Reconstruction diary – April 2014

Dear Sir or Madam,

We are sending you a summary of important news concerning the laws that are being pushed through by Reconstruction of the State.

Main issues:

A fragile compromise regarding the bill on the Registry of Contracts emerges. We are processing other objections and proposals that could jeopardize the implementation of the law.

During the past two weeks, Deputy committees have discussed several reconstruction laws. The "new version" of the law on Civil Servants encounters disagreement in the coalition.

On the contrary, the second ambitious amendatory proposal of the constitutional amendment to NKÚ (Nejvyšší kontrolní úřad – Supreme Audit Office) has been passed, complying with the requirements of Reconstruction of the State.

News Bulletin:

- § Reporter for the bill on the Registry of Contracts Jan Chvojka proposed a compromise to the mayors of small municipalities – there is a chance of adopting the law. More information <u>here</u>.
- § More than seventy mayors and mayoresses, including the mayor of Prague Tomáš Hudeček, have supported the publication of contracts, being encouraged by three mayors of small municipalities – more on the website <u>Mayors for transparency</u> and <u>here</u>.
- § The government has established a three-member <u>nomination committee</u> for the supervisory boards of state-owned enterprises.
- § An expert round table regarding the changes in the legislative process was held, various options of alterations were discussed. Record available <u>here</u>.
- § Meetings of volunteers ambassadors of Reconstruction of the State were held in Prague and Brno. Ambassadors now approach mayors asking them for their opinion on the bill on the Registry of Contracts.
- § We have met with the president of the Senate Milan Štech, the president of the KDU-ČSL parliamentary club Jiří Mihola, the president of the Constitutional Law Committee Jeroným Tejc, the chief adviser to the Prime minister Vladimír Špidla, the Union of Towns and Municipalities of the Czech Republic, the Prime minister Bohuslav Sobotka, the deputy Prime minister Andrej Babiš and many others.
- § The Committee on Budgetary Control has endorsed a complex amendatory proposal of Deputy Stupčuk from ČSSD to amend the Constitution of the Czech Republic by extending the powers of Supreme Audit Office. The Constitutional Law Committee has

subsequently authorized a very similar bill of Deputy Pleticha from ČSSD. Both bills include the control of municipalities in full extent, which was in the past refused by senators, among which ČSSD has a majority.

§ MPs have endorsed, yet informally so far, the extension of time between the second and the third reading of bills. It is a measure which we promote in order to avoid enacting complex amendatory proposals, including so-called riders, within 48 hours and without Deputies having enough time to scrutinize them. More information for example <u>here</u>.

In preparation:

- § With the beginning of May, we will be launching a new website with monitoring and evaluation of how more than 165 MPs abide by their promises, after pledging their support to Reconstruction of the State.
- § In May, the Constitutional Law Committee will probably discuss the complex amendatory proposal for the Civil Service Act, which, according to available information, does not comply with the principles promoted by Reconstruction of the State.
- § We have asked the coalition parties to meet in order to negotiate the law on the financing of political parties.

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Recently, the Association AGA, which brings together around 200 companies, has decided to officially support Reconstruction of the State. Our activities have also been supported by the Embassy of Canada in Prague. We would like to thank all the <u>partners and donors</u> of Reconstruction of the State for their support!

News in detail:

A fragile compromise regarding the bill on the Registry of Contracts emerges. However, there are some objections and adjournments that could jeopardize the implementation of the law.

Deputy Chvojka, reporter for the bill, indicated the <u>direction towards compromise</u>, but other deputies and mayors come up with objections. In the previous Chamber of Deputies, MPs constantly demanded additional analyses. At the present, all apparently agree on the necessity of this law and its key part, the invalidity of a contract without publishing it, is no longer contested.

Objections are raised mainly to the involvement of small municipalities and to incorporating contracts including sensitive data into the publication of all contracts of city and state-owned enterprises. We prepare responses to the objections to the bill submitted

by Deputy Jiří Petrů (ČSSD). In addition, we are presently preparing, jointly with the Ministry of Finance, materials for minor alterations and a negotiation with city and state-owned enterprises.

Union of Towns and Municipalities of the Czech Republic organized a seminar in the Chamber of Deputies, where it presented the objections to the bill on the Registry of Contracts. Originally, no advocate of the law was supposed to deliver; however, to our request, the leader of the expert group of Reconstruction of the State Oldřich Kužílek and the coordinator Jiří Boudal gave a talk. We have met with Union of Towns and Municipalities of the Czech Republic and answered their queries and objections. Currently, we are preparing information material and the round table with mayors and MPs on the issue.

As the analysis of the members of the NGO coalition o. s. Brnění, Oživení and Otevřená společnost points out, city enterprises do not follow the Act no. 106/1999 Coll. on free access to information. It often concerns the most vociferous critics of the law. More information <u>here</u>.

Approximately seventy mayors have backed the law so far. For this, they are sometimes unscrupulously criticized by their colleagues. More information <u>here</u>.

"The end of advantages in state firms" provisionally for now

A three-member committee for nominations to the supervisory boards of state-owned enterprises has been created. During the creation, the government has also referred to Reconstruction of the State, where MPs pledged to adopt the bill. The bill is now, also thanks to our reminding, in the government plan of legislative works for 2014.

Law on Civil Servants develops with difficulties

The coalition took five weeks to come up with a reform of the Civil Service Act. So far, it seems that the compromise is hard to reach. In case the coalition does not make an agreement until the end of the year, there is a risk of adopting a long-postponed law from 2002.

Agreement within the Chamber of Deputies on the full control of municipalities and regions

The MPs for now agree on municipalities, regions and state-owned and municipal-owned enterprises being controlled by Supreme Audit Office in full extent. The most active are the Deputies of ČSSD, who have proposed two ambitious amendatory proposals that comply with the parameters of Reconstruction of the State. Nevertheless, there is still a significant opposition to the full control in the Senate and it is still not clear how ČSSD wants to pass this ambitious version through the Senate.

Read more:

New materials about the Most Beautiful Law and extending the powers of SAO.