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# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

## on Progress in Bulgaria under the Co-operation and Verification mechanism

{SWD(2016) 15 final}

## 1. INTRODUCTION

The Cooperation and Verification Mechanism (CVM) was set up at the accession of Bulgaria to the European Union in 2007. It was agreed that further work was needed in key areas to address shortcomings in judicial reform, the fight against corruption, and tackling organised crime. Since then CVM reports have charted the progress made by Bulgaria and have sought to help focus the efforts of the Bulgarian authorities through specific recommendations. The Commission's reports,[1] and the conclusions of the Council of Ministers,[2] have mapped developments in Bulgaria and made recommendations for the future. This report summarises the steps taken over the past year and provides recommendations for the next steps. It is the result of a careful process of analysis by the Commission, drawing on close cooperation with the Bulgarian authorities, civil society and other stakeholders. The Commission was also able to draw on the specific support of experts from the magistracy in other Member States to offer a practitioner's point of view.

The 2015 CVM report described progress over the previous year as slow, and the Council conclusions called upon Bulgaria to "consolidate its political resolve to bring about reforms and make tangible progress"[3]. But the report also noted a number of areas where problems had been acknowledged and where solutions were starting to be identified. This resulted in two comprehensive reform strategies being launched, focusing on judicial reform and the fight against corruption. These two strategies provided the background for many of the defining moments of 2015 and will continue to be important points of reference for 2016. The key tests of progress will be to translate the commitments contained in these strategies into concrete results. The handling of difficult cases and of obstacles in the path of reform is a determining factor in building the confidence of Bulgarian citizens and EU partners. It is also a central factor in determining the extent to which reform has started to take root. This is necessary to establish the sustainable change which is the underlying goal of the process.

The Commission will continue to support Bulgarian efforts to achieve the CVM objectives. Assistance is already provided to Bulgaria in many areas under the European Structural and Investment Funds.[4] In addition, the Commission has in 2015 established a new instrument in the form of a Structural Reform Support Service (SRSS) dedicated to providing technical assistance to the reform efforts of EU Member States in a broad range of areas. Other assistance is also being provided from Member States and by international organisations, often in tandem with Bulgarian civil society. Such involvement is part of an open and democratic society and can be a major support to the Bulgarian reform effort. The Commission welcomes that Bulgaria has indicated an interest in drawing on further technical assistance, as stated by the Bulgarian Prime Minister,[5] and encourages Bulgaria to make full use of all the available possibilities.

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1 Past reports can be found at http://ec.europa.eu/cvm/progress_reports_en.htm.

2 Most recently, Council conclusions adopted 17 March 2015.

3 7281/15, p. 3. http://ec.europa.eu/cvm/key_documents_en.htm

4 During the 2007-2013 programming period €51 million was allocated under Operational Programme for Administrative Capacity to calls for applications from the judiciary, of which only €25 million was contracted, due to a lack of uptake in the courts and prosecution offices. Under the new programming period 2014-2020 a priority axis for the judiciary has been included with an allocation of €30.1 million.

5 Statement in the margins of the European Council on 17 December 2015.

## 2. STATE OF THE REFORM PROCESS IN BULGARIA

### 2.1 Reform of the judiciary

*Independence, accountability and integrity of the judiciary*

The 2015 CVM report already noted that the judicial reform strategy provides a comprehensive and detailed blueprint for the coming years. Following endorsement by the Bulgarian National Assembly in January 2015, the government initiated concrete follow-up in a number of areas within the direct authority of the Ministry of Justice. However, the issue that came to be identified in the public debate in 2015 as the most significant test for the strategy was the reform of the Supreme Judicial Council (SJC). The SJC is the key institution governing the Bulgarian judiciary. It has wide-ranging powers over the appointment, appraisal, promotion, and disciplining of judges and prosecutors, as well as managing the budget of the judiciary. It also acts as the voice of the judiciary towards society and therefore has a central role in shaping public attitudes towards the judiciary as a whole. Public confidence in the judiciary remains low.[6]

The functioning of the SJC is therefore of key importance. A particular issue inherent in the current structure is that decisions on personnel and disciplinary matters for judges and prosecutors are made in a single structure. While no single authoritative model exists for the make-up of judicial councils, it has become clear that both judges and prosecutors consider it inappropriate that these decisions are being taken by mixed groups of SJC judges and prosecutors. In the Bulgarian context, with a large number of political appointees in the SJC, the current model gives rise to particular concerns about judicial independence and the possibility of pressure being exerted on judges. This was the background for the proposal in the reform strategy to establish two separate colleges within the SJC to deal with personnel matters for the two arms of the magistracy.

Following extensive debate it was concluded in spring that some of the proposed changes necessitated amendments to the Constitution. Such amendments were adopted by the National Assembly in December 2015. While these amendments included some significant changes from the text originally proposed by the government,[7] their adoption still represents an important step towards a reform of the SJC. In addition to the creation of two decision-making chambers inside the SJC, the powers of the judicial inspectorate (ISJC) to investigate conflicts of interest and illicit enrichment among magistrates will be strengthened.[8] The next step will be to implement the reform via legislative amendments to the Judicial Systems Act.

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6 The low public confidence in the judiciary is confirmed by opinion polls and surveys. A large majority of Bulgarians (96% in 2014) consider shortcomings in the judiciary to constitute an important problem (Flash Eurobarometer 406, January 2015, p. 9); See also World Justice Project *Rule of Law Index 2015* (p. 70): http://worldjusticeproject.org/sites/default/files/roli_2015_0.pdf and the World Economic Forum *Global Competitiveness Report* , p. 124-125 http://www.weforum.org/reports/global-competitiveness-report-2015-2016.

7 A last minute reallocation of one member in the quota of parliamentary nominees from the prosecutorial to the judicial chamber prompted the resignation of the Minister of Justice and protests from the main professional association of judges. This was seen as strengthening political influence in the judges' chamber of the SJC, while at the same time diminishing the accountability of the Public Prosecutor's Office.

8 In addition, the requirement for secret voting on personnel matters in the SJC was ended and a two-thirds majority rule was introduced for the election of the members of the parliamentary quota.

A legislative package was prepared and presented for public consultation by the government in spring 2015, but has been awaiting the outcome of the debate on the Constitution.[9]

Previous CVM reports have noted persistent concerns about the ability of the SJC to fulfil its role as guardian of judicial independence and integrity. Controversies have revolved around issues such as non-transparent procedures for judicial appointments, inconsistent practices in disciplinary proceedings, and a lack of follow-up to concerns about potential manipulation of the random allocation of cases in courts. To this has been added controversy about political influence in the SJC. In 2015 the picture in regard to these issues has been mixed. At the beginning of the year, the SJC appointed a new chair of the Supreme Court of Cassation. The new chair has been prepared to speak out in support of reform and seems to command respect within the judiciary.[10] A new management of the Sofia City Court was also appointed in spring, after the previous leadership had to step down amidst the scandals surrounding the court.[11] However, other appointment decisions of the SJC continued to raise concerns about lack of transparency and possible undue influence. The position of President of the Sofia Court of Appeal has now been vacant for almost two years: although a judge applied for the post who enjoyed the explicit support of judges at the court, the SJC did not secure the required majority.[12] Clear criteria for assessing appointments do not exist, opening the door to doubts about the objectivity of appointment procedures.

Serious allegations of corruption and trading of influence in the judiciary have only been followed up after internal and external pressure, with the authorities unable or unwilling to initiate pro-active investigations. The irregularities discovered at the Sofia City Court towards the end of 2014 were highlighted in the last CVM report, where it was noted that the initial response of the SJC indicated that this was considered as a low priority for the Council. [13] The SJC did launch a process to improve the application of random allocation of cases in Bulgarian courts, putting in place a new centralised IT system for the entire judiciary in October 2015, which should help to address a recurrent issue raised in previous CVM reports. However, the SJC showed a reluctance to react to the allegations of serious wrongdoing by key judges in the Sofia City Court.[14] Disciplinary action came only much later, after several cases had had to be taken forward by the Minister of Justice.[15]

In the autumn of 2015, media reported about an alleged taped conversation between two of the main figures involved in the irregularities discovered at the Sofia City Court,[16] adding further elements to the existing controversy. After repeated calls for an independent investigation,[17] the SJC and the prosecution announced investigations into the contents of the

9 As a consequence, other important changes have also been held up (see below).

10 When the SJC Ethics Committee was considering disciplinary proceedings against President Panov after a speech critical of the lack of support for judicial reform, well over 200 judges signed a letter in his support.

11 The involvement of the new President of the Supreme Court of Cassation facilitated this process.

12 The latest procedure in December 2015 was marked by an intervention from the Bulgarian Union of Judges criticising public statements on the candidate at political level. This also called attention to several other recent decisions of the SJC which they considered were problematic.

13 COM (2015) 36 final, p.4-5.

14 The two main figures are no longer serving as judges at the Court.

15 These events once again raised concerns with regard to the lack of clear standards in disciplinary decisions of the SJC.

16 The former chair of the Sofia City Court and one other judge, both now under criminal investigation.

17 Among others, the Union of Judges, the Minister of Justice, and the Chair of the Supreme Court of Cassation, called for an independent investigation to be launched.

tapes.[18] It will be important for the credibility of the process that all steps are taken to ensure that investigation takes place in a transparent and impartial manner.[19]

After a gap of several years, the National Assembly elected a new Chief Inspector in spring 2015. The different steps of the procedure were set out more transparently and involved an invitation for civil society to suggest candidates. This approach was also taken up in the subsequent procedure to elect the new college of inspectors, launched in the autumn and still ongoing.[20] This procedure will be of particular importance, given the stronger future role for the inspectorate in addressing integrity issues and signs of corruption within the judiciary. It will be important to ensure that the inspectorate is equipped with the resources it needs to fulfil this role effectively.

*Reform of the legal framework*

The ongoing reform of the SJC is only one element, albeit an important one, of Bulgaria's new judicial reform strategy. The strategy is a comprehensive document containing a wide range of objectives, many of which require legal amendments. As noted above, a package of amendments to the Judicial System Act has been prepared and should now be ready to move forward swiftly in the National Assembly. It contains amendments in a variety of areas to improve different aspects of the management of the judicial system. Many of the proposals go in the direction of empowering rank and file magistrates, with a view to improving transparency and independence. Other amendments are meant to implement improvements identified in the regulation of career paths or the rules on professional training for magistrates. Others provide amendments necessary for the introduction of new technologies to improve transparency, quality and efficiency (e-justice). In the course of the year, these proposals have already been the subject of widespread debate within the judiciary. The ability of Bulgaria to move ahead with the adoption of these changes will be a key test in 2016.[21]

Another area where legislative amendments are in preparation concerns the criminal code and the criminal procedure code. Past CVM reports have noted the risk that a fundamental debate on reforming the codes for the long term has risked holding up more urgent and targeted changes.[22] The criminal code has been the subject of recurrent attempts at reform by successive governments over the past five years, an objective which has so far been elusive.[23] In 2015 the government launched a new reflection process on a broader criminal policy reform.[24] These reflections aim at a comprehensive reform, which will require careful analysis and preparation, involving broad consultation within the judiciary and legal

[18] On 14 January the SJC closed its enquiry, however, under controversial circumstances. The process was criticised in an open letter of the association of judges for lack of transparency.

[19] A particular issue in this context concerns aggressive and polarising campaigns by some media, often targeting individual figures in the magistracy. Unbalanced media coverage in the course of disciplinary or criminal investigations presents additional challenges for judicial authorities.

[20] 20 candidates were nominated for the ten posts, several of which have been put forward from within the judiciary or from professional associations. The final election at the National Assembly is still to take place.

[21] The newly created Council for the implementation of the judicial reform strategy should provide a useful forum for bringing forward this and other initiatives as well as for monitoring progress on the many different aspects of the judicial reform strategy.

[22] COM (2015) 36, p. 10.

[23] A draft reform of the criminal code prepared by a previous government in 2014 was not successful, as it did not meet expectations and the National Assembly was dissolved shortly after its presentation.

[24] The government's judicial reform strategy foresees a wider criminal policy reform, and work is ongoing on this under the Ministry of Justice.

professions. In the meantime, however, the Bulgarian authorities have acknowledged a need to move ahead more swiftly with a limited set of targeted amendments, notably to address problems causing delays in criminal proceedings and to facilitate the prosecution of corruption crimes. Some amendments have already been adopted to address key shortcomings, but still need to prove their effects in practice.[25]

*Quality and efficiency of the judiciary*

The key determining factor for the quality and efficiency of the judiciary must be the extent to which justice is served by the system as a whole – whether citizens can rely on the justice system to deliver fair redress, whether the perpetrators of crime are effectively prosecuted and justice is done and seen to be done in accordance with the law. [26] Such concerns were underlined this year when the European Court of Human Rights observed that "it had already, in over 45 judgments against Bulgaria, found that the authorities had failed to comply with their obligation to carry out an effective investigation and considered that these recurrent shortcomings disclosed the existence of a systemic problem".[27] Whilst this is clearly an issue for law enforcement as a whole, it is clear that problems remain in the prosecution and the judiciary.

The day-to-day management of the judiciary is the responsibility of the Supreme Judicial Council (SJC), including issues such as appointments, appraisals, training, disciplinary action, and management of the relative workload between magistrates and judicial authorities. Past CVM reports have highlighted the uneven workload between courts as an issue in terms of the quality and efficiency of the judicial process, as well as possibly the independence of judges.[28] High workload affects in particular the larger courts, especially those in Sofia, whilst the workload in other courts is low. In 2015, as in previous years, the SJC has attempted to address the imbalances in workload between courts by opening new posts in more overloaded courts while closing posts in others with less workload. However, this approach has so far had only a marginal impact. A more comprehensive solution has been awaiting the development of harmonised workload standards as well as a broader socio-economic analysis of the regional courts, both carried out by a sub-committee of the SJC. This analytical work reached its conclusion in 2015 and the results should now provide the basis for a more systematic management of staff resources, and perhaps also for a redrawing of the organisation of courts. The intention of the SJC is, as a first step, to present proposals on the structure of regional courts for public consultations in 2016. The new harmonised workload standards should also give the SJC the data to streamline other parts of the system, including the district or appeal courts and the administrative courts. Even without such reforms, the standards should already provide a better starting point for managing the distribution of staff resources between the different parts of the system. Such decisions, while

[25] See below page 9 on absconding from justice, and Technical report, sections 3.2 and 6.2.

[26] It is for example significant that in some cross-border criminal cases, progress in Bulgaria seems much slower than in other Member States.

[27] *Systemic problem of ineffectiveness of investigations in Bulgaria* ECHR 070 (2015)

[28] High workload exposes judges to disciplinary action if they struggle to meet agreed deadlines. This gives rise to concern about independence in an environment where the standards for disciplinary actions are sometimes perceived as unclear.

often sensitive, should help to improve overall quality and efficiency in an environment of scarce resources.[29]

More generally, it will be necessary to follow up on the judicial reform strategy through managerial decisions in a number of areas. A particularly important example, where legislative and managerial decisions need to go hand in hand, concerns the introduction of e-justice. It will be crucial to develop a capacity to manage the complex managerial and technical processes required to ensure proper implementation of e-justice, including in areas such as data protection and security.

Disciplinary proceedings constitute another area where the workload standards could prove useful, in particular as a means of establishing a more objective basis for penalties in cases concerning non-compliance with procedural deadlines.[30] However, the problems in this area are more deep-rooted, with a general perception among magistrates that the decisions of the SJC are neither transparent nor objective. This could be addressed by establishing clear standards for disciplinary proceedings and penalties and by more systematic communication, explaining how individual decisions relate to general standards. The lack of clear disciplinary standards is particularly problematic when proceedings refer to breaches of the ethics code or acts undermining the prestige of the judiciary,[31] where the exact scope of disciplinary liability is unclear. In such cases there is a risk of arbitrary decisions leading to a chilling effect on magistrates speaking out in public on legitimate subjects.

The prosecution office plays a crucial role within the overall judicial system. The government's judicial reform strategy sets out the goal of a wider reform of the prosecution office, based on independent analysis. Key objectives would include instilling a stronger sense of initiative and responsibility through a less hierarchical culture and strengthening accountability and public trust in the prosecution as a whole. Such a reform would build on steps already taken in recent years and the planned reform of the Bulgarian criminal policy. The need for deeper reform of the prosecution is borne out by the continued lack of a solid track record in high-level cases on corruption and organised crime[32] and also remains a recurrent theme of debate among independent observers in Bulgaria. CVM reports have repeatedly recommended that an objective analysis of where concrete high-level cases have not been successfully concluded would be the best way to identify clear steps for the future.

## 2.2 Corruption

The fourth and fifth benchmarks for Bulgaria under the CVM concern the need for effective measures against corruption, including high-level corruption as well as corruption more generally in public institutions. Bulgaria consistently ranks among the EU Member States with the highest perceived level of corruption, and corruption is considered to be one of the most important barriers to doing business in Bulgaria.[33] Previous CVM reports have pointed

[29] Recent tensions over the size of the budget for the judiciary have brought this issue to the fore, with the Ministry of Finance only accepting an increase in the budget for 2016 against the promise that measures would be taken to improve budgetary performance in future years.

[30] Many proceedings relate to delays in carrying out mandatory procedural steps. An often raised counter-argument in such cases has referred to the heavy workload.

[31] These are disciplinary offences under Article 307 of the Judicial Systems Act.

[32] In some instances there appears to have been reluctance on the part of the prosecution to take forward investigations, including in cases linked to EU funds. (Technical report p. 24-25.)

[33] Technical report, p.18.

to shortcomings in past efforts in this area.[34] The institutions which have been set up to fight corruption have been characterised as fragmented, uncoordinated, and unequal to the challenge.

In 2015 these problems were finally acknowledged by the Bulgarian authorities, as the government adopted a new comprehensive national strategy to fight corruption. The strategy constitutes an important step forward as it contains a clear analysis of the challenges and proposes a set of concrete measures to address the problems identified. The challenge will now be to ensure its implementation.[35] The national coordination council which has been set up is designed to coordinate efforts and monitor progress. However, it remains a policy level institution and will need political backing at the highest level and the support of efficient operational structures in order to ensure success. The level of political support for a new approach was called into question by the failure of the government's proposal for a new anti-corruption law to pass the first reading in the National Assembly in September 2015. The draft law was designed to back up the approach with a sound institutional basis: it provides for the establishment of a unified anti-corruption authority, charged with the control of conflicts of interest and property declarations of high-ranking officials and investigations into possible corruption and illicit enrichment.[36] In addition, the draft law included a reform of the regime for the control of conflicts of interests and private property of public officials.

The rejection of this draft law in September came as a surprise to the government and led to a further postponement of its main initiative to target corruption among high-level public officials. Much of the debate concerned the issue of the use of anonymous signals, with a confusion between the ability to receive anonymous signals, and the need for evidence used in court to be clearly identified. While the government has vowed to push ahead with the law in 2016, its initial failure raised concerns about the degree of consensus behind the need to address high-level corruption and to pursue the new anti-corruption strategy. The resubmission and adoption of this law as well as the subsequent establishment of the new institution will be a key test of Bulgaria's resolve in 2016.

As part of its anti-corruption strategy, the Bulgarian government has launched a number of other initiatives targeting corruption more generally throughout the public administration. These include a reform of the administrative inspectorates, measures to improve the public procurement system, and the preparation of sectorial anti-corruption plans containing preventive measures in a number of specific sectors considered to be of high-risk of 'low-

[34] Shortcomings in the implementation of the previous Bulgarian anti-corruption strategy have been underlined in an evaluation which was carried out by the Bulgarian authorities and finalised in early 2015. See COM (2015) 36, p. 7.

[35] Lack of political follow-up and monitoring of the implementation was identified as one of the problems affecting anti-corruption policy in the past.

[36] The new institution would be working closely with the asset forfeiture commission and the prosecution office but would also have independent administrative investigatory powers. In addition, it would be able to ensure a more systematic response to corruption allegations by incorporating in a single institution the functions of three existing institutions, the conflict of interest commission, the anti-corruption centre (BORKOR) and parts of the national audit office in charge of checking private property declarations.

level' corruption.[37] These measures will need continued follow-up, in the first instance where changes to the legislation are needed.[38]

Finally, Bulgaria needs to establish a track-record of successful investigation and prosecution of cases of high-level corruption, leading to final convictions in court. The prosecutor's office has been pursuing a pragmatic approach to enhancing capacity through organisational changes and closer cooperation with other relevant services. The latest step in this strategy was the establishment in April of a strengthened inter-agency unit attached to the Sofia City Prosecutor's Office dedicated to the investigation and prosecution of high-level corruption.[39] There are indications that this closer cooperation between services in a specialised structure is beginning to make a positive contribution. A number of cases have been brought to court.[40] More cases are under investigation. However, the assessment of Bulgaria's efforts in tackling high-level corruption cases will depend on final court decisions being concluded and enforced. So far the outcome remains limited in terms of final convictions in high-level corruption cases.[41]

## 2.3 Organised crime

The sixth CVM benchmark concerns the fight against organised crime. In 2012 Bulgaria established a specialised court and prosecutor's office for organised crime, which now begins to produce some results in terms of cases being brought to court as well as a number of convictions. However, cases involving serious organised crime continue to be hampered by complex provisions and formalistic criminal procedures.[42] There remain indications of serious intimidation of witnesses, undermining cases. Bulgaria still needs to establish a solid track record showing that final court decisions are reached and enforced in cases involving serious organised crime. Recently, the severity of the challenge has once again been underlined by several murders with apparent links to organised crime. A large number of contract killings over recent years remain unsolved.[43]

In 2015 Bulgaria amended its procedural code to address problems identified in previous CVM reports with regard to criminals absconding and the specialised prosecutor's office being burdened with minor cases not linked to organised crime. It is still too early to assess the impact of these amendments. On the issue of criminal absconding, new problems have been identified, this time of a more organisational character, and work is ongoing to address these.

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37 Such efforts are moving forward in the Ministry of Interior, where they are being implemented in the context of a more general reform of that ministry.

38 Draft amendments to the law on public administration have reportedly been prepared concerning the inspectorates but not yet submitted to the National Assembly for adoption.

39 This unit builds on two pre-existing units which were established in 2013 and 2014 respectively to investigate crimes committed by magistrates and local corruption.

40 Including cases concerning higher ranking officials such as magistrates and mayors.

41 There has been a tendency of high-profile cases involving initial charges of serious wrongdoing being subsequently overturned or delayed in the courts or terminated by the prosecution, citing lack of sufficient evidence or procedural issues.

42 Some work is ongoing to identify possible solutions to these problems, which may involve legislative amendment. This is addressed in section 2.1 above.

43 A recent murder of a businessman sparked a strongly-worded open letter from the Confederation of Employers and Industrialists in Bulgaria: http://krib.bg/bg/news/Otvoreno-pismo-na-KRIB-do-Ministara-na-vatreshnite-raboti/

Bulgaria also amended the law on confiscation of criminal assets in 2012. As cases under the old law are being concluded and replaced by new cases, experience with the new law has resulted in the identification of a series of problems, which necessitate legislative change. The asset forfeiture commission has prepared detailed proposals to address the problems, which deserve early consideration by the National Assembly.

The specialised investigatory service dealing with organised crime was transferred back to the Ministry of Interior at the beginning of 2015, after having been located at the State Agency for National Security (SANS) since 2013. This time the transfer was better organised than in 2013 but nevertheless still resulted in a certain amount of disruption. It will be important now that the organised crime directorate is given the stability and resources it needs to do its work. A number of legal issues have been identified in the law which implemented the transfer, in particular in regard to the legal definition of the competencies of the organised crime directorate, which seem to constitute an unnecessary restriction on its actions.

## 3. CONCLUSIONS AND RECOMMENDATIONS

In 2015 Bulgaria took some important steps to put reform back on the agenda, following a period in which political instability appeared to be stalling progress. The two strategies on the judicial reform and the fight against corruption represent a detailed blueprint for action. But it is clear that the translation of these strategies into concrete and tangible progress will be a major challenge for 2016. A number of initiatives have been taken, and some of these have seen some concrete progress. In December Bulgaria amended its Constitution. While the amendments included some significant changes from the text originally proposed, their adoption still represents an important step towards a reform of the Supreme Judicial Council. It now needs to be followed up, so that the full range of changes contained in the judicial reform strategy become law. Other initiatives have faced setbacks, most notably the anti-corruption strategy, with the draft law intended to put in place a new unified anti-corruption authority rejected in the National Assembly. The government has announced its intention to resubmit the proposal in an amended form, but the rejection underlined a lack of political consensus behind the reform process.

The slow progress in high-level corruption or organised crime cases and the uncertain reaction and follow-up to specific controversies such as the one surrounding the Sofia City Court in 2014 continues to erode public confidence in the ability of the Bulgarian authorities to deliver justice. The systemic problem identified by the European Court of Human Rights in terms of Bulgaria's obligation to carry out effective investigation of wrongdoing echoes a series of CVM reports, and there remains a lack of determination in the Bulgarian authorities' reactions to these shortcomings. Many of the recommendations in the 2015 CVM report remain valid.

In regard to judicial independence, it has been encouraging to see Bulgarian judges speaking out in public to support the reform of the judiciary. This is a healthy sign of a new more confident culture developing among Bulgarian magistrates. Some concrete elements of progress have also been achieved in regard to the management of the judiciary. However, in key areas of judicial governance the efforts of the Bulgarian institutions still lack determination.

The Commission looks forward to continuing to work closely with Bulgaria to secure the CVM's objectives and invites Bulgaria to take action in the following areas:

*1. Independence, accountability and integrity of the judiciary*

Bulgaria has opened the way to a reform of the Supreme Judicial Council (SJC) and a strengthening of the judicial inspectorate. Now these commitments need to be implemented. It will also be important to build on the steps taken to improve the credibility around random case allocation and appointments.

- Implement the reform of the SJC through the necessary amendments to the Judicial System Act.
- Swiftly provide the Judicial Inspectorate (ISJC) with the legal authority and material resources to fulfil its new role in safeguarding integrity and fighting corruption within the judicial system.
- Establish a capacity within the SJC and the ISJC to monitor the application and security of the new system for the random allocation of cases in courts. These institutions must be transparent about the outcome of inspections and the follow-up to problems identified.
- Develop a track record within the SJC of transparent and consistent decision-making with regard to appointment decisions, applying clear standards of merit and integrity, while making such decisions in a timely manner.
- Provide the conditions for an impartial investigation into the different allegations of high level corruption within the Sofia City Court, in particular with regard to possible systemic implications, including possible comparable practices in other courts.

*2. Reform of the judicial system*

A comprehensive package of amendments to the Judicial Systems Act has been prepared by the Ministry of Justice and widely debated in the judiciary in the course of 2015, aiming at the implementation of the government's judicial reform strategy. The long-standing recommendation for a modernisation of the Bulgarian criminal codes also remains relevant.

- Enact amendments to the Judicial Systems Act in line with the government's judicial reform strategy, including reforms to give more say to individual judges and prosecutors, and ensure their implementation in close consultation with the judicial authorities.
- Prepare a set of targeted amendments to address key problems in criminal procedures, in particular problems affecting complex cases involving corruption or organised crime.
- Adopt a comprehensive reform of criminal policy in line with the ideas set out in the judicial reform strategy.

*3. Standards in the judiciary*

Bulgaria should move ahead in 2016 with reforms in key parts of its judiciary, including appropriate changes in the judicial map to improve overall quality and efficiency, implementation of e-justice, clear standards for disciplinary proceedings, and a continued reform of the prosecution office.

- Adopt a reform of the judicial map for the regional courts and present a roadmap for a more general rationalisation of the courts at all levels to improve overall quality and efficiency, including the reallocation of resources where appropriate in light of an overall analysis of workload in courts.

- Establish a clear timetable for the implementation of e-justice and put in place the necessary capacity to monitor and steer its implementation.

- Develop a practice of motivating disciplinary decisions in accordance with clear and objective standards and principles. Conduct an independent assessment of disciplinary practice under the current SJC since 2012.

- Launch an independent analysis of the prosecutor's office as set out in the government's judicial reform strategy, taking into account the reform measures already implemented.

*4. Corruption*

Initiatives in this area should focus on the implementation of the new national anti-corruption strategy adopted in spring 2015. A major priority should be the swift re-consideration by the National Assembly of the government's proposals for a new anti-corruption law, taking into account any specific concerns but ensuring the main elements in line with the intentions as set out in the anti-corruption strategy.

- Adopt a new anti-corruption law in line with the anti-corruption strategy, including the establishment of a unified authority with a strong independent mandate to fight high-level corruption. Ensure the swift establishment of the new institution and provide it with the required resources.

- Adopt amendments to the law on public administration to enhance the powers and independence of the internal inspectorates, and establish a uniform set of minimum standards for the public sector in terms of risk assessment and reporting obligations.

- Provide the public procurement agency with the legal authority and organisational capacity to perform risk-based, in-depth checks on public procurement procedures.

- Continue the efforts to address low-level corruption in the Ministry of Interior. Launch similar efforts in other risk sectors within the public administration.

- Monitor the progress of criminal cases involving allegations of high-level corruption, including the pre-trial and trial phase and implement measures to address the problems identified.

*5. Organised crime*

Bulgaria still needs to establish a solid track record on securing final conviction in court in relation to serious organised crime cases. It will be important to ensure that the legal and institutional conditions are in place to allow law enforcement and the judiciary to work effectively.

- Monitor the progress of criminal cases involving serious organised crime, including the pre-trial and trial phase as well as the enforcement of sentences and implement measures to address the problems identified.

- Swiftly address the legal problems identified in regard to the competence and functioning of the organised crime directorate within the Ministry of Interior and provide the directorate with the organisational stability it needs to carry out its work.

- Amend the law on criminal asset forfeiture to allow asset forfeiture commission to work effectively.