

Brussels, 20 July 2010

Statement by the European Commission on the Progress reports on the cooperation and verification mechanism for Bulgaria and Romania

The Commission has today adopted the 4th annual reports on the progress under the cooperation and verification mechanism for Bulgaria and Romania.

These reports make an assessment of the progress made in the two countries since 22 July 2009.

It is now three and a half years since the cooperation and verification mechanism was created. During this time, we have seen progress ebb and flow but overall in both countries we have seen important examples of progress that would not have been possible without the support and pressure of the European Commission.

To take just one example for each country. In Bulgaria, the Commission called for the establishment of joint investigation teams to tackle EU fraud and joint investigation teams on organised crime. Both have been created and delivered a number of cases. In Romania, the Commission has given strong political backing to the national anti-corruption department which has developed a convincing and consistent track record of investigations into high level corruption.

This year's reports show that progress can again be demonstrated while the mechanism is also needed to keep the process moving forward.

The reports adopted today are objective and fair. They give credit where it is due while not shying away from highlighting the shortcomings where they exist.

The main conclusions of the reports and technical annexes can be summarised as follows:

On **Bulgaria**, the report points to a strong momentum of reform which has been established since the Commission's last annual report in July 2009. The Commission sees political will to achieve a reform of the judiciary and urges Bulgaria to continue in its reform efforts.

Bulgaria has adopted improvements in its penal procedures and can demonstrate a higher number of indictments for cases involving high-level corruption and organised crime.

These indictments need to lead to a higher level of convictions. There is a need for improvements of professional practice within the police, prosecution and courts for which external assistance will be needed. The judiciary must take the initiative more often and show a stronger sense of responsibility. And public funds must be better protected against fraud and conflicts of interest.

The Commission welcomes Bulgaria's new strategy for judicial reform, which demonstrates political determination to achieve a profound reform of the judiciary. The strategy addresses the current shortcomings which should be addressed by Bulgaria as a matter of national priority and in a joint effort by the political level, the judiciary and Bulgarian society.

Concretely, the Commission makes ten recommendations to the Bulgarian authorities. To highlight just a couple of examples:

- on judicial reform, the Commission will work together with the Bulgarian authorities to improve judicial practice in the prosecution and the Courts;
- in terms of tackling corruption, Bulgaria needs to improve the law on the prevention of conflicts of interest and ensure its strict implementation. In addition, more needs to be done to ensure that public funds are protected from irregularities in an effective manner;
- In the area of organised crime, Bulgaria needs to strengthen asset forfeiture and police reform to create a competent criminal police force.

On **Romania**, there has been important progress as witnessed by the adoption of new criminal and civil procedure codes. However, despite this progress the report points to important shortcomings in Romania's efforts to achieve progress and notes insufficient political commitment to support the reform process.

In addition, the leadership of the judiciary has on occasions appeared unwilling to cooperate and take responsibility for reform. Lack of efficiency of the judicial process and the lack of consistency of jurisprudence remain real weaknesses in Romania. In addition, accountability of the judiciary and disciplinary procedures require improvements.

The Commission calls upon Romania to correct these weaknesses urgently in order to regain momentum in the reform process. In particular, Romania should establish a close and constructive cooperation between the different political and judicial actors and strengthen the commitment of the judiciary to reform.

The amendments to the law on the National Integrity Agency voted on 30 June represent a serious step back. The law puts at risk the positive track-record which the National Integrity Agency had achieved and puts Romania in clear breach of its accession commitments. Yesterday, the Constitutional Court ruled that the revised version of the law is unconstitutional. This provides an opportunity to adopt a new law in conformity with Romania's obligations. The Commission calls upon Romania to honour its commitments by finding the most appropriate legal means to re-establish ANI's powers to propose the effective forfeiture of unjustified assets. Romania should aim to establish broad-based political support in favour of transparency and the effective protection against corruption and conflict of interest.

Romania has registered important progress in the second quarter of 2010 with the Parliamentary approval of the civil and criminal procedure codes on 22 June. The preparations for the entry into force of the four new codes, now scheduled for October 2011, are an important opportunity for a thorough reform of the Romanian judicial system. To sustain this reform process, the Commission calls upon Romania to build on the strong Parliamentary support for the procedural codes and extend this political will to other areas.

In addition to urging Romania to implement recommendations outstanding from last summer, the Commission has also outlined ten additional recommendations to assist the Romanian authorities. To again give a couple of examples:

- On judicial reform, Romania should launch an independent performance review of the judicial system and carry out the necessary structural adjustments.
- The Romanian authorities should consider a revision of the competence of the High Court of Cassation to strengthen their focus on the unification of jurisprudence.
- They should consider a thorough reform of the disciplinary system, including strengthening the capacity and organisation of the judicial inspection and allowing for a greater variety of sanctions.
- In terms of the fight against corruption, Romania needs to urgently correct the ANI law to bring Romania back in line with its accession commitments.
- As in Bulgaria, the Romanian authorities need to do more to ensure that public funds are protected from irregularities in an effective manner;

To conclude, there is still significant work to be done on different issues in both countries.

The Commission will continue to work intensively with both countries to turn the recommendations into achievements in next year's reports.

As we are now in the 4th year of the reports, I have read press reports of a perception of "mechanism fatigue". This is certainly not the case for the Commission. We continue to have exactly the same energy and determination to get the reforms that the Bulgarian and Romanian citizens' want and deserve. That is what we will continue to work towards.