SUMMARY PROJECT FICHE

1. Basic Information

1.1 Number: BG 0203.05

1.2 Title: Technical assistance to implement key measures of the Programme for the Implementation of the National Anti-Corruption Strategy

1.3 Sector: Public Administration (Anti-corruption actions)

1.4 Location: Bulgaria

2. Objectives

2.1 Overall Objective:
To strengthen public sector transparency and accountability by establishing clear and effective rules concerning citizen-civil servant interface and by opening up the decision-making process to citizen consultation and feedback at the central and local levels of government.

2.2 Project purpose:
- To improve public sector accountability by regulating the public-private interface, including the development and implementation of legislative acts to regulate conflict of interest and lobbying;
- To strengthen transparency in the decision-making process at the central and local levels of government by institutionalising effective citizen consultation and feedback mechanisms and procedures.

2.3 Accession Partnership and NPAA priority

Accession Partnership
- **In need of particularly urgent action:** Start to implement the National strategy to combat corruption in public life, especially focusing on awareness building, prevention and the prosecution of corruption acts.
- Continuation of to making progress with a public administration reform. Ensure effective implementation of the provisions of Civil Service Act and related regulations. Take steps to ensure accountability, openness and transparency of public service.

NPAA
Adoption and implementation of further steps to combat corruption is a top priority. The Bulgarian state conducts active policy of preventing and prosecuting corruption-related crimes and carrying out a broad international cooperation in that sphere.

3. Description

3.1 Background and justification:
During the last few years, Bulgarian society has focused its attention on the problems related to corruption. The public discussion from 1997 until 2000 indicated the ways for limiting and placing it under control, by increasing the law enforcement and regulatory functions of the State, guaranteeing
of transparency and publicity of administrative and governing processes, endorsement of civil control and such values as honesty and ethics in society.

The 2001 European Commission Regular Report on Bulgaria points out that, whilst there have been some improvements since last year, in particular in the legal framework, corruption continues to be a very serious problem in Bulgaria. Corruption continues to be considered as one of the main problems facing Bulgarian society. It is still related as an efficient means of addressing private problems. However there is a decrease in public acceptance of corruption and civil society has been active in raising awareness and putting corruption on the political agenda. The new government has made a commitment to combat corruption. There is a perceived tendency towards improvement of the business and investment environment, but corruption remains a serious obstacle to business development and the improvement of the investment climate.

Aiming at the efficient fight against corruption, on 1 October 2001, the Council of Ministers adopted a National Anti-Corruption Strategy. This has 4 main areas: creating an institutional and legal environment which will curb corruption, anti-corruption reform in the judiciary, curbing corruption in the economy and anti-corruption co-operation between government institutions, non-governmental organizations and the mass media.

The current project seeks to implement key elements of the National Anti-Corruption Strategy concerning strengthening public sector transparency and accountability under the rubric of creating a common institutional and legal environment for curbing corruption.

One of the key problems the National Anti-Corruption Strategy seeks to address is that, despite of some recent legislative achievements in the fight against corruption, citizens continue to perceive that corruption is rife within the public service and continue to feel disengaged from the activities of government that are ostensible carried out for their benefit. In particular, there remains a perception that policies are often developed not for the benefit of the general population, but for powerful special interests. This equally applies to the granting of privileges or services at the local level. Indeed, the entire field of regulating appropriate private public relationships is inadequate, both from a legislative and an ethical standpoint. There is therefore a critical need to develop a comprehensive, effective, and enforceable normative basis to define and regulate the interface and behaviour between private citizens and other non-government interest groups and politicians and the administration officials.

Bulgaria would benefit from a comprehensive legislative framework in this area, which would raise the credibility of government policies in the eyes of the citizens. Such an undertaking would also address the concerns of the EU Accession Report that “much remains to be done to develop the civil service and promote a new administrative culture so that it is ready to cope with EU membership,” including additional efforts “to implement the legal framework and strengthen procedures to ensure accountability.”

A related issue is the recognition in the National Anti-Corruption Strategy that achieving success in preventing poverty, fostering economic growth, honing Bulgaria’s international competitiveness, and facilitating its integration into the European Union can only be accomplished by opening up government to a new partnership with civil society. In particular, this requires providing enhanced citizen input into the decision-making process and greater public access to government information by institutionalising procedures and mechanisms to include the non-government sector in the planning and development of government legislation and regulations. Institutionalising dialogue with the citizens at all levels of government is an essential aspect to the transparency and accountability of government decision-making and the formation of sound public policies.

The project is realizing the Managing Programme of the Government of the Republic of Bulgaria and the Programme for the Implementation of the National Anti-Corruption Strategy.
3.2 Linked activities:

**Phare**

The present project comes like a natural continuation of the already existing Phare project BG0103-01 Strategic policy-making and coordination. Other linked activities are:

- BG9805-01-03, BG99/IB/FI/06 - Strengthening Insurance Supervisory Directorate of the Bulgarian Ministry of Finance;
- BG9812-03, BG98/IB/FI/05 - Fight against corruption within Bulgarian Customs Administration;
- BG9909-02-02 - Support for Tax Administration;
- BG0006-03, BG/2000/IB/FI/06 - Reform and Modernisation of Bulgarian Tax Administration;
- BG0003-03 - Support in the implementation of the reform in public procurement system;
- BG 0005-01 - Strengthening the Public Prosecutors Office;
- BG0006-01, BG/2000/IB/FI/04 - Strengthening Public Internal Financial Control;
- BG0006-02 - Strengthening the independent public external audit institution;
- BG0103-01 - Strategic policy-making and coordination;
- BG0103-02 - Implementing civil service reform;
- BG0103-03 - Recruitment and training strategy for the judiciary.

Within the Phare 2002 Programme there are four other projects in the field of combating against corruption. The Ministry of Justice submitted the first one - “Improvement of administrative justice in view of the fight against corruption”. It aims to improve the legal and organizational framework of the administrative justice in order of efficiently to prevent corruption. Public Prosecutor’s Office submitted a project “Strengthening the interagency cooperation in combating organized crime and protection of the financial interests of the European Union in Bulgaria in regards to the management and control of pre-accession funds. The others – “Development of an integrated system for countering corruption in the Ministry of Interior” and “Creation of an unified system for human resources evaluation, qualification and development” were submitted by the Ministry of Interior (MoI). Both of the projects aim to enhance the administrative capacity of the MoI, to prevent and counter internal corruption by adopting the relevant EU acquis and the best practices.

**Others**

**USAID**

*Anti-corruption project for Bulgaria*

RFP No. 183-01-51

This requirement for an anti-corruption activity in the Republic of Bulgaria is to enhance transparency and accountability of government and promote stability, economic prosperity, rule of law and the consolidation of democratic processes. The requirement is to improve accountability mechanisms and the investigative capacity of government institutions, and to support NGOs and citizen action groups in their ability to participate in and oversee government activities, in order to reduce the pre-conditions for corruption.

**UNDP**

*Evaluation Mission on Anti-Corruption Initiatives in Bulgaria*

Time frame: 5 – 15 November 2001

Expert: Daniel Bilak
The main objective of the mission was to review and assess the anti-corruption efforts in Bulgaria with a view of formulating concrete recommendations for enhanced further support in this field. The mission has identified as main priority areas, which are fundamental to combating corruption: the development of a government-citizen dialogue at the central and local level, the reform of the system of justice and the decentralization of power over the delivery of services to local authorities.

The Final Report of the mission was submitted in January 2002. A subsequent formulation mission was conducted between 5 - 20 February 2002.

**Comprehensive Review of the Administrative Justice in Bulgaria**

Based on the recommendations of the anti-corruption evaluation mission, UNDP will support the implementation of a comprehensive review of the administrative justice system. The main of the review will be to provide recommendations for the establishment of a modern system of administrative justice based on the norms and principles of the Council of Europe and the best practices of the EU Member States in this area. The review will include:

- In-depth analysis of the Bulgarian administrative legislation with a view of its rationalization and unification into a comprehensive Administrative Code;
- Comprehensive assessment of the Bulgarian system of administrative justice and comparative analysis of the EU Member States best practices;
- Development of recommendations for the establishment of a modern system of administrative justice. Development of a model, action plan and strategy for its implementation.

The review is planned for the second trimester of 2002.

**DFID - UK**

**Improvement the administrative services through “one stop-shop”**

Support for establishment of an “one stop-shop” system, which will ensure citizens to be provided with accountable and high quality administrative services.

### 3.3 Results:

**Sub-Project 1:** Strengthen transparency and accountability in government decision-making and the public administration by regulating the interface between the public and private sectors:

- Establishment of a coherent legislative system to regulate conflicts of interest and lobbying by special interests;
- Reduced incidences of corruption and administration malfeasance;
- Enhanced trust by citizens in public institutions and the civil service.

**Sub-Project 2:** Institutionalising effective citizen consultation and feedback mechanisms and procedures in decision-making:

- Creation of a permanent public-private dialogue concerning government policies, delivery of local services, and measures to reduce corruption;
- Improved access of the citizen to information;
- Enhanced transparency in the decision-making process at the central and local levels of government;
- Citizen input entrenched in legislative acts, creating mechanisms and procedures regulating the central and local decision-making processes;
- Improved quality of legislative acts at all levels of government, based on broadened citizen input;
- Creation of strategic and technical capacity among government agencies at the central and local level to use IT effectively;
- Improved delivery of services and an attendant decline in public sector malfeasance.
3.4 **Activities:**

**Sub-Project 1:** Strengthen transparency and accountability in government decision-making and the civil service by regulating the interface between the public and private sectors

Means: Technical Assistance

- Analysis of European and other best practices in the area of lobbying and conflict of interest rules;
- Development and implementation of legislative acts to regulate lobbying and conflict of interest among ministers and other officials;
- Preparation and implementation of legislative acts to establish uniform rules concerning the conduct for municipal officials;
- Training of officials in application of the legislation to their activities including these, related to the prevention and countering the corruption.

**Sub-Project 2:** Institutionalizing effective citizen consultation and feedback mechanisms and procedures in government decision-making

Means: Technical Assistance

- Analysis of European and other best practices in the area of citizen consultation and feedback in the policy-making process;
- Preparation and implementation of comprehensive administrative procedures (including manuals, guidelines, etc.) to incorporate citizen input into the policy-making process, including:
  - Citizen comment on draft laws during review stages;
  - Wide public hearings on key aspects of implementation of the government’s programme;
  - Commissioning, use and application of independent research analysis;
  - Use and application of service delivery surveys;
  - Public consultations on the formation of the state budget;
- Analysis of best practices and development of an effective government communications strategy to facilitate on-going public-private policy and service delivery dialogue, including corruption issues;
- Development of mechanisms within the administration to hear complaints and appeals of citizens concerning administrative acts;
- Creation of public communication and information policies (web-sites, e-linkages, etc.) for central and local governments to make information more accessible to the public;
- Development and pilot testing of model procedures for the development of local budgets and the conduct of open budget hearings;
- Training of officials in the application of new procedures, mechanisms, and practices.

3.5 **Lessons learned:**

Need for better donor co-ordination, exercised mainly by the beneficiary institution – Council of Ministers, Ministry of Economy, Ministry of Interior, Ministry of Finance, National Audit Office.

4. **Institutional Framework**

The project will concern the activities of Council of Ministries, as well as the ministries, the agencies, and the structures of the regional administrations, NGOs and media.
5. Detailed Budget

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National Co-financing*</th>
<th>IF I*</th>
<th>TOTAL</th>
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<tr>
<td>Total</td>
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<td>1 000 000</td>
<td>1 000 000</td>
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*In cases of co-financing only

6. Implementation Arrangements

6.1 Implementing Agency
The beneficiary of the project is the Council of Ministers, 1 Dondukov Blvd., Sofia 1000, Bulgaria. Person, responsible for the project is Ms. Nikolina Tsankova, state expert, European Integration and Relations with IFI Directorate, CoM, tel.: (00359 2) 940 2780, fax: (00359 2) 980 7707, e-mail: N.Tsankova@government.bg.
The project will be under the substantive coordination of the Council of Ministers. The Central Financing and Contracting Unit (CFCU) is the implementing agency and will be responsible for tendering, contracting, payments and financial reporting and will work in close co-operation with the beneficiary. UNDP will provide substantive and management support to the Council of Ministers to perform its coordination function. The CFCU will also be assisted in its implementing agency functions by UNDP. The responsibilities of all parties will be specified in a Memorandum of Understanding, which will be signed by all parties and to which will be annexed an Operations Manual. The overall coordination of the project will be performed by a Steering Committee (SC) which will be the inter-institutional decision making body for the project.
The Institute for Public Administration and European Integration will be an integrated part in the process of implementation of the project, especially for the training of the officials.

Twinning – n.a.

6.3 Non-standard aspects - n.a.

6.4 Contracts
One Contract is foreseen of a total value of 1.0 MEuro.

7. Implementation Schedule

7.1 Start of project activity 1Q 2003
7.2 Project Completion 1Q 2005

8. Equal Opportunity
The dimension of equal opportunity and gender equality will be integrated into all levels of the project. This will establish a suitable foundation for mainstream gender equality in the future. It will be included in the Terms of Reference of the project as a joint responsibility of the Contractor, and the beneficiary institutions.

9. Environment
n.a.
10. Rates of return
n.a.

11. Investment criteria
n.a.

12. Conditionality and sequencing

The project provides support to the National Anti-Corruption Strategy. The implementation of the project will help to accomplish the goals set in the Accession Partnership and the NPAA, and thus all the recommendations contained in the Regular Report of the European Commission will be fulfilled. Before the implementation of the project starts, the task and obligations of all participating institutions will be defined. They will be clearly formulated immediately after the approval of the project and before its start.

The work on the project will be done in the conditions of maximum co-operation on part of the Bulgarian institutions.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format.
2. Detailed implementation chart.
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period).
4. List of relevant legislation.
ANNEX 1

LOGFRAME MATRIX FOR
Project: Technical assistance to implement key measures of the Programme for the Implementation of the National anti-Corruption Strategy

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires: 3 Q 2004</th>
<th>Disbursement period expires: 3 Q 2005</th>
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<tbody>
<tr>
<td>2002 Bulgarian National Programme</td>
<td>€ 1 million</td>
<td>€ 1 million</td>
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</table>

**Overall objective**
To strengthen public sector transparency and accountability by establishing clear and effective rules concerning citizen-civil servant interface and by opening up the decision-making process to citizen consultation and feedback at the central and local levels of government.

**Objectively Verifiable Indicators**
- Availability of coherent legislative system, which will regulate conflicts of interest and lobbying by special interests;
- Availability of co-ordination system among Government, NGOs and Media, which will ensure transparency and opening-up the decision-making process and feedback.

**Sources of Verification**
- State Gazette;
- Final report of the Project;
- Central and Local Government structures.

**Project purpose**
- To improve public sector accountability by regulating the public-private interface, including the development and implementation of legislative acts to regulate conflict of interest and lobbying;
- To strengthen transparency in the decision-making process at the central and local levels of government by institutionalising effective citizen consultation and feedback mechanisms and procedures.

**Objectively Verifiable Indicators**
- Availability of coherent legislative system, which will regulate conflicts of interest and lobbying;
- Availability of a co-ordination system between the central and local levels of government, which will facilitate the decision-making process and feedback mechanisms;
- Availability of the Communication strategy, which will facilitate on-going public-private policy and service delivery dialogue, including corruption issues.

**Sources of Verification**
- State Gazette;
- Final report of the Project;
- Central and Local Government structures.

**Assumptions**
- Availability of acquis in the field of conflicts of interest and lobbying;
- Existence of working non-government organisations and a good relationship among government structures, NGOs and Media.
<table>
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<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
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<tr>
<td>Establishment of a coherent legislative system to regulate conflicts</td>
<td>Submission of Paper with analysis of European and other best practices in the area of lobbying and conflict of interest rules; Till the expire date of the contract a legislative system to exist which will regulate conflicts of interest and lobbying by special interests;</td>
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<td>of interest and lobbying by special interests; Reduced incidences of</td>
<td>• If there are some prove cases of corruption, they to be presented by the Media; • Existence of a co-ordination system for discussion on the decision-making between central and local levels of government; • Availability of a guide with rules for the citizen input in the process of creation of new legislative acts and addendums to the existing legislative acts; Availability of a guide, creating mechanisms and procedures regulating the central and local decision-making processes; • 20 persons from the central and 40 persons from the local level of government trained to use IT effectively.</td>
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<td>corruption; Enhanced trust by citizens in public institutions and the</td>
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<td>civil service; Creation of a permanent public-private dialogue</td>
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<td>concerning government policies, delivery of local services, and</td>
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<td>measures to reduce corruption; Improved access of the citizen to</td>
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<td>information; Enhanced transparency in the decision-making process at</td>
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<td>the central and local levels of government; Citizen input entrenched</td>
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<td>in legislative acts, creating mechanisms and procedures regulating</td>
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<td>the central and local decision-making processes; Improved quality of</td>
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<td>legislative acts at all levels of government, based on broadened</td>
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<td>citizen input; Creation of strategic and technical capacity</td>
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<td>among government agencies at a central and local level to use IT</td>
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<td>effectively; Improved delivery of services and an attendant decline</td>
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<td>in public sector malfeasance.</td>
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<tr>
<th>Sources of Verification</th>
<th>Assumptions</th>
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<tr>
<td>• Technical assistance reports; • Monitoring by Delegation; • Media news.</td>
<td>• Ability of the Judiciary system to prove cases of corruption acts; Interest of the society to participate of the dialogue concerning government policies, delivery of local services, and measures to reduce corruption; • Will of citizens to participate at the process of improvement quality of legislative acts; • Availability of enough IT equipment for training; • Availability of norms for sanctions.</td>
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<tr>
<td>Activities</td>
<td>Means</td>
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<td>Analysis of European and other best practices in the area of lobbying and conflict of interest rules; Preparation and implementation of legislative acts to establish uniform rules concerning the conduct for municipal officials; Development and implementation of legislative acts to regulate lobbying and conflict of interest among ministers and other officials; Education of officials in application of the legislation to their activities. Analysis of European and other best practices in the area of citizen consultations and feedback in the policy-making process; Preparation and implementation of comprehensive administrative procedures (including manuals, guidelines, etc.) to incorporate citizen input into the policy-making process, including: Citizen comment on draft laws during review stages; Wide public hearings on key aspects of implementation of the government’s programme; Commissioning, use and application of independent research analysis; Use and application of service delivery surveys; Public consultations on the formation of the state budget; Analysis of best practices and development of an effective government communication strategy to facilitate on-going public-private policy and service delivery dialogue, including corruption issues; Development of a mechanisms within the administration to hear complaints and appeals of citizens concerning administrative acts; Creation of public communication and information policies (web-sites, e-linkages, etc.) for central and local governments to make information more accessible to the public; Development and pilot testing of model procedures for the development of local budgets and the conduct of open budget hearings; Training of officials in the application of new procedures, mechanisms, and practices.</td>
<td>• Technical assistance contract</td>
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<th>Preconditions</th>
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<tr>
<td>• Adoption of the Programme for the implementation of the National anti-corruption strategy</td>
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ANNEX 2 – DETAILED IMPLEMENTATION CHART

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<tr>
<td>Sub-Projects 1&amp; 2</td>
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<td>Signing MA</td>
<td>I</td>
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<td>I</td>
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<td>I</td>
<td>I</td>
<td>F</td>
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Key: TA – Technical Assistance
MA – Memorandum of Understanding
I - Implementation
F – Finalization of the work

ANNEX 3 – CONTRACTING AND DISBURCEMENT SCHEDULE

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* Advance payment
ANNEX 4

LIST OF RELEVANT LEGISLATION

1. Law on Personal Data Protection.
2. Law on Access to Public Information.
3. Law on Administrative Services to Natural and Legal entities.
4. Draft Law on Classified Information