

Consolidating Anti-Corruption Reforms in Bulgaria

I. Policy reform

The policy component in CSD's anti-corruption activities influenced strategic reform of the design and delivery of anti-corruption policies in Bulgaria. The impact of the CSD in this area was achieved through an annual cycle of comprehensive assessment of the institutional and regulatory environment relevant to corruption (resulting in the Corruption Assessment Report - CAR), which was carried out by civil society experts through a constructive engagement of government institutions.

Priorities of the government anti-corruption strategy, advocated by CSD

Notably, **political corruption** is one of the key areas of concern in the new strategy. Some of the policies which the government is undertaking to prioritize relate to the **income and assets of high level governmental officials**. The strategy also seeks to introduce **stricter regulation of lobbying** and mechanisms to guarantee full transparency of the funding of political parties and their election campaigns, as well as introduce effective enforcement in this area.

As regards the civil service, the government was supposed to introduce **mobility and rotation of the officials** in the areas most sensitive to corruption and improve the rules for **avoiding conflicts of interest when public administration officials move to the private sector**.

In terms of specific public sectors, **health care and education** were highlighted as in need of particular attention. These areas had appeared as being of particu-

lar concern to the Bulgarian public in CSD's corruption monitoring indexes in the last few years and had also been pointed out by the European Commission. The strategy also intends to strengthen the specialized and public control over the granting of public procurement and concession contracts.

As regards particularly vulnerable areas of the economy, the strategy prioritizes anti-corruption measures related to **VAT fraud and the grey economy**. The establishment of **centralized electronic system for registration of legal entities** as an administrative, rather than a judicial process, is expected to ease tangibly the corruption pressure on business.

The new strategy and plan of action also make progress in terms of its oversight mechanisms. **Civil society** is made part of the process of implementation monitoring and a **system of unified statistics** on the enforcement of criminal anti-corruption legislation – something CSD has been advocating for a while - is expected to be put in place.

During the drafting process, CSD insisted that the government body overseeing the implementation of the strategy should have a much stronger mandate and institutional status than the previous Coordination Commission. As a result, the remit of the Commission has shifted away from information gathering and coordination towards **policy making and control** functions. It was tasked – in addition to overseeing the implementation – with translating the strategy into specific policies and ensuring the interface with local and



From left to right: Ms. Gudrun Steinacker, Charge d’Affaires, Embassy of the Federal Republic of Germany (EU Chair), Mr. Roumen Petkov, Minister of Interior, CSD Chairman Dr. Ognian Shentov, Mr. Alexander Karagiannis, Deputy Chief of Mission, Embassy of the United States, Mr. Nikolai Vassilev, Minister of Public Administration and Administrative Reform

international partners.

***Policy assistance to the government
Anti-Corruption Commission***

In the second half of 2006, CSD, at the request of the Commission for the Prevention and Counteraction of Corruption (CPCC) of the Bulgarian government, developed a mechanism for evaluating the implementation of government 2006-2008 anti-corruption strategy (exact title “System of Indicators for the Assessment of the Implementation of the Strategy for Transparent Governance and for Prevention and Counteraction of Corruption for the Period 2006-2008 and the Program for the Implementation of the Strategy for 2006”).

On January 30, 2007 the system of indicators was presented to the public and international partners at a round table hosted by CSD. The event was addressed by the Chair of CPCC Minister Roumen Petkov and Mr. Alexander Karagiannis, Deputy Chief

of Mission, Embassy of the United States. The round table was part of a longer term CSD effort to highlight the significance of corruption measurement as an indispensable tool for any anti-corruption policy – both at the national and international level.

Having become the core of the mechanism for evaluating the implementation of anti-corruption strategy of the Bulgarian government, in 2007 CSD’s Corruption Monitoring System (CMS) was promoted as a relevant instrument for the European Union. In a round table in Brussels on February 14, co-organized by CSD and Bulgaria’s Permanent Representation to the EU, Minister Petkov announced that he has proposed to the European Commission the development of a common EU methodology for corruption measurement.

Following the round table, the government anti-corruption commission drafted a non-paper, based on CSD’s policy brief (more on it below) about the



From left to right: CSD Chairman Dr. Ognian Shentov; Ambassador Stanislav Daskalov, Permanent Representative of Bulgaria to the EU and Bulgaria's Minister of Interior Roumen Petkov at the Brussels round table

need for European benchmarking, and submitted it to the Vice President of the European Commission and Commissioner responsible for Freedom, Security and Justice Franco Frattini during his visit in Bulgaria on February 17-19, 2007.

Thus, there are clear prospects that CSD's watchdog work will bear fruit not just in Bulgaria but potentially within the whole EU. Most importantly, CSD's legacy in this area will be ensured by adding momentum and sustainability. In this way, not only could the EU take a more active role in fostering and encouraging Bulgaria's reforms but that role would be exercised in cooperation with Bulgarian civil society.

Anti-corruption brief

In order to enhance the impact of these efforts, CSD wrote and circulated to foreign representations and international organizations a policy brief on the opportunities to build on the Bulgarian corruption measurement experience for the benefit of the future EU efforts in this area. The brief argues that diagnosing

the state of corruption and obtaining reliable information about its dynamics are crucial to the implementation of successful prevention and control policies, including within the EU itself.

II. Monitoring of Anti-Corruption Reforms

In 2007, significant progress was made towards one of the key CSD anti-corruption objectives – adoption by the government of a system of evaluation of anti-corruption legislation. As a result of CSD efforts during the drafting of the plan of action for the strategy, the government undertook to develop, in consultation with other stakeholders, a **set of indicators for evaluation of the implementation of strategy and the plan**. This was a major step forward in the capacity of government to assess the effectiveness of its anti-corruption policies.

To assist the government Anti-Corruption Commission in carrying out their mandate CSD subsequently focused



Title page of Part 1 of the assessment methodology

its support on the development of a **comprehensive methodology** for assessing both spread of corruption and impact of various anti-corruption policies to be employed by the Commission.

The methodology consisted of three sets of indicators of progress, both qualitative and quantitative. CSD developed the first part of the methodology which outlines the overall set of measurement instruments. These included:

A. Indicators for the implementation of the plan of action for the strategy, including observance of deadlines, fulfillment of regulatory tasks, quality of legislation, quantitative measure of implementation (numbers of trainings, etc).

B. Indicators for the achievement of the strategy goals. These include measurement of corruption victimization ("rent seeking" from offi-

cial), acceptability of corruption by public, actual spread of corrupt practices, intolerance to corruption, public evaluation of government policies, level of awareness, etc.

C. Indicators, measuring the impact of the implementation of the strategy, including transaction costs for the various administrative services, level of regulation (including internal) of these services, professionalism of civil servants, quality of service, etc.

The significance of the methodology is in its comprehensive approach to evaluating anti-corruption progress. Through its adoption by the government Commission it will have a long term impact on the effectiveness of anti-corruption policies in Bulgaria.

Following that, CSD conducted a quantitative anti-corruption survey of the population. The survey achieved three main results:



Sega daily covering the assessment methodology

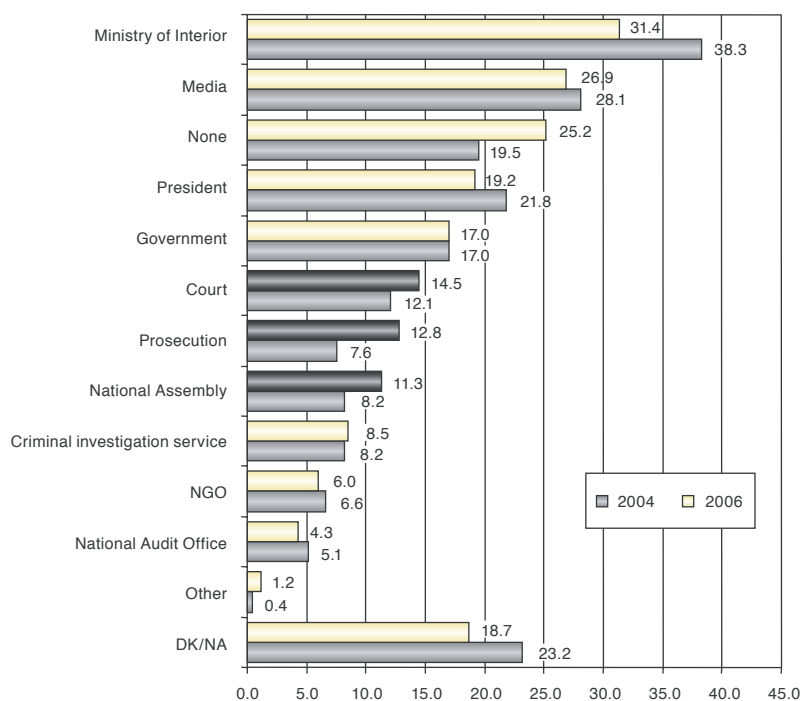
- introduced the secretariat of the CPCC to quantitative indicators of corruption dynamics which it would use in the future;
- informed the decision on the structure of the 2006 Corruption Assessment Report (published in 2007);
- provided updated information about the state of administrative corruption in Bulgaria.

The Corruption Assessment Report (CAR) is the annual policy assessment instrument of CSD and still the only regular anti-corruption policy document published in Bulgaria. Thanks mostly to its rigorous methodology and the inclusive process of its development, the CAR has by now established itself as an authoritative source of evaluation of corruption dynamics and the effectiveness of anti-corruption measures.

At the end of 2006, CSD's expert team on corruption monitoring identified the issues to be explored by the business sector corruption diagnostics (interaction of businesses with state agencies and institutions, corruption pressure on businesses by public officials (including by type of public service), main forms of corruption, frequency of bribing and average size of bribes, corruption expectations among business leaders and their assessment of government policies). In January 2007 the fieldwork was completed; it was timed to allow the analysis of the data to be available for the eighth annual Corruption Assessment Report.

Data from both surveys, described above, formed the backbone of the analysis of the dynamics of corruption in the Corruption Assessment Report. The data was also used as basis of presentations of the CSD's anti-corruption work and its results on two

Figure 11. Share of Citizens believing the Quoted Institution is Effective in the Fight against Corruption



Corruption Assessment Report

occasions: in Brussels (described above) and in Berlin on March 22, 2007 again jointly with the CPCC and the Parliamentary Anti-Corruption Committee. Media coverage* highlighted CSD's effort to promote the CMS as a tool to be employed by the European Union.

The eighth consecutive Corruption Assessment Report 2006 - *Anti-Corruption Reforms in Bulgaria: Key Results and Risks* - was developed by a CSD task force with contributions by external experts. The development process included three stages:

- information gathering, including the surveys
- analysis and drafting
- consultations with stakeholders.

The emphasis for the 2006 CAR was determined during a series of meetings of the task force with representatives of various stakeholders. The focus of the Report was decided to be on **public procurement and the expected impact of the use of EU funds**.

* For a list of the media coverage the Brussels event see: <http://www.csd.bg/bg/artShow.php?id=8452> and for Berlin see: <http://www.csd.bg/bg/artShow.php?id=8499>



From left to right: Dr. Ognian Shentov, Chairman of the Board of CSD, and Mr. John Beyrle, US Ambassador to Bulgaria

The eighth CAR analyzes the main results and risks of the anticorruption process from the period immediately preceding Bulgaria's accession to the EU through to the first months of EU membership. The report builds on regular monitoring of the spread of corruption, its trends, evaluations of the anti-corruption efforts and initiatives implemented by government institutions and by civil society, as well as a number of suggestions and recommendations on anti-corruption measures, including considerations related to the administration of EU's structural funds.

In addition to the main corruption indexes which have consistently displayed lower values throughout 2006 and early 2007, the report draws on authoritative international surveys to assess corruption levels in Bulgaria in comparison to EU member states. Furthermore, Bulgaria's EU member status demands that national anti-corruption initiatives are implemented in close coordination with EU and

international efforts in this area. Therefore, corruption would be most appropriately measured and assessed by a common EU benchmarking methodology as the most reliable yardstick for international comparisons.

Policy Forum 2007

The eighth CAR was presented to the Ninth Annual Anticorruption Policy Forum on April 23, 2007. Opening the forum Dr. Ognian Shentov, Chairman of the Board of CSD, emphasized that countering corruption is a main priority in Bulgaria and it is an important part of the country's international commitments.

The U.S. Ambassador to Bulgaria Mr. John R. Beyrle congratulated the civil society's efforts and particularly the Center for the Study of Democracy for all the activities against corruption. He laid special emphasis on the fact that corruption raises the public services prices, and it also drains money out of different social funds, such as healthcare



From left to right: Mr. Florian Fichtl, Country Manager for Bulgaria, World Bank, Mr. Michael Fritz, Mission Director, USAID Bulgaria, and Mr. Ginyo Ganev, Ombudsman of the Republic of Bulgaria

and education. The main reason of the US interest in the anti-corruption reforms is that corruption diminishes the trust of the international partners of Bulgaria. Ambassador Beyrle cited as an example the American justice system, highlighting the fact that the US political corruption is being penalized – now there are two congressmen sentenced and serving time in prison for corruption. According to Ambassador Beyrle there are three main conditions in order to reach a turning point in the counteraction of corruption. The first two – successful fight against corruption and encouragement of these efforts already exist. The only one left to fulfill is to have a political will to continue and intensify these efforts.

The Forum was also addressed by the Chairman of the Supreme Admi-

nistrative Court Mr. Konstantin Penchev, Prosecutor General of the Republic of Bulgaria Mr. Boris Velchev, Chairman of the National Audit Office of the Republic of Bulgaria Prof. Valeri Dimitrov, Mayor of Sofia Mr. Boyko Borisov, Mr. Fernando Ponz Canto, First Secretary in the Representation of the European Commission in Bulgaria, Minister of the State Administration and Administrative Reform Mr. Nikolay Vasilev, Mr. Roumen Nenkov, Deputy-Chair of the Supreme Court of Cassation, Member of the Supreme Judicial Council and Chair of its Anti-Corruption Commission, Minister of Interior and Chair of the Commission for Prevention and Countering of Corruption Mr. Rumen Petkov, Chairman of the Bulgarian Judges Association and Justice at the Supreme Court of Cassation Mr. Stoil Sotirov and others.

