

Reconstruction of the State on government's first year: No deadlines were met, but ANO grows more active

In its program declaration one year ago, the government pledged to “meet its priorities in time and content”, including most of the nine bills promoted by Reconstruction of the State: for example, transparent funding of political parties, extending the powers of the Supreme Audit Office, and strengthening the independence of public prosecution bodies. However, even though deadlines in the legislative plan for all drafts to be presented to the government were set for 2014, they were changed and (with the exception of the Civil Service Act) to this day the cabinet has not debated any of the bills.

Reconstruction of the State on implementation of government program statement

“Coalition MPs could be commended for changing the rules of passing the bills unduly burdened by sneaky riders, and for quick acceptance of a Constitutional amendment on extending the powers of the Supreme Audit Office (NKÚ). However, the fate of bills drawn up by the government is not clear. Our principled critique of the Civil Service Act as passed has been recently confirmed by the European Commission, which is therefore reluctant to allocate EU funds to the Czech Republic. The government has not even debated the remaining bills, although this was planned for 2014. For example, the complete bill on political party financing has been deleted from the agenda of coalition meetings for six months now. Unless changes in political party funding are passed this year, the next elections will be again held without rules.”

Commentary on the activities of the ANO Movement

“In September the government was supposed to discuss four bills, but this did not come to pass. Therefore, we approached the coalition parties' leaders in October with an offer of cooperation. Andrej Babiš was the only leader to accept our offer. ANO set up an implementation team which regularly meets with Reconstruction of the State. For instance, Deputies Vondráček and Sedláček worked to achieve consensus in the deputy working group on a finalized Bill on Registry of Contracts, which meets the requirements of Reconstruction of the State. Andrej Babiš has declared that unless the coalition arrives at an agreement, he will forward the bill to the Chamber of Deputies without coalition support. ANO also supports draft legislation on political party funding. The obvious attempts by Andrej Babiš and the ANO Movement to promote reconstruction bills are, however, being marred by Justice Minister Válková's much-criticized amendment to the Public Prosecution Law, which would strengthen the minister's powers to influence court proceedings.”

Commentary on the activities of ČSSD

“Jiří Dienstbier, the only active Social Democrat minister, is working on an executive draft of the Supreme Audit Office Act. However, ČSSD continues to block the bill on political party financing. Bohuslav Sobotka strictly rejects to establish an independent audit body as proposed by the Ministry of the Interior, although he promoted this measure before the elections. The Prime Minister has withheld the bill from the proceedings for six months now, while Minister Chovanec does little to have the issue discussed and smuggles quite problematic “improvements” into the bill drawn up by his office, such as DMS messages, which further complicates possible consensus.

The Social Democrats have pressed two conditions into the finalized compromise wording of the Bill on Registry of Contracts, namely the exclusion of publicly traded state-owned companies (ČEZ) and

commissioning an impact study, although this is not compulsory in case of parliamentary drafts and a similar study was actually conducted for the original draft in the past.”

Commentary on the activity of KDU-ČSL

“The Christian Democrats made a unique U-turn. Although their ministries do not sponsor any of the bills, their MPs have always supported the Reconstruction of the State bills. Thus, the Bill on Registry of Contracts was actively promoted in the legislative process by MPs such as Junek, Uhlík or Hovorka. But September was a breaking point: KDU-ČSL unexpectedly replaced Jiří Junek as the registry of contracts negotiator with ex-MP Jan Kasal, now an employee of ČD Cargo. Kasal reopened long-resolved disputes over the bill’s pillars at coalition meetings. He insisted on the complete exclusion of state-owned companies and removing sanctions of invalidity of unpublished contracts, and rejected a compromise draft adjusted by the Ministry of the Interior in the working group. For more than three months now, we have been seeking an appointment with the party chairman, but now we have met with Minister Jurečka, who confirmed the core principles of the bill, and agreed specific steps to reach consensus.”

Further information and comments available from:

Jiří Boudal, manager, Reconstruction of the State, jiri.boudal@frankbold.org, 777 804 658

Pavel Franc, CEO, Frank Bold, 608 362 596

David Ondráčka, director, Transparency International, 605 814 786

Martin Kameník, chairman, Oživení, 776 230 779

How the coalition parties fare

ANO Movement

Political Party Funding

- A suitable proposal, which meets Reconstruction of the State recommendations, was drawn up by the team of Deputy Interior Minister for ANO. But for **six months** now, the draft has been waiting for the coalition to decide about the audit body and DMS messages, before it can be subjected to an inter-ministerial comments procedure.
- Ministr Babiš has shown Reconstruction of the State a written request from 6 January for the Prime Minister to put the bill on the agenda of a coalition council meeting, but said his request was turned down.
- ANO restated support to Reconstruction of the State on one of the versions of the current draft, proposed by the Interior Ministry, complete with setting up an audit body.

Registry of Contracts – not a government bill

- Deputy Vondráček coordinates a coalition working group and cooperation with the Ministry of the Interior to draw up a compromise wording of the bill. It was presented in a form approved by ANO, ČSSD and the ministry, meeting also core recommendations of Reconstruction of the State.
- The Ministry of Finance started publishing all contracts and invoices independently of the applicability of the bill.

Nomination of members of supervisory boards of state-owned companies

- On the request of the Ministry of Finance, the draft was excluded from the legislative plan for 2015. In December, the ministry proposed that Reconstruction of the State member

organization Frank Bold process the basics of the bill. Frank Bold turned down the offer and proposed in January that a broader expert platform be set up and a workable version of the bill be formulated by an expert working group under the auspices of the Ministry of Finance and Reconstruction of the State. The proposal was presented to the Minister of Finance pending further negotiations with the ministry.

Civil Service Act

- ANO supported the original draft amendment, rated neutral by Reconstruction of the State, as well as the final text with critical comments by Reconstruction of the State.

Independent Public Prosecution

- In accordance with the original legislative plan, the Ministry of Justice was supposed to present the bill to the government in July 2014, but following several postponements the issue was delayed until June 2015, almost one year later.
- The Justice Ministry's draft legislation, unveiled in December 2014, was widely criticized as being in conflict with its purpose and actually strengthening the Minister's powers to interfere with court causes.
- At this point it is not clear if the ministry would withdraw the draft and present a new bill.

Legislative Process – not a government draft

- Ex-MP Jourová was the chief sponsor of the parliamentary draft and continued to support it also as a minister.
- ANO deputies actively participated in drafting an amendment to the Chamber of Deputies Rules of Procedure.
- All but two ANO deputies, who abstained, voted for the bill.

Extending Powers of the Supreme Audit Office – not a government draft

- All present ANO deputies bar one abstention voted for a Constitutional Amendment which would extend the powers of the Supreme Audit Office (NKÚ).

ČSSD

Political Party Funding

- For six months now the coalition has delayed debate on the bill on political party financing, and Interior Minister Chovanec has done nothing to have the draft put on the agenda; on the contrary, he has "improved" his own ministry's draft with proposing very objectionable additions, such as DMS messages, thus impeding the debate on a bill drawn up by the Ministry of the Interior.
- At a meeting with Reconstruction of the State in January, Prime Minister Sobotka resolutely rejected the setting up of an independent control mechanism (establishing independent supervision of political parties was part of his personal pledge before the elections).
- Asked when the coalition would debate the bill he said it would happen after the Registry of Contracts is discussed, i.e. in late March 2015 at the earliest.

Conflict of interests

- Minister for Legislative Affairs Dienstbier has drawn up legislative blueprints envisaging the duty to file declarations of assets upon assuming office. However, the blueprints do not

exactly envisage a central data storage and electronic filing of the declarations subject to independent audit.

- The original deadline for presenting draft legislation to the government was in September 2014, but a new deadline was set for March 2015.

Registry of Contracts – not a government draft

- In summer 2014 the Prime Minister supported in the media the establishing of a register of contracts including the sanction of invalidity.
- The latest draft version, designed to provide background for an impact assessment study, was drawn up by the Ministry of the Interior.
- ČSSD members of the coalition working group enforced the deletion of publicly traded state-owned companies (ČEZ) and worked with KDU-ČSL to request an impact assessment study, which will significantly delay the adoption of the bill, although a similar study has been completed before.
- At a meeting with Reconstruction of the State, the Prime Minister rejected ČSSD's support to the version agreed by the deputies' group and said ČSSD's position would depend on the outcomes of the impact assessment study.
- The Office of the Government announced that it starts publishing contracts over CZK 50,000 as of 1 January regardless of the Registry of Contracts; however, no such contract has been published so far.

Nomination of members of supervisory boards of state-owned companies

- The Prime Minister supported the bill in the course of legislative plan changes in September 2014. However, the bill was eventually deleted from the legislative plan for 2015 (according to Minister Dienstbier, the objective has been formally registered as unfulfilled since 2014 but no deadline has been set). Now the Prime Minister asserts no such legislation is necessary.

Civil Service Act

- ČSSD supported both the original draft amendment rated neutral by Reconstruction of the State as well as the subsequent compromise version criticized by Reconstruction of the State.

Legislative Process – not a government draft

- The government delegated coordination of the amendment to Deputy Jeroným Tejc, who significantly contributed to the adoption of an amendment to the Chamber of Deputies Rules of Procedure.
- All 34 deputies present voted for the adoption of an amendment to the Rules of Procedure.

Extending Powers of the Supreme Audit Office – concerns approved deputy draft and planned government draft

- All ČSSD deputies present voted in favour of the House draft Constitutional Amendment extending the powers of the Supreme Audit Office (NKÚ).
- The Minister for Legislative Affairs submitted a draft amendment to the Supreme Audit Office Act for comments in December 2014; proceedings were completed in January.
- According to the original legislative plan the Minister was supposed to submit his draft to the government in December 2014; the deadline was postponed by one month to January 2015. In all likelihood, the government will discuss the draft in February at the earliest.

KDU-ČSL

Registry of Contracts – not a government draft

- In September, Deputy Jiří Junek was replaced in the coalition working group by ex-MP Jan Kasal, now an employee of ČD Cargo.
- Jan Kasal together with ČSSD enforced in the coalition working group the commissioning of an impact assessment study, which will significantly delay the adoption of the bill, although a similar study has been already completed.
- Jan Kasal submitted objections against the Ministry of Interior's bill; these had already been repeatedly discussed and approved by the coalition.

Civil Service Act

- KDU-ČSL supported both the original draft amendment rated neutral by Reconstruction of the State as well as the subsequent compromise version criticized by Reconstruction of the State.

Legislative Process – not a government draft

- KDU-ČSL deputies actively participated in drafting an amendment to the Chamber of Deputies Rules of Procedure.
- Of the 11 deputies present, 10 voted for the amendment and one abstained.

Extending Powers of the Supreme Audit Office – not a government draft

- All eight KDU-ČSL deputies present voted in favour of extending the powers of the Supreme Audit Office (NKÚ).

About Reconstruction of the State

The anti-corruption project Reconstruction of the State was launched in March 2013 with the aim to promote nine key legislations, which would dramatically reduce room for corruption and prevent the ongoing state capture. Commitment to promote the legislation was confirmed in writing before the elections by more than 160 current members of parliament, including the leaders of the main political parties. **Members of the NGO coalition:** Oživení, Transparency International, Frank Bold, Otakar Motejl Fund, Center of Applied Economics (zIndex), Open Society, Brnění, Pražské fórum, Zaostřeno, Zelený kruh, Anticorruption Endowment (NFPK), Inventura demokracie, Glopolis, Good Governance, Naši politici, Iuridicum Remedium, ProAlt, Kohovolit.eu, and PragueWatch. The coalition receives financial support from scores of small donors, companies and foundations, the list of whom can be found on the project website.

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www.fondnno.cz, www.eeagrants.cz

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