

A Loud Slap on the Independence of the Regulators

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With the last gasps of the 48th National Assembly, the members of the parliament (MPs) decided to hit hard at the independence of regulators. In an extremely impudent manner, with a non-scheduled point in the agenda for Friday, by a proposal of GERB, DPS, BSP and "Bulgarian Rise" (BR) and shortly after the leadership meeting to form a government, the Parliament moved to dismiss Tsvetan Tsvetkov - chairperson of the Bulgarian National Audit Office (BNAO). The draft decision lacks motives and all the expressed opinions in the debate only showed how **partisan interests prevailed over logic and dug the tunnel to the bottom of trust in institutions.**

The mandates of all the members of BNAO, including that of the chairman, have expired, 9 and 10 months ago, respectively. The audacity of the proposal's sponsors comes from the fact that, after the same political forces allowed constitutional chaos to occur due to a failure to fulfill the obligations to appoint members of 16 other bodies, now attacked one of the oldest institutions in Bulgaria, which is one of the few that still enjoys public trust today. Why do GERB, DPS, BSP, and BR not address the tenures of the chairman of the National Social Security Institute, which expired a year and 4 months ago, or the term of the governor of the Bulgarian National Bank, which expired a year and 6 months ago, or the terms of the Inspector General of the Inspectorate to the Supreme Judicial Council and its inspectors, which expired 2 years and 9 months ago, or the term of the chairman of the Commission for Personal Data Protection, which expired 3 years and 9 months ago, mandate of the chairman of the National Social Security Institute, which expired a year and 4 months ago, or the mandate of the governor of the Bulgarian National Bank, which expired a year and 6 months ago, or the terms of the Inspector General of the Inspectorate to the Supreme Judicial Council and its inspectors, which expired 2 years and 9 months ago, or the mandate of the chairman of the Commission for Personal Data Protection, which expired 3 years and 9 months ago? Nobody in the Parliament demanded their resignations. Given that Goritsa Grancharova-Kozhareva is a member of the BNAO's present management team and that her time in office has also ended, the "expired term of office" justification for the swift removal of the BNAO chairman falls apart.

The practice so far is that the change of the leadership of the BNAO has always rested on political arguments, as BNAO itself deals with the extremely sensitive issue of how public funds are spent, including the follow-up of public procurement, which means that the auditors have tools to identify corruption, including in political parties and election campaigns.

However, the qualitative distinction is that beforehand political rhetoric came with arguments concerning the performance of BNAO and what is the best organizational structure. In other words, MPs used to play around with modifying the law, the structure, and the process for appointing the leadership, and that was how they chose their representatives. They no longer even attempt to play by amending the law since there is just not enough time. That's why they took out the big bat.

What may actually be driving Tsvetan Tsvetkov's replacement? The political gamesmanship surrounding the Nexo case is one thing. Yesterday, Tsvetan Tsvetkov was called to speak before the Committee on Budget and Finance on the subject of political parties' donations in the context of the current public information. **It was made clear that Tsvetkov refused to enter the political theater and pointed out what the BNAO's powers are in auditing donations.**

What can be improved in the work of the BNAO is a subject for another conversation. It requires legislative amendments and there are such recommendations from international organizations. Yordan Tsonev pointed out that the reason for Tsvetkov's removal was the funding issues of "Democratic Bulgaria". However, an investigation is currently underway and before it is completed it shouldn't be presumed that someone has failed in their duties. If accountability is to be sought for the activities of Nexo, why has the Parliament's blow not been directed at other institutions that have their own remit to investigate alleged illegal funding of political parties? **It appears that Tsvetkov is the easiest scapegoat to gloss over a number of uncertainties surrounding the international scandal.**

However, "We Continue the Change" and "Democratic Bulgaria" said that the issue was with the BNAO's reports about the Bulgarian Development Bank and the construction of the highways. Other arguments pointed out that the haste to dismiss the BNAO's chairman was due to the scheduled audits of the National Electric Company, sanitation, forestry, water supply, and anti-corruption measurements.

Kornelia Ninova pointed out that her motive for Tsvetkov's dismissal was the classification of the audit report on dam repairs for 500 million BGN without public procurement. The thing is that Ninova has forgotten that in April 2022, when she addressed the National Assembly regarding the same report, she asked the MPs to request the report from the BNAO or the Prosecutor's Office. It becomes clear from the public information that an investigation has been initiated on the report, which means that it is in the Prosecutor's Office, and information on the ongoing case can only become public with the permission of the supervising prosecutor. **But Ninova does not want the resignation of the Prosecutor General on this occasion, for example.**

What will be the final effect of Tsvetkov's lynching? Most likely, it will lead to auditors' demotivation, since the audits are approved collectively by the BNAO's management. An institution with 140 years of history, which in recent years has proven to be resilient and independent, and which has a function in the overall effort to fight corruption, will be politically decapitated.

It is within the powers of the National Assembly to make changes to the staff of institutions, but this must be done constitutionally and in accordance with the law, with clear reasoning, in deliberation and with public participation. When this is done with partisan motives and leaves suspicions of political self-dealing, it means that the independence of the regulators is being infringed. Recent parliamentary assemblies demonstrate quite clearly what it means to put regulators in a state of anticipatory obedience - it is the behavior of the heads of regulators in favor of those in power, motivated by their expired mandate. That is, they can behave in a pleasing way because of the uncertainty of whether they will be at work tomorrow. **GERB, DPS, BSP and BR have given a clear signal to the other authorities - watch out because we are still here and strong. As one stable majority.**

We will all suffer the consequences. Not only because once again the independence of the institutions is shaken, but because the BNAO, as the supreme audit institution, participates in European and international networks of similar bodies. Its work is strictly monitored by our partners abroad and is further proof that we are not a country governed by the rule of law - one of the requirements of other EU countries for becoming Schengen members.