



January 2006, No 7

Development of the Second National Anti-Corruption Strategy for Bulgaria

On January 12, 2006, the Council of Ministers adopted a National Strategy for Good Governance, Prevention and Counteraction of Corruption 2006-2008. The document was part of the commitments made by Bulgaria in the field of anti-corruption in the context of its EU accession. The strategy was expected to be adopted and presented to the European Commission by the end of 2005. In the beginning of 2006 an inter-ministerial task force submitted a draft version of the strategy to the government but it revealed so many flaws that the government postponed its adoption. As a result, the task force invited the Center for the Study of Democracy to redraft the strategy.

Background

With the active participation of CSD in the fall of 2001 the first comprehensive governmental anti-corruption document was elaborated – the *National Anti-Corruption Strategy*. The strategy was largely based on the 1998 Action Plan of *Coalition 2000* and ushered in a period of public-private partnership against corruption. The government set up an Anti-Corruption Coordination Commission, chaired by the Minister of Justice to coordinate the work of the various institutions and bodies in the process of implementing the strategy as well as to collect, summarize and analyze information on the anti-corruption measures. The commission in general failed to fulfill its major tasks focusing only on awareness raising measures.

Development of the new anti-corruption strategy

By 2005, despite achievements in some areas (institutional and legislative infrastructure, decrease of administrative corruption, etc.), corruption continued to be a major challenge in the process of Bulgaria's accession to the EU. To respond to the continuing criticism on the part of the European Commission the government committed to develop a new anti-corruption strategy by the end of 2005 to replace the previous one and to re-formulate the objectives to be achieved and the measures to be implemented.

In the beginning of January 2006 a draft version of the new strategy, revised by the inter-ministerial task force, was presented to the government for approval. However, at its meeting on January 5 the government decided not to approve it.

At this point of the process the inter-ministerial task force sought the assistance of the CSD. The experts of the Center developed an entirely new structure and logic of the document. During the discussions within the inter-ministerial task force some of the proposed measures were removed from the document on the insistence of representatives of some of the ministries, concerned about their feasibility. CSD's general point about emphasizing the linkages between corruption and other new threats such as organized crime and transborder criminality was not accepted.

Most of the CSD suggested measures were kept and on January 12 the government voted the proposed draft and adopted the *National Strategy for Good Governance, Prevention and Counteraction of Corruption 2006-2008*.

The new priorities

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 intends 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** are highlighted as in need of particular attention. These areas have appeared as being of particular concern to the Bulgarian public in CSD's corruption monitoring indexes in the last few years and have 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 also makes 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 is now tasked – in addition to overseeing the implementation – with translating the strategy into specific policies and ensuring the interface with local and international partners.

CSD proposals not included

- Possible mechanisms to **avoid conflicts of interest** and exercise effective control over the income and property of MPs and magistrates were turned down with the argument that the government may not interfere in the independence of the other two branches of power.
- The introduction of specific **requirements for the integrity of public administration officials** (including the exercise of control through integrity checks), was rejected with the argument that the existing criminal liability for provocation to bribery would hamper the practical implementation of such a measure.
- **Anti-corruption measures in the economy** were not included such as coordination between the relevant ministries for limiting the effects of the **criminal economy**, explicitly outlining the areas most sensitive to corruption such as the **duty free shops** and the **trade in fuels**, etc. The inter-ministerial task force also turned down the whole draft section on **financial decentralization** – a set of important measures aimed to ensure the financial independence of the municipalities from the central government, including as regards EU funds, and building the capacity of local authorities to manage these funds. Financial decentralization has considerable anti-corruption potential as an instrument for putting an end to the practice of using the funds from the central budget for political influence over the municipal authorities.