

Information for media, 2 September 2015

Parliamentary committees decide about contracts disclosure

A key parliamentary committee will decide today on the form of the Bill on Register of Contracts to be recommended to the lower house. They can uphold or beat a compromise formula proposed by the government and recommend certain crucial amendments, which would jeopardize the bill itself.

The timely passing of the bill will then be determined on Thursday afternoon by the Steering Committee, which can slate the draft for third readings.

The House Constitutional and Legal Affairs Committee, which has guarantor powers under the new Code of Procedures, is deciding today how voting on the longest-delayed bill in the history of the Chamber of Deputies will look like. In July 2015, the Bill on the Register of Contracts passed through its second reading where it was promoted by MPs from KDU-ČSL, ANO, and some members of the opposition TOP09/STAN party (see our Czech blog <http://bit.ly/1TiiZjS>). The lawmakers voted in favour of using the government's complex draft amendment to the originally tabled by Jan Farský (STAN) as a basis for the third reading vote. The government's draft amendment honours the core principles of the bill, offers some improvements, but also contains many groundless opt-outs, most notably a one-year stay on the sanction mechanism.

The risk factor now comprises several draft amendments—tabled mainly by the ČSSD lawmakers—which could block the passage of the bill. These amendments include, for example, those put forth by Deputies Milan Urban (eventually presented by Mr. Zemánek) and Jaroslav Foldyna, proposing that all private entities (both corporate and not-for-profit) disclose all their contracts (including private ones) for the whole duration of the calendar year in which they receive subsidies over and above the set limit. This is a legal absurdity that makes entities estimate in advance if they are granted such funding. Moreover, it replaces public spending control by the inclusion of private means (money not derived from the subsidy programme).

As opposed to this, the Reconstruction of the State group of experts has recommended that parliament accept the opposition proposals suggesting to shorten the “trial” period of the full applicability of the bill, and to cancel the absolute opt-out for the firm ČEZ.

The bill invited as many as 20 proposed amendments. Substantial opt-outs have been proposed also by TOP09 club leader Miroslav Kalousek and ČSSD deputy Vítězslav Jandák. (We can provide a list of the key legislative proposals together with our assessment upon request.)

Register past deadline

According to the original government plan, the Chamber of Deputies had the last chance to pass the contract register bill in July so it becomes fully applicable before the arrival of the next cabinet. Now it is up to the government to speed up the work. The government originally planned to implement the legislation in 21 months. The Ministry of the Interior had asked for nine months to write an online database, and the sanction mechanism is to be delayed by 12 months, during which time the disclosure of contracts would be more or less voluntary. Along with the estimated time for debates in the House and Senate, the law would not be fully applicable until October 2017, the scheduled date of general elections (for details see our blog, available in Czech, <http://bit.ly/1NKu1uC>.)

“We infer, from conversations with several members of parliament, that most of them don’t even realize that automatic disclosure of contracts need not be achieved under the incumbent administration because of delays in passing the bill,” says Pavel Franc, CEO of Frank Bold, one of the five NGOs that guarantee the performance of the Reconstruction of the State platform.

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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 incumbent members of parliament, including the leaders of the main political parties. Reconstruction of the State brings together citizens, experts, politicians and businesspeople of different political hue, united in support of the rules of fair political competition and open governance.

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