



European Research Centre for
Anti-Corruption and State-Building

Working Paper No. 3

ERCAS Working Papers

A Diagnosis of Corruption in Bulgaria

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September 2010
www.againstcorruption.eu

Measuring corruption in Bulgaria: trends and perceptions 1999-2009

Corruption is a complex phenomenon which refers to different practices from the political, social and economic spectrums. Therefore, is hard to be described in just couple of sentences and it is even harder to be measured. Yet, international institutions and non-governmental organizations have developed different indexes and tools to actually measure corruption. The current report presents some of the best known instruments in a case study examination of the level of corruption in Bulgaria for the last ten years. In addition, it presents some of the strong scientific qualities of the Corruption Monitoring System (CMS) ¹ developed by the Center for the Study of Democracy Bulgaria and Vitosha Research (VR)² in order to deepen the understanding of the problem domestically. Based on the provided overview of the corruption environment the report elaborates on some of the best examples of civil society anti-corruption initiatives in Bulgaria in order to highlight those organizations, which activities actually improved the general situation in the country.

According to the data provided by VR during the last decade corruption emerged as the single most serious problem that Bulgaria is facing. Public opinion surveys show that in 2009 nearly two-thirds of the Bulgarian citizens (64.7%) share this opinion. In the same time, the percentage of those holding this view has doubled over the past four years – in 2004 only 31% of the population considered corruption as the most important problem for the society. Today, corruption is considered to be a pervasive phenomenon at all government levels and in almost all aspects of the public life. The most important fields are: political parties, parliament, police, public administration (central, regional, local) and especially the judiciary. Yet, other fields which deserve attention are the military, public services and utilities, education, and since a couple of years the non-government sector.

The Transparency International's Corruption Perception Index (CPI)³ together with the Global Corruption Barometer (GCB), are two indexes that give a relatively good picture over the level of corruption in the country. These indexes have proved their credibility during the last ten years, as the measured public perceptions relatively closely match the actual achievements or failures of anti-corruption policies in the various sectors of the society. The CPI for the period between 1998 and 2008 positions Bulgaria as a country with a moderate level of corruption. The index indicates a significant improvement for the period between 1999 and 2002 (from 3,3 to 4) and relatively stable scores form 2002 until 2007 (figures vary within the interval from 3,9 to 4,1). Against this

¹ For more information concerning the Center for the Study of Democracy visit <http://www.csd.bg>

² For more information concerning the sociological agency Vitosha Research visit <http://www.vitosha-research.com/>

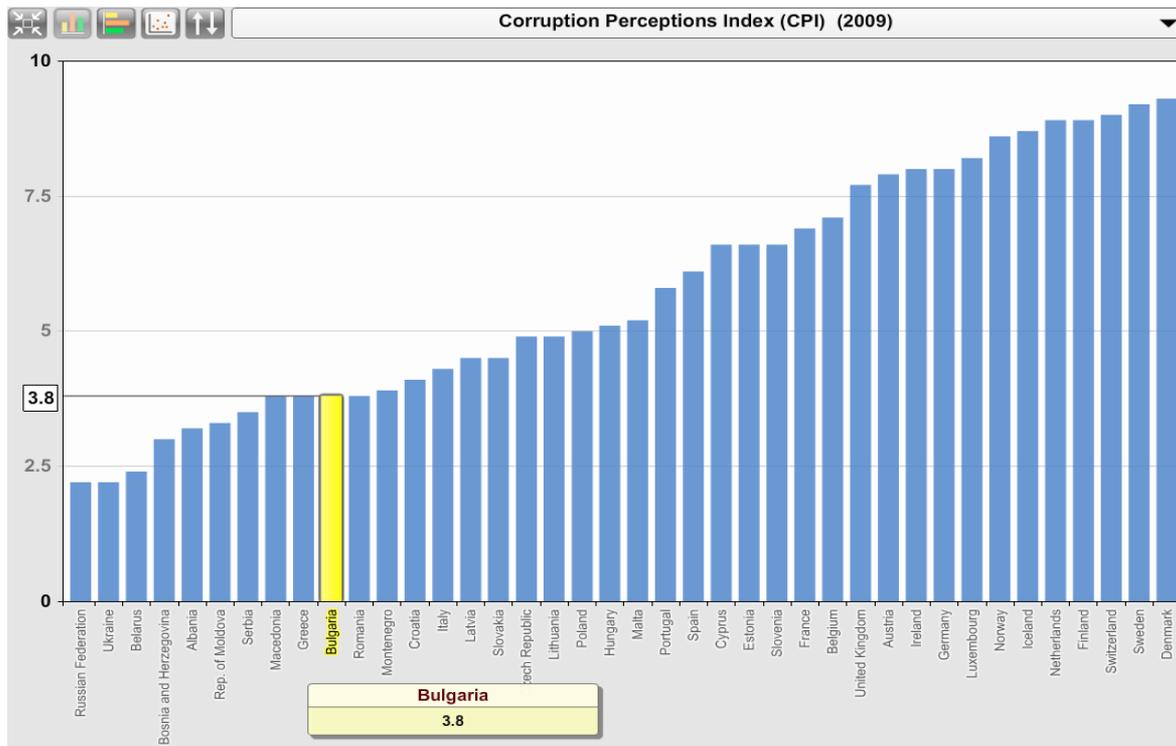
³ For more information concerning the two indexes visit <http://www.transparency.org/tools>

background, a significant drop was registered in 2008, which low score of 3,6 was almost repeated again in 2009 with a small improvement to 3,9.



Source: CSD (2009), "Crime without Punishment: Countering Corruption and Organized Crime in Bulgaria"

However, the measurement of corruption not only has a national, but also an international dimension and therefore, it is interesting to compare the relative corruption level in Bulgaria with other countries. In this respect, Bulgaria together with Romania shows the lowest values of all EU member states and this trend is stable for almost all available years up to 2009. This is equally even if we look only at the EU countries of Central and Eastern Europe. These facts explain to a large extent why corruption is perceived as the most urgent problem that Bulgaria is facing and why the country is often criticized for the lack of results in the fight against corruption.

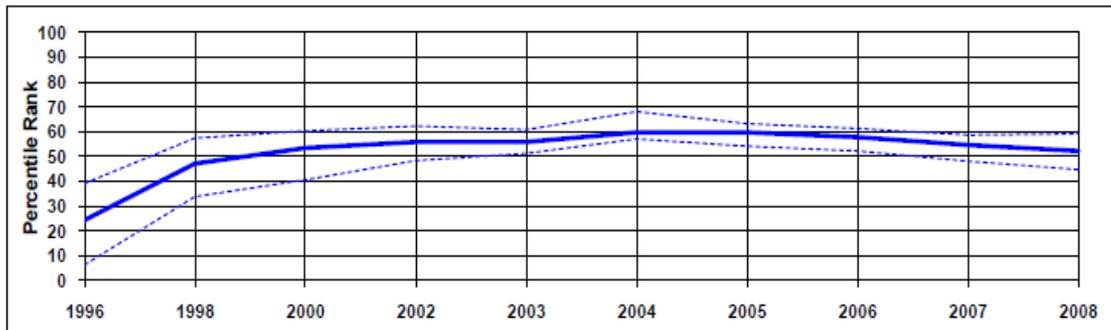


The accuracy of the findings of the CPI can be supported by looking at the World Bank's Governance Indicators⁴ (WBI) for the same period. The available country data is drawn from indexes provided by diverse survey institutes, think tanks, non-governmental organizations, and international organizations. The WBI present aggregate scores for a country, based on the world sample, and measured according to the percentile at which the country is positioned. The measurement concerns: accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption.

By looking on the last indicator, it is evident that, since the democratization processes of 1997 Bulgaria has experienced a substantial improvement in the control over corruption by moving up the scale from the twenty fifth percentile of the world sample in 1998 to the sixtieth in 2004. This is a substantial improvement, which was also supported by the CPI findings. In addition, there is no observable change in the control over corruption for the period between 2004 and 2006. However, just before the country's accession to the EU, the corruption indicator registers a tendency of constant decrease. In 2008 Bulgaria was exactly on the mean of the sample, which is the fiftieth percentile respectively. This is a substantial decrease, which goes along with the worsening perceptions of the population in the last four years, registered by the CPI.

⁴ Exhaustive information on WBI is available at <http://info.worldbank.org/governance/wgi/index.asp>

BULGARIA, 1996-2008
Aggregate Indicator: Control of Corruption

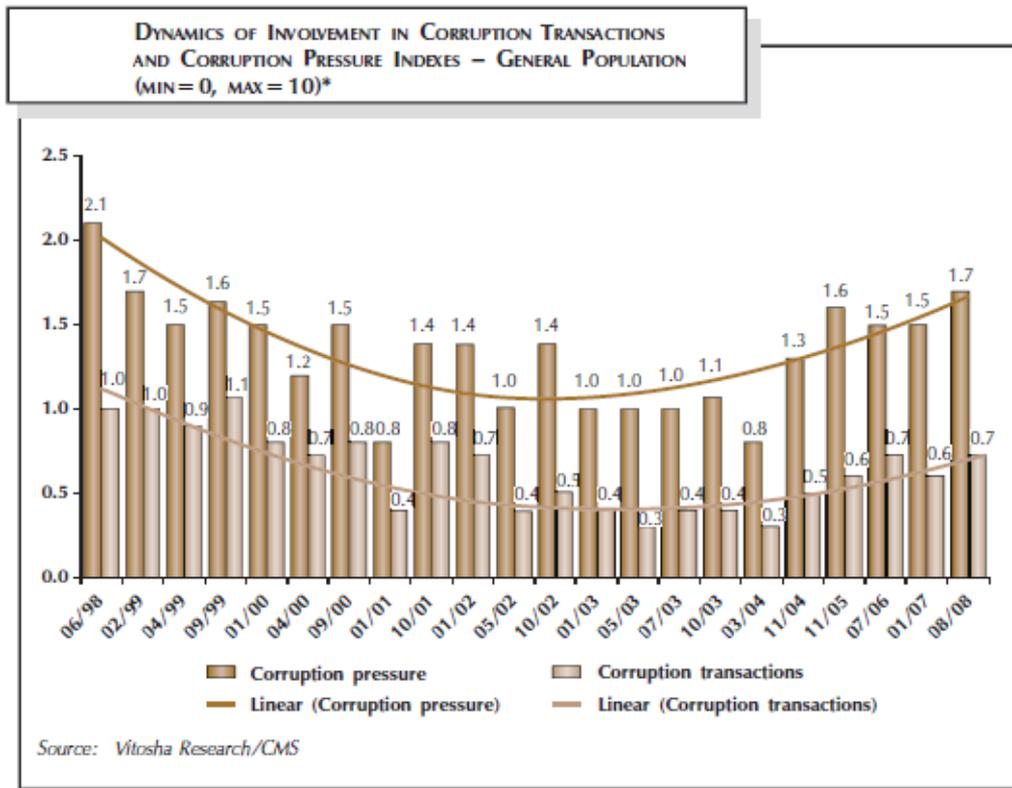


The so described tendencies fall in line with the findings of national corruption surveys. For example, the Corruption Monitoring System (CMS)⁵ developed by the CSD together with the sociological agency Vitosha Research, measures the actual and potential corruption in the country through two systematic indexes: involvement in corruption transactions and corruption pressure. The first indicator is based on the frequency of self-reported instances when citizens and businesses informally provided money, gifts, or favors in order to have a problem solved. The second one is developed on the basis of the frequency of self-reported cases when citizens and businesses were asked for money, gifts, or favors in order to have a problem of theirs solved.

Therefore, it is believed that the two indexes reflect the real acts of corruption rather than subjective opinions, assessments, or perceptions upon which the Transparency International's CPI is based. In general, the minimum value of the two indexes is zero, indicating complete absence of corruption transactions and corruption pressure. Respectively, the maximum value of the indexes is 10, which would indicate that all instances of citizen interaction with the public administration involve some form of corruption.

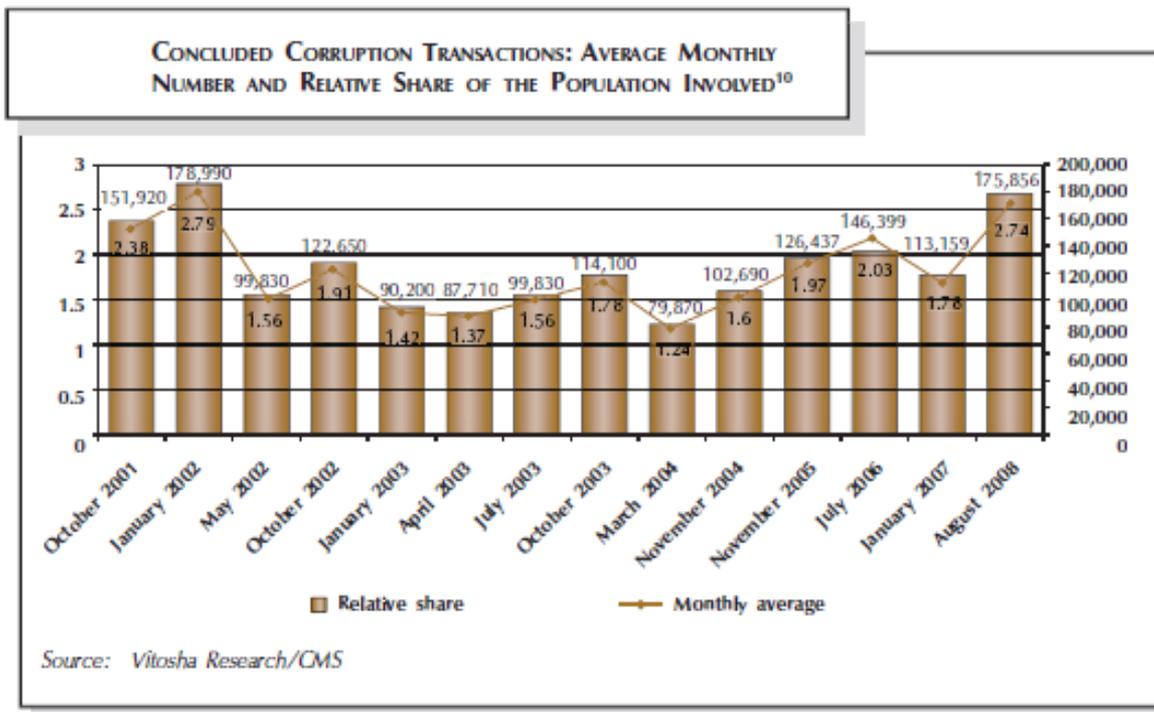
According to the provided data, for the period between 1998 and 2004 the indexes measured a significant, and most importantly, a constant decrease in the involvement in the corruption transactions (from 1,0 to 0,3) as well as in the corruption pressure (from nearly 2,1 to 0,8). However, after 2004 the CSM registered a trend of raising corruption rate among the Bulgarian population. In this respect, the two indexes indicated a 0,7 score for the involvement in corruption transactions and 1,7 score for the corruption pressure in 2008. These results undoubtedly prove that Bulgaria witnessed a slowdown in its anticorruption efforts in the years just before and right after its accession to the European Union.

⁵ For more information visit <http://www.csd.bg/>



Source: CSD (2009), "Crime without Punishment: Countering Corruption and Organized Crime in Bulgaria"

Another interesting indicator in support of the key argument are the numbers provided by the CMS for the average monthly number and relative share of the population involved in corruption transactions. The calculations show that in the beginning of the century the number of self-reported cases of involvement in corruption transactions by adult Bulgarian citizens ranged between 150,000 and 180,000 a year. In the mid-2010s these numbers were significantly lower and ranged between 80,000 and 115,000, suggesting serious improvement in the anti-corruption environment. However, after this period, a constant increase in the numbers were observed, and in 2008 the average monthly number of corruption transactions in which Bulgarian citizens were involved reached approximately 176,000 – almost identical with the highest values registered back in the year of 2002.



Source: CSD (2009), "Crime without Punishment: Countering Corruption and Organized Crime in Bulgaria"

Yet, it should be noted that, besides the so described negative trends, the country has achieved some notable positive developments regarding the levels and tendencies in the spread of corruption in the business sector. The reports provided by the CSD and Vitosha Research suggest that the corruption victimization in the business sector has been on a constant decline since 2004 and that the share of companies experiencing corruption pressure by public administration officials has been on the decline as well. This means that corruption is increasingly less likely to be perceived as an effective tool for addressing private problems and that the business environment in the country is gradually improving.

Most researchers argue that the driving force behind the improvement of the general corruption climate until mid 2010s was the government commitment to join the European Union. In the same time, the observed negative tendencies just before and right after accession are often related to the lack of pressure instruments when the country joins the community. Yet, the available data on the corruption environment suggests that the undertaken anti-corruption measures by civil society organizations in the first half of the 2010s were among the main factors for the observed improvement. After the accession of country in the EU, and the subsequent withdrawal of the foreign funding, the financial streams for the NGO sector derive predominantly from the community Structural funds. This new pattern in the financing of the civil society anti-corruption initiatives transferred the corruption risks related to strategic target-setting and public procurement into the non-government sector. Therefore, in order to understand the role which the NGOs play today in

the fight against corruption, and to see what actually works in the region, the following chapters will elaborate on some of the best and worst examples of civil society anti-corruption initiatives in Bulgaria realized before and right after the accession of country in the EU.

The Bulgarian flagship initiative in the beginning of the twentieth century: Coalition 2000

Coalition 2000⁶ was a Bulgarian civil society initiative, which started in 1997 with the support of the United States Agency for International Development (USAID). The mission of Coalition 2000 was to enhance the awareness, adoption and practical implementation of democratic values such as transparency, trust, and integrity by: promoting public awareness of corruption; establishing mechanisms to support anti-corruption efforts through public education advocacy and dissemination of information; assisting in the democratic institution building by promotion of democratic values and elaboration of an anti-corruption action plans; organizing panels of experts and legislators to develop amendments to the institutional arrangements and regulatory framework that can help deter corruption, particularly among public officials.

Until 2006 within the framework of Coalition 2000 civil society organizations from the whole country realized a huge number of activities and projects. One of them was the Anti-Corruption Policy Forum – a public event for anti-corruption initiatives, supporting the efforts of the civil society and public institutions in the fight against corruption. The annual Policy Forum is a key event where NGOs present their results from the realized and conducted corruption studies and anti-corruption initiatives. It is a platform for a dialogue between the government institutions and the civil society sector, which is still ongoing today.

It is worth noting that the Corruption Monitoring System (CMS), some of which results were presented at the previous chapter, started as the basic methodological tool of Coalition 2000. The main objective of CMS was to periodically present information, which would enable conclusions about the scope of corruption in the country. The CMS was supported with a media monitoring system based on quantitative indicators of the number of corruption-related articles as well as analyses of their content. Thus, Coalition 2000 also created a tool for evaluating the influence of Bulgarian media on the public attitudes towards corruption, on the anti-corruption initiatives in general and last, but not least, on the anti-corruption measures taken by the state institutions.

⁶ Exhaustive information about Coalition 2000 can be found at <http://www.anticorruption.bg>

In the period between 2002 and 2004, Coalition 2000 realized the “Civil Society against Corruption Small Grants Program”, which was financially supported by the USAID. The program aimed to support small scale local anti-corruption projects based on partnership between non-governmental organizations and state and municipal authorities. The program included more than forty projects aimed to increase the accountability and transparency of the work of local authorities in the spheres of: public procurement; public services, licensing and permits, privatization and business environment. In addition, a variety of projects managed to: establish Ombudsman institutions at local level; improve the civic education with regard to corruption; improve the civil society capacity in the fight against corruption and to strengthen the transparency and control over the management system in the higher education as a corruption counter measure.

In particular, the realized local integrity projects of Coalition 2000 managed to improve the accountability and transparency of the local governance institutions. They were a good basis for dissemination of anti-corruption policies as the developed action tools were applicable to different social and economic environments. Although the projects’ impact is hard to be measured, the current research gathered significant evidences that the realized activities increased the civil society pressure on local level. The projects provided mechanisms for communication, information and knowledge exchange among civil society organizations located in different Bulgarian municipalities and increased their monitoring and control capacity. They outlined the “gray zones” of high corruption risk and the critical areas of municipal activity where local anti-corruption initiatives were meant to specifically focus. They also led to changes in the legislation in the fields of water supply, municipal property management, privatization and public procurement and thus, enhanced the efficiency of the administrative control. Nevertheless, these projects increased the public awareness on the topics and improved the business environment on municipality level by stimulating the constructive dialogue between business, civil society and local authorities.

When we talk about civic education it is worth noting that up to 2002-2003 the corruption in the higher education was a well spread phenomenon, yet little about its nature and dynamics was known. In this respect, several initiatives supported by Coalition 2000 helped to better understand the problems related to corruption in the sector. The realized activities offered typological models of the most typical cases of corruption and proposed strategies for counteraction based on qualitative studies, content and documentary analysis, expert assessments and evaluations.

Last but not least, it is worth noting that within the framework of the same initiative, Coalition 2000 established some of the first efficiently working local Ombudsman institutions in Bulgaria. The projects were backed by active public awareness campaigns and managed to establish a civil control over the local self-government through the institutionalization of a civic defenders. The success of the local Ombudsman institution in the targeted municipalities was very effective and very well accepted mechanism, both from the side of the citizens and the local institutions. The

Coalition 2000's projects were pioneers in the field and their success proved during the subsequent years. Today, there is a whole functional local Ombudsman network in Bulgaria. It facilitates awareness, advocacy, training and education in the field of human rights protection; it collects and disseminates relevant information to citizens, public administration, and civic organizations. According to the available information the local Ombudsman defenders process many complaints and signals by citizens and are consulted on a number of wide-ranging issues.

In short, Coalition 2000 was the civil society anti-corruption flagship project of Bulgaria, which supported financially by the USAID, got momentum in the beginning of the twentieth century. It emerged as a spontaneous initiative after the liberalization processes of 1997 and it became the most serious attempt of the Bulgarian civil society sector to unite its efforts and capabilities in a common action against corruption. Although, many of the pillar initiatives of the coalition lasted for only several years, many of them, by proving their credibility, are still ongoing today. Thanks to the Center for the Study of Democracy the Corruption Monitoring System is still the best available methodological tool in the hands of the Bulgarian civil society and the annual Anti-corruption Policy Forum is still their main arena. Yet, all the projects, although small in scale, brought a lot of innovative practices in the Bulgarian anti-corruption field and today they serve as a valuable reference point for future action. There are there to remind us that the good anti-corruption project does not depend on the available budget but rather on the innovative idea.

Civil society initiatives towards more transparency, accountability and effectiveness of the Bulgarian judicial system

The Judicial system traditionally has been one of the most criticized in Bulgaria for the high level of corruption.⁷ This fact is probably among the main reasons why the domestic and international pressure for reform in the sector was very intensive. The current chapter presents several civil society projects, which supported the general reform efforts towards more accountability, effectiveness and transparency of the judiciary in an attempt to present a small part of the work of two of the most active and engaged international organizations in the fight against corruption in Bulgaria, namely Transparency International Bulgaria (TI)⁸ and Open Society Institute (OSI).⁹

⁷ See for example, Transparency International's Global Corruption Barometer for Bulgaria at <http://www.transparency.org/tools>

⁸ For more information concerning the work of the Transparency International Bulgaria visit <http://www.transparency-bg.org/>

⁹ For more information concerning the work of the Open Society Institute Sofia visit <http://www.osf.bg/>

Already in 2001 TI started an initiative aimed at strengthening the public confidence in the judiciary by means of promoting an ethics code of the judicial administration officials, which was realized in a partnership with two regional courts in the city of Sofia and Varna. The TI experts analyzed the national legal system and recommended amendments in the Bulgarian legislation in tune with the international standards. As a final outcome of the project a Code of Conduct for the Judicial Administration Officials was developed and tested along with a training methodology for its popularization and practical introduction.

The success of this first TI project in the field was supported with a new initiative in 2004. This time the project aimed to assess the effect of the introduction of anti-corruption policies and practices in the context of the judicial reform and was realized by TI in a partnership with four districts courts. The project was provoked by the general need to facilitate the creation of an effectively functioning independent and transparent judicial system in Bulgaria.

These two projects are a good reference point for any civil society organization that works in the judiciary anti-corruption field. It shows that an initiative could be very successful when it targets one specific deficiency of the system rather than more comprehensive set of problems. It also suggest how important the availability of a partnership commitment from the side of the respective institutions is, in order the developed proposals for improvement to be actually taken into account and incorporated into the system.

Yet, TI is not the only non-governmental organization, which realized projects in the sector, although it was probably the most active. For example, between 2005 and 2006 the Center for Liberal Strategies¹⁰ in cooperation with the Supreme Judicial Council started an initiative aimed to improve the policy making capacity of the Bulgarian Judicial system as a whole. The project was financially supported by the Embassy of the United Kingdom in Sofia and was an attempt for examination of the general practices of data-collection and reporting in the Bulgarian judiciary. Since, by that moment, there was no systemic analysis of the operation of the system, the project succeeded in presenting a general overview over its performance and offered precise tracking indicators. The project is one of the few attempts of a non-governmental organization for systematic external monitoring.

It should be noted that the problem in realizing constant monitoring is that it requires a substantial financial and human resource, which is often a major burden for a civil society organization. For example, currently, the OSI Sofia is implementing a project aimed to monitor the legal practice of the Supreme Court of Cassation (SCC) and in order to establish and maintain a mechanism for

¹⁰ For more information concerning the work of the Center for Liberal Strategies visit <http://www.cls-sofia.org/>

monitoring and evaluation of the transparency and effectiveness of the institution, the project foresees the examination of the decisions taken by the SCC for the period between 2002 and 2004. This activity line is believed to permit a proper and objective assessment of the general activities of the institution. However, the problem is that the project will deliver an overview for the performance of the institution for a fixed period of time, which was six years ago. This shows how difficult it is for a civil society organization to establish and maintain a monitoring system of such a complex judicial institution due to its heavy bureaucratic character and huge amount of output.

Yet, as the project is currently in implementation stage some of its expected results can be described. According to the provided information at the official website of the OSI Bulgaria the planned monitoring procedures shall help to assess the quality and effectiveness of the cassation complaints, as well as the effectiveness of the protests and the defense. The assessment shall bring conclusions about the major tendency of the criminal policy of the SCC and can serve as a basis for future legislative changes. It should be noted that many of the realized projects of the OSI achieved to bring change in different legal frameworks, and therefore, the current research believes that the project in question has a substantial potential to reach its main targets.

When we talk about a long-term and “nontraditional” civil society tools in the fight against corruption in the judiciary two interesting initiatives from the Bulgarian experience deserve our attention. The first one is the TI’s Center for Legal Advice for Victims of Corruption¹¹, which became operational in 2006 with the financial support of the Federal Foreign Office of Germany and the Ministry of Foreign Affairs of France. The establishment of the Advocacy Centre in Bulgaria was provoked by the necessity to create a working opportunity for timely and professional reaction to any forms of corrupt behavior in the public and private spheres.

Its main goal was the creation of an efficient mechanism for provision of legal advice and practical help to citizens who have witnessed or suffered from corruption. In this respect, the purpose of the center is, on the one hand, to allow citizens to play an active role in fighting corruption by providing them with free legal assistance in their efforts to deal with corruption-related crimes by public institutions and civil servants, and, on the other, to raise the capacity and readiness of the state institutions to work with citizens regarding corruption complaints. Therefore, the creation of the Center for Advocacy and Legal Advice addresses the need to raise the public awareness of the challenges confronting the Bulgarian society in fighting corruption and also to provoke public interest in the ways and mechanisms of fighting the phenomenon.

In general, the project is a part of the initiative: “Advocacy and Legal Advice Centers in South East Europe”, which successfully established centers for legal advice and advocacy in a number of

¹¹ For detailed information visit <http://alac.transparency-bg.org/en/>

countries in South East Europe. Today, such centers are also operational in Bosnia and Herzegovina, Croatia, Romania, Moldova, Serbia, Georgia, and Albania.

In particular, the center offers legal advice concerning: the rights of citizens in cases of corrupt behavior of public officials; the possibilities offered by the national legislation for counteracting the acts of corruption; the administrative authorities responsible for the respective cases. The practical assistance offered by the Centre includes: consultation on the preparation of the complaints of citizens; information about the legal procedures applicable to the case in question; exploration of the weaknesses in the legal argumentation of the complaints and assistance in dealing with those weaknesses. Since 2006 the centre has received a great deal of signals of corruption crimes in various public spheres, such as: judicial system, healthcare, financial services, police, privatization, local governance and pension funds.

This is one excellent example of "nontraditional" anti-corruption initiative, which successful impact relies on the durability and functionality of its tools and mechanisms. Similar anti-corruption model was also realized by the OSI Sofia one year before the start of the initiative by TI. With the introduction of the "Legal assistance bureau" in 2005 OSI Sofia aimed to bring about a change in the general anti-corruption regulation and grant people the right to receive legal assistance in cases where they have been victims to corruption pressure.

The legal assistance bureau collected data and analysis of the system for provision of legal assistance by the officially appointed defense lawyers and attorneys and also accumulated qualitative and quantitative data concerning the process of providing legal assistance in cases of defense provided by the state. Based on the analysis of the advantages and disadvantages of the alternative methods for improving the quality of legal assistance OSI formulated policy recommendations on how the alternative mechanisms can be applied.

Of course when we talk about civil society initiatives in the judicial branch it is important to present some positive initiatives, which aimed to improve the functionality and effectiveness of the Bulgarian prosecution. Here again, we should note that TI Bulgaria was one of the pioneers in this respect as already in 2003 the organization initiated a project aimed to improve the capacity of the National Prosecution Office (NPO) in the context of curbing corruption. The project was realized in close cooperation with the NPO and was financially supported by the British Embassy in Sofia.

In general, the initiative supported the NPO in identifying actual problems in the fight against corruption in view of improving the existing procedural rules. In particular, the project formulated practical recommendations based on the analytical outputs and managed to initiate a debate among the prosecutors on how they can improve their practices. Furthermore, the initiative was a tool for know-how transfer of foreign best practice in achieving transparency in the work of the prosecution, which additionally increased the level of integrity of the NPO. Most importantly, the project managed

to deliver precise proposals for effective implementation of anti–corruption legislation in prosecuting crimes of bribery, trading in influence, and bribing of foreign officials among others.

This was one of the first projects realized by TI Bulgaria as a capacity building initiative rather than just a public awareness campaign. It is a good example how the cooperation between a civil society and a state institutions can strengthen the anti-corruption capacities of the later by bringing better transparency in its work and by improving its organizational procedures by delivering actual tools. Although it is difficult to measure objectively the direct impact of the project, it is worth noting that the initiative was continued in 2006 with a second two year project financed by the British Embassy.

In general, the public trust in the prosecution institutions in Bulgaria is very low in comparison to the other public sectors in the country. This is mainly the case as since the democratic changes in the 1990s there is no case of a high ranking public official or an "important businessman" to be actually sentenced for corruption or serious crimes and this deficiency is often related to the ineffective prosecution activities. Data provided by the sociological agencies show that the public trust in the institution is stable at very low levels. For example, in 2002 19% of the population had positive opinion for its work, where 63% had a negative opinion and around 18% had neither positive nor negative one.¹² In 2009, only 12% of the population considers the work of the prosecution as positive and almost 50% share a negative opinion, which leaves the remaining 38% in the middle. The figures are almost identical for the years of 2007 and 2008. The main conclusion is that the capacity building initiatives for the prosecution, both civil society driven or governmental are not enough and it is up to the society to put additional pressure in the sector so the respective institutions can be forced to constantly improve their performance and effectiveness.

This is probably why the above describe TI's capacity building initiative for the NPO has been supported by other prominent non-government organizations in the country. For example, in 2009, the OSI started a very similar initiative aimed at encouraging the effectiveness, efficient functioning and independence of the prosecutor's office. The project is currently in implementation stage and it repeats to a large extent the objectives and the implementation approach developed by TI.

As it was discussed before, after the accession of Bulgaria in the EU in 2007 the corruption climate in the country worsened and there are objective indicators that prove this fact. Furthermore, the reasons behind the observed increase in the number of corruption practices are different in nature and they mostly refer to the recent negative economic developments as well as the lack of pressure once the country joined the EU. Yet, the provided financial assistance from the Structural funds of the union should also be considered as one of the factors behind the observed negative tendencies as the funds represent substantial financial resource which attracts the interest of "power groups".

¹² Data provided by Sociological Agency Alfa Research <http://www.aresearch.org/>

These funds change the importance of the financial streams within the public domain as well as the importance of the administrative structures managing them.

Therefore, it is not surprising that just a year after the accession of the country into the EU and within the first attempts for disbursement of structural instruments in the country a blatant corruption schemes were discovered in the management of these funds. This fact was not passed without sanctions from the side of the EU Commission and already in the beginning of 2008 the European Commission frizzed substantial amount of projects forcing the government to undertake immediate actions as a major precondition for the availability of the financial instruments for the country.

Regarding the limitations and the goals of the current report, the undertaken actions from the side of the Bulgarian government cannot be discussed into detail and will stay aside. Yet, what was important was that the Commission drew a direct link between Bulgaria's low administrative capacity and its inability to tackle corruption and organized crime. This was a window of opportunity for strategic involvement of the civil society organizations to support the respective institutions in building the necessary capacity and expertise. However, immediate actions in such cases could be expected only from well-functioning organizations with established traditions and serious potential. In this respect, it is worth noting that TI was one of the few organizations, which undertook immanent actions.

The project "Effective Investigation of European Union Funds Abuse in Bulgaria (2008-2009)" was financed by the MATRA/KAP program of the Royal Embassy of the Netherlands in Sofia and was realized in close cooperation with the Bulgarian Ministry of the Interior and the National Prosecution Office. The basic goal of the initiative was to raise the competencies of the Bulgarian investigative agencies and to harmonize the practices in the investigation of crimes concerning the financial interests of the European Communities.

The project provided practical expert support to state investigators and prosecutors in their work against the abuse of EU funds in country. The TI experts together with the public officials developed a methodology for the investigation of EU funds abuse and published a manual as a practical guide to be used in the daily work of state investigators and prosecutors. All that was supported with training seminars on the subject targeted at the state investigators and the prosecutors working in the particular field.

In general, this project is in full support with the changing trajectory of the civil society initiatives in the fight against corruption in the country for the last decade – from public awareness campaigns towards capacity building projects. This particular initiative had very positive effects as it provided practical expert support and tools to state investigators and prosecutors, which they need in their everyday work in a very complicated field such as the EU funds management. Although, it is difficult to evaluate the effect of the project alone, it is worth noting that currently the fight against

irregularities in the EU funds management is a top priority of the Bulgarian Government and such projects can be highly valuable as they provide a transfer of know-how and expertise from the civil society sector to the public authorities in a very determining, cooperative and effective way. However, highly positive projects in the sector can be achieved only if the non-government organization, which realizes the project, poses actual capacity and expertise to deliver tools and knowledge and only if the respective public institution is under pressure to perform or reform.

EU's Structural funds in the fight against corruption (2007-2009)

After the accession of Bulgaria in the EU in 2007 the country became part of the common Cohesion policy of the union. The financial assistance, provided by the European Regional Development (ERDF) and Social Funds (ESF) is managed within the framework of seven operational programs. One of these programs is Operational Program Administrative Capacity (OPAC).¹³ The general goal of OPAC is to provide the citizens and the business sector in Bulgaria with a modern administrative service delivery corresponding to their requirements, effective and transparent judicial system, as well as active and trained civil society structures. The program is financed by the ESF and covers the period between 2007 and 2013. Its budget amounts to approximately 181 million Euros.

Within the OPAC's strategic framework the implementation of the partnership principle is perceived as a key element in achieving good governance in the public domain. More precisely, the enhanced interaction between the civil society sector and the public authorities is believed to bring greater effectiveness, transparency and accountability in the activities of the administration. By stimulating the inclusion of representatives of different stakeholders in the decision-making and policy-formulation process at local, regional and central levels, the OPAC aims to build citizens' confidence in the public institutions. Therefore, the development of partnership relationships between the state and civil society structures is considered as a basic element in achieving good governance and a condition for sustainable development.

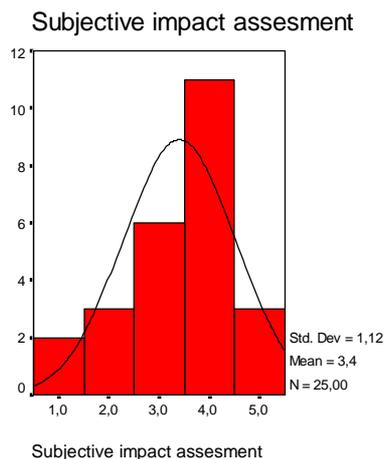
The current research selected 25 anti-corruption projects with civil society participation financed under OPAC and each one was analyzed with regard to its goals, activities and results. The main presumption is that the in-depth analysis of the particular group of projects will give a general overview for the results achieved within the framework of the OPAC and the main problems and challenges in developing anti-corruption civil society projects through the EU's structural instruments can be highlighted. The research developed an impact assessment scale based on the

¹³ For detailed information on the Operational Program Administrative Capacity visit <http://opac.government.bg/>

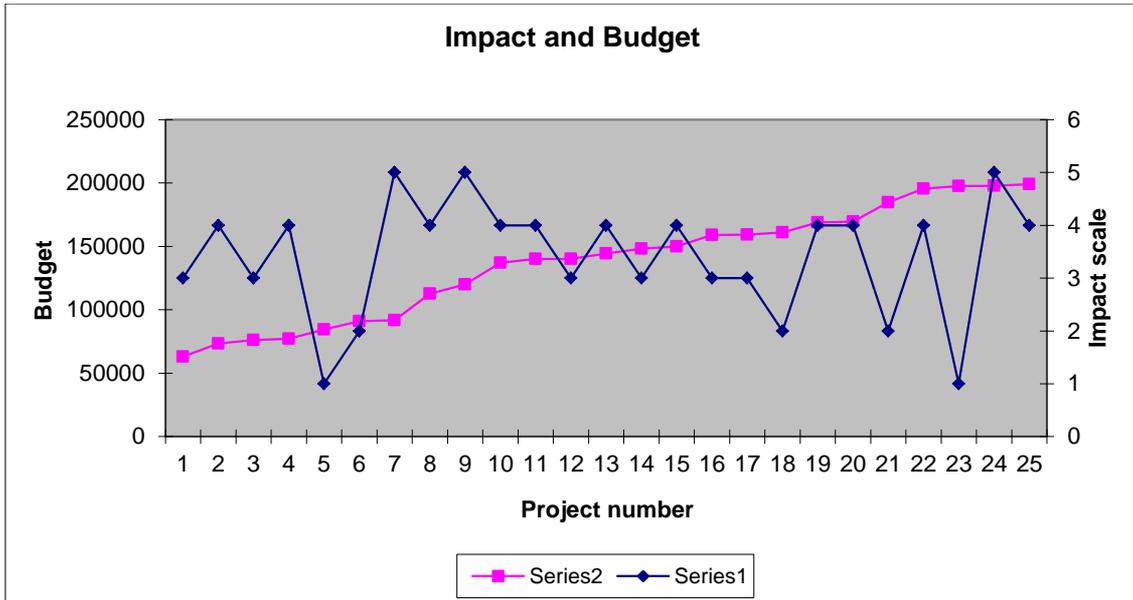
subjective assessment of qualitative indicators scored according to the available information for the projects.

In more general terms, the projects' individual impact was scored on a scale from 1 to 5 where 1 signifies a total project disaster and 5 an excellent project. The score of 1 was given to projects with very poor performance for which the available information suggests that the project failed to reach its targets and even if some project activities were realized there was no indication that the provided outputs had any positive impact. Furthermore, the score of 5 was given to projects that were very well structured, which were clear in a form and idea and for which the available information suggested excellent performance and impact.

The average project performance score for the whole sample was 3,4 (moderate). However, only 20% of the cases received low or very low grades for their performance and impact and most of them or 44% were with a score of 4 (good). In the same time 24% received the average. It is worth noting that nearly 92% or 23 out of 25 projects were realized within some sort of partnership between a civil society organization and a public institution. In most cases it was a municipal or regional administration. However, this partnership referred to interaction, public awareness, common activities such as education seminars, round tables, public hearings etc., but not common project management. The different forms of project management as well as its implication with regard to project performance will be presented later in the chapter.



The table above shows the distribution of the projects based on their performance. The table below shows the distribution of the same projects arranged according to their precise budgets (Series 2) and their subjective impact assessment scores (Series 1). In short, the research failed to find statistically significant correlation between project impact/performance and budget.



Of course, the most interesting for us are those projects that lay at the two extremes of the scale. These are the ones that have the largest discrepancy between the level of performance and the allocated budget. First, let's see the three best examples. Starting from the national level, one of the projects which results suggest very high positive impact was realized by the National Association of the Municipalities in the Republic of Bulgaria (NAMRB) – project number 24. It aimed to increase the transparency, accountability and effectiveness of its member municipalities by creating bridges between the civil society structures and the local authorities. The initiative included survey and analysis of the existing working practices of the Bulgarian local administration and developed precise measures for improvement at national level. It realized a variety of educational seminars and workshops, both targeted at experts from the local administration as well as representatives of local non-governmental organizations. Its realization was continued with other activities after the end of the program grant, suggesting that the project outcomes were sustainable in time.

It is worth noting that, in comparative perspective, only two other projects from the sample received an excellent score for their implementation. One of them was project number 9, which was realized at local level by the municipal administration of the city of Koprivshitsa. This is one excellent model for corruption prevention initiative, which improved the organizational work, control and accountability of the municipal administration. Here as well, the developed tools and mechanisms proved to be sustainable beyond the timeframe of the financial grant. In this respect, it seems that such "publicly led anti-corruption projects" are sustainable because the public organizations have the necessary resources to continuously support such initiatives and because public managers are more cautious when developing the project activities as they have a long-term interest over the developed tools. This is often not equally true for the private managers as in most cases their

motivation is the grant itself and they lose their interest in the developed mechanisms just after the end of the financial grant.

The third project from the sample, realized at regional level, and which received an excellent score for its performance and impact, was realized by one of the civil society champions in the anti-corruption policy field in Bulgaria, namely Transparency International Bulgaria (TI) – project number 7. The TI project was realized in the period between 2008 and 2009 and covered 24 local and 6 regional administrations. It managed to raise the capacity and create conditions for active involvement of civil society structures and public officials at local and regional level in the fight against corruption as part of the general efforts to reform the public institutions in order to achieve higher efficiency, transparency and accountability.

In particular, this project was an excellent example how an international non-government organization can transfer its expertise, competencies and practical skills to local civil society organizations as well as to local and regional administrations. The project's impact should be considered as highly positive as it applied concrete policies and tools for control and monitoring over the work of the regional and local administrations. It is worth noting that in comparative perspective this is the best value for money project from the whole sample.

The CIVICUS' Civil Society Index (2007)¹⁴ shows that funding and sustainability are the two major challenges to the Bulgarian civil society organizations after the Bulgaria's accession to the EU in 2007. As many international donor organizations are now phasing out their support for the country the civil society is challenged to develop new ways of sustaining itself. The current project is a good example in this direction as it shows how, already aggregated knowledge by the prominent and popular non-government organizations can be transferred to smaller organizations at local level in a very determining and effective way.

Yet, it is very important to mirror the success stories with some of the worst examples from the sample as not all the projects implemented under OPAC provided such good outputs and results. In this respect, one of the projects, which received the lowest grade and is considered by the research as the worst value for money project, was number 23. It was realized at regional level by the Foundation "Association for Strategic Research and Analyses" (FASRA) in the North Central Region of Bulgaria.

In general, the project goals and activities did not differentiate substantially from the other projects realized under OPAC schemes. According to the project's application documents, it was a capacity building initiative at regional level aimed to increase the transparency, accountability and effectiveness of the municipal administration through better involvement of the structures of the civil

¹⁴ For more information visit <http://www.civicus.org/csi>

society into the process of development planning and decision making. However, its actual impact is questionable – the web site of the association does not provide any information for the results of the project or for its activities and outputs developed. Furthermore, the research found several media publications suggesting the presence of conflicts of interests between the employees of the lead partner and the granting institution.

It seems that such projects are actually the reason why many analysts today speak about the "capture of the NGO sector" in Bulgaria. According to the CSD's latest report on corruption: "between 2000 and 2007, the number of NGOs has increased fivefold, with most new organizations having been established by high-ranking state officials as instruments for ostensibly legitimate extra income, as tools for establishing political and personal circles of cronies, and as a safeguard against the loss of political power. Just over three quarters of MPs and the same proportion of ministers and heads of executive agencies, and over 90% of municipal mayors in Bulgaria are represented on NGO boards of directors."¹⁵

Going back to the sample results, the table below represents a cross tabulation between two variables. The dependent variable divides the projects into two groups – those that had relatively positive (approximately above the average for the sample 3,4) and those that had relatively negative impacts scores (approximately below the average of 3,4). The figures show that around 76% of all projects had positive performance and nearly every fourth one was badly implemented. When we cross tabulate the projects' impact variable with the one that measures whether the project was realized by a single public or private body or in coalition (here we differentiate two variances, the first one considers those that were implemented jointly by public and private actors and such, which were implemented by a coalition of non-government organizations) we see that almost every second project, or 48% from the sample was realized by a single body and, from that group, 13% were driven by a public institution and the remaining 87% were managed by a non-government organization. Almost 92 % of them had positive performance and only 8% had a negative one. When the projects were jointly managed by a civil society and a government body (exactly 40% of the total), we see that the percentage of the positive projects decreases significantly in comparison to the first case with around 20%. Most importantly, those projects, which were realized by a non-governmental coalition alone, although they represent only 12% from the total, show even worse results - around 66%, or every two out of three projects had negative performance.

¹⁵ CDS (2009): "Crime without Punishment: Countering Corruption and Organized Crime in Bulgaria", p.38

Impact assesment * Coalition Crosstabulation

			Coalition			Total
			CS coalition	CS and governmental	No coalition	
Impact assesment	Positive performance	% within Impact assesment	5,3%	36,8%	57,9%	100,0%
		% within Coalition	33,3%	70,0%	91,7%	76,0%
	Negative performance	% within Impact assesment	33,3%	50,0%	16,7%	100,0%
		% within Coalition	66,7%	30,0%	8,3%	24,0%
Total	% within Impact assesment	12,0%	40,0%	48,0%	100,0%	
	% within Coalition	100,0%	100,0%	100,0%	100,0%	

Based on the above findings, the research concludes that good governance projects, financed through the EU's structural funds in Bulgaria are better implemented and can hinder better results when they are managed by a single public or private body. Having a coalition, as an implementation actor decreases significantly the chance that a project will hinder positive results. This correlation is even stronger when from heterogeneous coalition (government and civil society) we move towards homogeneous one (pure non-governmental). It is worth noting that the OPAC's financed civil society projects, realized within homogeneous coalitions (although only 12% from the total sample) performed worse in comparative perspective to the two other possibilities. This fact mirrors the success stories of Coalition 2000 (one pure civil society managed initiative) and suggests that the international donor funding rules hinder different project results in comparison to the classical public procurement. This means that the problems should be searched in the different program planning, financial management and monitoring practices, which the public and private sectors implement, as well as in their substantially different environments.

References

The current report was based on project information provided by:

Center for the Study of Democracy <http://www.csd.bg>

Coalition 2000 <http://www.anticorruption.bg/>

Center for Liberal Strategies <http://www.cls-sofia.org/>

Transparency International Bulgaria <http://www.transparency-bg.org/>

Open Society Institute Sofia <http://www.osf.bg/>

Operational Program Administrative Capacity <http://opac.government.bg/>

The presented quantitative indicators were provided by:

Corruption Monitoring System <http://www.csd.bg>

CIVICUS' Civil Society Index <http://www.civicus.org/csi>

Sociological Agency Alfa Research <http://www.aresearch.org/>

Sociological Agency Vitosha Research visit <http://www.vitosha-research.com/>

Transparency International CPI <http://www.transparency.org/>

World Bank Governance Indicators <http://info.worldbank.org/governance/wgi/index.asp>