



**TRANSPARENCY INTERNATIONAL - BULGARIA**

**2018**

**ANNUAL ACTIVITY REPORT**

In 2018, Transparency International – Bulgaria celebrated its 20th anniversary. The organisation was established in 1998 as Transparency International's first national office in South-Eastern Europe. During this period, the association gained the capacity to create and implement projects to combat corruption, promoted higher standards for good governance in public institutions, and managed to build a reputation of a highly professional, politically impartial and active civil society organisation.

In recent years, Transparency International - Bulgaria has gained a wide range of supporters and has worked with a large number of independent experts from various spheres of scientific and public life to implement its projects and initiatives. Established ties with national and international institutions were extended towards civil society structures and the media, and the association earned its name as a respectable and reliable organisation.

In 2018, Transparency International - Bulgaria continued to actively carry out activities to counter corruption at a national, regional and international level. All implemented programs and initiatives of the association were focused on the realisation of its mission and main priorities, as well as the objectives and tasks laid out in the charter.<sup>1</sup>

The team of Transparency International - Bulgaria continued to successfully realise its full range of goals and objectives by planning and implementing specific projects and initiatives under two main programs.

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1 The mission of Transparency International - Bulgaria, deriving from its status as a Bulgarian representation of the greater body: uniting the efforts of state institutions, local authorities, representatives of civil society, the private sector and the media in order to introduce systemic reforms and concrete actions against corruption in the country.

The main priorities in the work of the association: the initiation and implementation of projects and programs for combating corruption at both a national and regional level.

The main goals and tasks set out in the charter of the association:

- Conducting research initiatives on corruption issues by mobilising efforts of scientists, public figures and experts in the relevant fields;
- Collecting, presenting and disseminating the necessary analytical information among state institutions and civil society organisations.
- Developing, testing and implementing various citizens' initiatives aimed at anti-corruption;
- Offering expert and technical assistance for various citizens' initiatives aimed at anti-corruption;
- Building and maintaining a contact network of international and national partner and donor organisations dealing with similar issues;
- Long-term cooperation with central and local authorities, experts in the state administration and non-governmental organisations with a similar focus in order to create a stable network of public coalitions working on fighting corruption.

### **The NATIONAL PROGRAM aimed at:**

- The application of effective models for independent expert monitoring and civil control over the legislation and processes of governance in relation to transparency principles and accountability;
- Initiating advocacy campaigns in support of important public causes and issues related to preventing and tackling corruption, as well as the protection of individual victims of corruption;
- Increasing public awareness on the topics of integrity, transparency, and accountability in the work of public institutions;
- Carrying out analytical activities on the problems related to anti-corruption and the enforcement of good management practices through mobilising the expertise of the organisation as well as of foreign experts in the field.

### **The REGIONAL PROGRAM aimed at:**

- The implementation of international projects in partnership with the Transparency International – Secretariat, along with the national representatives of the organisation.
- The exchange of experience and the creation of regional networks for the implementation of anti-corruption initiatives.

### **THE ACHIEVEMENTS of the association during 2018:**

- Produced ‘The standard for publicity and transparency in the work of the Judiciary in the Republic of Bulgaria’ – an analytical project which presents the systematic standards for the publishing of information provided via the websites of the courts. It was developed based on in-depth research of good practices applied both in the Member States of the EU and internationally. It can serve as a tool for assessing the practices of the Bulgarian courts in relation to the established standards of their international counterparts.
- Developed the ‘Map for publicity and transparency in the work of the courts in the Republic of Bulgaria’ – an analytical product used as a tool for assessing good practices and obstacles in ensuring public awareness and transparency in the activity of the courts. It integrates quantitative and qualitative information from the survey of the sites of the courts of the country, formulating recommendations for promoting the transparency of their work.
- Analytical assessment ‘Anti-corruption - 2018: Public Expectations and Achieved Results’, examining the anti-corruption law adopted in early 2018 and the first actions of the newly established anti-corruption commission. The analytical assessment is based on the approach of Transparency International’s National Integrity System, which assesses the capacity, governance and role of institutions involved in preventing and combating corruption.
- An initiative to ensure transparency and accountability in the management of European funds spent through public procurement. Transparency

International – Bulgaria participates in an international project supported by the European commission, within which the organisation provides its expertise on the application of integrity pacts in the public procurement of organisations from 10 other European countries, while also monitoring the construction of important infrastructure elements of the domestic highway ‘Struma’.

- Developed expert opinions and positions on current issues related to the management, prevention and countering of corruption: positions in connection to the planned sale of CEZ, whistleblower protection, and changes in electoral legislation.
- Held conferences, training seminars, roundtables and public discussions, both at home and abroad, dedicated to anti-corruption legislation and practices of the newly established anti-corruption commission, transparency and integrity of the election process, mechanisms for civil control over the management of public resources spent through public procurement, and standards for transparency in the work of the courts.
- Created publications, information and training materials which present the analysis and research of the association in connection to its implemented projects and initiatives.

## **FIELDS OF ACTIVITY**

**COUNTERING POLITICAL CORRUPTION. MONITORING COMPLIANCE WITH DEMOCRATICS STANDARDS DURING THE ELECTION PROCESSES. MONITORING THE FINANCING OF POLITICAL PARTIES.**

The troubling impact of corruption on political life, as well as on the overall governance model of the country, is one of the main topics of focus for the association since its inception to present day.

Although no elections were held in 2018, issues related to the electoral process were the focus of Transparency International - Bulgaria. In the period of October - December 2018, the organisation participated in discussions on changes to electoral legislation. Experts of the organisation engaged in activities in four areas:

- expert evaluation of the proposals for changes to the Electoral Code, submitted for consideration to the National Assembly in 2018;
- monitoring discussions on the submitted bills held by the Parliamentary Committee on Legal Affairs;
- development of expert opinions on the considered proposals for changes to the Electoral Code and participation in the work of the parliamentary committee;
- advocacy work aimed at arguing the position of the organisation on the effect of the proposed changes, expressed through participation in the work of the parliamentary committee and in various discussions on media platforms.

As a result of the organisation's commitment, some of the proposals for changes in the legislation that had the potential to increase violations in the electoral process and the risk of political corruption were hampered.

## **II. REFORM IN PUBLIC ADMINISTRATION. MONITORING THE ACTIVITY OF PUBLIC INSTITUTIONS.**

### **Project 'Development and advocacy for the introduction of standards for the publicity and transparency in the work of courts – a guarantor of public trust and civil control of the justice system'**

This project is an 18-month initiative of the association and has been implemented since the beginning of September 2017 thanks to the financial support of the European Union through the European Social Fund and the 'Good Governance' Operational Program. It was implemented in response to a number of issues identified in recent years in the European Commission's reports on Bulgaria under the Cooperation and Verification Mechanism, as well as in the research of the international anti-corruption organisation Transparency International. Examples include unsatisfactory levels of public awareness in the workings of the judiciary, low level of citizen confidence in the justice system, public perceptions of corruption and inefficient and unsystematic practices for providing information from courts, all of which make life and work difficult for citizens, businesses, the media and public organisations.

The project is focused on formulating a proposal for uniform standards for making information from courts publicly available for citizens through their websites in order to encourage effective civil control and increase public confidence. The initiative was implemented through several ways:

- Carrying out studies of the leading standards for transparency and publicity of the courts in the Member States of the European Union and international organisations. This was done to allow the development of similar standards for publicity and transparency in the work of the courts in Bulgaria. The Transparency International team conducted a study of the documents of a number of international bodies, such as the Council of Europe, the Advisory Council of European Judges, European Network of Judicial Councils and the European Union. The team also studied good practices in relation to the structure, vision, functionalities and content of the published information on the websites of the courts in the Czech Republic, Germany and Austria. Based on the conducted comparative studies and assessment of the current national legal framework in Bulgaria, a 'Standard for publicity and transparency in the work of the courts in the Republic of Bulgaria' was developed. The created analytical product set a framework of standards for informational content on the work of the courts as well as the ergonomic features of their sites, which would be used as a starting point in the process of their modernisation.

- Assessing the transparency of the courts in Bulgaria through the lens of the information published on their internet pages and creating the first of its kind map of the transparency of the courts through evaluation of their compliance with the standard for publicity and transparency. To achieve this, the organisation examined the official websites of all 176 district, county, administrative, appellate courts, SCC and SAC. The resulting document is a tool for assessing good practice and issues in ensuring publicity and transparency. The map integrates quantitative and qualitative information from a survey of the sites of the courts, formulating relevant recommendations for increasing transparency in their work.

The project is set to end in March 2019, and the final activities for its implementation include: a) a round table consultation on the standard and the map with the purpose of mobilising expert and public support for their implementation; b) training of representatives of civil society organizations from regional centres in the country to build skills for civil monitoring on control over publicity and transparency in the work of the courts.

**Project ‘Fundamentals of Democracy: Counteracting Corruption and Trust in Political Institutions. Anti-corruption - 2018: public expectations and achieved results’**

This is an initiative of Transparency International – Bulgaria carried out since the beginning of June 2019 in partnership with ‘Friedrich Ebert,’ bureau of Bulgaria.

The main goal of the initiative is to encourage the active participation of citizens in solving one of the key problems facing the functioning of institutions and the democratic processes in the country - the unsatisfactory state of the fight against corruption. This is guided by the understanding that, to overcome this problem, it is necessary to integrate (1) public expectations to tackle corruption as one of the leading problems hindering the development of the country, and (2) expertise on the problem, which would act as a starting point for formulating policies in this area and for more active participation of citizens in the political life of Bulgaria.

The project included activities in three key areas:

- development of an analytical assessment of the public expectations for the new anti-corruption legislation and the anti-corruption agency, which started operating in 2018;
- monitoring the effect of the new legislation and the activity of the anti-corruption agency;
- formulating future guidelines and recommendations for a more effective fight against corruption.

In the spring of 2018, a nationally representative public opinion poll was conducted on the topic ‘Public expectations for combating corruption in 2018,’ with the support of the sociological agency Alpha Research,. The main focuses of the research and analysis of the obtained results were: 1) the kinds of corruption which represent the biggest problem for citizens, 2) the readiness of the citizens to contribute in the fight against corruption; 3) public expectations regarding the guidelines in the fight against corruption, which should be a priority in the work of the newly established anti-corruption agency. The results of the study were presented at a discussion held

on July 13, 2018, and served as a starting point for monitoring the effect of the new anti-corruption legislation and for the development of the final analytical product.

In the second half of 2018, the efforts of the team of experts at the association were focused on the monitoring and evaluation of adapted anti-corruption legislation and the future anti-corruption agency. An analysis of the Anti-Corruption and Confiscation of Illegally Acquired Property Act was made, which address the positives and negatives of the newly adopted pact. It was also used as a starting point for the subsequent monitoring of the Commission's anti corruption and confiscation process, as well other first steps in its work. In terms of media monitoring, a number of interviews and analysis of documents were carried out and further evaluation of the anti-corruption commission was conducted.

As a result of the initiative, the team of Transparency International - Bulgaria developed an analytical policy paper titled 'Anti-Corruption - 2018: Public Expectations and Results Achieved', which was published with the assistance of the Friedrich Ebert Foundation. The publication combines the analysis of the results of public opinion polls with the expert analytical approach of Transparency International's National Integrity System, which assesses the capacity, governance and role of institutions, linked to the prevention and tackling of corruption. In early 2019, it will be presented at a discussion with institutions participating in the fight against corruption, as well as with representatives of political parties, academia, media and NGOs.

### **III. TRANSPARENCY AND EFFECTIVE MANAGEMENT OF PUBLIC FUNDS - COUNTERACTION OF CORRUPTION IN PUBLIC PROCUREMENT**

The initiative is part of a four-year international project 'Integrity Pacts - a preventive civil mechanism for the protection of EU funds', which has been implemented since the beginning of January 2016 with the financial support of the European Commission. It is part of a joint initiative involving 11 countries (Bulgaria, Greece, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Hungary, Czech Republic) and is coordinated by the Transparency International Secretariat.

The main goal of the initiative is to study the Integrity Pacts model as a tool to increase transparency and accountability in public procurement and to promote implementation in the European Union to prevent fraud and corruption in the spending of European funds. The specific objectives of the project are:

- To mobilise the expertise of organisations implementing integrity pacts and to facilitate the exchange of experience and expertise between EU Member States in relation to the governance of European funds;
- To contribute to transparency and accountability in 17 selected areas of public procurement in 11 EU Member States, co-financed by European funds;
- To provide transparency and access to information on issues related to the process of arranging and implementing public procurement;
- To evaluate the implementation of integrity pacts by deriving good practices and formulating recommendations for wider distribution of this as well.

In 2018, the efforts of the Transparency International team were focused on several areas:

- Providing expertise on the model of the Integrity Pact in public procurement and exchanging experience in its practical application - in this regard, a series of work meetings were held, during which expert teams of the organisations implementing the project exchanged their expertise and practical experience on the nature of integrity pacts, practical aspects of their application, critical analysis and evaluations of achievements and difficulties in implementation.

In relation to this, a meeting involving the teams implementing the project in the 11 European countries was held on May 28-29 2018. During this meeting, Transparency International's team shared their experience on the ongoing monitoring. A meeting of all stakeholders was also held in Brussels on 28 November 2018 - observers, representatives of contracting authorities, of business, as well as representatives of the European Commission. The meeting was dedicated to presenting ongoing progress in their joint effort of implementing the Integrity Pacts.

- Monitoring public procurement of significant public interest - Transparency International - Bulgaria took over monitoring the implementation of public procurement orders in which a significant level of public interest is held and a large amount of European funds will be spent. The construction of the 'Zhelenitsa' tunnel on the Struma highway was chosen as an object for monitoring.

In 2018, the team of experts continued to observe the construction of the 'Zhelenitsa' tunnel through assessment of the tender documentation related to the third procedure for selecting the contractor. With the aim of ensuring transparency, the association has been maintaining a site on the initiative <http://integrity.transparency.bg/>, where it publishes information regarding the project. On the website are published all the documents, results and observations since the start of the project to the present day.

#### **IV RAISING PUBLIC AWARENESS - CARRYING OUT ADVOCACY CAMPAIGNS**

The development of expert opinions and positions on questions related to the prevention and tackling of corruption.

Position to the National Assembly regarding the non-transparent transaction for sale of the electricity distribution company 'CEZ Bulgaria' EAD

In February 2018, Transparency International - Bulgaria joined a spontaneous public campaign against the non-transparent way the assets of CEZ Bulgaria EAD - the largest electricity distribution company in the country - were sold.

The organization sent an open letter to the National Assembly and parliamentary groups regarding the lack of transparency on the planned sale, urging MPs to request a report from the institutions that have powers in the field of national security, banking regulation, consumer protection and regulation over specific markets, and to exercise their powers of control over the activities of regulatory units. The position called for clarification over the origin of the funds with which the

transaction is carried out, the risks of the strategic enterprise falling into the hands of offshore companies, as well as the origin of the financial resources with which the company will operate to fulfil its obligations.

As a result of public pressure, including the stance of Transparency International - Bulgaria, the National Assembly set up a special inquiry commission to investigate the case, and the Commission for Protection of Competition initiated an investigation on violations of anti-monopoly legislation. Ultimately, the actions taken by the institutions prevented the finalisation of the prepared non-transparent deal for the sale of the assets of the largest electricity distribution company in the country.

### **Positions related to changes in electoral legislation**

In connection to the upcoming proposals for changes in the electoral code, which were discussed in early 2018 in the National Assembly, Transparency International developed a series of expert opinions and positions in which it expressed a critical assessment of the approach to changes in electoral legislation. The organisation also mobilised public opinion which led to the annulment of part of the disputed changes.

The organization's experts criticized the approach to changes in the election legislation, which is not based on a clear concept and motives, contradicts international standards and virtually abolishes the introduction of machine voting, remote voting and preferential voting.

As a result of the advocacy of the association and other experts and organisations, part of the proposed changes were withdrawn and the National Assembly did not adopt the amendments which had potential to increase public distrust in the electoral process.

### **Positions of Transparency International**

Transparency International Bulgaria was an active participant in promoting a number of initiatives and positions of the larger international organisation. In relation to this, the following should be highlighted: position on the International Monetary Fund's new anti-corruption framework; position in protection of investigative journalism; positions in support of regulating lobbying activity and protection of whistleblowers.

### **Project 'Legal advice centre for victims of corruption'**

The Centre for Legal Consultation of Victims of Corruption was established in 2006 at the initiative of Transparency International (Bulgaria).<sup>2</sup> Since then, under the direction of the TI- Secretariat and national representative offices, over 15 centres have been created in countries across Europe, Asia and Africa.

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<sup>2</sup> Advocacy and Legal Advice Centre (ALAC)

The activities of the centre include the provision of practical legal assistance and expert advice for citizens who have suffered or become witnesses to corruption and wish to inform state authorities. For this purpose, they have been provided with access to the contact number 0800 11 224 (no costs apply), through which reports can be submitted for cases of corruption. Reports can also be submitted electronically by email (alac@transparency.bg) or through the continuously maintained website (<http://alac.transparency.bg/bg/signals-corruption.html>)

The centre aims to provide an opportunity for citizens to take an active part in the fight against corruption through providing free legal aid in support of their efforts to report crimes of corruption committed by public institutions or their fellow employees.

Based on the results of the centre's work in 2018, the organisation's team of experts has formulated a series of recommended changes in the electoral legislation in relation to the preparation and conduct of elections, as well as the implementation of a more effective policy for sanctioning confirmed cases of crimes against the political rights of citizens. The recommendations were presented in the framework of discussions by the Commission on Legal Affairs in the National Assembly, as well as on various media platforms and public debates in which representatives of the organisation participated in.

### **National Anti-Corruption Resource Centre Project**

Transparency International - Bulgaria continues to support the Anti-Corruption Centre, which was established with the financial support of the European Commission. The library of the centre contains a significant volume of books, periodicals and analytical resources reviewing the nature of the problem of corruption both nationally and globally. Along with the publications by experts, international institutions and other non-governmental organisations, the centre shall make available all publications of Transparency International in both English and Bulgarian, which is the outcome of over 20 years of work.

The built capacity of the centre allows the team to continue carrying out activities in the following three main areas:

- Processing and filling in the information archive which is also being completed by several other different sources for information. The archive is updated by the daily press review of the national press and electronic publications providing information on corruption cases and analysis dedicated to the topic. In addition, the archive is filled with publications, analysis and research published on the internet. Therefore, the archive is also being supplemented by conference materials provided by state institutions as well as by Bulgarian and international non-governmental organisations;
- The team at the association continues providing information on its library, processing submissions on a daily basis and accepting electronic requests for information from the library;

- The activity of the Anti-Corruption Resource Centre is supported by interns - students of political science, European studies and public administration at the Sofia University, NBU and foreign universities as well. Transparency International has an established practice of providing students with the opportunity to conduct an internship. Alongside informing them on how the organisation operates, the team strives to promote TI's fight against tolerating corruption. The trainees provide assistance both in the current work of the team and in the activities of the centre;

### **Monitoring government anti-corruption commitments made at the Anti-Corruption Summit in London.**

In 2018, Transparency International - Bulgaria continued to monitor the implementation of the commitments made by the government of Bulgaria during the Anti-Corruption Summit in London, which took place in 2016. The monitoring, carried out under the initiative of Transparency International UK, includes an assessment of the implementation process of commitments made by the governments of the states which participated in the forum. Bulgaria's official commitments are in connection to improving the national regulatory framework in the field of anti-corruption as well as its effective implementation, active participation in the process of international cooperation, and the exchange of expertise and good practices.

In relation to this, Transparency International - Bulgaria has been monitoring Bulgaria's progress, addressing a number of institutions with questions about specific actions taken or planned, as well as discussing interim monitoring results in a number of meetings with representatives of the administration.

Based on assessment, the organisation has formulated recommendations regarding three key areas:

- The protection of persons reporting corruption. Further development of the legislative framework as well as tools for its application, have been recommended;
- Overcoming weaknesses related to the confiscation and management of illegally acquired property;
- Ensuring publicity and transparency regarding the work of the institutions by providing data in an accessible and understandable manner to the general public.

### **Monitoring of national electronic and print media**

Our team carries out regular media monitoring of national print and electronic publications. Information about corruption cases, abuse of power and public resources, as well as analysis and comments on the various dimensions of the problem of corruption in various public spheres, is subject to necessary reorganisation. This allows information to be used within various project activities and to help identify problem areas in the fight against corruption.

## **Permanent Activities**

As national representatives of the global anti-corruption organisation Transparency International, our team annually releases the results of comparative international research and analysis, some of which has been established as key sources for information and assessments on the level of corruption, economic and political development of the studied countries. Most notable among them are:

- The Corruption Perception Index, measuring the level of political and administrative corruption according to the assessments of business representatives, economic and political risk analysts from around the world and surveyed experts from relevant countries. The study allows for comparative assessments on both a regional and sub-regional scale, which can provide businesses with a general indication of which countries carry a greater risk of corruption and, as a result, where the environment for the conduct of business is most suitable.
- Global Corruption Barometer, presenting an assessment of the level of corruption prevalent in the individual sectors and institutions within the studied countries. The study makes it possible to compare the degree to which corruption has spread in key sectors of social, economic and political life. Along with the ability to implement sector analysis, the barometer serves as a basis for the development of anti-corruption policies by highlighting priority areas. Alongside this, it serves as an indicator for businesses on the institutions and sectors of social, economic and political life, which face greater issues and, as a result, represent a more serious risk of corruption.
- Global Corruption Report, presenting an in-depth study of corruption in key sectors of public life.

### **Public events and forums organised by Transparency International - Bulgaria**

Within the framework of implemented initiatives and projects held in 2018, Transparency International - Bulgaria made a number of public appearances. The main goal of the team is to increase media interest and coverage of all of its initiatives. The association actively works with a wide range of people from both national and regional print and electronic media networks. As a result of the establishment of lasting contacts with them, the events organised by the association were widely covered in the media. Amongst the forums organised in 2018 were:

- Discussion 'Public attitudes regarding the fight against corruption in 2018', held on July 13 2018 in Sofia.
- Discussion - the press conference for the announcement of the International Corruption Perceptions Index - held on January 29 2018 in Sofia.

### **New publications of Transparency International Bulgaria**

- Study of public opinion titled 'Public Attitudes Regarding the Fight Against Corruption in 2018'

- ‘Standard for Publicity and Transparency in the Work of the Courts in the Republic of Bulgaria’
- ‘Map for Publicity and Transparency in the Work of the Courts in the Republic of Bulgaria’
- ‘Anti-Corruption - 2018: Public Expectations and Results’ (policy paper)
- Report from the open procedure for awarding a public procurement contract for the ‘Design and Construction of the ‘Struma’ Motorway Lot 3.1 Tunnel ‘Zheleznitsa.’“

**Information on the activities of Transparency International Bulgaria, under Article 40 from the Law on Non-Profit Legal Entities**

- As a non-profit organisation Transparency International – Bulgaria carries out its activity in support of the development of civil society. The main priority in the work of the association is the initiation and implementation of prevention projects and programs counteracting corruption at a national, regional and local level.
- According to the association's charter, its mission is to unite the efforts of state institutions, local authorities, representatives of civil society, the private sector and the media - carrying out systemic reforms and sanctions which prevent the spread of corruption in the country.
- All implemented programs and initiatives of the association in 2018 were directly tied to the implementation of the priorities outlined above. All income received within the past year has been used in alignment with the requirements of Article 38 and the charter of the organisation, as well as in agreement with the organisation’s efforts to support public activity for the development and continuity of civil society.