

**Brussels, 20 July 2011**

**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 fifth annual reports on the progress made under the cooperation and verification mechanism for Bulgaria and Romania.

These reports make a detailed assessment of the progress made by the two countries since 20 July 2010.

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

The elements of the legal framework, even if not complete, are now largely in place in both countries. The efforts have therefore gradually shifted from the preparation and adoption of laws to their implementation.

In this context, it will be particularly important that the judiciary in Bulgaria and Romania show full commitment to the reform process.

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

Starting first with Bulgaria. Since the Commission's last report in July 2010,

- Bulgaria has strengthened the Supreme Judicial Council and improved rules for the appointment, professional training, appraisals and promotions of judges.
- Bulgaria took steps to improve protection against conflict of interest.
- Reform of police investigations was started and a decision to establish a special court for organised crime cases was taken.
- A new law on asset forfeiture was presented to Parliament but was rejected by it on 8 July. Amendments to the Act on Public Procurement have been prepared.
- Several organised crime and corruption cases have reached verdicts in court and an increased number of indictments have been reported in cases related to organised crime and fraud with EU funds
- First results of amendments to the Penal Procedure Code became available in spring 2011 and the effects of monitoring of high level cases by the

Supreme Judicial Council are visible.

However, the Commission's assessment also points to important challenges.

- Since last summer, a number of acquittals in cases involving high-level corruption, fraud and organised crime have exposed serious deficiencies in judicial practice in Bulgaria. These deficiencies have not been properly analysed or followed up by the leadership of the judiciary, the Supreme Judicial Council, the General Prosecutor and the President of the Supreme Court of Cassation.

- Although the revised Judicial System Act adopted in December strengthens the judiciary's accountability, the law has not yet been implemented as intended. The quality and transparency of several important appointments within the judiciary since the beginning of this year have been questioned, leading to unprecedented public protests and a debate on possible constitutional amendments. In addition, allegations of corruption within the judiciary are still not pursued in a systematic way as recommended by the Commission.

Overall, since the Commission's last assessment in July 2010, the Bulgarian Government has shown determination and commitment in driving the reform process.

Continuous commitment over the next period will be necessary to implement these reforms and to achieve factual improvements regarding appointments, appraisals and skills within the judiciary and to set up efficient structures to deal with organised crime cases. The adoption of the new law on asset forfeiture will be an important deliverable to improve the protection against organised crime and corruption.

There is an urgent need for considerable improvements in accountability and professional practice within the judiciary and the investigative authorities in order to achieve convincing results in the fight against corruption and organised crime. As a matter of national priority, Bulgaria should urgently pursue its judicial reform strategy and take further steps towards a fundamental reform of the judicial system.

The Commission will continue to play its full role to help the Bulgarian authorities and ultimately the Bulgarian people to achieve the reforms they seek. The Commission makes a series of detailed recommendations. Just to give a couple of examples:

- Bulgaria should improve accountability and professional practice within the judiciary and police
- Bulgaria should adopt effective legislation on non-conviction based asset

forfeiture

- Bulgaria should set up efficient structures to deal with organised crime and demonstrate a convincing track record of cases regarding high-level corruption and organised crime;

Turning to Romania, Since the Commission's last annual report,

- Romania took significant steps to improve the efficiency of judicial procedures and continued preparations for the entering into force of four new codes which are the foundation for a modern judicial process. In advance of the implementation of the new codes, the Small Reform Law has brought improvements for the celerity of the judicial process.

- Romania also responded swiftly to the Commission's recommendation by adopting a new legal framework for the National Integrity Agency. The National Integrity Agency has been operational under this new legal framework and started to re-establish its track record of investigations.

- The authorities decided to carry out reviews of the judicial system and of public procurement and to make an evaluation of anti-corruption policy.

- During the same period, the National Anticorruption Directorate (DNA) showed a continuously convincing track record in the investigation of high-level corruption cases.

Despite this progress, consistency and results in a number of areas remain a challenge.

Progress in the fight against corruption still needs to be pursued. Several important high-level cases remain delayed in court for several years and have also seen little movement during this period. Urgent action must be taken to accelerate these trials and prevent them being struck down because of reaching statute-barred periods.

The fight against corruption should remain a top priority and be coordinated with the help of a new comprehensive and robust anti-corruption strategy.

Urgent measures are needed to improve the recovery of the proceeds of crime, the pursuit of money laundering and protection against conflict of interest in the management of public funds.

Better results should be demonstrated in the confiscation of unjustified assets and in delivering dissuasive sanctions for incompatibilities.

In order to increase the pace of judicial reform during the next period, Romania should take active steps to accompany the entry into force of the Civil Code and adopt an implementation plan for the remaining three new

codes to be introduced in 2012, as well as create a framework of cooperation with the judiciary and civil society to facilitate the necessary structural adjustments to the judicial system. For this purpose, Romania's judicial reform strategy should be formally adopted following completion of the functional review and complemented with an action plan, a timetable and adequate budget. The newly constituted Superior Council of the Magistracy still needs to demonstrate its commitment to reform through concrete results.

Overall, Romania took significant steps to meet the recommendations that the Commission presented last year.

Continuous commitment over the next period will be necessary to implement the new codes, to take the necessary decisions to further restructure the judicial system, to consolidate the anti-corruption policy and to deliver better results in the confiscation of unjustified assets and in delivering dissuasive sanctions for incompatibilities.

Urgent action is needed to accelerate a number of important high-level corruption trials and to prevent their collapse because of reaching statute-barred period. The fight against corruption should remain a top priority, with support from Parliament, and urgent measures should be taken to improve the recovery of proceeds of crime, the pursuit of money laundering and the protection against conflict of interest in the management of public funds.

The Commission has put forward detailed recommendations to assist the Romania authorities to continue the progress achieved over the last 12 months. Just to give a couple of examples:

- Romania should accelerate important high-level corruption trials and prevent their prescription;
- Romania should implement the new codes and take the necessary decisions to further restructure the judicial system,
- Romania should deliver better results in the confiscation of unjustified assets and in delivering dissuasive sanctions for incompatibilities.

These are the main elements of the reports. Let me conclude with a word on the next steps. Next summer, five years after the creation of the mechanism, the Commission will make an overall assessment of progress since accession, and will make appropriate proposals in the light of this assessment. Let me already pre-empt possible questions on this. Contrary to some of the reporting we have seen, we will not prejudge the outcome of this assessment. The next steps will depend on the progress made on the ground.