a key player in international policy dialogue through a diverse array of activities that underscored its commitment to promoting democratic governance, combating corruption, and enhancing societal resilience. Hosting 41 in-person policy forums, public discussions and briefings across Europe, the organisation brought together policy-makers, experts, and civil society to confront issues ranging from energy security to hybrid threats in the information space.

Some of these high-level forums utilised hybrid formats, livestreaming or virtual conferencing tools to engage over a thousand participants.

This has reinforced the CSD's capacity to facilitate meaningful exchanges, shaping policy discourses on democratic resilience, anti-corruption and energy security.

## Social media presence and creative content development

The Center's continuing digital transformation has led to a 52% increase in its social media presence, expanding



*Discussion “Strategic Corruption, State Capture and Sanctions Enforcement in Europe”, Hudson Institute, Washington D.C., 6 June 2024*

*(L -R): Ruslan Stefanov, CSD Program Director; Martin Vladimirov, CSD Energy and Climate Program Director; Dragan Koprivica, Executive Director, Center for Democratic Transition, Montenegro; Dr. Ognian Shentov, CSD Chairman; Nate Sibley, Fellow and Director, Kleptocracy Initiative Hudson Institute; Matthew Boyse, Senior Fellow, Center on Europe and Eurasia, Hudson Institute and Deputy Assistant Secretary for European and Eurasian Affairs at the U.S. Department of State (2018–2021)*



*On September 17, 2024, in collaboration with the Hudson Institute in Washington D.C., CSD hosted a discussion on Europe's lackluster sanctions enforcement mechanisms.*

*(L-R): Matthew Boyse, Senior Fellow, Center on Europe and Eurasia, Hudson Institute; Martin Vladimirov, CSD Energy and Climate Director;*

*Laura Kövesi, European Chief Prosecutor; Isaac Levi, Europe-Russia Policy & Energy Analysis Team Lead, Centre for Research on Energy and Clean Air, and Ruslan Stefanov, CSD Program Director*

its digital reach. LinkedIn and Twitter focused on connecting with policy-makers and professional networks, while Instagram and Facebook engaged wider groups, including younger demographics. Creative formats such as reels, animations, and infographics played a crucial role in this growth. These tools distilled complex research findings into accessible narratives, ensuring that CSD's policy insights reached a diverse and growing audience.

### **Publications**

Attaining policy impact through the translation of analysis and research into coherent, accessible and visually appealing publication formats remained

central to the Center's mission, with 14 in depth reports and 10 policy briefs published under the CSD brand over the year. The publication strategy extended beyond standalone efforts, incorporating collaborations with international partners from Europe and the United States. The reports were frequently cited in discussions that shaped governance practices across the EU and NATO allies.

### **Brand visibility and international media coverage**

CSD's research was featured in news media such as *Politico*, *The Wall Street Journal*, *Financial Times*, *BBC World Service*, *Deutsche Welle*, *Washington Post*,

*Forbes, Frankfurter Allgemeine Zeitung, Der Spiegel, Frankfurter Rundschau, Le Monde, La Repubblica, El País.* This proves the Center's effectiveness in bringing critical governance and security issues

to global attention. Concurrently, the CSD website recorded a 31.6% increase in new active users, with a notable surge in visibility in the United States and China.



## Internship program

In 2024, CSD hosted 50 students and recent graduates from 18 countries: Bulgaria (14), China (1), Colombia (2), Czechia (1), Denmark (1), Finland (1), France (5), Germany (4), Italy (1), the Netherlands (1), North Macedonia (1), Russia (1), Singapore (1), Spain (1), Sri Lanka (1), Taiwan (1), the UK (1), and the USA (12). Among them were six students and graduates from Princeton, five from Columbia University, and undergraduates from Sciences Po, Groningen University, The Hague University, and others.

Over the years, CSD's internship program has attracted top-tier students from around the globe. Many applicants are already familiar with the Center's research and policy impact on key issues such as geoeconomics, information integrity, state capture, organised crime, and fundamental rights. They are drawn to the opportunity of contributing to meaningful projects at a think tank known for effecting real change. Interns are involved in critical tasks such as desk research, data collection, literature reviews, and co-authoring research and policy reports, while also supporting high-profile public events and awareness campaigns. Some also join the communications team to enhance CSD's social media visibility.

CSD is committed to professionally engaging interns, aligning their work with individual competencies and interests while integrating them into the Center's core policy areas. This approach ensures interns gain valuable experience and in-depth knowledge in key policy fields.

With its internship program operating on a rolling basis for over 15 years, CSD easily integrates professionally and makes feel welcome socially even its remote interns. The Center has a robust, standardised policy for mentoring newly hired interns and additionally supports them in their career development, offering guidance for further academic pursuits, including admission to elite graduate schools, funding for education or employment, and career opportunities at international organisations, leading think tanks, and top companies.

Interns regularly receive offers for permanent positions at CSD. In 2024, four interns transitioned to full-time analyst roles and are now contributing to CSD's efforts in the areas of human rights, energy and climate policy, foreign influence and disinformation, and the Communications Department.

*“Over my two months at CSD, I worked in the Communications and Security teams. I thoroughly enjoyed my time as I felt I was given real work (that contributed to the organisation’s efforts) to do, but also the space and flexibility to take initiative and pursue my areas of interest.*

*In the Security team, I did research on foreign influence and summarised a research paper. I also wrote a 9-page brief on global innovation trends, to be used in CSD’s sister organisation (the ARC Fund) innovation report. I enjoyed having the flexibility to complete tasks at my own pace, while still knowing there was support should I need it. In Communications, I did a range of supporting tasks such as creating posts and events photography.*

*My proudest achievement is probably setting up the CSD Instagram page – after analysing all the social media pages and realising that we didn’t have one, I wrote a proposal to create an account and my supervisor, Mr Mariyan Sabev, was very supportive and entrusted me with the creating and maintaining of the page. After the trial period, he decided to continue the page. It was great to have that space to really do things on my own, with the support of my supervisor and the Communications team.*

*Some of the highlights for me in this internship was getting to know the twenty-odd interns in the time I was there, joining in high profile public policy events (including one that invited ambassadors from multiple countries and the Minister of Defence), and doing real work to contribute to the Center’s cause.”*

**Faith Ho,**

Singapore, intern at CSD’s Security Program and Communications Department,  
June 10 August 2, 2024

*“Interests: good governance, constitutional and legislative reforms, justice system and access to justice, social inclusion of vulnerable groups*

*This summer, I became fluent in ‘Branglish’ and had the privilege of being part of CSD’s top program—the Law Program! Under the guidance of the brilliant Maria Stoyanova, I contributed to promoting fundamental rights and expanding media freedom within the EU by developing proposals for the European Commission. My passion for the intersection between law and media also led me to serve as an editor for Maria’s upcoming book, Trial by Media. Lastly, I revised and improved training materials for prison guards to reinforce best practices in their interactions with incarcerated minors.*

*No two days were the same at CSD. I grappled with the challenge of Russian malign influence alongside the American Ambassador to Bulgaria and celebrated NATO’s 75th anniversary with the Bulgarian Minister of Defense. Dr. Shentov graciously welcomed us into his home for an afternoon of warm, buttery banitsa (I need to ask him for the recipe!), and every Thursday was “thirsty” enough to conclude with a lively office party. Beyond CSD, weekends were a chance for me to dive into a new hobby: hiking. Accompanied by my co-interns from around the world, I discovered Vitosha Mountain, the Seven Rila Lakes, Rila National Park, and the “Tepes” of Plovdiv.*

*Although I’m Bulgarian American, this was my first time staying in Sofia for an extended period, and it quickly became one of my favorite cities, seamlessly blending cosmopolitanism with natural beauty. It’s only a matter of time before the rest of the world catches on to the underrated charm of Bulgaria’s hidden gem of a capital. Prague, watch out—there’s a new contender in town.*

*I’m eagerly looking forward to reuniting with Maria and the rest of the CSD family the next time I’m in Sofia! And to all the other interns who made this summer so special—same time next year?”*

**Francesca Gilbard,**  
USA/Bulgaria, intern at CSD’s Law Program,  
June 3 – July 22, 2024

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## Consulting arms of CSD: Vitosh Research and Project One

Vitosh Research EOOD and Project One EOOD are wholly owned by CSD and form the CSD Group. Vitosh 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.

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

## List of staff

### Governing Board

Ognian Shentov, PhD, Chairman

Vladimir Yordanov, Executive Director

Ruslan Stefanov, Program Director, Chief Economist

### Law Program

Dimitar Markov, Director

Maria Yordanova, PhD, Senior Fellow

Tatyana Novosiolova, PhD, Senior Analyst

Maria Doichinova, Analyst

Maria Stoyanova, Analyst

Iliana Boycheva, Analyst

Bozhidara Tzvetilova, Analyst

### Economic Program

Ruslan Stefanov, Program Director, Chief Economist

Todor Galev, PhD, Director of Research

Daniela Mineva, Senior Analyst

Tihomira Kostova, PhD, Senior Analyst

Goran Georgiev, Analyst

Gloria Trifonova, Analyst

Svetoslav Malinov, Analyst

Kristina Tsabala, Analyst

Connor O'Kelley, Analyst

Deyan Petrov, Analyst

Brendon Zhan, Analyst

### Energy and Climate Program

Martin Vladimirov, Director

Nadejda Gantcheva, Senior Analyst

Marius Koeppen, Analyst

Remina Alexieva, Analyst

Kalina Tcolova, Analyst

Anna Filipova, Analyst

Tsvetomir Nikolov, Analyst

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### Security Program

Atanas Rusev, PhD, Director  
Chavdar Chervenkov, Lieut. Gen. (ret.), Senior Fellow  
Emil Tsenkov, PhD, Senior Fellow  
Mois Faion, PhD, Senior Fellow  
Tihomir Bezlov, Senior Fellow  
Mariyan Sabev, Senior Analyst  
Madlen Nikolova, Senior Analyst  
Stefan Ralchev, Research Fellow  
Ryan McLaren, Analyst  
Roberta Koleva, Analyst  
Nadya Stoynova, Analyst

### Sociological Program

Alexander Gerganov, PhD, Director  
Alexander Stoyanov, PhD, Senior Fellow  
Lilia Yakova, PhD, Research Fellow  
Alexander Politov, PhD, Analyst  
Victoria Bogdanova, Analyst

### Associate Fellows

Nicola Yankov, Senior Associate Fellow  
Miroslav Zafirov, Senior Associate Fellow  
Rumiana Bachvarova, Senior Associate Fellow  
Boyko Nitzov, PhD, Senior Associate Fellow  
Boyko Todorov, Senior Associate Fellow  
Christian Filipov, Senior Associate Fellow  
Anja Sivakova-Kolb, PhD, Senior Associate Fellow  
Todor Yalamov, PhD, Associate Fellow  
Rositsa Dzhekova, Associate Fellow  
Radostina Primova, PhD, Associate Fellow  
Gergana Tzvetkova, PhD, Associate Fellow  
Mila Mancheva, PhD, Associate Fellow  
Vanya Petrova, PhD, Associate Fellow  
Vladislav Krastev, Associate Fellow  
Olga Matiushyna, Associate Fellow  
Daria Osipova, Associate Fellow  
Sara Gálvez Gutiérrez, Associate Fellow

### Communications

Mariyan Sabev, Director of Communications  
Simona Nedyalkova-Dyankova, Social Media Manager  
Galina Sapundzhieva, Communications Officer/Content Coordinator  
Penu Kiratzov, PhD, Graphic Designer  
Daniel Lilkov, Communications Officer

*Financial Department*

Milena Momchilova-Boyadzhieva, Financial Director

Petar Lozanov, Financial/Project Officer

Aleksandar Stoychev, Financial/Project Officer

*Administration*

Mariana Yankova, Administrative Secretary

Milena Yordanova, Executive/Research Assistant

Dimitar Stamenov, IT and Data Manager

*Technical Support*

Boyko Tasev

Vladimir Mikov

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## **Part Three**

# **Financial Review**

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**Center for the Study of Democracy (The Group)**

**Consolidated Annual Financial Statements**

**31 December 2024**

## **Independent Auditor's Report**

To the General Assembly of  
the Center for the Study of Democracy

### **Report on the Consolidated Financial Statements**

We have audited the consolidated financial statements of the Center for the Study of Democracy, Sofia and its consulting arms Vitosha Research EOOD and Project 1 EOOD (together referred to as the "Group"). These comprise the consolidated statement of the Group's financial position as of 31 December 2024 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

### **Opinion**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

### **Basis for expression of opinion**

We have performed our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities as per these standards are further described in the Auditor's Responsibility section of our report. We are independent from the Group in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (The IESBA Code) along with the ethical requirements of the Law on the Independent Financial Audit (LIFA), applicable to our audit of consolidated financial statements in Bulgaria. We have also complied with our other ethical responsibilities as per the requirements of LIFA and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Other information, different from the Consolidated Financial Statements and the auditor's report**

The Group's management is responsible for other information. Other information comprises the report on the activity prepared by the management in accordance with Chapter Seven of the Law on Accountancy of the Republic of Bulgaria, but excludes the consolidated financial statements and our auditor's report.

Our opinion regarding consolidated financial statements does not comprise this other information and we do not express any form of conclusion about its reliability, unless it is explicitly stated in our report and to the extent to which it is stated.

In auditing the consolidated financial statements, our responsibility is to read the other information and thus to assess whether this other information is substantially inconsistent with consolidated financial statements or with our knowledge obtained during the audit, or in another way appears to contain material misstatement. If, based on the work we have performed, we conclude there is material misstatement in this other information, we are required to report this fact.

We have nothing to report in this respect.

### **Supplementary reporting requirements laid down in the Law on Accountancy of the Republic of Bulgaria**

In addition to our responsibilities and reporting in compliance with ISA, in reference to the report on the activity we have followed the procedures supplementing ISA requirements as per the Instructions of the professional organisation of certified public accountants and registered auditors in Bulgaria – Institute of Certified Public Accountants (ICPA) – issued on 29 November 2016 and endorsed by its Managing Board on 29 November 2016. These are procedures on verification whether such other information is present and on examination of its form and content, designed to assist us in forming an opinion on whether this other information contains the disclosures and reports laid down in Chapter Seven of the Law on Accountancy.

In reference to Art. 37, Para. 6 of the Law on Accountancy of the Republic of Bulgaria, on the grounds of the procedures implemented, our opinion is that:

- The information included in the report on the activity for the financial year for which consolidated financial statements were prepared corresponds to the consolidated financial statements.
- The report on the activity was prepared in compliance with the requirements of Chapter Seven of the Law on Accountancy.
- The report on payment to governments for the financial year for which consolidated financial statements were prepared, was presented and prepared in compliance with the requirements of Chapter Seven of the Law on Accountancy.

### **Management's responsibility for the Consolidated Financial Statements**

The management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

During the preparation of consolidated financial statements, the management is responsible for evaluating the ability of the Group to continue its operation as a going concern, disclosing, when applicable, issues related to the assumption about a going concern and using the accounting basis on the grounds of the assumption about a going concern, unless the management has the intention to liquidate the Group or to suspend its activity, or has no other alternative but to take such action.

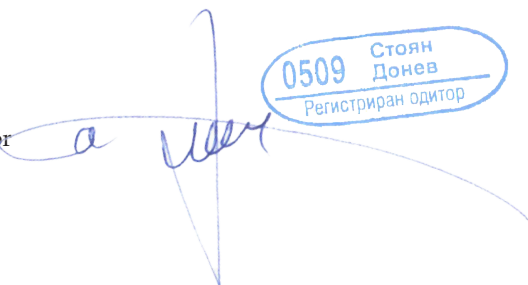
## Auditor's responsibility

We aim to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our auditor's opinion. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit performed in accordance with ISA shall in all cases reveal material misstatement if such misstatement is present. Misstatements may arise as a result of fraud or error and are considered material if it would be reasonable to expect that, independently or in aggregate, they could impact the economic decisions of consumers taken on the basis of these financial statements.

As part of the audit complying with IAS, we use professional judgment and keep professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; we design and perform audit procedures in response to these risks, and we obtain sufficient and appropriate audit evidence, so as to provide basis for our opinion. The risk of not revealing material misstatement which is due to fraud, is higher than the risk of not revealing material misstatement which is due to error, as fraud could vary from secret arrangement, through forgery, intentional omissions, and statements aiming to deceive the auditor, to internal control neglect or circumvention;
- consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related statements made by the management;
- make a conclusion about the appropriateness of the accounting basis used by the management on the grounds of the assumption for a going concern and the audit evidence obtained about whether material uncertainty is present concerning events or circumstances which could cause significant doubts about the ability of the Group to continue operation as a going concern. In case of finding such material uncertainty, we are obliged to draw attention in our auditor's report to the disclosures in the consolidated financial statements relevant to that uncertainty, or, in case these disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, due to future events or circumstances the Group could suspend its operation as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether consolidated financial statements present the fundamental transactions and events in a reliable manner.

Stoyan Donev  
Registered Auditor  
19 August 2025  
Sofia



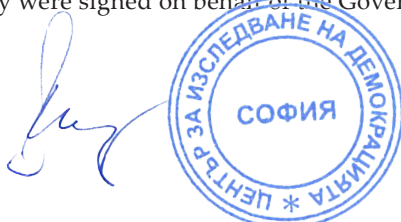
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Center for the Study of Democracy (The Group)  
Consolidated Statement of Financial Position, 31 December 2024

(all amounts in BGN thousand)	Note	As of 31 December 2024	As of 31 December 2023
<b>Assets</b>			
Property, plant and equipment	5	511	465
Intangible assets	6	4,955	4,622
Investment property	7	398	398
<b>Total non-current assets</b>		<b>5,864</b>	<b>5,485</b>
Inventories and materials		1	1
Trade and other receivables	8	840	941
Cash and cash equivalents	9	8,035	2,647
Deferred expenses		431	329
<b>Total current assets</b>		<b>9,307</b>	<b>3,918</b>
Long-term loan	8	109	174
<b>Total non-current financial assets</b>		<b>109</b>	<b>174</b>
<b>Total assets</b>		<b>15,280</b>	<b>9,577</b>
<b>Equity</b>		<b>7,355</b>	<b>7,025</b>
<b>Liabilities</b>			
<b>Total non-current liabilities</b>		–	–
Payables to partners and suppliers	10	2,522	94
Deferred financing	11	5,403	2,458
<b>Total current liabilities</b>		<b>7,925</b>	<b>2,552</b>
<b>Total liabilities</b>		<b>7,925</b>	<b>2,552</b>
<b>Total equity and liabilities</b>		<b>15,280</b>	<b>9,577</b>

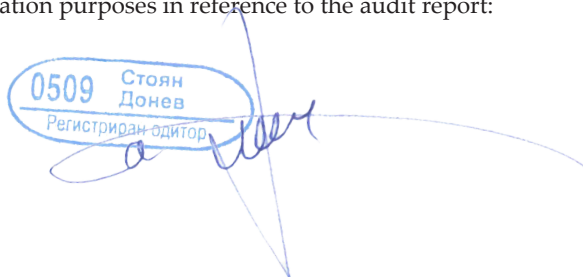
These consolidated financial statements were approved by the Governing Board on 19 August 2025. They were signed on behalf of the Governing Board by:

Vladimir Yordanov  
Executive Director  
19 August 2025



Initialed for identification purposes in reference to the audit report:

Stoyan Donev  
Registered Auditor  
19 August 2025

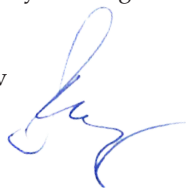


Center for the Study of Democracy (The Group)  
Consolidated Statement of Comprehensive Income, 31 December 2024

(all amounts in BGN thousand)	Note	As of 31 December 2024	As of 31 December 2023
Revenues from grants financing	12	4,438	4,032
Cost of sales	14	<u>(4,123)</u>	<u>(3,719)</u>
<b>Gross profit from grants financing</b>		<b>315</b>	<b>313</b>
Revenues from services and other activities	13	1,291	1,039
Cost of sales		(1,250)	(979)
Gross profit from services and other activities		<u>41</u>	<u>60</u>
<b>Total gross profit</b>		<b>356</b>	<b>373</b>
Financial income		45	1
Financial expenses		<u>(37)</u>	<u>(32)</u>
<b>Net financing costs</b>	15	<b>8</b>	<b>(31)</b>
<b>Profit before income tax</b>		<b>359</b>	<b>342</b>
Income tax expense	16	<u>(36)</u>	<u>(36)</u>
<b>Net profit for the period</b>		<b>328</b>	<b>306</b>
Other comprehensive income		<u>–</u>	<u>–</u>
<b>Total comprehensive income</b>		<b><u>328</u></b>	<b><u>306</u></b>


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Center for the Study of Democracy (The Group)  
Consolidated Cash Flow Statement, 31 December 2024

(all amounts in BGN thousand)	Note	As of 31 December 2024	As of 31 December 2023
<b>Cash generated from operations</b>			
Profit before income tax		328	306
<b>Adjustments for:</b>			
Depreciation		52	55
<b>Changes in working capital:</b>			
Trade and other receivables		(271)	(603)
Trade and other payables		5,584	(1,442)
<b>Net cash from operating activities</b>		<b>5,693</b>	<b>(1,684)</b>
Income tax paid		(36)	(36)
<b>Net cash generated from operating activities</b>		<b>5,693</b>	<b>(1,720)</b>
<b>Cash flows from investing activities</b>			
Payments for acquisition of property, plant and equipment		(425)	(6)
<b>Net cash used in investing activities</b>		<b>(425)</b>	<b>(6)</b>
<b>Cash flows from financing activities</b>			
Loans received		165	–
Interest and commissions paid		(9)	(12)
<b>Net cash used in financing activities</b>		<b>156</b>	<b>(12)</b>
Net increase/(decrease) in cash and cash equivalents		5,388	(1,738)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,647</b>	<b>4,385</b>
<b>Cash and cash equivalents at the end of the year</b>	9	<b>8,035</b>	<b>2,647</b>

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19 August 2025



*Center for the Study of Democracy (The Group)*  
*Consolidated Statement of Changes in Equity, 31 December 2024*

(all amounts in BGN thousand)	Note	<b>Retained earnings</b>
<b>Balance as of 1 January 2023</b>		<b>6,719</b>
Net profit for the year		306
<b>Balance as of 31 December 2023</b>		<b>7,025</b>
<b>Balance as of 1 January 2024</b>		<b>7,025</b>
Net profit for the year		328
Other		2
<b>Balance as of 31 December 2024</b>		<b>7,355</b>

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Vladimir Yordanov  
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Registered Auditor  
19 August 2025



## **1. Group background activities**

The Center for the Study of Democracy (CSD) is a non-profit organisation domiciled in Bulgaria. The consolidated financial statements of CSD for the year ended 31 December 2024 comprise CSD and its consulting arms Vitosha Research EOOD and Project 1 EOOD (together referred to as the “Group”).

Founded in late 1989, the Center for the Study of Democracy (CSD) is a public policy institute fostering the reform process in Europe through impact on policy and civil society. CSD’s mission is “building bridges between scholars and policy-makers” and as an independent, interdisciplinary think tank it combines a broad range of capacities.

The Center for the Study of Democracy owns 100% of its consulting arms Vitosha Research EOOD and Project 1 EOOD.

Vitosha Research EOOD, established in 2000, is specialised in different research and consulting fields, leveraging the Group’s knowledge and expertise: social and economic policy; assessment and evaluation studies; economic and political behaviour; market research; and others.

Project 1 EOOD was established in 2003. Its main activity is managing the real estate investments of the Group and project management of strategic contract research for the Group.

As of 31 December 2024, the Group has 48 employees in professional and management positions, including part-time consultants, and 8 employees in administrative positions as well as 7 employees in maintenance and technical support positions.

The consolidated financial statements were approved by the Governing Board on 19 August 2025.

## **2. Accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **2.1 Basis of preparation**

These consolidated financial statements have been prepared in accordance with the IFRS, as adopted by the EU. The financial statements have been prepared under the historical cost convention.

The consolidated financial statements comprise the financial statements of the Center for the Study of Democracy and its consulting arms as at 31 December each year. The financial statements of the consulting arms are prepared for the same reporting period as the parent Group, using consistent accounting policies. For consolidation purposes, the financial information of the Group has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses.

All intra-group balances, income and expenses, and unrealised gains resulting from intra-group transactions are eliminated in full. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. The consulting arms are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date on which such control ceases. Accounting policies of the consulting arms have been changed where necessary to ensure consistency with the policies adopted by the Group.

Consulting arms are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of consulting arms by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the consulting arm acquired, the difference is recognised directly in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

#### *Transactions with non-controlling interests*

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Disposals of non-controlling interests result in gains and losses for the Group that are recognised in the income statement. Acquisitions of non-controlling interests are accounted for whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions. The management relied on their own judgment when applying the accounting policy of the Group. The elements of the financial statements whose presentation includes higher degree of judgment or subjectivity and for which the assumptions and judgments have higher influence are separately disclosed in Note 4.

#### *New and amended standards, adopted by the Group*

New and amended standards and interpretations mandatory for the first time for the financial year beginning on 1 January 2024 are not early adopted by the Group because the management of the Group believes that they are not currently relevant to the Group, although they may affect accounting for future transactions and events.

## **2.2 Foreign currency translations**

### **2.2.1 Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional and presentation currency is “Bulgarian lev” or “BGN”.

### **2.2.2 Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

## **2.3 Property, plant and equipment**

All property, plant and equipment are stated at historical cost less depreciation, less impairment losses, if any. Historical cost includes all expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation commences from the date the asset is available for use. Land is not depreciated as it is deemed to have an indefinite life. Assets under construction are not depreciated as not yet available for use.

The Group uses straight-line depreciation method. Depreciation rates are based on the useful life of the different types of property, plant and equipment as follows:

Buildings	25 years
Machinery and equipment	3.33 years
Vehicles	4 years
Computers/printers	2 years
Fixtures and fittings	6.67 years

Property, plant and equipment is depreciated from the day following the acquisition date and for internally generated assets – from the day following the date of entering into use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **2.4 Intangible assets**

Intangible assets acquired by the Group are presented at cost, less accumulated amortisation and impairment.

##### *Subsequent expenditures*

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite.

#### **2.5 Financial assets**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

For the purposes of these financial statements short-term means a period within 12 months. During the year, the Group did not hold any investments in this category. The Group does not possess such financial assets as of 31 December 2024.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet. Loans and receivables are carried at amortised cost using the effective interest rate.

### *Held-to-maturity*

Held-to-maturity investments are fixed-maturity investments that the Group's management has the positive intention and ability to hold to maturity. These securities are included as non-current assets except for securities, reaching maturity within 12 months from the balance sheet date and which are recognised as current during the reporting period. During the year, the Group did not hold any investments in this category.

### *Available for sale financial assets*

Available-for-sale financial assets are non-derivatives that are investments acquired with the purpose to be owned for non-fixed period of time, which can be sold when the Group needs recourse or at change of interest rates. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or to use them as a source of working capital. In this case the investments are classified within current assets. During the year, the Group did not hold any investments in this category.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade and other receivables is described in Note 2.7.

## **2.6 Inventory**

Inventories are stated at the lower of cost and net realisable value. Inventories are expensed using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## **2.7 Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost (using effective interest method) less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of

estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within “selling and marketing costs”. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against “selling and marketing costs” in the income statement.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, as well as bank overdrafts. Bank overdrafts are shown within current borrowings in current liabilities on the balance sheet.

## **2.9 Investment property**

Investment property is property held either to earn rental income or for capital appreciation, or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes so that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

## **2.10 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised as an expense in the period in which they are incurred.

## 2.11 Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2.12 Employee benefits on retirement

In accordance with article 222, para. 3 of the Bulgarian Labour Code, in the event of termination of a labour contract after the employee has reached the lawfully required retirement age, regardless of the reason for the termination, the employee is entitled to a compensation as follows: 2 gross monthly salaries in all cases and 6 gross monthly salaries if the employee has been engaged with the Group for at least 10 years. As at 31 December, the Group has not accounted for those potential obligations.

## 2.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### *Sales of services*

Revenue from time and material contracts, typically from delivering certain services, is recognised under the percentage of completion method. Revenue is generally recognised at the contractual rates. For time contracts, the stage of completion is measured on the basis of labour hours delivered as a percentage of total hours to be delivered.

Revenue from fixed-price contracts for delivering certain services is also recognised under the percentage-of-completion method. Revenue is generally recognised based on the services performed to date as a percentage of the total services to be performed.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs, and are reflected in income in the period in which the circumstances that give rise to the revision become known by the management.

#### *Revenue from grants and contributions*

Grants from financing bodies are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

#### *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

### **2.14 Dividend distribution**

The Group does not distribute dividends.

## **3. Financial risk management**

### **3.1 Impact of the general economic environment**

In 2024, Europe and Bulgaria continued to adapt to a dynamic and tense economic and geopolitical environment. Russia's aggression in Ukraine, as well as conflicts in the Middle East and tensions between China and the United States have continued to influence global geopolitics negatively and to weigh down on the general economic environment across Europe.

Bulgaria's economy, in line with that of the EU, continued to stabilize from the energy-induced price shocks. In 2024, GDP grew by 2.8%, compared to the EU average of 1.0%. With inflation cooling, the Federal Reserve and the European Central Bank (ECB) began gradually reducing interest rates. The Bulgarian National Bank (BNB) also followed this direction, setting its rate at 3.04% in December 2024. As a result, the Center's costs growth moderated, a trend which is expected to continue in 2025. Yet, the general labour shortage and continuing outward migration will keep the pressure on rising labour costs.

The pace of inflation in Bulgaria slowed significantly, dropping from 17% in 2022 and 9.5% in 2023 to 2.2% in 2024. For the EU, inflation fell to 2.7% year-on-year. The main factors behind this trend were the normalization of gas prices, the rise of alternative energy sources, and the stabilization of food prices. Unemployment in Bulgaria, recorded in December, stood at 4.2%, a decrease of 1.4 percentage points compared to the same period the previous year. The EU unemployment rate for the same period was 5.9%.

This macroeconomic stabilisation, helped Bulgaria move closer to a long-term economic policy goal of adopting the euro. BNB's target of joining the Eurozone on 1 January 2026, appears realistic, despite the ongoing political instability in the country. Eurozone membership would reduce domestic political risk and increase the value of real estate and other assets, which is expected to have a positive net impact on the Group.

The outlook for Bulgaria's economic growth in the short and medium term remains uncertain but positive. This uncertainty is heightened by the political crisis in the country (seven elections held in the last five years), the EU's shifting relations with Russia and China, and the US presidential elections. Bulgaria's full accession to the Schengen area in 2024 has reinforced its position as a reliable economic partner of the EU and can be seen as a positive sign. Immediate benefits are expected for the economy, primarily through reduced transport costs and shorter waiting times at border checkpoints.

### **3.2 Financial risk factors**

The risk exposures of the Group could be determined as follows: market risk (including currency risk, price risk and risk of future cash flow changes as a result of changes in market interest rate), credit risk and liquidity risk. The Group's management focuses on the financial risk and seeks to minimise potential adverse effects on the Group's financial performance.

#### **3.2.1 Market risk**

##### *Currency risk*

The Group is not exposed to serious foreign exchange risk as most of its activities are denominated in EUR. The exchange rate of the BGN is currently pegged to the EUR. In 2024, the group had some exposure to USD denominated projects. The positive trend of the exchange rate USD/BGN resulted in a foreign exchange profit, it did not affect significantly the financial position of the Group.

The Group's management does not believe that the EUR/BGN peg will change within the next 12 months and therefore no sensitivity analysis has been performed.

##### *Price risk*

The Group's management considers the price risk in the context of the future revenues that are expected to be generated in the operating activity of the Group.

#### **3.2.2 Cash flow and fair value interest rate risk**

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Yet, there is an upward trend in interest rates, which could catch up with deposit rates as well in the period 2024–2025.

The Group analyses its interest rate exposure on a dynamic basis and addresses the underlying risk.

### 3.2.3 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

### 3.2.4 Liquidity risk

In the context of its underlying activities, the Group is able to maintain flexibility in funding and to use credit lines, overdrafts and other credit facilities if necessary.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

(all amounts in BGN thousand)

<b>As of 31 December 2023</b>	<b>Up to 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Trade and other payables	94	–	–	–
<b>As of 31 December 2024</b>	<b>Up to 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Trade and other payables	2,522	–	–	–

## 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The authenticity of accounting estimates and judgments is monitored regularly.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

### *Useful life of property, plant and equipment*

The presentation and valuation of property, plant and equipment requires the management to estimate their useful life and remaining value. The management assesses at the end of each accounting period the determined useful life of the property, plant and equipment.

### *Impairment of loans and receivables*

Impairment of receivables is determined based on management's expectations for the collectability of the loans and receivables. As at the date of preparation of the financial statements, the management reviews and assesses the existing receivables' balances for collectability.

## 5. Property, plant and equipment

(all amounts in BGN thousand)

<b>Cost</b>	<b>As of 31 December 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>As of 31 December 2024</b>
Land	413	5	–	418
Buildings	22	–	–	22
Computers	313	21	52	282
Vehicles	217	23	35	205
Fixtures & fittings	100	–	–	100
Other assets	8	6	–	14
<b>Total</b>	<b>1,073</b>	<b>55</b>	<b>87</b>	<b>1,041</b>

<b>Depreciation</b>	<b>As of 31 December 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>As of 31 December 2024</b>
Buildings	22	–	–	22
Computers	271	36	81	226
Vehicles	213	2	35	180
Fixtures & fittings	100	–	–	100
Other assets	2	–	–	2
<b>Total</b>	<b>608</b>	<b>38</b>	<b>116</b>	<b>530</b>

<b>Carrying amount</b>	<b>As of 31 December 2023</b>		<b>As of 31 December 2024</b>
Land	413		418
Computers	42		56
Vehicles	4		25
Other assets	6		12
<b>Total</b>	<b>465</b>		<b>511</b>

## 6. Intangible assets

(all amounts in BGN thousand)

Cost	As of 1 January 2024	Additions	Disposals	As of 31 December 2024
Software	493	–	–	493
Others	4,815	376	–	5,191
<b>Total</b>	<b>5,308</b>	<b>376</b>	<b>–</b>	<b>5,684</b>
<b>Depreciation</b>	<b>As of 1 January 2024</b>	<b>Additions</b>	<b>Disposals</b>	<b>As of 31 December 2024</b>
Software	492	–	–	492
Others	194	43	–	237
<b>Total</b>	<b>686</b>	<b>43</b>	<b>–</b>	<b>729</b>
<b>Carrying amount</b>	<b>As of 1 January 2024</b>			<b>As of 31 December 2024</b>
Software	1			1
Others	4,621			4,954
<b>Total</b>	<b>4,622</b>			<b>4,955</b>

## 7. Investment property

(all amounts in BGN thousand)

	For the year ending:	
	31 December 2024	31 December 2023
<b>As of 1 January</b>		
Carrying amount at the beginning of the period	398	398
Depreciation charge	–	–
<b>Carrying amount at the end of the period</b>	<b>398</b>	<b>398</b>
<b>As of 31 December</b>		
Cost	511	511
Accumulated depreciation	(113)	(113)
<b>Carrying amount</b>	<b>398</b>	<b>398</b>

Investment properties of the Group consist of land and buildings acquired in the period 2005 – 2006. Investment property is presented at cost less accumulated depreciation and impairment losses.

## 8. Loan, trade and other receivables

(all amounts in BGN thousand)

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term receivables</b>		
Trade receivables	829	804
Trade receivables, net	829	804
VAT refund	–	128
Other	11	9
<b>Total short-term receivables</b>	<u><u>840</u></u>	<u><u>941</u></u>
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Long-term receivables</b>		
Long-term loan	109	174
<b>Total long-term receivables</b>	<u><u>109</u></u>	<u><u>174</u></u>

The carrying amount of trade and other receivables approximates their fair value.

## 9. Cash and cash equivalents

(all amounts in BGN thousand)

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash at hand	13	14
Cash in bank current accounts	8,022	2,633
<b>Total cash and cash equivalents</b>	<u><u>8,035</u></u>	<u><u>2,647</u></u>

## 10. Trade and other payables

(all amounts in BGN thousand)

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term liabilities</b>		
Payables to suppliers	3	9
Salaries and social securities payables	8	17
Tax	6	–
Corporate tax payables	13	12
Other	2,492	56
<b>Total short-term liabilities</b>	<u><u>2,522</u></u>	<u><u>94</u></u>

## 11. Deferred financing

(all amounts in BGN thousand)

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
European Commission (EC) – Inclusive Dialogues towards an Operational Concept of Energy Citizenship to Support the Energy Union (DIALOGUES)	–	47
EC – European Integrated Infrastructure for Social Mining and Big Data Analytics (SoBigData-PlusPlus)	15	54
EC – IT Tools and Methods for Managing Migration Flows (ITFLOWS)	–	9
EC – Supporting Victims of Domestic Violence via a Programme for Capacity-Building and Awareness-Raising among Human Resources Specialists (SHE)	–	8
EC – Real Value of Energy Efficiency (REFEREE)	–	12
EC – Freezing Orders and Confiscation Orders: Effort for Common Standards (FORCE)	–	11
EC – European Technology and Innovation Platform Bioenergy – Support of Renewable Fuels and Advanced Bioenergy Stakeholders 2022–2025 (ETIP)	115	194
EC – AI for Citizen Intelligent Coaching against Disinformation (TITAN)	123	133
EC – Understand the Impact of Novel Technologies, Social Media, and EC – SoBigData Research Infrastructure Preparatory Phase Project (SoBigData RI Plus Plus Plus)	63	101
EC – Whos and Hows: Countering Disinformation that Pushes Citizens Away from the European Project (FHR)	63	66
Clean Air Fund – Reversing the Trend: Skilful Enforcement of LEZ for Transportation in Sofia	–	8
EC – Assessing the Risk of Isolation of Sentenced and Accused: Enhancing the Capacity of Correctional Services to Work with Convicted Children (ARISA CHILD)	–	71
EC – Civil Society for Good Governance and Anti-Corruption in Southeast Europe: Capacity Building for Evidence-Based Advocacy, Policy Impact and Citizen Engagement (SELDI 4)	25	29
EC – Litigating Change: Training Lawyers on the EU Rule of Law Acquis (LighT)	–	45

EC – Democratising Just Sustainability Transitions (DUST)	131	106
European Climate Foundation (ECF) – Mapping Illegal Logging and Timber Trade and Promoting Sustainable Environmental Solutions to Tackle Energy Poverty in Bulgaria (Project No G-2305-66201)	–	14
Open Information Partnership (OIP) – Mapping Disinformation Networks in Bulgaria and Romania	–	27
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) – Fostering Ambitious and Effective NECPs in Central and Eastern Europe	23	57
National Endowment for Democracy (NED) – Countering the Global Authoritarian Rise: Russia’s Playbook in Latin America (Grant No 2023-0754)	100	94
NED – Understanding and Responding to Foreign Malign Influence (Grant No 2023-0535)	–	81
U.S. Department of State – Regional Response to Trafficking in Persons within the Ukraine Crisis (J/TIP)	–	63
Network of European Foundations (NEF) – Countering Gender-Based Disinformation, Online Violence and Cybercrime, Amplified by Kremlin’s Aggression against Ukraine	–	75
ECF – Enabling the Upscale of Renewable Energy Technology in Bulgarian Regions (Project No G-2308-66684)	–	78
Netherlands Helsinki Committee (NHC) – Catalyst of Change: Protecting the Union Values by Supporting a Resilient, Engaged and Vocal Civil Society for the Promotion of Women’s Rights, Environmental Justice and Anti-Corruption in Eastern and Southern Europe	–	15
European Research Executive Agency (REA) – Bridging the Gaps in Evidence, Regulation and Impact of Anticorruption Policies (BridgeGap)	146	–
REA – Detecting and Countering Information Suppression from a Transnational Perspective (DE-CONSPIRATOR)	191	–
EC – Towards Contemporary Knowledge and Innovative Tools for Assessing and Enhancing Effectiveness of Asset and Interest Disclosure (AID) Systems in EU Member States and Candidate States (qAID)	68	–
EC – Enhancing Prevention and Multi-Agency Cooperation against Trafficking (ERADICATING II)	58	–

EC – Promoting Fundamental Rights in (Post) Pandemic Times in Cross Border Proceedings (EPHESUS)	27	–
Foreign Commonwealth & Development Office (FCDO) via University of Sussex (Governance Integrity Anti-Corruption Evidence (GI ACE) Programme) – Building Institutional Resilience to Global Illicit Financial Flows as Enablers and Drivers of State Capture	107	–
EC – Prototypes for Addressing the Housing-Energy Nexus (PREFIGURE)	388	–
EC – Reinforcing Equality and Fundamental Rights in an Artificial Intelligence-Maintained Environment (REFRAIME)	176	–
British Embassy in Bulgaria – Small Boats and Equipment Study	16	–
EC – EU Charter of Fundamental Rights: Awareness Raising and Instruments to Promote a Culture of Rights (FAIR)	19	–
European Education and Culture Executive Agency (EACEA) – Empowering Civil Society Organisations and Activists Championing Human Rights and Democratic Values in the EU (CivicChampions)	141	–
EACEA – Open the Whistle: Protecting Whistleblowers through Transparency, Cooperation and Open Government Strategies (OPWHI)	44	–
REA – Unveiling Emotional Dimensions of Politics to Foster European Democracy (ENCODE)	384	–
EC – Fair Predictions of Gender-Sensitive Recidivism (FAIR-PReSONS)	199	–
EC – Fostering Child-Friendly Legal Environments through Collaborative Networks (FOSTER)	99	–
ECF – Supporting a More Ambitious, Evidence-Based Policy Framework to Enable Bulgaria to Set and Meet Its 2040 Decarbonisation Targets (Project No G-2405-68226)	34	–
EC – Reinventing Engagement through Affirmative Citizen Consultations in the Western Balkan and Ukraine (REACH)	34	–

EC – Building Capacity against High-Risk Criminal Networks in the EU: From an Improved Intelligence Picture towards an Integrated Prevention Approach (PREVENT)	594	–
EC – Ensuring Probationers’ Rehabilitation Prospects via Targeted Enhancement of the Implementation of FD 2008/947 (EUROProspects)	458	–
ECF – Promoting Policy Innovation for Achieving Balance in Bulgaria’s Low-Carbon Transition (Project No G-2406-68453)	78	–
Clean Air Fund – Amending and Supplementing the Existing Ordinance for the Low Emission Zone in Sofia	25	–
ECF – Exposing Russia’s Strategy for Using Third Countries as Sanctions Evasion Enablers by Channeling Russian Fossil Fuels through Their Territories (Project No G-2411-69418)	117	–
ECF – Piloting a Benchmarking Methodology for the Assessment of the Territorial Just Transition Plans in Central and Eastern Europe (Project No G-2101-61429)	45	–
EC – Bulgarian-Romanian Observatory of Digital Media (BROD)	4	54
Other	–	17
<b>Total deferred financing related to projects</b>	<b>4,105</b>	<b>1,469</b>
Financing for acquisition of fixed assets	1,298	989
<b>Total deferred financing</b>	<b>5,403</b>	<b>2,458</b>

## 12. Revenues from grants financing

(all amounts in BGN thousand)

Revenues from grants financing and other project for respective periods are as follows:	For the year ending:	
	31 December 2024	31 December 2023
NED – Understanding and Responding to Foreign Malign Influence (Grant No 2022-13506)	–	37
EC – Understand the Impact of Novel Technologies, Social Media, and Perceptions in Countries Abroad on Migration Flows and the Security of the EU & Provide Validated Counter Approaches, Tools and Practices (PERCEPTIONS)	–	21
EEA and Norway Grants – Implementing Shared Anti-Corruption and Good Governance Solutions in Southeast Europe: Innovative Practices and Public-Private Partnerships (R2G4P)	24	414
EC – Efficient Risk-Based Inspection of Freight Crossing Borders without Disrupting Business (ENTRANCE)	–	113
EC – Inclusive Dialogues towards an Operational Concept of Energy Citizenship to Support the Energy Union (DIALOGUES)	111	126
EC – IT Tools and Methods for Managing Migration Flows (ITFLOWS)	–	85
GIZ – Distributional Impact of Carbon Pricing in Central and Eastern Europe	–	37
GIZ – Consumer Engagement in Building Renovation and Renewable Energy Cooperatives for Grassroot Climate Action	–	19
EC – Real Value of Energy Efficiency (REFEREE)	126	81
EC – European Integrated Infrastructure for Social Mining and Big Data Analytics (SoBigData-PlusPlus)	40	34
EC – Developing Common Minimum Standards for Legal Arms Registers and Improving Information Exchange among EU Member States, Southeast Europe, Ukraine and Moldova (REGISYNC)	–	195

EC – Cybercrime Victimization Barometer – Piloting a Model for a Comparative Business Survey on Cybercrime Victimization in the EU and Conceptualising a Digital Reporting Tool (CYBBAR)	–	152
EC – Contexts of Extremism in MENA and Balkan Societies (CONNEKT)	–	113
EEA and Norway Grants – Transnational Research Network for the Evaluation of Initiatives Targeting 25+ NEETS (LOST MILLENNIALS)	11	122
EC – Combating Organised Vehicle Crime by Developing Barriers to Prevent the Facilitation of Online Distribution of Stolen Vehicles and Vehicle Parts (V-BAR)	–	139
ECF – Addressing the Reasons behind the Economic and Democratic Backsliding of the Western Balkans (Project No G-2109-62713)	–	28
EC – Child-Friendly Justice in the Greek and Cypriot Courts (CHILD FRONT)	37	49
EC – Supporting Victims of Domestic Violence via a Programme for Capacity-Building and Awareness-Raising among Human Resources Specialists (SHE)	66	203
ECF – Assessing Energy and Climate Security Risks in the Context of the Decarbonisation Pathways in South East Europe, Particularly the Role of Gas (Project No G-2109-62719)	–	61
EC – Enhancing Prevention and Multi-Agency Cooperation against Trafficking (ERADICATING)	–	71
ECF – Developing Low-Carbon Policy Pathways for Decarbonising Bulgaria’s Economy (Project No G-2111-63105)	–	27
EC – Multi-Ideological Radicalisation Assessment towards Disengagement (MIRAD)	–	73
EC – Freezing Orders and Confiscation Orders: Effort for Common Standards (FORCE)	58	48
EC – European Technology and Innovation Platform Bioenergy – Support of Renewable Fuels and Advanced Bioenergy Stakeholders 2022–2025 (ETIP)	120	99

EC – AI for Citizen Intelligent Coaching against Disinformation (TITAN)	210	124
International Republican Institute (IRI) – Capacity Building Efforts to Tackle Disinformation and Malign Foreign Influence in Bulgaria	–	36
EC – SoBigData RI Preparatory Phase Project (SoBigData RI Plus Plus Plus)	65	74
ECF – Providing Policy Support for Improving the Ambition of the Bulgarian Territorial Just Transition Plans (Project No G-2209-64730)	–	48
U.S. Department of State – Countering Weapons of Mass Destruction (WMD) Hybrid Threats in the Black Sea Region	–	212
Windward Fund – Phasing Out Fossil Gas in Europe: Feasibility, Regulation and Financing Options for CEE and SEE EU Member States	–	31
ECF – Supporting the Work of the Energy Transition Subcommittee for the Development of a National Roadmap to Climate Neutrality until 2050 (Project No G-2210-64842)	–	33
EC – Assessing the Risk of Isolation of Sentenced and Accused: Enhancing the Capacity of Correctional Services to Work with Convicted Children (ARISA CHILD)	93	77
GIZ – Strengthening Policy and Governance Capacity for Blue Energy in Central and Eastern Europe	241	167
ECF – Raising Awareness about the Wind Energy Potential in the Bulgarian Energy Transition as Part of a GIS-Based Analysis of the Future Potential for Wind Power Development in Bulgaria, Hungary and Romania (Project No G-2211-65176)	–	23
EC – Whos and Hows: Countering Disinformation that Pushes Citizens Away from the European Project (FHR)	4	2
Clean Air Fund – Reversing the Trend: Skilful Enforcement of LEZ for Transportation in Sofia	59	68
ECF – Strengthening the Energy and Climate Security of Ukraine (Project No G-2209-64722)	–	59

EC – Civil Society for Good Governance and Anti-Corruption in Southeast Europe: Capacity Building for Evidence-Based Advocacy, Policy Impact and Citizen Engagement (SELDI 4)	77	55
EC – Litigating Change: Training Lawyers on the EU Rule of Law Acquis (LighT)	175	37
EC – Neutral and Inclusive Communication in Corporate Environments (NICE)	14	19
EC – Democratising Just Sustainability Transitions (DUST)	181	78
Friedrich Ebert Foundation (FES) – Anti-Corruption Policies as a Guarantee for the National Security, Stability and Sovereignty of Bulgaria and the Southeast Europe and Black Sea Region	–	12
OIP – Ukraine Working Group Extension 2	–	11
Friedrich Naumann Foundation (FNF) – Towards Strategic Decoupling: Countering Russian Economic Influence in Germany	–	31
Center for International Private Enterprise (CIPE) – Building up Bulgaria’s Investment Screening Capabilities	34	115
ECF – Aligning the Bulgarian Regulatory Framework for Renewable Energy Investment with EU Policies (Project No G-2303-65738)	25	33
ECF – Promotnig the Energy and Climate Security Risk Index with the European Investment Bank (Project No G-2304-65865)	–	10
ECF – Assessing the Security of Supply of the Bulgarian Power Sector in Support of the Work of the Energy Transition Commission (Project No G-2305-66081)	–	23
ECF – Supporting a More Ambitious, Evidence-Based Policy Framework for the Long-Term Decarbonisation of the Bulgarian Economy (Project No-G-2304-65985)	51	37
NED – Raising Awareness of Foreign Malign Influence (Grant No 2022-1257)	–	24
ECF – Mapping Illegal Logging and Timber Trade and Promoting Sustainable Environmental Solutions to Tackle Energy Poverty in Bulgaria (Project No G-2305-66201)	53	25

ECF – Accelerating the Implementation of the EU Energy and Climate Acquis in Moldova (Project No G-2306-66479)	12	24
OIP – Mapping Disinformation Networks in Bulgaria and Romania	46	5
NED – Countering the Global Authoritarian Rise: Russia’s Playbook in Latin America (Grant No 2023-0754)	269	47
NED – Understanding and Responding to Foreign Malign Influence (Grant No 2023-0535)	154	23
U.S. Department of State – Regional Response to Trafficking in Persons within the Ukraine Crisis (J/TIP)	118	2
NEF – Countering Gender-Based Disinformation, Online Violence and Cybercrime, Amplified by Kremlin’s Aggression against Ukraine	94	5
ECF – Organising a Roundtable in COP28 on Offshore Wind in the Three Seas Region (Project No G-2311-67250)	–	10
GIZ – Fostering Ambitious and Effective NECPs in Central and Eastern Europe	138	–
ECF – Promoting Policy Innovation for Achieving Balance in Bulgaria’s Low-Carbon Transition (Project No G-2406-68453)	156	–
Netherlands Helsinki Committee (NHC) – Catalyst of Change: Protecting the Union Values by Supporting a Resilient, Engaged and Vocal Civil Society for the Promotion of Women’s Rights, Environmental Justice and Anti-Corruption in Eastern and Southern Europe	29	–
REA – Bridging the Gaps in Evidence, Regulation and Impact of Anticorruption Policies (BridgeGap)	142	–
REA – Detecting and Countering Information Suppression from a Transnational Perspective (DE-CONSPIRATOR)	154	–
EC – Towards Contemporary Knowledge and Innovative Tools for Assessing and Enhancing Effectiveness of Asset and Interest Disclosure (AID) Systems in EU Member States and Candidate States (qAID)	123	–
U.S. Department of State – Countering Russian Malign Influence through Capacity Building against CBRN-Related Disinformation and Cyber Attacks	201	–

OIP – Mapping Military-Related Disinformation Networks in Bulgaria	35	–
EC – Enhancing Prevention and Multi-Agency Cooperation against Trafficking (ERADICATING II)	129	–
EC – Promoting Fundamental Rights in (Post) Pandemic Times in Cross Border Proceedings (EPHESUS)	27	–
FCDO via University of Sussex (Governance Integrity Anti-Corruption Evidence (GI ACE) Programme)– Building Institutional Resilience to Global Illicit Financial Flows as Enablers and Drivers of State Capture	71	–
EC – Prototypes for Addressing the Housing-Energy Nexus (PREFIGURE)	58	–
EC – Reinforcing Equality and Fundamental Rights in an Artificial Intelligence-Maintained Environment (REFRAIME)	82	–
British Embassy in Bulgaria – Small Boats and Equipment Study	17	–
OIP – Building Information Space Resilience in Southeast Europe and the Black Sea Region	15	–
OIP – Developing and Piloting Training Course on Increasing Resilience to Disinformation for University Students in Bulgaria	8	–
EC – EU Charter of Fundamental Rights: Awareness Raising and Instruments to Promote a Culture of Rights (FAIR)	34	–
ECF – Exposing Russia’s Strategy for Using Third Countries as Sanctions Evasion Enablers and Thus Providing a Basis for Targeted Policy Responses (Project No G-2403-67966)	23	–
OIP – Understanding the Gendered Disinformation Campaign Targeting Ukrainian Women in Bulgaria	13	–
EACEA – Empowering Civil Society Organisations and Activists Championing Human Rights and Democratic Values in the EU (CivicChampions)	67	–
Meliore Foundation – The New Enablers: The Kremlin Playbook and Sanctions Evasion	29	–

EACEA – Open the Whistle: Protecting Whistleblowers through Transparency, Cooperation and Open Government Strategies (OPWHI)	38	–
CIPE – Reinforcing Media Freedom in Europe: Shaping the European Commission Agenda for Emerging Private Sector Models of Financing and Technology Solutions	70	–
REA – Unveiling Emotional Dimensions of Politics to Foster European Democracy (ENCODE)	47	–
EC – Fair Predictions of Gender-Sensitive Recidivism (FAIR-PReSONS)	14	–
Calouste Gulbenkian Foundation – Disinfo4blacksea	30	–
ECF – Supporting a More Ambitious, Evidence-Based Policy Framework to Enable Bulgaria to Set and Meet Its 2040 Decarbonisation Targets (Project No G-2405-68226)	16	–
CIPE – Enhancing Bulgaria’s Economic Security	52	–
Other projects	13	104
<b>Total revenues from grants financing</b>	<b>4,399</b>	<b>4,031</b>
Revenues from regulated activity	32	–
Other revenues	7	1
<b>Total revenues</b>	<b>4,438</b>	<b>4,032</b>

### 13. Revenues from services and other activities

(all amounts in BGN thousand)

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Revenue</b>		
Sale of goods	1	–
Sale of services	1,288	1,037
Revenue from unconditional donations	2	2
<b>Total revenue</b>	<u><u>1,291</u></u>	<u><u>1,039</u></u>

### 14. Cost of sales

(all amounts in BGN thousand)

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Cost of sales</b>		
Cost of sales (grants financing)	4,123	3,719
Cost of sales (services and other activities)	1,250	979
<b>Total expenses</b>	<u><u>5,373</u></u>	<u><u>4,698</u></u>

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Cost of sales includes:</b>		
Expenses for materials	23	25
Hired services	1,680	1,382
Depreciation and amortisation	52	55
Salaries and wages	2,896	2,492
Social securities	373	319
Other expenses	349	425
<b>Total expenses</b>	<u><u>5,183</u></u>	<u><u>4,698</u></u>

### 15. Finance costs, net

(all amounts in BGN thousand)

	<b>For the year ending:</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Finance costs, net</b>		
Interest income	10	1
<b>Interest, net</b>	<b>10</b>	<b>1</b>
Foreign exchange income	35	–
Foreign exchange expense	(26)	(29)
<b>Foreign exchange, net</b>	<b>9</b>	<b>(29)</b>
Other financial expenses	(11)	(3)
<b>Other financial, net</b>	<b>(11)</b>	<b>(3)</b>
<b>Finance costs, net</b>	<b>8</b>	<b>(31)</b>

### 16. Income tax

The major components of income tax expense for the year ended 31 December 2023 and the period ended 31 December 2024 are:

(all amounts in BGN thousand)

	<b>As of 31 December 2024</b>	<b>As of 31 December 2023</b>
Current tax	36	36
<b>Income expense</b>	<b>36</b>	<b>36</b>

The official rate stated in the Corporate Tax Law for 2024 was set to 10% (2023: 10%). Deferred taxes are calculated on all temporary differences under the balance method using this effective tax rate.

#### *Movement in deferred tax*

(all amounts in BGN thousand)

	<b>Balance as of 1 January 2024</b>	<b>Movement</b>	<b>Balance as of 31 December 2024</b>
Property, plant and equipment	–	–	–
Trade payables	–	–	–
Net deferred tax asset/liability	–	–	–

The tax authorities may at any time inspect the books and records within 5 years subsequent to the reported tax year, and may impose additional taxes and penalties. The Group's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

There have been no tax checks performed in recent years.

## 17. Related parties

The Group is related party to the Applied Research and Communication Fund and its consulting arm.

The following transactions occurred during the year:

Related party	Transactions during the year	January – December		31 December		31 December	
		2024	2023	2024	2023	2024	2023
		<i>Transactions</i>		<i>Receivables</i>		<i>Payables</i>	
Applied Research and Communications Fund	Rental contract	80	81	–	–	–	–
ARC Consulting EOOD	Rental contract	6	13	–	–	–	–
Bulgarian Association for Policy Evaluation	Loan agreement	65	–	109	174	–	–
		<b>151</b>	<b>94</b>	<b>109</b>	<b>174</b>	–	–

### *Transactions with directors and other members of the management*

The total amount of the remunerations and social contributions included in the expenses for salaries and wages is as follows:

	2024	2023
Governing Board and Executive Director	478	480

## 18. Events after the balance sheet date

There were no events after balance date requiring corrections of the financial statements or disclosures.

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