

## Reconstruction diary (Expert newsletter) – June 2014

Dear Sir or Madam,

In recent weeks, there have been several major changes regarding bills promoted by Reconstruction of the State. Therefore, we are sending you a brief summary of important news and actions that the media has frequently reported too little about.

*Please note that all the links in the newsletter lead to articles, websites and other source materials available only in Czech language. For your reference—and for those who may understand Czech—we decided to include the links in the English version of the newsletter, too.*

### Highlights:

**Bill on the Registry of Contracts. Yes, but...** After long effort the Committee on Constitutional and Legal Affairs of the Chamber of Deputies has recommended a new print and second reading of the bill and adopted reasonable amendments, yet they request vaguely its debating with the ministries. Previously, the bill was rejected by the Committee of Economic Affairs on the proposal of Mr. Pilný, MP (ANO), who is now, however, more moderate in his criticism due to our sending him the following [open letter](#) of well-known personalities.

The Bill on the Registry of Contracts was also supported by the representatives of the chambers of commerce associating foreign businesses in the country. Along with many supporters of this bill, we will watch to see whether the coalition MPs and the ministries agree on the procedure by which they will prepare the bill for passing. **Today**, the bill will be debated by the Committee on Public Administration, which already holds a rather negative stance and in which representatives of the critics among mayors have a strong say.

**We have launched an on-line monitoring system** showing how the bills promoted by Reconstruction of the State are voted about. We are still fine-tuning the site but you can already follow every bill in detail on our website. More lightly on the monitoring in this [video](#). [Here](#) is an easy way to make a financial contribution to support the monitoring system and articles about it [here](#) and [here](#).

The coalition has already agreed on the latest version of the **amendment to the Civil Service Act** and intends to endorse it as early as in July. However, experts table of Reconstruction of the State has shown that this version has [several major gaps](#) which will not allow the required professionalization of the State Administration. We have sent our reservations to the members of the Committee on Constitutional and Legal Affairs, where the bill was proposed.

A stricter version of an **amendment to the Constitution extending the powers of the Supreme Audit Office was passed by the Chamber of Deputies**. We are cautious in our celebrations: ODS senators indicated in the media that they intend to reject the

amendment. The Senate will deal with the matter and the transposition law in the autumn. Read the gripping story of constitutional law since 2011 at [blog](#) by Pavel Franc.

Newly, an easy way to support us financially is offered [here](#). So far, we have collected a third of the amount needed for the system monitoring the votes on bills. Our thanks for financial support to Open Society Fund Praha, Jan Barta, Václav Dejčmar, Unimex Group and other donors and partners.

**Inform others – send them this newsletter.**

**Do you want to enjoy yourself every day? Add [Reconstruction on Facebook](#) to your favourites.**

### **Read also:**

[Blog](#) about what actually happened with the Registry of Contracts

[Comments](#) by Jiří Leschtina – Publication of contracts – a festival of embarrassment

[Press release](#) – the open letter ‘Pane Pilný, bude líp?’

[Response](#) to Jan Chvojka, MP

[Analysis](#) of arguments of Mr. Pilný, MP

[Press release](#) on the constitutional amendment regarding the Supreme Audit Office

### **What's new with the Registry of Contracts:**

§ A month ago, the debates on the Bill on the Registry of Contracts looked hopeful – a compromise was reached in the form of a temporary exclusion of small municipalities. Subsequently, critics were heard who did not want to include state- and municipality-owned companies. Yet these represent the least transparent place through which annually over CZK 600 billion of public funds flow. More at [blog](#) by Jiří Boudal.

§ On the proposal of its Chair, Ivan Pilný, MP (ANO), the Economic Affairs Committee recommended the Chamber of Deputies not to debate the Bill on the Registry of Contracts and to require the government to prepare a new draft. After two years of debates and objections, after the bill had been co-sponsored by seventy MPs, including Mr. Pilný, this would mean throwing away all the work and also at least a year-long delay. This step created a reaction in the form of an open letter by, for example, the entrepreneur Radim Jančura, the political scientist Vladimíra Dvořáková and the economist Miroslav Zámečník. As you can read [here](#), Mr. Pilný proposed this action on the basis of misinformation on the bill. After the criticism, he agreed to a meeting at which we agreed [in this joint conclusion](#) that the bill can be adjusted and further discussed in the Chamber of Deputies.

§ During discussions with the representatives of businesses, MPs and mayors, we tried from the start to find weak points in the bill and find a consensual solution to these.

Many small details were fine-tuned and we have identified one possible improvement to the bill. Together with the Deputy Minister, Robert Pelikán, and Radek Vondráček, MP, we participated in the drafting of a partial amendment that would allow exclusion of certain types of contracts of state-owned companies that include trade secrets, governed by law, and in doing so limit administration for these companies.

§ The Committee on Constitutional and Legal Affairs was most likely heading towards the same action as the Committee on Economic Affairs – the refusal of the bill. The CSSD MPs proposed three different amendments that would exclude state-owned companies. Also, only after three month of debates, the Committee sought the opinion of three ministries (MPs extended their deadline). We have studied the amendments and reviews and commented on these. In our opinion, in the majority of cases, these were mostly comments of a technical character which did not prove that the bill should be re-drafted. With a bit of a political will of the ministers responsible, the technical details the ministries point out can be agreed upon and presented as a joint amendment. Further details are available [here](#).

§ While critics [claim](#) that the law is being thinned out, the changes that the Committee recommended in the end, were reasonable – the deferral of effectiveness for small municipalities, less administration with “blacking out” of some types of contracts, exclusion of professional chambers that do not manage public money, etc.

**We also thank the ambassadors of Reconstruction of the State** for keeping their fingers crossed and giving a cheer to the Committee on Constitutional and Legal Affairs to manage successfully the debates of the bill.

**New webpages with information on the selected laws are available here:**

<http://www.rekonstrukcestatu.cz/cs/smlouvy-na-internetu>

<http://www.rekonstrukcestatu.cz/cs/rozsireni-kontrolnich-pravomoci-nku>

If you do not wish to receive (approximately once a month) this newsletter on bills promoted by Reconstruction of the State, please, let us know.

If you've read this far, thank you for your attention and wish you a pleasant week!