

OPEN GOVERNMENT, MODERNIZATION OF PUBLIC ADMINISTRATION AND E-GOVERNMENT IN BULGARIA

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The macroeconomic policy in the context of Bulgaria's European integration (in terms of membership in the European Union) requires achieving high rates of sustainable economic growth and high employment, improving the welfare of the population, openness and competitiveness of the Bulgarian economy. The main challenges facing the public sector of Bulgaria are related on one side to the effectiveness of the public organizations that produce public goods, so the state should manage the financial resources just like the private contractors do. This necessitates concluding contracts for production of public goods with private companies. On the other hand, there are areas of activity in the public sector, where the private economic agents are not able to replace public enterprises' work.

There are opinions that in the public sector, corruption practices can be observed and the taxpayers' money is spent in an inefficient way. Therefore, in terms of the European integration, it is highly important that the public sector development be bound with the modernization of administration and meet the requirements for openness, transparency and efficiency.

The aim of this paper is to outline the specifics in the development and strengthening of the public sector in Bulgaria and to justify the need for its interaction with the private sector. Modernization of public administration is not an end in itself. It is determined by Bulgaria's membership in the European Union (EU) and the related provision of services to citizens and businesses not only within the country, but also abroad, which is associated with the requirements for transparency in the management of public finances.

Today we are witnessing a historic change in the relationship between providers and users of public services. The user is in the spotlight as a major factor in these processes. Open government is directly linked to the development of e-Government. It is determined primarily by the users and less by the technologies of its implementation. Its future development in the Republic of Bulgaria depends mainly on users' (citizens' and businesses') satisfaction with the services offered, on their motivation to use these services and on their support. This

in turn ensures the successful integration of Bulgaria to both the European and the global economy.

1. Public sector and public administration in Bulgaria

Depending on their nature, functions and mode of financing, three main areas are structured in society: private sector, public sector and non-governmental organizations.

The public sector produces and offers goods and services, financed by funds collected through taxes, fares and certain other statutory revenues in the state budget that are accumulated by the private sector. In this sense, the public sector has a derived character in the market economy. This requires the application of a constant and consistent monitoring for efficient allocation and use of public finances and reporting on how their use improves the welfare of the population. Particularly important is the role of the state in institutionalizing the production of certain goods that the market mechanism and therefore the private sector cannot effectively provide. In this case, the state is not governed solely by the principle of economic efficiency of the resources used, which is a leading principle for the private companies, but it seeks to create social justice, i.e. seeks to maximize the welfare of the society members.

According to the Constitution of the Republic of Bulgaria, property is private and public.

Public property (State Gazette, issue 44 of 1996) includes state property, municipal property and the respective institutions that are available to the public for use without restriction and with equal access for everyone.

The public sector is a system of state and municipal institutions that manage public property, implement taxation, produce and supply public goods to citizens and businesses.

The public sector is also seen as a sector of the national economy, which produces and offers public goods. In this case, the public sector covers only the public organizations producing consumer goods – for example the military-industrial complex, the production of road constructions, etc.

There are different preconditions that necessitate the existence of the public sector:

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- In certain areas of economy the market mechanisms and competition do not work effectively. They are not able to provide the production and supply of goods that are collectively consumed by society. These are public goods such as national security and defense of the country, ensuring internal order and security, fire protection, construction of parks and gardens, etc. The indivisible character of these goods prevents the sale of their parts, and as a result, their producer receives no profit. The state is not able to adjust the market mechanism, which requires it to organize and implement by itself the distribution of these public goods.
- Each society forms its own values. This process is accompanied by a number of positive and negative aspects of people's life and activity. Not always, however, all elements of the value system can be formed and regulated solely by market mechanisms. State intervention is necessary, respectively the public sector must create public goods in the field of education, healthcare, social security, social assistance, etc. In accordance with the value system established in society, the state directs and regulates the consumer behavior of its members to certain public goods and forcibly restricts the consumption of others. The state's decisions restrict to a certain extent the freedom of its members in terms of choice of goods, but in fact it regulates them in directions useful both for the individual and for society as a whole.
- The operation of the market mechanism creates an uneven distribution of income among the economic agents, on the one hand, and among the members of society on the other. In this case, the state pursues a policy of fiscal redistribution of society's income aimed at restricting its unjust distribution. In relation to this, the state has established institutions and organizations engaged in offering the population various public services, which promote a better reallocation of funds collected from taxes and other budget revenue – for example public services, such as social welfare payment, payment of unemployment compensations, etc.
- Some activities in society cannot be carried out solely on the basis of private entrepreneurs' initiative. This is because their expectations of receiving benefits are high and in fact the state is unable to pay such a high price. That is why organizations are built that produce and offer public services to a significant part of society. Public services, such as maintenance of parks and gardens, building libraries and community centres, etc., create prerequisites for improving the living conditions of the population and development of individuals.

These preconditions prove the need for the existence of the public sector and the obligatory participation of the state in the country's economic life. This is a process, in which the state does not eliminate the private entrepreneurs' initiative and the market mechanism for allocation of resources. Its involvement is limited to regulating the

activities of the private entrepreneurs without limiting their economic freedom. The aim is to correct the so-called market failures or deviations in the market mechanism, and the state partially replaces it in the activities where it does not function and does not provide public goods necessary for society.

The diverse activities of the state and the existence of the public sector create the idea that they can solve the problems related to the market economy. However, the state has a subordinate place in it. It only corrects and enriches the operation of the market mechanism, but does not replace it. This means that private property and market self-regulation keep their leading position as drivers of economic activity, improving the welfare of society members. The public sector development should be viewed in this context. [25]

The detailed definition of the main features of the public sector shows that: **first**, it is a part of the public system; **second**, due to the high public importance of certain activities, they are funded through the state budget and form a self-dependent sector; **third**, through this sector countervailing (compensation) and social functions are carried out; **fourth**, this sector is a field for realization of social entrepreneurship by the state and municipalities, and its aim is the creation of social welfare rather than formation and distribution of profit.

The most important functions of the public sector are as follows:

- Meeting the public needs and interests of citizens, unlike the private sector, which is designed to meet their individual needs;
- Securing private property and personal interests of individuals, which is a public need. Individual citizens, instead of separately and independently guarding their property and interests from internal abuse and external aggression, cooperate within the country in order to do so with a joint effort, collectively;
- Joining and uniting citizens regardless of their status in society, through which they aim to achieve satisfactory protection of their interests within the state;
- Decisions taken in the public sector for supply of public services should not be determined only by the market of goods, but its mechanisms should not be ignored;
- Through its whole activity, the public sector has a social balancing function – achieving equalization of income and assistance to socially vulnerable citizens;
- The public sector regulates social and economic development.

The public sector is part of the economic complex of the country, which is a field of social entrepreneurship of the country and municipalities, where, on the basis of predominant use of budget resources, products are created with a collective mode of consumption, and production is initiated of goods of the social market economy, in order to achieve security, justice and social welfare.

The main characteristics of the public sector are the following:

- The main purpose of the public sector is the reproduction of necessary for society social values of the nation in view of its socio-cultural and institutional modernization;
- The public sector creates that part of needed by society goods, which for a number of social, humanitarian, prestigious and other reasons should be produced in the necessary sufficiency and which require before all a tax price: defense, collective hygiene, public healthcare, public education, etc.
- The market framework, in which the public sector is developing, is limited by a number of social and human factors, which similarly means operation of a wide range of decommercialization of activities. This modifies the economic relations in it and they turn to social ones. Misunderstanding and ignorance of this point is a prerequisite for a number of serious and unavoidable mistakes related primarily to excessive economic commercialization of the sector, associated with its unmeasured privatization, etc.
- The successful functioning of the public sector is dependent on the policy of the government to this sector and is regulated by the following attributes: state participation, autonomy of the units, enterprise of management and public organizations, and business conduct.
- The public sector is built on the principle of monopolism. The state monopoly on certain activities (pure monopoly) is directly proportional to the urgency of the respective activity (national defense, homeland security, emergency medical care, fire protection, etc.)
- The factor, which has a significant importance for the public sector operation, is the political market, respectively the public choice. The classic market is merely a tool, which links the sector to the country's economic potential.
- The costs in the public sector are generally fully comparable with the capital costs in the economy. This is evidenced by the following arguments:
 - the social and cultural activities are a direct investment alternative to any business;
 - the built socialized personality gives throughout their life cycle their „social value” in the product created by them;
 - the improvements created in a personality are an analogous form of the renovation of tangible fixed assets in economy;
 - the promotion of intangible assets in the knowledge economy of this century represents by itself the domination of intellect as a specific economic and social factor of progress.
- In the contradictions of the public sector, a leading role has the solution to several fundamental issues related to the following:
 - the correlation between classical and political market (respectively economic and social commercialization of the sector);
 - the reconciliation between ideological, political, social and resource approach to the management of the sector;
 - the adoption of a permanent strategic approach in the management of the sector (consensus on the future intentions of all governments);
 - the increase of the role of science in the functioning of all organizations in the sector, etc.
- The main functions of the public sector with global significance are: socio-cultural, social, political, economic, etc.;
- In differential form, these functions can be classified in accordance with the complexes building them:
 - for the spiritual-service complex: educational, culturally creative, research, etc.;
 - for the health-recreational complex: preventive, restorative healing, mass-sport, recreational, etc.;
 - for the non-commercial complex: charity-human, communicative, financial-supporting, etc.;
 - for the social-service complex: social justice, equalizing, human, etc.;
 - for the institutional complex: defense, justice, regulative-administrative, provision of security, etc.

The state as an institution defines and regulates at each stage of its development the type and structures of the public sector organizations, which provide public goods.

In Bulgaria as a member state of the European Union, every individual has the right to choose what public goods to consume in order to improve their well-being subject to the possession of material and financial resources. In practice there are deviations from this maxim, stemming mainly from the subjective assessment of the individual. For example, parents are able to not allow their child to attend school (main reason – lack of funds). This requires the state to fund education and it becomes a public good, the consumption of which is free for all Bulgarian citizens under 16 years of age, who are trained in state or municipal schools. In other cases, the state may forcibly limit the consumption of harmful products, such as prohibiting the trade of drugs and increasing the price of alcoholic products.

2. On the integration of the private and public sectors in Bulgaria

In the public sector, primarily economic principles have or should have validity – those of scarcity of resources, of balance between costs and benefits, of productivity and income, etc. If there are no resource constraints, there would be no need to choose what, how and for whom to produce public goods. Public activity would not make economic sense – need for rationality (minimizing costs and maximizing benefits), for aligning decisions with the

alternative cost of using resources, etc. These principles are universal and apply to all economic agents: owners, manufacturers, distributors, users. The public sector is not an exception. As it is known, the rational economic behavior underlies the orthodox (neoclassical) economic theory. In more recent times, the so-called neoclassical institutionalists take into account factors such as time, risk, uncertainty, asymmetry of information, proprietary rights, transaction costs, etc. This leads them to less rigid principles – of “limited information” and “bounded rationality”. [15] Other important for the economic rationality factors are also: the aims (of business and state) and the means of achieving them; their hierarchical structure, as far as the realized aims become means of achieving other objectives, etc. It is also important that the accessibility of funds modifies the objectives.

Of importance is also the fact that not all economic agents or not all their actions are rational. This however is not an argument against the importance of the principle of rationality, since without it “economic” loses its immanent sense. In fact, only those who ignore this point, easily argue that the economic concept of rationality is untenable. A condition of the economic rationality is the free entrepreneurship. After introducing strict rules and laws (on ownership, contracts, corporations, small and medium enterprises (SMEs), taxes, etc.), the state should not prevent competitive order, but should set it as a goal. Since “the organized groups” (corporations, branch organizations, trade unions, etc.), with their pressure distort both the market logic and the rules, it is a duty of the public authorities to protect individuals, other social groups and society from attacks against the economic and social order. Just as it is the obligation of the judiciary and civil society to defend the individuals’ rights from the state’s unmeasured coercion – related to prices, taxes, customs duties, etc.

Such are for example the cases with the quality standards, standards for environment protection, for fight against crime, etc. Such is also the case with the public-private partnership (PPP). Its private ingredient definitively includes the requirement for efficiency, and the public one – for strategic approach, institutional arrangements and social direction.

The public sector needs the resources of the private companies, and they – for their security and prosperity – need quality public services: law enforcement, staff training, infrastructure, communications, administrative service, etc. In Bulgaria, there is a serious rupture between the increasing private-professional activity and the quality of the public services. Overcoming it is a challenge for both the state and the private sector, including PPP as a specific model of their interpenetration. Here, as ever, the exchange “money for value” is not just a bilateral transfer, but a transfer of proprietary rights. The partnership is based on contractual basis with a clear sense: **first** - estimates, maximum rational decisions; **second** – transfer of proprietary rights; **third** - respect for rules, regulations, terms. In short, it is necessary to implement both the economic and the institutional side of PPP relationship. In this case, neither private contractors, nor the state are only carriers of their own interests. There is an interconnection, interdependence and shared responsibility, which structure the economic, legal and social relations arising from PPP. The mutual benefit homogenizes them and prevents from decay. Thus PPP becomes an important constituent part of

the economy. The cases of the isolated from business public sector or those of the private-market sector isolated from the state’s activity are abstractions, which have become theoretical and practically inefficient anachronisms in the new conditions.

The object of PPP (for example to build a highway) is a problem, the solution to which could be purely public or private-market function under certain conditions. If this is a concern of the state - there must be available sufficient resources, and if it is a private interest – there should be satisfactory returns. But just because they lack with big major projects, practical life requires cooperation of activities and sharing of responsibilities between the public and the private sector. Whether an institutional form, such as PPP, is viable or not, is determined by the possibility to reduce the production and transaction costs, on the one hand, and uncertainty, on the other. PPP presupposes economization of public services and therefore reduction of costs, but also, as an institutionalized form of their supply, it limits uncertainty.

Production costs are a problem which has been researched in detail for a long time. A topical issue is the question about the transaction costs, which has been given particular attention by the modern economic analysis. According to K. Arrow, transaction costs are “the costs for running the economic system”, [3] in particular PPP projects. According to O. Williamson, they are the economic equivalent of friction in mechanical systems. [26] R. Coase distinguishes three types of transaction costs: for information; in relation to the negotiation and decision-making; for supervision, and, if necessary coercive (litigation) in cases of violation of the commitments. These are losses of resources including time. According to Coase, transaction costs are fully embedded in the neoclassical economic approach. They are optimal if marginal costs are equal to the expected marginal revenue ($MC = MR$), which is an expression of rational behavior. [5]

Therefore, the problem is this: whether, how and why PPP reduces transaction costs and economic uncertainty? Originally economy is a system for overcoming or at least limiting the scarcity of resources and goods and reducing the uncertainty of the future, in order to minimize the risks. PPP is an institutional form of seeking solutions in this direction. Naturally, PPP projects cannot exclude the parametric and structural uncertainty. It is always possible to have a lack of information about the parameters of the deals or risks at their implementation. This affects the relative effectiveness of PPP (as compared to other alternatives). Either way, however, the clear by agreement institutional organization is a precondition for economic rationality and predictability, which PPP should provide. Historically, there are three stages of resolution of a transportation problem, for example. At first it was a personal care and naturally given. In the industrial era, it became a concern of the state. It builds roads, railways and provides gratis services. Nowadays, market solutions are looked for. PPP offers technical and economic decisions and allocates the rights and responsibilities in this process.

If, for example, through taxes the state directly builds highways, uses them and offers (from the point of view of private agents) „free” services, costs are often excessive for it, the uncertainty is quite high. Without a market there is no basis for economic calculations and estimates. They are possible only when there is at least some degree of market

relations and clear proprietary rights, for which it creates opportunity. The market generally reacts to everything. It changes prices, costs, conventions, etc., thus reducing costs and uncertainty. The economic and social strategy of the government, however, can contribute to this. In this case, the function of PPP is twofold: **first**, it helps minimize costs and maximize benefits; **second**, reflecting the institutional arrangements (rules, norms, procedures, etc.), it adapts business to the environment and limits uncertainty. In the first case, the economic sense of the institutional form is realized, and the second plays an adaptive role - prevents from speculations and imputes social responsibility.

Naturally, both the costs and the risk are related to the cost of public services. It is a kind of "convention" with a relative sense, as it is related to costs, supply and demand, conjuncture, price of substitutes, etc., thanks to which – among other things – there is a balancing function. As determined from the market, the price is usually ex post equilibrium, a result of a number of corrections and signals. But at PPP it could also be ex ante price, pre-agreed and taken into account by the agents. Its rise is acceptable if it reflects a natural increase in costs because of the quality or deterioration of the situation, but especially with regard to the functional distribution of income, in order to ensure the development of business in the future.

Both in the classical case of market mechanism and at PPP economic agents act, **on the one hand**, rationally, their behavior has a maximizing character, and, **on the other hand**, they operate at given institutional decisions (proprietary rights, rules of the game, etc.). Economic analysis must take into account both aspects. This dual approach has a key role at PPP. The economic (neoclassical) approach allows insight into the problem, and the institutional approach – to explain the practical way of its solution. **First**, the general rationale of PPP should be based on the neoclassical idea that it is good for the efficiency of the economy to expand private enterprise and the market sector – either through privatization, or through private management of public property. **Second**, the implementation of PPPs should be also based on the institutional theory about the importance of the institutional-legal framework of interaction between the economic sectors.

Nowadays, it is equally wrong to believe that everything efficient is private-market or everything fair is public-institutional. Important and acceptable in the first place must be interaction, as stated by J. Hodgson. [15] Anthony Griddens is also right, claiming that in society there must be "constitutional dualism" between agents and structures. [14]

It is however necessary to take into account the fact that, unlike theory, practice is not canonical. Management of projects (like PPPs) chooses pragmatic solutions to real problems, taking into account these and other theoretical paradigms only if they are flexible and meet the needs of reality. **The conclusion is that the public and the private-market basis of PPP in unity can verify the correlation between the manufacturing capabilities and the scale, structure and variability of demand and can provide the institutional-legal framework of the public-private business.**

Unfortunately, in Bulgaria, there is no single interpretation of the term „public-private partnership“. A step in this direction is the newly enacted Public-Private Partnership Law. Such single interpretation is necessary in order to conduct purposeful state policy and attract international

players, because a company implementing PPP projects in Western Europe, for example, would expect the same meaning of PPP in Bulgaria or at least a similar meaning. This means that PPP should mean *socially relevant* service or service enjoyed by a wide range of users to be provided by a private company on behalf of the state, i.e. as PPP should not be classified any business relationship between the state and the private sector, but only those that affect society as a whole and the provision of specific services.

The regulatory framework that should regulate PPPs in Bulgaria proceeds from documents and regulations at international level, such as the Green Paper on PPP, EU Guidelines for Successful PPPs, Best Practices Public-Private Partnership (PPP) Guidebook, Guidelines for carrying out analysis "Value of Money Invested", Guidelines for the establishment of joint ventures, etc.

3. The Operational Programme "Administrative Capacity" - a key tool for public administration modernization in Bulgaria

The Operational Programme "Administrative Capacity" (OPAC) is a strategic document of the Government of Bulgaria, which is the basis of modernization of the Bulgarian state administration and aims to improve the operation of the legal system and structures of civil society for the period 2007 - 2013. It is funded by the European Social Fund (ESF) and the national budget. The programme is in line with the recommendations of the Strategic Guidelines for Community cohesion to undertake special actions for strengthening the administrative capacity within the "Cohesion objective".

OP "Administrative Capacity" has a horizontal scope and its strategic goal is:

Improving the functioning of the state administration for an effective implementation of policies, quality service delivery to citizens and businesses, and creating conditions for sustainable economic growth and employment. Enhancing professionalism, transparency and accountability in the judiciary.

The Programme has the following specific objectives:

- Effective functioning of the administration and the judiciary;
- Improving human resources management and enhancing the qualification of public officials, the judiciary and the civil society structures;
- Modern service delivery provided by the administration and the judiciary.

Through the implementation of the OP "Administrative Capacity" common standards and rules will be established for the public administration reform at all levels - central, regional and local. The professionalism of the administration will be also enhanced towards better addressing the society needs and reducing its cost and bureaucratic procedures in its operation. The Programme will also introduce effective mechanisms for both internal and external control and for better accountability and transparency. The capacity of the civil society and the cooperation and dialogue with the administration and the judiciary will also be strengthened within the Programme. This will ensure a more efficient formulation and imple-

mentation of policies in the application of the principle of partnership.

Besides its horizontal scope, the Programme also has a sectoral scope, as it addresses the reform of the judiciary, focusing on transparency in its work and the development of human resources. The strengthening of the judiciary is essential for the implementation of the Community legislation. An effective and transparent judicial system is an important precondition for establishing a good environment for business and higher economic growth. In addition, the opportunities of the transnational and interregional cooperation will be used to allow for the exchange of best practices with other EU Member States in areas of importance to the process of administrative and judicial reforms.

In order to achieve its objectives, the Programme is focused on the following **priority axes**:

Axis I: Good governance

Axis II: Human resources management

Axis III: Quality administrative service delivery and development of e-Government

Axis IV: Technical assistance

The Programme considers the main strategic documents of the European Union, the national policy priorities and the National Reform Programme.

Indicative Financial Framework for the period 2007 – 2013.

- Total budget of the OPAC 2007 - 2013: **181 million EUR**
- **3.5%** of the total aid - from the Structural Funds and **13%** - from the European Social Fund.
- Ratio of EU funds / national co-financing: **154/27 million EUR (85/15%)**

Programme priority axes:

- Priority Axis I "Good Governance" - 24% of the total budget for the Programme
- Priority Axis II "Human Resources management" - 41% of the total budget for the Programme
- Priority Axis III "Quality administrative service delivery and development of e-Government" - 31% of the total budget for the Programme
- Priority Axis IV "Technical assistance" - 4% of the total budget for the Programme

3.1. Transparent and accountable public administration

- **Transparency and accountability**

The main trends in the development of the public administration are related to the strengthening of the **principles of transparency and accountability** as a prerequisite for good governance. The measures in this regard are set out in the **Strategy for Transparent Governance, Prevention and Combating Corruption, 2006 – 2008**, as well as in the **Programme for Transparency in the Activities of the State Administration and the Senior Public Officials** developed in 2006.

There are different means and tools for achieving greater transparency and accountability in the administration. Such are the **Administrative Register** and the **Annual Reports on the Public Administration**. Others are in the field of **better service, e-Government or management of human resources** in the administration.

Publication of the **senior government officials' Declarations of Property and Income** on the Internet is another way of achieving more transparency and accountability. Incorrect declarations are forwarded to the National Revenue Agency. The declarations and all relevant documents are published on the website of the National Audit Office.

Each public official is also required annually by March 31 to **declare their assets and conflicts of interests** before the appointing authority.

As of December 2006 the report on the implementation of the **Programme for Transparency in the Activities of the State Administration and the Senior Public Officials** shows that among the main **tools for transparency and accountability** in the administrative structures are feedback mechanisms and whistle-blowing on corruption, such as: **Internet addresses and hotlines (82%), opinion boxes (78%) and ethics codes (78%)**. Relatively less used are the **questionnaires with users of administrative services (46%)**.

Another means contributing for more transparency and accountability is the **Access to Public Information Act (APIA)**. Administration take more and more measures to ensure **maximum publicity** in their activities (for example seminars with journalists, regular press conferences, keeping up-to-date information on the websites of ministries and agencies, organizing awareness campaigns, development of communication strategies).

Although feedback mechanisms have been established, the low level of public awareness of their existence leads to their ineffectiveness. The lack of thorough analysis of received allegations, opinions and recommendations is still a weakness.

It is important to improve the possibilities for access to public information by users and for this purpose it is necessary to strengthen the capacity for providing information (by reviewing the adequacy of the applied internal regulations, by introducing them in more administrations, by increasing the training of employees working under APIA, as well as by improving the possibilities for accepting applications electronically).

In addition to providing public information under APIA, the trend of giving maximum publicity to the activities of the administration should continue.

- **Anti-corruption policy**

The basic measure of corruption environment is the **Corruption Perception Index** prepared annually by the association "Transparency International". For the period 1998 – 2006 studies in Bulgaria showed a slow but steady increase in its values.

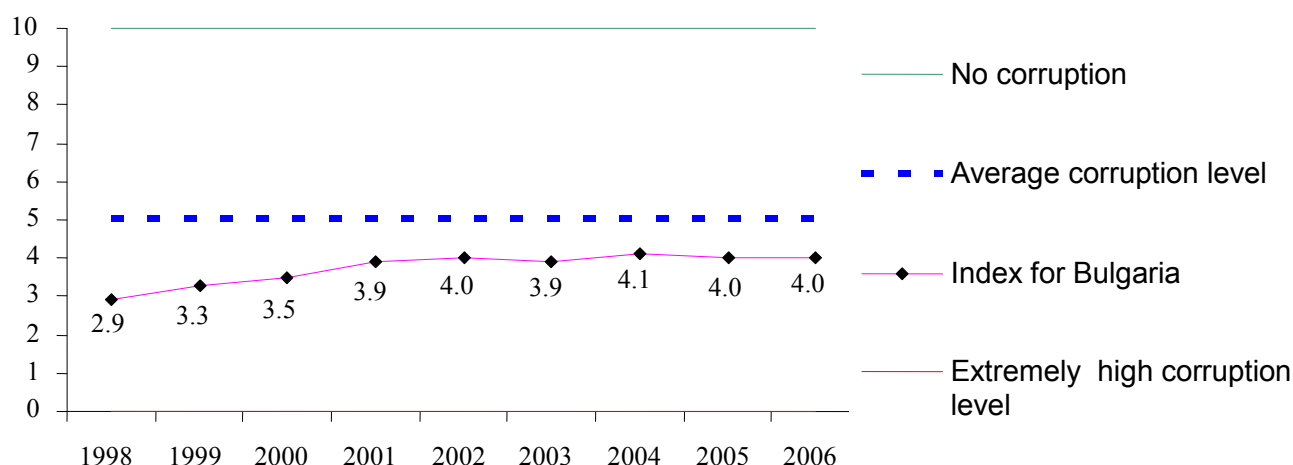


Figure 1: Corruption Perception Index for Bulgaria, 1998 – 2006

Source: Association “Transparency International”, Bulgaria

The accession of Bulgaria to the European Union (EU) has been accompanied by a series of specific measures to prevent or remedy shortcomings in several problematic areas (aviation safety, food safety, agricultural funds and judicial reform, fight against corruption and organized crime). With regard to the **judicial reform and the fight against corruption and organized crime a mechanism has been established for cooperation and verification of progress.**

Many of the objectives set out in the **National Anti-Corruption Strategy 2001** have been achieved, with the support of the Phare Programme resources institutions have been also established for fighting corruption in the country and legislative measures for improvement of public administration's work have been adopted.

The New **Strategy for Transparent Governance, Prevention and Counteraction of Corruption for the period 2006 – 2008** analysed the experience gathered and specified the priority areas for combating and preventing corruption at the highest levels of power.

At the central level, since April 2006 a **Council for Coordination of Anti-Corruption Commissions** has been functioning, which links the commissions for fighting corruption at the Supreme Judicial Council (SJC), the National Assembly and the Council of Ministers. The Council meets once a month on strategic and operational issues, including specific cases. The main tasks of the Council for Coordination are related to: information exchange, coordination and harmonization of activities; organization and implementation of joint initiatives; identification of priority areas and forms of cooperation in the fight against corruption; detection of corruption practices on the basis of reports submitted and conducting of checks depending on jurisdiction.

In all regional administrations **Regional Public Councils for Prevention and Counteraction of Corruption** have been functioning. Chair persons of these Councils in most cases are the regional governors and their members include representatives of the Prosecutor's Office of the Republic of Bulgaria, investigators, police, courts, tax administration, customs, healthcare and education sectors, NGOs, media, etc. All regional public Councils

have adopted **Programs for Implementation of the Strategy for Transparent Governance and Prevention of Corruption.**

Since 2004 **training in preventing and counteraction of corruption** for representatives of state administration has been conducted. In 2006 25.7% of the whole administration passed **training in the application of the Code of Conduct for Civil Servants**. 100% of the inspectors and members of the Councils have received training in relation to the functions they perform, and 100% of the senior civil servants – training in ethics of administration. A number of other specialized courses of training in the field of transparency and anti-corruption policy have been conducted at central, regional and municipal level. Implementing the **Strategy for Transparent Governance, Prevention and Counteraction of Corruption** in 2006 the project “**Combating Corruption in Public Administration through Training of Employees**” of the Ministry of State Administration and Administrative Reform was realized by the Inspectorate for State Administration and IPAEI. Under this project a compact disk with materials for self-training in prevention and counteraction of corruption has been developed and propagated in 20,000 copies. In total 50,814 employees have undergone self-training and passed the test.

In relation to the promotion of the **Ethics Code of Conduct for Civil Servants** in 2006 **Standards for Administrative Ethics** were distributed in all structures of administration. In 2005 a **Code of Ethics for Senior Civil Servants** was developed.

With regard to the **signals for corruption**, most are submitted to the central administration – 76.2%. The structures of the regional administration received 2.5% of signals, and the municipal administration – 21.3%.

A good example of counteraction and prevention of corruption are the **measures at the border crossing points**, due to which there has been a considerable progress: control and sanctions, zero tolerance, checking signals and random checks, installed video cameras combined with information leaflets, systematic training of employees, psychological surveys, disclosure of cases of corruption on a preventive basis, introduction of the payment system “single fiche” and system of random shifts.

Civil society is an active participant in the evaluation of

anti-corruption policy conducted by the Government. This activity has become a priority for a number of Bulgarian NGOs. With the support of the media many public debates on anti-corruption have been initiated. Monitoring on the administration activities has been conducted through establishment of partnerships between civic groups, business and NGOs, on the one hand, and state institutions on the other. **Coalition 2000** is such an initiative. Its activities include developing an **Action Plan against Corruption, a System for Monitoring, an Anti-Corruption Awareness Campaign and annual Country Corruption Assessment Reports**.

Under the **Phare Programme** for civil society development a **project for enhancing the role of civil society in the fight against corruption** has been implemented. In the period 2008 – 2010, within the **Transition facility “Civil Society Development”**, a project was developed aimed at strengthening the civilian control and active partnership between civil society and administration in the process of development and implementation of effective anti-corruption policies and tools. Beneficiaries of the project were Bulgarian NGOs.

There is still a clear need to optimize the performance of the various anti-corruption units, particularly with regard to the clear division of responsibilities, coordination and style of management and decision making.

In view of the increased number of signals for corruption, training and seminars for prevention and counteraction of corruption should continue and control should be strengthened, including control of compliance with the Ethics Code. Mechanisms for whistle-blowing on corruption and feedback should be increased and the public should be better informed about them. The measures taken so far to increase transparency should be promoted. It is also important to conduct regular monitoring of the implementation of the Strategy for Transparent Governance, Prevention and Counteraction of Corruption. Proven successful practices for prevention of corruption should be replicated in more administrations and the participation of civil society structures in this area should be encouraged.

Policy for combating corruption includes not only policy for more transparency and accountability, but also control over the administration performance and a much wider circle of activities in other areas, such as competition in the recruitment of civil servants, conducting studies in the field of anti-corruption, good management of the civil service, development of e-Government, full implementation of the “one stop shop” service, introduction of a system for integration of payments “single fiche” on border crossing points, etc.

It is extremely important for the overall success of the anti-corruption policy to continue and deepen this “integrated approach”, which is aimed not only at fighting against corruption, but also at preventing it.

3.2. Control over the activities of the administration

• Internal control

The control over the administration's activities is extremely important for both ensuring efficiency in the administration and for combating and preventing corruption.

In terms of **internal control**, all ministries have **inspectors, which are directly subordinate to the respective minister** – in pursuance of the Administration Act. Their independence is regulated by law. **Their functions include: analysis of the efficiency of the administration's activities**, which should be used when optimizing the structure of the administrations; **control over the internal rules** of work organization in the administration; **check** of the signals, appeals and complaints against illegal or inappropriate activities or omissions of administrative officials.

Only 24% in the inspectorates publicize their activity – by publishing information on Internet sites, through periodical press conferences and reports. **There is no unified system for announcing the results** of the work of all inspectorates. **There are no uniform standards** for their work: the rights and obligations of their staff must be unified in the regulations of the administrations.

A General Inspectorate within the administration of the Council of Ministers has been established with the Administration Act. It is directly subordinated to the Prime Minister. **The main functions** of the Inspectorate are: to support the organization of activities for the implementation of the state anti-corruption policy and to analyze the effectiveness and efficiency of public administration's activity related to the anti-corruption policy; to coordinate and support the activity of the inspectorates; to examine and when needed to perform checks on signals for conflict of interests, corruption and other violations of the bodies of executive power and senior public officials and to report on the results; to analyze the reasons and conditions for identified violations and to propose measures for their elimination; to support the implementation of the decisions of the Commission for Preventing and Counteracting Corruption. **In execution of its functions** the General Inspectorate performs: control on the overall activities of the administration and performs general and specialized inspections assigned by the Prime Minister; checks and control on specific issues and cases based on orders of the Prime Minister.

Another method of internal control over the administration's activities is the **internal audit**. It plays a significant role for the achievement of transparency and accountability through evaluation and improvement of the efficiency of the processes for risk management, control and management. The internal audit is performed by a **specialized unit within each administration**. This unit audits all structures, programmes, activities and processes, including the spenders of funds from the European Union and the administrators from the lower levels in the organization.

The legislation regulating the activities of the inspectorates should be improved. A complete analysis aimed at identifying the problems of the inspectorates' activities is needed. Uniform standards must be developed for these activities and the publicity of the results from them should be improved (including the creation of an integrated system for announcing the results).

The analyses on the effectiveness of the administration' activity performed by the inspectorates should be used in identifying measures for the optimization of the administrative structures.

To improve transparency, accountability and control over the inspectorates' activity, it is important to

strengthen the coordination function of the General Inspectorate.

The special role of the internal audit units for the implementation of both more effective and more transparent governance and administrative activity has to be recognized, and their needs for capacity building have to be analyzed and addressed.

- **External control**

External control is performed by the National Audit Office of the Republic of Bulgaria with the support of its regional and local branches (6 territorial units and 28 offices all over the country). The National Audit Office conducts financial control of all public bodies, including local authorities, controls the resources from EU funds and programmes; it also checks all public procurement procedures and performs follow-up supervision. The results are regularly published on the Internet.

Another body for exercising external control is the **Public Financial Inspection Agency (PFIA)**. Its function is to protect the public financial interests through: performing financial inspections on legislative compliance; revealing damages inflicted on property and start administrative criminal proceedings against the culpable officials upon legal grounds.

With a view to the importance of the external control for the achievement of results by the different administrative structures, and in order to ensure greater transparency and prevention of corruption, it is important to analyze the need for strengthening the capacity of the respective control institutions and structures, and to undertake the necessary measures. In this regard, the specialized training as well as the sharing of European best practices are very important.

3.3. The role of the Ombudsman

The Ombudsman of the Republic of Bulgaria is a supreme and independent constitutional body protecting the rights and freedoms of citizens. His activity is regulated by the Law on the Ombudsman. A key priority of the overall policy of the Institution of the Ombudsman is the strengthening and the application of the right to good governance as well as the establishment of clear rules in the administrative practices of state and municipal bodies and administrations. The Ombudsman also pays special attention to: the rights of citizens in the healthcare system; human rights in the penal system, children's rights protection; equal opportunities for the disabled people, etc. The further strengthening of the administrative capacity is directed towards **strengthening of the public image and authority of the Ombudsman as a defender of citizen's rights.**

All citizens can file a complaint or signal to the National Ombudsman in case his/her rights and freedoms have been violated by:

- state and municipal bodies and their administrations
- persons that have been assigned to deliver public services.

The constitutional changes of March 2006 granted the Ombudsman the right to address the **Constitutional Court** in case he deems that any legal regulations infringe upon citizens' rights and freedoms. It is important to provide also

additional possibilities and mechanisms which can guarantee the efficient intervention of the Ombudsman in cases of violation of citizens' rights. Examples of good collaboration with other state institutions are the signing of cooperation protocols and the inclusion of the Ombudsman in the work of the Commission for Counteracting and Preventing Corruption with the Council of Ministers.

For the full implementation of the Ombudsman's power, his interaction with state institutions should be improved. Enhancing the specialized knowledge of the Ombudsman's experts will lead to more effective functioning of the institution.

The Ombudsman pays special attention to the cooperation with civil society structures. The different NGOs, legal institutions, branch associations, employers' and trade union organizations, which represent special public interests, can provide specific information on negative practices and draw public attention to them. This is implemented through the establishment of **Public Advisory Councils to the Ombudsman**. A number of specific interactions of the Ombudsman with civil organizations and groups have already shown that this could increase citizens' involvement in the governance.

The publicity principle is a key method in the Ombudsman's work. He can influence the administration's work and engage public opinion to strengthen good governance. A **Public Register** has been created for the written and verbal complaints where all claimants can check the current state of their claim.

The establishment of an active cooperation between the Ombudsman and civil society structures will support the process of monitoring the state administration's work and enhance citizens' involvement in governance.

The popularization of the results of the Ombudsman's work will contribute for raising citizens' awareness on the possibilities for protecting their rights and will ensure the improvement of the administration's work.

At local level, the municipal council is in a position to elect a **public mediator** to ensure the process of upholding citizens' rights and legitimate interests before the local government bodies and local administration. The organization and activity of the public mediator are settled in Rules adopted by the municipal council. The municipal council provides the necessary working conditions and remuneration of the local public mediators. Such mediators are already active in 14 municipalities on the territory of the country.

The good interaction of the national Ombudsman with local public mediators will contribute to further strengthening of the Ombudsman institution's role as a form of civil control over the administration.

The appropriate mechanisms for interaction of the local public mediators with the national Ombudsman are: elaboration and implementation of common standards and best practices in the work on reviewing citizens' claims and signals; drafting of Rules for the interaction of the national Ombudsman with the local public mediators, which upon discussion will be approved by an act of the Ombudsman, etc.

The Ombudsman institution is an important **tool for the implementation of international standards for human rights' protection at national level.** The simultaneous existence of an Ombudsman on the European and national

level is a prerequisite for the effective protection of European citizens' rights and freedoms against violations by the national administrations and EU institutions. They guarantee the implementation of the EU law and European standards in the relationship between citizens and the authorities in the member states.

In order to fulfill his mission as a defender of citizens' rights in the light of the international and European legislation, it is of great importance for the Ombudsman to establish relations with similar institutions on international and European level.

4. Open Government Partnership

Bulgaria joined the **Open Government Partnership (OGP)** in September 2011 in Brazil. After the return of the Bulgarian delegation, a letter was sent by which the Government assured the organizers of their readiness to start work on the initiative. The main commitment was to **draft an action plan on issues related to open government – budget transparency, access to information, citizens' participation, integrity and anti-corruption**. The plan should be drawn up upon extensive consultations with stakeholders – NGOs, business, institutions of central and local government. The deadline for its completion was the end of March 2013.

Political leaders of many countries already speak the language of activists fighting for transparent government. In his first day as President, Barack Obama signed a directive on open government based on the principles of transparency, participation and collaboration.

The British Prime Minister David Cameron wants to increase the transparency of his governance and tame the power of the omnipotent state, giving access to the open data of government agencies.

The Australian Labour Party came to power with a strong commitment to open government.

For political leaders, access to data may be a way to put their own bureaucracies under control and public pressure, and to find arguments to counter their opponents.

The Open Government Partnership (OGP) – the new global club was launched at the General Assembly of the United Nations in September 2011 in Brazil. The initiative determined the main **standards of openness in government**. Such a standard is for example **the publication of the state budget**. Each country that meets the standards can join the initiative. Eight countries (USA, Brazil, UK, Indonesia, Mexico, Norway, the Philippines and South Africa) are already members. Another 70 have expressed their desire to join. Bulgaria is among them. Joining this initiative requires member states to take clear commitments to the improvement of openness and undergo an external evaluation of the achievements.

The performance assessment will not be given by the other governments involved in the initiative, but by civic groups and NGOs from the respective countries concerned. The idea is not to turn the Open Government Partnership into a prestigious club of countries, but primarily into a social network in support of reforms – including government officials involved in the matter in their country, experts and NGOs sharing their experience and expertise. The technology should also help: Internet and computerization make the open government possible and widely accessible in poorer countries as well.

The new partnership is not governed only by prosperous rich countries. In the management committee, countries are present like Mexico, which has a significant progress in the area of access to information, and Indonesia, which won admiration for ensuring transparency in the distribution of the international aid after the tsunami that stroke it in January 2004.

The countries joined the initiative since the membership would be an expression of approval for their policies. Other reform-minded staff will use the help of OGP and publicity to overcome the resistance of their colleagues. More important in this case is the fact that the donors may decide to grant aid only on condition that the promises for open government are fulfilled. The British Foreign Aid Agency – the Department for International Development works in this direction.

OGP critics say that the initiative was launched in haste and is not yet clear who will determine the goals that must be achieved by the open government projects. Providing multiple data online may seem fine, but cannot achieve a significant change.

One of the pitfalls of the initiative is that it is difficult to measure the impact of open government. **The second** trap is that transparency does not always lead to accountability. In theory, knowing the size of the budget for roads, people understand how much they pay and yet the situation does not improve. In practice, citizens do not have many opportunities to transform their discontent into a real political pressure. The most important thing is to give people a real right to speak out – it is difficult to secure and guarantee by the governments, but it gives much greater advantages and benefits for citizens. **The third** concern is that OGP is much more a responsibility of the executive branch of the national governments rather than at local level or in the judiciary and the legislation.

It remains to be seen how the global initiative for open government will work. Even if the progress is partial, it will provide new opportunities for activists and civic groups to apply pressure where there is no will for open government commitments to be fulfilled.

Bulgaria's participation in this global initiative encompasses various actions of the government and NGOs.

It is planned to launch a citizens' online media - „Open Parliament - Civic Voices”, which reflects mainly the following topics from public life and legislative activity: freedom of expression and media freedom; access to information; protection and guarantee of civil/citizen's and political rights; electoral law; electronic rights; use of special investigative techniques; use of public resources; corruption pressure and influence on the legislative process.

„Open Parliament - Civic Voices” will be developed according to the principles and practices of civic journalism, which tries to promote the participation of citizens in public life and a responsible approach towards the creation and maintenance of the public dialogue.

„Open Parliament - Civic Voices” will reflect the work of the parliament. Questions will be asked, false claims will be disclosed, concealed facts will be made available to the public; unfulfilled promises will be reminded; the legislative activity in the field of human rights, freedom of expression and media, electoral legislation, the use of SIT will be closely monitored; public hearings on legislation, hearings in committees, protests against lobbyist

amendments and advocacy actions in support of legislation will be broadcasted live. Positions of civil society activists and organizations' opinions on legislative initiatives will be presented; views of experts, who cannot be seen often in the mainstream media, will be discussed.

The online media is part of a larger project - "Open Parliament", which is implemented by **the Institute for Public Environment Development** with the support of the **Trust for Civil Society in Central and Eastern Europe**. The project is committed to secondary processing and presentation of data in the format and type convenient and accessible to citizens, so that they can learn online about the activities of the parliament and political representatives. It is expected that the users of the Internet tool "Open Parliament" will be able to follow in a new way the legislative activities and the news related to the Parliament, will be able to search and subscribe to information about individual political representatives, as well as to get informed on various topics related to legislative activities and to obtain statistical information about the parliament. All this can be made possible by applying the principles of **open data** information from public institutions.

5. E-Government in Bulgaria

The e-Government is a modern way of operation of the state administration through the use of information and communication technologies (ICT). It is a tool for improving the administrative services, increasing the efficiency of public administration and optimization of costs for its operation.

The development of e-Governance improves the administration transparency and the accessibility of services. It reduces the time and effort of citizens and businesses in their communication with the administration. The e-Government covers four major groups of relations (communication and services): administration - citizens, administration - business, administration - administration, administration - employees.

There is already an overall concept for developing the e-Government in Bulgaria.

Bulgaria is still lagging behind the other EU Member States in the field of building an e-Government. The analysis of the reasons for this fact allows for the identification of measures for its development to a level meeting the European requirements. Until now, four major reasons for the inadequate development of e-Government in Bulgaria could be pointed out: lack of an appropriate legal basis, lack of interoperability of the information systems in the administration, lack of adequate electronic exchange, as well as the unsolved problem of the data unification.

5.1. Improvement of the basic legal and strategic basis for e-Governance development

An important element of the development of the e-Government is the adoption of legal documents related to the implementation, application and exploitation of ICT (strategies, plans, architectures, description of work processes, procedures, rules and regulations). They also provide determination and coherence of the administration in the field of e-Government.

In 2006 the implementation of the E-Government Strategy 2002-2006 was successfully completed. It determined the purposes and principles of development of information systems related to the services provided by the

public administration and the general information technology environment in the administration of Bulgaria. A new strategy for e-Government and a roadmap to it was adopted at the end of 2007. In order to ensure a sustainable implementation of the projects in the field of e-Government, a comprehensive framework for their long-term financing should also be established.

The legislative framework for e-Government in Bulgaria includes a set of laws which govern both the basic terms needed to regulate this matter and basic principles relating to organization, administration, use, storage and protection of information.

Systems realizing business of providing electronic services must ensure authentication of identity, complete information, confidentiality and copyright protection.

The Law on Electronic Document and Electronic Signature entered into force on 06.10.2001. It settles the questions related to the use of electronic documents and electronic signature, as well as the procedures of provision of certification services. The main terms clarified by this law are: **electronic statement, electronic document, electronic signature**. Electronic statement is a verbal statement delivered in digital form through a common standard for conversion, reading and visual presentation of information. Electronic document is an electronic statement recorded on magnetic, optical or other medium that allows it to be reproduced. Electronic signature means any information relating to electronic statement in a manner agreed between the author and the addressee, sufficient to secure the needs of turnover: revealing the identity of the author, reveals the author's consent to the electronic statement, and protects the contents of electronic statement from subsequent changes.

The Law on Personal Data Protection, which entered into force on 01.01.2002 is a consequence of the first law. It regulates all matters concerning the protection of personal data and ensures their integrity. The Act sets out further obligations on the controller of personal data as well as provisions in case of violation.

The functions and duties of administrative bodies and employees working in them are determined by the provisions in the **Law on Protection of Classified Information**, which has been in force since 30.04.2002. It regulates the protection of classified information from unauthorized access.

In 2006 a law was adopted regulating the relations arising in connection with the electronic commerce - **the Law on Electronic Commerce**. Under this law, electronic commerce is the provision of information society services. The law also governs the rights and obligations of providers and recipients and the procedures for exercising control over this trade.

The Electronic Communications Act of 2007 regulates public relations related to the provision of electronic communications. It aims to develop competition in this area and thus to provide better services to citizens, investing in innovation and others.

In June 2008, the **Law on E-Governance** was adopted. It regulates the administrative service delivery for citizens and businesses by electronic means: actions when working with electronic documents in one administration and exchange of electronic documents between public authorities. With this law the delivery of public services electronically became mandatory for all administrative structures and for persons performing public functions

(notaries, state and municipal schools, etc.), and for organizations providing public services (education, health, district heating and telecommunications, postal services, etc.).

The Access to Public Information Law, the Law on Copyright and Neighboring Rights, as well as the part "Computer Crime" of the Criminal Code can be included in the legislative framework of the e-Government in Bulgaria.

Despite the existing legal and legislative basis, the progress of the e-Government implementation is significantly behind schedule.

5.2. Development stages

The process of introducing the e-Government in Bulgaria can be divided into three phases:

a) Preparatory stage (from 2002 to early 2003)

The preparatory phase is associated with the adoption of the program documents outlining the future evolution of the e-Government in Bulgaria. By placing the e-Government as one of the main priorities of activity in that period, the Council of Ministers adopted the following documents: "**Strategy for Modernization of the State Administration – from Accession to Integration**", "**E-Government Strategy**"; "**Action Plan for the Implementation of E-Government Strategy from 2003 to 2005**", "**Basic Model for One-Stop Shop**".

With a view to managing the process of e-Government creation a **Council for Public Administration Modernization** was established. Within the Council a **working group "Administrative Services and E-Government"** was established in order to coordinate the implementation of the E-Government Strategy. As a major development and advisory body to the Council of Ministers a Coordination Center for Information, Communication and Management Technologies was established with the support of the UN Development Programme.

The E-Government Strategy is an inherently programming document aimed at identification of strategic objectives and mechanisms for managing processes of the proper construction of a system for providing administrative services to citizens and businesses. The strategy essentially outlines the transition from the traditional administrative model to the provision of integrated services to citizens and businesses by means of information technology.

Four **basic levels of communication** are outlined:

1. **Administration - Citizens** - relationships arising when providing services to individuals;
2. **Administration - Business** - relations between the administration and various businesses;
3. **Administration - Administration** - relations between the different administrative structures;
4. **Administration - Employees** - internal relations in the administrative structures.

Providing quality, efficient and accessible public services electronically, and the establishment of communication and information environment for effective and transparent governance in accordance with the principles of good governance in Europe are part of the strategic objectives set out in the document. Orientation towards citizens and businesses, organizational and technological modernization of public administration, training and retraining of employees are the three main directions for achieving the defined mission and vision for e-Government.

b) Initial stage of development (from 2003 to mid-2005)

This second phase is associated with activities concentrated in **two main directions**:

- Activities aimed at development and implementation of individual decisions (sometimes partial) in separate units of administration (ministries, agencies, district administrations, municipalities) to stimulate the creation of a "critical mass" of applications and gaining experience as developers of such applications in administrative units and the users of these applications (citizens and businesses);

- Implementation of some fundamental developments at central level.

The development of electronic public services at central and local level is largely related to the implementation of commitments undertaken in the E-Government Strategy for implementation of the 20 indicative administrative services performed by electronic means (12 for citizens and 8 for business) set by the European Commission. In the adopted Action Plan for the Implementation of the E-Government Strategy specific projects related to the implementation of the indicative services are provided. Administrations have been identified that are responsible for implementing each of these services. The responsible authorities are obliged to take concrete actions to promote their services in the Internet and to stimulate use of services via the Internet.

The analysis of the situation in the construction of the 20 indicative services for businesses and citizens made by the Coordination Center for Information, Communication and Management Technologies in November 2005 shows a tendency to finalizing this task. There is a trend of increasing of the fully completed services and most of the incomplete services are before release.

During this period the introduction of the following electronic services was completed:

FULLY COMPLETED SERVICES

For citizens:

- Income taxes - www.taxadmin.minfin.bg
- Social security benefits for unemployed - <http://egateway.government.bg>
- Reports to police - www.dnsp.mvr.bg
- Address registration changes - <http://egateway.government.bg>
- Job Search - www.nsz.government.bg

For business:

- Information on social insurance records of employees - <http://egateway.government.bg>
- Corporate taxes: declarations and notifications - www.taxadmin.minfin.bg
- VAT - <http://www.taxadmin.minfin.bg/ddes.php>
- Customs declarations - <http://www.minfin.government.bg/html/docs.php>

Another part of the electronic services remains to be developed:

SERVICES UNDER CONSTRUCTION

For citizens:

- Family allowances - www.mlsp.government.bg/nsspweb/
- Scholarships - www.minedu.government.bg

- ID cards, passports - www.pasporti.mvr.bg
- Driving licenses - www.kat.mvr.bg
- Validity of identity cards and driving licenses - www.nbds.mvr.bg
- Registration of vehicles - www.kat.mvr.bg
- Building permits - www.dnsk.mrrb.government.bg;
www.egateway.government.bg
- Public libraries - <http://nationallibrary.bg/catalog.htm>
- Certificates (birth, marriage, etc.) - <http://city.starazagora.net/>
- Diplomas of secondary and higher education - www.minedu.government.bg
- Health insurance - http://www.mh.government.bg/administrative_serve.php
- Health-related services - <http://www.noi.bg>

For business:

- Data on social and health insurance - <http://www.noi.bg>
- Registration of a new company
- Submission of data to the National Statistical Institute - www.nsi.bg
- Eco-permits - <http://www.moew.government.bg/index1.html>
- Public procurement - www.aop.bg

The progress of the Bulgarian Government in the provision of the 20 indicative administrative services by electronic means can be assessed by a summary of the percentage of their delivery. According to the method used, the provision of general administrative services electronically as of November 2005 shows the following development of services available for business and citizens at this time:

Citizens/ business	Provision of services via electronic means (%)
CITIZENS	47,6 %
BUSINESS	80,56 %
AVERAGE	58.65%

c) Purposeful development (from the mid-2005)

The third stage, associated with targeted development of e-Government (since mid-2005) is characterized by the construction of a pilot portal of public administration and the development of several key documents that make up the effective functioning of the e-Government in Bulgaria, namely: Bulgarian National Interoperability Framework for Governmental Information Systems and Recommendations for Inter-Agency and International Exchange of Electronic Documents.

5.3. State and statistics

5.3.1. Concept of E-Government in Bulgaria 2010 – 2015

This concept of e-Government in Bulgaria (2010 – 2015) reflects the vision of the Bulgarian government on

the state of the e-Government in Bulgaria until 2015 and the principles under which it must be achieved. The main strategic documents prioritizing the e-Government are the **Government's Program for European Development of Bulgaria 2009-2013**, the adopted in 2009 in Malmö **Declaration of Ministers responsible for E-Government policy of the European Union and the Lisbon Strategy**. With a view to the development of this priority, the concept of e-Government in Bulgaria 2010-2015, based on the principles of good governance, is defined. This concept is a basis for developing a national strategy and roadmap for e-Government in Bulgaria until 2015.

The principles for the development of e-Government are:

- Orientation to user;
- Partnership and cooperation;
- Oriented architecture services;
- Critical factors for success;
- Policies

Based on the principles of e-Government development in Bulgaria, the structures should be developed in cooperation and / or updated policies, strategies as follows:

- e-Education
- e-Justice
- e-Health
- e-Government/e-Services
- e-Procurement
- e-Democracy/e-Voting
- e-Ecology
- e-Region
- e-Business/e-Commerce
- e-Identification
- Other

5.3.2. Strategy for E-Governance in Bulgaria 2011 – 2015

The Government of the Republic of Bulgaria defined the accelerated development of electronic government (e-Governance) as one of its main priorities.

The e-Government is the transformation of state structures using information and communication technologies, all aimed at consumers. It is done in parallel with the organizational changes and acquiring new knowledge to improve public services and democratic processes and facilitate the creation and implementation of state policy.

The overall strategy for e-Government in Bulgaria 2002-2005 initiated the process of creating electronic services for citizens and businesses, as well as building internal administrative information and communication infrastructure. This strategy has not been implemented and updated so far.

The Government's Program for European Development of Bulgaria 2009-2013 reflected the importance of processes aimed at developing a proactive, accessible, predictable, effective and efficient e-Governance.

Through accelerated construction and development of e-Government the Government of Bulgaria would provide quality and affordable services for citizens and businesses, improve efficiency and effectiveness of administration, enhance transparency and accountability, reduce corruption, create new opportunities for participation structures of civil society in governance.

The Vision of a Modern e-Government in Bulgaria will be achieved through:

- Establishing a coordinated planning and implementation of projects at national and local level - ends in themselves of initiatives to implement the priorities of the national road map;

- Introduction of business models in the work of the administration - from performing administrative tasks to services for citizens and businesses;

- Achieving interoperability at the national level - from the fragmented and confined to integrated and independent technological solutions;

- Results-oriented practices - shifting the focus from the implementation of activities to achievement of results;

- Creating a "digital administration" - a gradual transition from paper to electronic exchange of documents and providing administrative services electronically;

- Easy access to public services - accessibility of the single portal of e-Government at any time, anywhere and through various devices.

The Government of Bulgaria will establish and develop an e-Government in the country till 2015 based on the following principles:

- Placing the consumer at the center of administrative services;

- The effectiveness and efficiency of services will be enhanced by optimizing costs and increasing return on investment;

- Accountability and transparency of the administration in providing electronic services and decision-making;

- Trust and security.

The regulations in the field of e-Government currently in force comprised a number of normative acts, most important of which are the E-Governance Act, the Electronic Document and Electronic Signature Special Commercial Register Act and certain provisions in special laws. There are numerous regulations, detailing the installation of electronic management and governing the provision of various administrative services electronically.

Currently, due to some conflicts between special law and regulations and the Act on Electronic Government, administrations refused to apply the Law on E-Governance. Among the necessary changes that may contribute to the development of legislation on e-Governance are:

- Amendments to enable the use of electronic document and electronic signature of the judiciary, to provide administrative services (certification statement) of the judiciary, the electronic exchange of documents between judicial and executive power and the exercise of procedural rights

- Via electronic means;

- Gradual amending of all legislation which contain provisions on the provision of certain administrative services to their compliance with the Law on E-Governance and enable to provide relevant services electronically;

- Establishment of regulations, governing the archiving of electronic documents in the administration of the law on the Law of the National Archives;

- Implementation of adequate mechanisms for enforcement of regulations;

- Removal of burdensome requirements with unproven effectiveness of regulations.

The regulations must be aligned with the principles of the Law on E-Governance and the Strategy to 2015. The most important criterion for assessing is the long-term public benefit.

The national policy on e-Governance development is linked to achieving strategic objectives, grouped into the following themes:

- Electronic services for citizens and business;

- To develop basic infrastructure for the implementation of electronic services;

- To create conditions for a safe and convenient way of making and receiving e-wills;

- To facilitate the participation of citizens and businesses in trade and reduce administrative burden;

- To increase trust and confidence of consumers;

- Digital administration;

- To move to electronic document flow within and between administrations

- Optimizing the process of introduction of electronic services

- Joining the electronic exchange of data between the EU countries

- Promotion, access and participation;

- Encouraging the use of electronic services;

- Consumer awareness;

- Participation in the democratic process;

- Institutional building;

- Centralized management and control;

- Planning, control and visibility of administrative costs and project management;

- Decentralized implementation of the E-Government;

- Strengthening the administrative capacity;

- A single system integrator for the central e-Government systems.

The main conclusions of the study published in 2010 - a UN report on the state of e-Government, entitled "The 2010 United Nations E-Government Survey: Leveraging E-Government at a Time of Financial and Economic Crisis", are that from 2008 to now governments worldwide have achieved considerable success in the development of online services, especially in countries with average income levels.

In 2008-2009, funding from public funds over \$ 20 trillion are to address the crisis in 50 countries - this is equivalent to over one third of global GDP. It turns out that the concept of e-Government can contribute much to reducing the tensions in the allocation of such incentive funds. Governments worldwide have used online tools to ensure transparency and public trust, enabling tracking of subsidies. 83% of the 115 centers for allocation of public funds (among which 31 national governments, EU, 2 international organizations, etc.) define information and communication technologies as a key to ensuring transparency.

ranking of countries according to the index to develop

N:	country	index
1	South Korea	0,8785
2	USA	0,8510
3	Canada	0,8448
4	United Kingdom	0,8147
5	Netherlands	0,8097
6	Norway	0,8020
7	Denmark	0,7872
8	Australia	0,7863
9	Spain	0,7516
10	France	0,7510
...
44	Bulgariq	0,5590
45	Poland	0,5582
46	Kazakhstan	0,5578
47	Romania	0,5479
...

source: *The 2010 United Nations e-Government Survey*

According to the index presented in the report of the UN of 2010, global leaders in the implementation of e-Government are Korea, USA, Canada and the UK. Bulgaria occupies 44th position with an index of 0.5590 and thus it has gone up by one position as compared to the previous survey in 2008 when it took the 43rd place with an index of 0.5719.

According to another survey conducted by the consulting company Capgemini in late 2009 on behalf of the European Commission, Bulgaria occupies 29th place on the index "e-accessibility" (online availability), and in terms of the indicator "maturity of electronic services" (sophistication). This study evaluated the level of 20 basic e-Government services in 31 countries - 27 EU countries plus Iceland, Norway, Switzerland and Turkey.

The top positions in the ranking of Capgemini on the degree of usage of public online services are occupied by Austria, Malta, Portugal, Britain, Sweden and Slovenia. With its 29th place, Bulgaria is just ahead of Romania and Croatia, which is not very satisfactory. However, the good news is that our country is making progress against the last 31-a position in the previous survey in 2007, while the average progress of countries in Europe is 7.4 % and compared with the previous edition of the survey for Bulgaria this figure is about 13%. Thus, in terms of progress made between the two studies, our country is in third place after Latvia (24.3%) and Poland (20.6%) and with results comparable to those of countries like Denmark, Finland, Sweden.

According to the UN report, the negative effect of financial constraints may be offset by effective strategies and better regulatory acts.

6. "One-Stop Shop" Principle - definition and application in e-Governance and e-Government in Bulgaria, objectives and progress

6.1. Essence of the "One-Stop Shop" model

"One-stop shop" is a term used by many local authorities to describe the facilities offered by them to their

residents in relation with discussing a matter and providing services by their officers. The existence of such facilities is promoted by the idea that they provide a single point of contact, but they are also designed from a security point of view - to restrict public access to the city or town. A one-stop shop for workforce development may offer job training, housing assistance and other services, for instance. The offices are similar to the jobcenters in the United Kingdom, providing an easy way to get government and council advice.

The "One-stop shop" model consists of four stages of development related to the change of service - basic, developing, operating and excellent, namely e-Government portal. In the basic stage the customers have multiple contacts with agencies / ministry, and the channels for their service are personal. The location for access in the developing stage is mostly one but sometimes a contact with experts is also necessary. The channels for customer service are personal or by telephone. In the working stage, the access point is again one, but there are some insignificant management services for separate cases. The service channels are again in person, by telephone, but sometimes they can be via websites for information transmission. In the last stage, there is one place for contact with pro-active management of individual cases. The access here is through multiple channels.

The main objective of this model is to provide an entry point and unified interface to access services electronically. The portal provides application-level integration and implementation of horizontal links between existing systems. With the creation of an e-Government portal the manageability of the process of implementation and electronic provision of services related to civil and specific business needs will be accelerated and improved. The main actors in the process of providing e-services are: service providers (government institutions, administration); communication between institutions and society, as well as between administrations; citizens and business; agents acting on behalf of citizens or companies and at their account.

The two main ways in which the principle is implemented are:

- One point of access in one administrative structure;
- One point of access to more “horizontal” administrations.

The first form is embedded in the Law on Administrative Services to Individuals and Legal Entities. Points of administrative service are constructed in many administrative structures. The centers for customer service in many municipalities are similar to “One-stop shop” points within an organization.

The second form often arises from specific initiatives related to the implementation of policies such as improving the business climate. The integration of services between administrations, organizations or entities offers the opportunity to focus on the customer, but depends on the specific nature of each service and is not always necessary or appropriate. Examples of this form of “one-stop shop” in Bulgaria are the information points set up by the Agency for Small and Medium Enterprises in order to facilitate the process of providing information on the registration of a new company. These points can be used in the future as advertising centers for information on services provided by the administration.

The purpose of this model is to be used for improvement of services through any of these forms of “one-stop shop”. The main processes in the provision of administrative services are:

- Provision of information
- Acceptance of the application
- Processing of the application
- Transaction - payment of taxes
- Management of proposals and complaints

These fundamental processes are related to such subsidiary, carried out in each administration, and they are:

- Human resources management
- Financial management
- Management of information technology
- Legislation
- Interior design
- Knowledge management
- Planning and performance management

All these processes can be improved, but to achieve real results faster, it is more appropriate to focus on the following “four levers of change”:

- Main processes
- Human resources
- Managing of information technology
- Performance management

6.2. Definition of integrated system

The integrated system consists of two main components: **portal** (provides a single interface to services offered by public administration) and **environment** for integration, development and management of e-services (application server). The existing systems in public administration are connected to the integration environment, while maintaining their independence. Conditionally an integrated system can be considered in several layers, which are relatively independent and can be developed independently by independent contractors.

- Layer “Presentation” can be identified with the graphical interface through which citizens, businesses and administration communicate with the integrated system. For its construction technical skills, experience and professionalism in the field of ergonomics, graphic design, psychology and others are required.
- Layer “Identification” treats problems associated with user’s identification, access rights, roles, etc. For its construction security specialists, lawyers and others are needed.
- Layer “Structure of services” covers workflows describing the services of e-Government. For its implementation professionals in the field of documentation, modeling and optimization of business processes, lawyers, etc. are needed.
- Layer “Standards and methods for incorporation” provides uniform standards for describing and exchange of data, description of processes, description of the system itself and its components, etc.

The integrated system is able alone to monitor the degree of automation of a service and inform the user if “manual” implementation of the various stages of service is necessary.

The parameters of a service are defined as addressee, input parameters, output parameters and parameters needed for execution / communication.

Looking at the constituent services, the parameters for performance will contain the entire set of rules for consistent and/or parallel activation of basic services and intermediate parameters which are output from each elementary service and gateway to other basic services.

The service system “One-stop shop” aims to provide a good level of administrative services to consumers, to facilitate access to various administrative services and increase the efficiency of the administration. It also aims to provide effective and easily accessible information. The purpose of this system is to create a new culture - oriented to the respective natural or legal entity. Another aim of this system is to enhance customers’ confidence through transparency, accountability and consistency of service.

The concept of 'one-stop' is associated with clear delimitation of functions of the front and back office. The model illustrates how users get access to services in different ways, such as personal contact, telephone, mail or electronic media. “The manager responsible for the customer” receives and reviews requests for services and provides one location for access to services. This is called “Front-office”. Once the appropriate forms are completed, the “Manager responsible for the client” refers them for treatment in the so-called “Back-office”. When documents are ready, they return to the manager, who passes them on to the customer.

The activities of the employees in front offices lie in informing citizens about administrative services in an accessible and understandable way, in accepting and registering via an automated system the document flow of complaints, warnings, suggestions, etc., in checking the movement of registered documents, processing of outgoing documents. Administrative services are carried out through developing of communication skills in the front and back officers with a view to improving the provision of administrative services; through a good understanding of the structure and activities of the Ministry of Justice and

other Ministries and knowledge of all regulations and internal level officers, through efficiency and businesslike methods.

The functions of the employees in back-offices are concentrated in the preparation of responses according to their competence in the field. Experts in structural units draw expertise, express opinions and make suggestions on the provision of administrative services in accordance with their expertise.

6.3. Benefits of the “One-Stop Shop” Principle

The benefit of building a system of services in one place in the administration are:

a) Improvement of administrative services will clearly benefit the priorities of the administrative departments;

b) Better access to services, both in terms of better understanding of consumers with their rights and raising awareness about where and how to obtain services;

c) High quality of service, in terms of reducing personal expenditure and time for receipt of services, attitude and willingness to assist the employees providing services to clients;

d) Transparency and responsiveness - clear procedures for the service agreed with the client. This benefit includes improved communication during the process of service in a way that consumers have information about the stages of processing the application and work with helpful staff. The development of civil society will encourage customers to voice their opinions about the services they receive.

Benefits to public administration reached a consensus on the benefits of municipal administration in implementing the concept of “one-stop shop”, which includes: building a more efficient organization - the reduced administrative burden resulting from a more efficient organization of activities will reduce service cost in the long term and will release funds for other activities; greater transparency in the operation, which can lead to improving the image of public administration to public; improving coordination between administrative units within, between structure and administrative structures - horizontally and vertically in the direction of a more efficient exchange of knowledge, methods, tools and information.

The improved communication mechanisms and customer feedback will lead to increased involvement of customers and their representatives (e.g. NGOs) in developing mechanisms of service.

The administration should work toward the establishment of an optimal anti-corruption environment. The intersection of direct contact between requested service and the services of expert level will greatly help in achieving this goal.

Guidelines for effective consultation with customers, sampling methodology for the costing of services, guidelines for good practice in promoting the use of the system for submission of comments and complaints, including the role of the Ombudsman will contribute to the optimal use of new technologies, taking into account the restrictions arising from the cost of protecting information systems in public administration.

6.4. Introducing the concept of improving administrative services in the context of the “One-Stop Shop” Principle

The regulatory mechanism of the main legislative mechanisms will consist in introducing changes in legi-

slation directly related to the implementation of administrative services - Administration Act, Civil Service Law, the Law on Administrative Services to Individuals and Legal Entities, etc. The main changes will affect the conditions which allow for integration of services through partnerships and creation of separate legal entities and organizations to provide certain services. The requirement will be introduced that all public bodies providing services take part in the preparation of 'Customer Charter', indicating the service standards associated with the organization and making it publicly available, measuring customer satisfaction, as well as publication of annual work of the organization according to their standards of service and results of measurements of user satisfaction (as part of the annual report of the organization or as a separate document). Important aspects of the improvement of administrative services, which the administration will work on are: support to overcome barriers to communication between administrations, including the introduction of mandatory sharing of information, where appropriate, participation in the process of deregulation and harmonization of legislation with the European Union, motivation and training of civil servants, especially in the context of the planned reforms in state policy on human resources management.

The system service “One-Stop Shop” offers the opportunity to strengthen its focus on customer (natural or legal person) as the guiding principle is to provide what would assist clients. Servicing “One-Stop Shop” aims to facilitate access to various administrative services and increase the efficiency of the administration. Another aim of this system is to enhance customer confidence through transparency, accountability and consistency of service. The advantages of the service “One-Stop Shop” for citizens lies in obtaining better access to information, expanding their knowledge of administrative services and the policy led by the government. The advantages for companies are reduced to the possibility of immediate access to a place, providing specialized information to facilitate more rapid interaction with the administration and reduce the value of transactions and regulatory burden. The advantage of such service “24 / 7”, i.e. 24 hours, seven days a week is quite effective and easily accessible way of providing administrative services. This form of equal access to quality services reduces the risk of corrupt practices.

The overall objective of the concept is facilitation and improvement of administrative services to citizens and businesses using the organizational principles of “One-Stop Shop”, reporting and other measures for improving administrative services, namely:

- Unification of terms and concepts for improving administrative services and adequate coverage
- Integration of processes
- Simplification of the business environment
- Improvement and enhancement of the e-Governance in the country

In this sense, the concept has the following guidelines:

- Status of administrative services
- Vision for achieving good service
- Strategic principles for its improvement
- Implementation of the organizational principle “One-Stop Shop” as a means to implement the strategic principles for improving administrative services.
- Tying the concept with other government measures designed to improve operations, and

coordinating actions in easing the regulatory regimes.

The essence in this sense of “One-Stop Shop” is expressed in support and promotion of officers and employees in state administration, partners and customers to better realize the vision for effective administrative service.

7. Transposition of the Services Directive 2006/123/EC (12.12.2006) in the Republic of Bulgaria - challenges and progress

The Services Directive (*Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on Services in the Internal Market*) aims to achieve a genuine Internal Market in Services so that, in the largest sector of the European economy, both businesses and consumers can take full advantage of the opportunities it presents. By supporting the development of a truly integrated Internal Market in Services, the Directive will help realise the considerable potential in terms of economic growth and job creation of the services sector in Europe. For this reason, the Services Directive is a central element of the renewed Lisbon Strategy for growth and jobs (*Commission Communication “Working together for growth and jobs – A new start for the Lisbon Strategy” COM (2005) 24 of 02.02.2005*). Moreover, by providing for administrative simplification, it also supports the better regulation agenda (*Commission Communication “A Strategic Review of Better Regulation in the European Union” COM (2006) 689 of 14.11.2006*).

The Services Directive is considered to be a big step forward in ensuring that both service providers and recipients benefit more easily from the fundamental freedoms guaranteed in Articles 43 and 49 of the Treaty establishing the European Community – the freedom of establishment and the freedom to provide services across borders. In order to achieve this, the provisions of the Directive aim to simplify administrative procedures, remove obstacles for services activities as well as enhance both mutual trust between Member States and the confidence of providers and consumers in the Internal Market.

The Directive applies to a wide range of service activities. Its provisions are, to a large extent, based upon the case law of the European Court of Justice relating to the freedom of establishment and the free movement of services and it complements existing Community instruments, which remain fully applicable.

Besides requiring Member States *The Agreement on the European Economic Area (EEA Agreement)* extends the *Internal Market to three EFTA States: Iceland, Liechtenstein and Norway*) to take concrete legislative measures, the Directive asks them to put in place a variety of practical measures, such as points of single contact for service providers, electronic procedures and administrative cooperation. It also introduces innovative tools, such as the review of national legislation and the process of mutual evaluation. If implemented properly, these different instruments will continue to further the development of the Internal Market for Services well beyond the Directive’s implementation deadline. It is indeed clear that the Services Directive will not just require a one-off act of implementation but will also trigger a dynamic process, the benefits of which will unfold over the years.

It is also important to highlight that the Directive will enhance the rights of recipients of services, in particular consumers, and provide for concrete measures to develop a policy on quality of services across Europe. To achieve its objectives, full and timely transposition of the Services Directive is essential. For this reason, the European Council concluded at its summit in March 2007 that “*the recently adopted Services Directive is a key tool for unlocking the full potential of the European services sector. High priority should be placed on the complete, coherent and timely transposition of its provisions in a consistent manner*”. Full and timely transposition of the Directive will also help Member States to modernise their national administrations as well as their regulatory frameworks. The Directive was adopted on 12 December 2006 and had to be implemented by Member States three years after its publication, i.e. by 28 December 2009, at the latest.

The implementation of the Services Directive constitutes a significant challenge for Member States and requires prompt and serious efforts. Considering its large scope and the wide range of issues it addresses, the novelty of the approach and the numerous measures to be put in place, it is clear that close cooperation and partnership between the Commission and the Member States will be particularly important in this case. Thus, and in line with its general policy on better application of Community law, the Commission has offered its assistance and has undertaken to cooperate closely with the Member States throughout the implementation process. This should contribute to the correct and coherent implementation and application of the Directive by all Member States and ensure a level playing field for service providers and recipients. It should be particularly helpful in identifying and addressing problems at an early stage.

7.1. Method of implementation

It is known that the implementation of the Services Directive requires Member States to take a combination of legislative and non-legislative, i.e. organizational or practical, measures. The Directive itself is a horizontal instrument which covers a broad range of different services and which is likely to affect a significant number of national laws and regulations. For this reason, and as far as implementing legislation is concerned, Member States will need to consider a mix of specific and horizontal legislative measures, which are likely to include the amendment of existing laws, as well as the adoption of new specific legislation and of a horizontal “framework” implementation law.

7.2. Implementing legislation

On the basis of the case law of the ECJ, it is clear that “*in order to ensure that directives are fully applied in fact as well as in law, Member States must provide a precise legal framework in the field in question*” which allows “*individuals to know their rights and rely on them before the national courts*”. This means that Member States will have to provide for national provisions of a binding nature so that service providers and recipients can rely on the rights granted to them by the Services Directive.

Certain of these articles could be implemented by amendments to existing legislation, for example those in the area of authorization schemes could in some Member States be implemented by amending national legislation dealing

with administrative procedures. In other cases, notably in relation to articles setting out general principles such as Article 16 or 20, a new horizontal framework law should be considered.

Legislation of a horizontal nature at the adequate level could be particularly needed as a safeguard against provisions in specific areas which might have escaped scrutiny as well as to ensure that service activities which may develop and be regulated at national level in the future will also be covered. However, it is clear that if Member States choose to implement the Directive, or certain articles of the Directive, by horizontal legislation, they will need to ensure that such horizontal legislation takes precedence over specific legislation.

Member States need to adapt existing specific legislation containing requirements which the Directive explicitly requires to be modified or abolished. This concerns, for instance, Articles 9, 14 and 15 regarding specific requirements restricting the freedom of establishment. Further examples are Articles 24 and 25 on commercial communications by the regulated professions and multidisciplinary activities.

Particular attention needs to be paid to legislation which contains specific rules for service providers established in other Member States. In so far as such rules are incompatible with the Directive, and are not based on other Community instruments, they need to be abolished by amending the legislation concerned. Member States need, for example, to verify whether in their legislation they have registration requirements for providers established in other Member States and wanting to provide services in their territory; if such requirements are neither provided for in another Community instrument nor justified under Articles 16 or 17, they have to be removed.

7.3. Services covered or the concept of “service”

As a basic rule, the Services Directive applies to all services which are not explicitly excluded from it.

To start with, it is important to understand the concept of “service” and the scope of activities it covers. The concept of “service” is, in line with the EC Treaty and the related case law of the ECJ, defined in a broad manner. It encompasses any self-employed economic activity which is normally provided for remuneration, as referred to in Article 50 of the EC Treaty.

Thus, within the meaning of the EC Treaty and the Services Directive, in order to constitute a “service” an activity has to be a self-employed activity, i.e. it has to be supplied by a provider (which could be a natural or a legal person) outside the ties of a contract of employment. Moreover, the activity must normally be provided for remuneration; in other words, it must be of an economic nature. This has to be assessed on a case-by-case basis for each activity. The mere fact that an activity is provided by the State, by a State body or by a non-profit organization does not mean that it does not constitute a service within the meaning of the EC Treaty and the Services Directive. Rather, according to ECJ case law, *“the essential characteristic of remuneration lies in the fact that it constitutes consideration for the service in question, which means that there must be an economic counterpart”*. Whether the remuneration is provided for by the recipient of the service or by a third party is not relevant. However, it should be noted that the ECJ has – in the context of education services provided under the national education

system – ruled that a teaching or enrolment fee, which pupils or their parents must sometimes pay under the national education scheme in order to make a certain contribution to the operating expenses of the system, does not as such constitute remuneration if the system is still essentially funded by the public purse.

7.4. Current status of implementation in the Republic of Bulgaria

The institution responsible for transposition of the Services Directive in Bulgaria is the Ministry of Economy and Energy (from 2009 until now - Ministry of Economy, Energy and Tourism of the Republic of Bulgaria). This called for establishment of an interinstitutional working group which involved representatives from ministries, other governmental bodies, non-governmental organizations, vocational organizations, as well as agencies and associations. All of them worked on the implementation of the Services Directive. During this implementation, the working group faced issues with defining terms like „points of single contact”, “competent authorities” and “liaison points” and also handling of the Interactive Policy Making (IPM) and Internal Market Information System (IMI) systems.

The Republic of Bulgaria fulfilled the obligation for transposing of the Services Directive in the national legislation with the adoption of the Service Activities Act (promulgated, SG No. 15/23.02.2010, in force since 23.02.2010).

The newly adopted act regulates the general rules for the exercise of the freedom of establishment for service providers and the free movement of services, while maintaining a high quality of services. The purposes of the act are:

- to facilitate the exercise of service activities by providers established in a Member State;
- to guarantee the rights of service providers and service recipients;
- to reduce the administrative burden for service providers established in the Member States and to simplify the procedures for the competent authorities in the Republic of Bulgaria through the creation of a point of single contact and provision of services by electronic means;
- to establish a system for the exchange of information and mutual cooperation between the competent authorities in the Republic of Bulgaria and the competent authorities in the Member States.

Within the meaning given by it, “service” shall be treated as any economic activity provided by a service provider for remuneration or for own account.

Also, we have a list of services that shall not be applied to the act:

- non-economic services of general interest;
- financial services;
- electronic communications services and networks and associated facilities and services, subject to regulation under the Electronic Communications Act - solely in respect of the provisions transposing Directive 2002/19/EC of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities, Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorization of electronic communications

networks and services, Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services, Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services, and Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and protection of the right of privacy in the electronic communications sector;

- services in the field of transport;
- services of hiring out of workers provided by temporary work agencies;
- medical and healthcare services;
- audiovisual services;
- services connected with gambling activities under the Gambling Act;
- services and activities which are connected with the exercise of official authority;
- social services relating to social housing, childcare and support of families and persons permanently or temporarily in need which are provided by the State or by providers and charities mandated by the State;
- private security services;
- services provided by notaries and enforcement agents.

7.5. Point of Single Contact

The integrated portal for access to electronic administrative services, established and maintained according to Article 12 of the Electronic Government Act, shall perform the functions of a Point of Single Contact (PoSC).

The PoSC administrator shall ensure service providers and service recipients:

- easy access to information necessary for the commencement and exercise of the activity thereof or particular rights;
- completion and submission of the forms and documents necessary for the exercise of the activity thereof or particular rights;
- receipt of a response from the competent authorities on initiated procedures.

Through the PoSC, the administrator shall ensure access to:

- information on all requirements applicable to providers established within the national territory, including information on the required procedures and standard forms of documents through which rights to exercise a service activity are granted;
- a possibility for service providers and service recipients to obtain, at their request, explanations, directions, instructions and other information on the way the requirements referred to in Item 1 are interpreted and applied, including a step-by-step guide in chronological order;
- all standard forms of documents required for obtaining an authorization, a license, a registration and other such;
- the contact details of the competent authorities enabling the latter to be contacted directly, including

information on the specific powers of the authorities in respect of matters concerning the exercise of service activities;

- the contact details of organizations, chambers and associations, other than the competent authorities, wherefrom service providers or service recipients can obtain practical assistance;
- public registers and databases containing information on providers and services;
- information on the means of redress in the event of dispute between the competent authorities and a service provider or a service recipient, or between a provider and a recipient, or between providers;
- information, where available, on:
 - the significance of certain quality labels;
 - the criteria for applying quality labels;
 - other quality marks relating to services;
 - a code of conduct, set up at European Union level, intended to ease the access to the provision of services.

The act itself gives and clarifies definitions of the following terms:

"Competent authority" - any authority which is part of the system of the executive branch of government and/or is empowered by virtue of a statutory instrument to regulate or to supervise access to services or the exercise of service activities.

"Provider" - any natural person who is a national of a Member State or any legal person as referred to in Article 54 of the Treaty on the Functioning of the European Union and established in a Member State, who provides a service.

"Recipient" - any natural person who is a national of a Member State or any legal person as referred to in Article 54 of the Treaty on the Functioning of the European Union and established in a Member State, who or which uses, or wishes to use, a service for professional or non-professional purposes.

"Authorization scheme" - any procedure under which a provider or recipient is required to obtain from a competent authority a formal permission concerning access to or the exercise of a service activity, including a certificate, an authorization, a license or the effecting of a registration.

"Establishment" - the pursuit of an economic activity, according to Article 49 of the Treaty on the Functioning of the European Union, by the provider for an indefinite period and through a stable infrastructure from where the service is actually provided.

"Member State" - a Member State of the European Union, or another State which is a Contracting Party to the Agreement on the European Economic Area.

"Member State of establishment" - the Member State in whose territory the provider of the service is lawfully established.

"Member State where a service is provided" - the Member State in whose territory a service is supplied by a provider established in another Member State.

"Non-economic service of general interest" - a service which is not performed for an economic consideration and, accordingly, does not constitute a service within the meaning of Article 57 of the Treaty on the Functioning of the European Union.

"Financial service" - any banking service, including acceptance of deposits and other repayable funds; lending; insurance and reinsurance; investment funds; financial

leasing; money transfer services; issuing and administering means of payment; guarantees; trading in money market instruments, foreign exchange, financial futures and options, exchange and interest-rate instruments, securities; participation in securities issues and the provision of services related to such issues; safekeeping and administration of securities; money broking; portfolio management and advice; payments and investment advice; safe custody services; pension services.

"Electronic communications service" - a service normally provided for remuneration which consists wholly or mainly in the conveyance of signals on electronic communications networks, including conveyance services, provided through broadcasting networks, excluding services providing and/or exercising control over content. The scope of electronic communications services does not include Information Society services which do not consist wholly or mainly in the conveyance of signals on electronic communications networks.

"Electronic communications network" - a totality of conveyance facilities and, where applicable, switching or routing equipment and other resources, which serve the conveyance of signals by wire, by radio, by optical or by other electromagnetic means, including satellite networks, fixed (circuit- and packet-switched, including Internet) and mobile terrestrial networks, electricity distribution networks, to the extent that they are used for the purpose of transmitting signals, networks used for radio and television broadcasting and cable electronic communications networks used for distribution of radio and television programme services, irrespective of the type of information conveyed.

"Service in the field of transport" - a service in the field of road, rail, air, maritime and inland waterways transport, including port and airport services, urban transport and taxis and ambulances, with the exception of: driving school services, removal services, car rental services and funeral services.

"Medical and healthcare services" - services provided by persons possessing a specific professional qualification in the sphere of healthcare to patients to assess, maintain or restore their state of health, regardless of whether these services are public or private or whether or not they are provided via medical-treatment or healthcare facilities.

"Audiovisual service" - a service the principal purpose of which is the provision of moving images with or without sound, including television and showing of films in cinemas, irrespective of the way they are produced, distributed or transmitted, and radio broadcasting.

"Social service" - an activity which assists and expands the opportunities of persons to lead an independent way of life and which is carried out at specialized institutions and in the community.

"Gambling activity" - any service which involves wagering a stake with pecuniary value in games of chance, including lotteries, scratch cards, betting services, bingo services, gambling services offered in casinos or licensed premises and gambling services operated by and for the benefit of charities or non-profit-making organizations.

"Private security services" - covers services such as surveillance of property and premises, protection of persons (bodyguards), security patrols or supervision of buildings as well as the depositing, safekeeping, transport and distribution of cash and valuables, with the exception of

services such as the sale, delivery, installation and maintenance of technical security devices.

"Regulated profession" - an activity or a group of activities, included in the List of Regulated Professions in the Republic of Bulgaria, which is of public significance and/or has material implications for human life and health and the right of exercise whereof is determined by means of legislative, regulatory or administrative provisions regarding the possession of specific professional qualifications, licensed capacity or membership of a professional body working towards the maintenance of high standards in the respective professional field, for the implementation of which the said organization has been specifically recognized by the State.

"Requirement" - means any obligation, prohibition, condition or limit provided for in a statutory instrument or an administrative act, as well as in rules of professional organizations and associations. Rules laid down in collective agreements negotiated by the social partners shall not as such be seen as requirements.

"Internal Market Information System" - an electronic multilingual information system for mutual assistance and the exchange of information between the competent authorities of Member States.

"Public interest" - reasons recognized as such in the case law of the Court of Justice of the European Union, including public order, public security, public safety, public health, preserving the financial equilibrium of the social security system, the protection of consumers, recipients of services and workers, fairness of trade transactions, combating fraud, the protection of the environment, the health of animals, intellectual property, the conservation of the national historic and cultural heritage, social policy objectives and cultural policy objectives.

"Commercial communication" - any form of communication designed to promote, directly or indirectly, the goods, services or reputation of an undertaking, organization or person engaged in commercial, industrial or craft activity or practicing a regulated profession. Information enabling direct access to the activity of an undertaking, organization or person, such as a domain name or an electronic-mailing address, as well as information compiled in an independent manner, shall not be considered to be commercial communication.

"Direct and particular risk" - a risk arising directly from the provision of the service.

"Health and safety" - a risk to the health and safety of the recipient or a third party, including death or serious traumatic or non-traumatic injury.

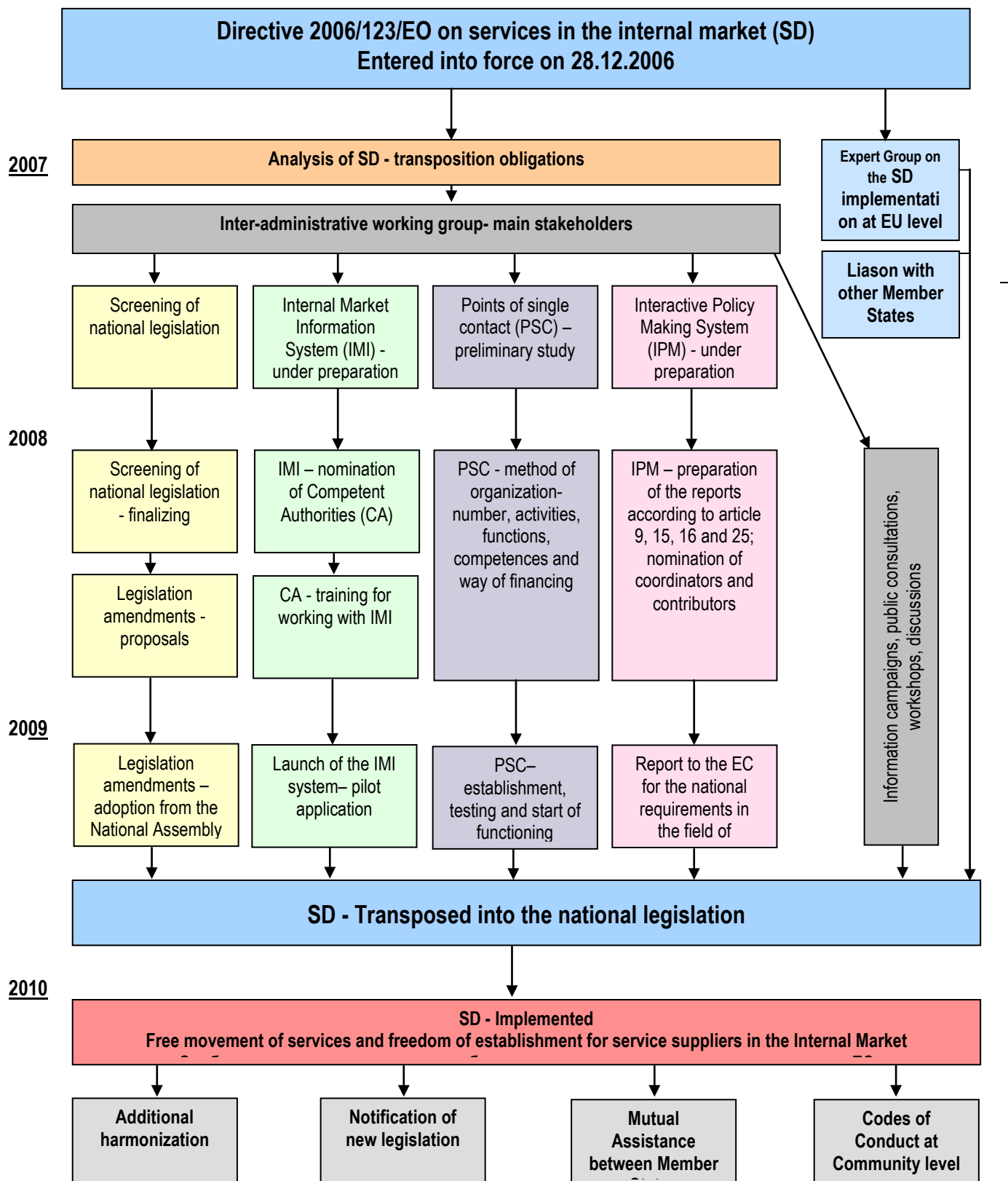
"Financial security" - the prevention of substantial losses of money or of value of property in relation to a recipient.

"Professional liability insurance" - the conclusion of a contract of insurance for the account of the provider in respect of the potential liability thereof to recipients and, where applicable, third parties, arising out of the provision of the service.

"Notification" - the supply of information regarding the adoption of acts whereby measures are introduced at national level necessary for implementation and application of the directives of the European Union.

The current contact body for the Republic of Bulgaria, designed to assist service recipients, is the Point of Single Contact in cooperation with the European Consumer Center (European Consumer Center - Bulgaria) – currently located at <http://ecc.kzpb.bg/> - Commission For Consumer Protection.

DIRECTIVE 2006/123/EO ON SERVICES IN THE INTERNAL MARKET
TIMEFRAME FOR IMPLEMENTATION



Bulgaria has developed a comprehensive concept of e-Governance. Administrative services delivered electronically facilitate citizens and save their money and time, because the principle of "One-Stop Shop" is fulfilled. The essence of e-services is expressed in the "Ordinance for Electronic Administrative Services" through which to govern:

- General requirements for providing electronic services to citizens and organizations of providers of electronic public services;
- Technical requirements for providing access to services and policies of the providers of administrative services for graphic and other interfaces of information systems;

c) Other ways of delivering electronic documents from individuals and organizations involved in providing administrative services within the meaning of art. 20, paragraph 1, item 3 of the Law on E-Government;

d) Formats and statutory requisites, which must be synchronized with the electronic documents submitted to the providers of administrative services;

e) Special methods for establishing the integrity and authorship of electronically submitted electronic statements;

f) Methods of electronic payment for the provision of administrative services;

g) Standard for reporting the astronomical time of the occurrence of facts of legal importance in providing administrative services.

In Chapter two of the Ordinance, the basic principles for provision of administrative services are set out. The most important ones are: The provider of electronic administrative services must disclose its services in a clear and accessible manner; The supplier must provide detailed information on any offered by electronic administrative service free and free of charge, including its territorial units and municipalities; The providers make public their official website; The Ministry of State Administration and Administrative Reform sets up and maintains a single portal for access to electronic administrative services; The electronic administrative services are provided in an accessible manner, including for persons with disabilities, in web interface services are available in user-friendly interactive mode, via web interface services are provided in user-friendly interactive mode; Obligation to provide administrative services arises if a citizen or organization show a unique identifier established by law; Access to electronic public services through a single portal is free, unlimited and unconditioned by the identification of beneficiaries. In Chapter Three, the technical requirements of providers of access to electronic services are indicated. These include interfaces and protocols for access, user interface design of information systems for the provision of administrative services; requirements usability of user interface accessibility requirements of the user interface. In Chapter Four, the requirements for the reception and transmission of electronic documents from suppliers of electronic administrative services are set out. The methods for submitting electronic documents are: Recipients of administrative services order an electronic administrative service by sending an electronic document in a legally established for the administrative service form; The applicant is identified by an electronic signature under the Law on Electronic Document and Electronic Signature; An electronic statement shall be deemed received by the provider of administrative services by enrolling in its information system or integrated environment for document exchange; The production of electronic documents for the application of electronic administrative services is performed by special software; Providers of electronic administrative services provide free access to application use; The submission of electronic documents which are connected with e-Government services by citizens and organizations is done online in a standardized protocol by public-accessible web-based application or through integrated environment for document exchange.

As an exception the submission of electronic documents is allowed via:

- e-mail
- optical, magnetic or other media.

Chapter Five shows the ways of electronic payment for the provision of administrative services. Providers of electronic administrative services are required to take payments of government fees, taxes and other public and private legal obligations in connection with the electronic administrative services by:

- remittances;
- electronic payment instruments.

The final chapter deals with the standard for reporting the astronomical time of the occurrence of facts of legal importance in providing administrative services.

Since the question of the exchange of electronic services is becoming increasingly topical, it is necessary to build a unified environment for such exchanges. Its main role is to facilitate the movement of documents electronically. In Bulgarian legislation this matter is regulated by the "Ordinance on the Requirements to the Uniform Environment for Exchange of Electronic Documents".

The Ordinance regulates the requirements to the development, functioning and exploitation of the Uniform Environment for Exchange of Electronic Documents (UEEED). The UEEED is a manageable environment for standardized exchange of documents entered in the Register of information objects between the information systems in the administration for the purposes of e-Government. This environment shall provide means for secure exchange of electronic documents between persons registered for participation in the exchange under Chapter Six. The exchange in UEEED shall be conducted on the basis of Internet protocols. Internal electronic administrative services shall be provided through UEEED by the administrative bodies to other administrative bodies, persons performing public functions, and organizations providing public services. Electronic administrative services may be provided through UEEED by the administrative bodies, the persons performing public functions, and by the organizations providing public services to citizens and organizations. The single portal for access to electronic administrative services and other specialized applications supported by the Minister of State Administration and Administrative Reform in implementation of the Law on E-Governance are part of the UEEED. The compliance between application and answer in an electronic service ensured by the entry of the service in the Register of the Electronic Services shall not be subject to inspection by the UEEED. The exchange of unstructured documents through UEEED shall be performed through their inclusion in the content of electronic documents, registered in the Register of the Information Objects. No processing of the content of the transmitted electronic documents shall be performed in UEEED. All participants in the exchange of electronic documents through UEEED are equal. The Unified Environment for Exchange of Electronic Documents shall be developed and supported by the Minister of State Administration and Administrative Reform.

8. Interoperability of information systems and technologies in the executive branch - problems, challenges and prospects

A major problem in the implementation of e-Governance is the need for interoperability, common standards and rules for handling electronic documents.

In 2006 the Government adopted a National Interoperability Framework for the Information Systems within the Executive Power (NIF). It includes the establishment of a Register of standards to ensure interoperability, Register of information objects and Register of electronic services. An Instruction on the procedures for certification of systems according to the European standards was approved. This provides interoperability to information systems to the departments providing e-services. The National Interoperability Framework is a document that allows Bulgaria to meet the integration of national systems of Member States of the European Union to organize cross-border electronic services. Bulgaria will comply with the European Interoperability Framework.

The National Interoperability Framework for the Information Systems within the Executive Power "is mandatory for all newly introduced information systems in state administrative units and aims to provide adequate regulatory framework to ensure ability of information systems and business processes they support to exchange data and integrate information and knowledge".

According to the definitions adopted in the European Union:

- Interoperability is the ability of information systems and business processes they support to exchange data and integrate information and knowledge;
- Systemic integration is defined as the ability of the functional behaviors of different systems, and data on which they are based, to integrate new business processes.
- Interoperability Framework is a set of standards, rules and guidelines that describe how to achieve defined above interoperability

The interoperability is a subject of several publications in the Internet. In Wikipedia, for example, many definitions of this term can be found. Here are two of them:

- According to IEEE, this is the ability of two or more systems or components to exchange information and use the information exchanged;
- According to ISO / IEC 2382-01 (Glossary of basic IT terms), this is the ability for communication, implementation of programs or data transfer between various functional units in a manner that requires the user to have minimum or no knowledge of the unique capabilities of these devices.

In a Glossary (Ontology and Taxonomy Coordinating Working Group) the Semantic Interoperability is defined in several ways:

- The ability of two independent analytical programs to reach the same conclusions when using the same data;
- The ability of an information system without human intervention to perform tasks for which it is intended, by exchanging relevant information with

other systems in the manner specified by formal definitions and axioms, regardless of how and for what purposes these data were originally collected, stored and managed;

- The ability of a system to use data from an external source (without or prior planning) and extract useful (though not perfect) results.

8.1. Objectives of the national interoperability framework

The general objectives of the unification and rationalization of the information infrastructure of the governmental systems can be formulated as follows:

- Social efficiency, minimization of the capital investments and exploitations costs;
- Equal treatment of the participants in the exchange;
- Security, confidential exchange, personal data protection, intellectual property protection;
- Uniformity and interoperability of the information structures - basis for macro-management of the cybernetic principles;
- Integration into the global and regional information infrastructures.

In practical terms, these overall goals can be achieved through:

- invariance of the access to the systems and their exchange to the environment;
- Compatibility of the processes and the data flows;
- Integration of the applications;
- Automation of the processes of information exchange;
- Multiple use of single data input (data blocks);
- Multiple use of already developed or purchased software components and products;
- Use of the already built information systems;
- Scalability of the decisions;
- Transferability and independence from the platforms;
- Flexible readjustment of the procedures after changes in the environment and the requirements.

NIF is prepared in accordance with the latest version of the "European Interoperability Framework" published in January 2005. The European framework is created under the initiative "eEurope 2005", adopted on the summit in Seville (June 2002). According to its Recommendation № 1, "the governments of Member States must establish a pan-European dimension in their own frameworks for interoperability and administrative infrastructure", following the basic directions of this document. Operational compatibility is one of the four major challenges for the creation of the Common European Information Environment as stated in the strategic initiative "i2010". The European Commission's IDABC (Interoperable Delivery of European E-Government Services to Public Administrations, Businesses and Citizens) has proposed the following "roadmap" for the creation of a pan-European environment, ensuring system integration and interoperability of information systems, passing through the following stages:

- development of an Interoperability Framework for Information Systems;
- development of Guidelines and specific rules for system integration and interoperability of appli

- cations related to the e-Government
- development of Architecture Guidelines and Reference Models for the information systems;
- set-up of XML Clearinghouses - centralized storages of information resources required for achieving interoperability;
- development of a pan-European Administration Orientation Map.

The Interoperability Framework cannot be a static document - it requires being permanently adapted to the changes in the technologies, the standards and the administrative infrastructures. One of the most important problems in the establishment of the information systems in the executive branch is the achievement of system integration and interoperability - both in the context of information exchange between systems of administrative bodies, and in the implementation of electronic services for citizens and organizations.

8.2. Challenges to the integration of the information system (system-to-system integration – S2SI)

The integration of the information services (the so called “System to System Integration – S2SI”) is facing a number of challenges:

- heterogeneity of the the processes;
- heterogeneity of the system realizations;
- heterogeneity of the data structuring and presentation;
- dynamic business and technological environment;
- requirements for security and reliability of the the exchange.

Besides the differences in the software and technology, the unregulated exchange between the partners also represents a problem. While the heterogeneity is not having so serious consequences in the implementation of the electronic services for natural persons, for the business information services, where the problems of the different providers of electronic services are transferred into the corporate systems of the companies-users, the situation is the extremely serious. The problems become deeper also because of the requirements for integration of the national systems of the European Union member states with the aim to organize cross-border electronic services. All this imposes the necessity for the development of this National Interoperability Framework in accordance with internationally accepted standards and the practices in the member states of the European Union.

In accordance with **Recommendation №3 of the European Framework**, the interoperability has three aspects:

- Technical - allows exchange between application systems in different computers and includes: methods of presenting data, methods of access, methods of data integration, architectures for distributed applications, protocols for exchanging messages and files, network services, security services exchange and storage of messages;
- Semantic - provides the same semantic content of data exchanged and is based on specific information resources of two types: resources, providing morphological constituent (nomenclatures, thesauri, ontologies etc.), resources providing

syntactic interoperability (HML schemes, models and diagrams of meta-data, etc.);

- Organizational - the organization of management processes for the exchange and processing of data between different organizational structures.

The technical interoperability is distributed over:

- the methods for data presentation;
- the methods of access;
- the methods for data integration;
- the architectures for distributed applications;
- the protocols for exchange of messages and files;
- the network services;
- the services for security of the exchange and storage of the messages.

In accordance with the Strategy for IDABC for interoperability of the content, the following conditions have to be observed for the successful application of the Interoperability Framework:

- continuous stability of the basic parameters of the Framework;
- feedback from the users;
- open and transparent process of change of the basic documents;
- policy and mechanisms for quality management;
- adaptation to the expected new applications;
- focus on the changes to the processes and not to the standards;
- publication and allocation of the resources oriented to the provision of the interoperability (definitions, terminologies, vocabularies, rules, etc.) in appropriate formats;
- identification, enlargement and multiple use of the existing resources, oriented to the provision of the interoperability;
- key role of the registers with metadata.

The implementation of the centralized integrated system of the e-Government is still to be done. It aims at serving as an integrated environment for the existing independent information systems in public administration and will be the basis of the integrated environment for document exchange. In addition, a pilot integrated system for the e-field, which will integrate the information systems of local and regional level, has been developed.

With the implementation of the two projects a unified information environment will be constructed for providing electronic services from the central, regional and municipal administrations. They provide electronic exchange of documents for performing the requested services between all departments of central and local administrations. With their implementation, a technological environment will be created that will provide:

- A single point of access to all electronic services at any time and from anywhere;
- Online description of all administrative services;
- A simplified user-friendly interface for ordering services, including for disadvantaged people;
- A unified design of the portals of all regional and municipal administrations by creating uniform standards;
- Opportunity for citizens and businesses to electronically track the progress of implementation of the services they have ordered.

Since the end of 2007 the country has been implementing the "Integrated Administrative Services at Central and Local Level and Providing Public Services" project, the contractor of which is the Ministry of State Administration and Administrative Reform (Ministry of State Administration). The project goal is providing Internet access to quality services for the organizations and citizens, including citizens with disabilities, and integrating administration information systems.

The project called "Electronic Government" or "Electronic Governance" uses modern information and communication technologies. They are used for building an integration environment to which the information systems of all government administrations at central and local level, as well as providers of public services (education, health, electricity, district heating, etc.) will be gradually connected. This will enable the electronic exchange of operational information and services among all providers of administrative and public services.

Thanks to this project, citizens and businesses will receive both new electronic services and simplified electronic versions of existing public services with a significantly reduced number of documents required for declaring and with greater transparency and improved control over their implementation. And most importantly – it will not be necessary for applicants to visit the private service provider. E-services will be delivered 24 hours a day, 7 days a week, 365 days a year.

For the users of electronic services - citizens, businesses and other organizations - the face of "e-Government" will be a single portal for access to the electronic services. The portal is part of the integrated e-Government environment and it will be publicly available on the Internet. Through it

users of administrative services shall communicate with service providers - will declare their service, will send and receive electronic documents and messages. When the nature of the service allows, its results will be received as an electronic document signed with digital signature of the provider. If the supplier requires it, users will need to use digital signature in order to identify in applying for electronic administrative services. There will be a range of services that will require identification by digital signature in its declaring.

The pilot start of the program became a fact on 1 February 2010, starting with 14 electronic services via the Government portal. The integrated platform for Internet services started in test mode, which will continue for at least 4 months. The aim is to launch 15 more electronic services by March and by the end of the year to reach 100.

The prototype of the portal is the so called "One-stop shop". This service model allows citizens and organizations to:

- have a quick and easy access to institutions;
- reduce the time for service;
- reduce the contact between applicants and employees, which will help reduce bad practices.

The places that need to be "visited" in this service model are reduced to one, and required documents, which must be presented by the applicant, are minimized (Figure 2).

The single portal for access to the electronic services is a result of mixing the model for one-stop shop with the information and communication technology and the electronic processing of documents.

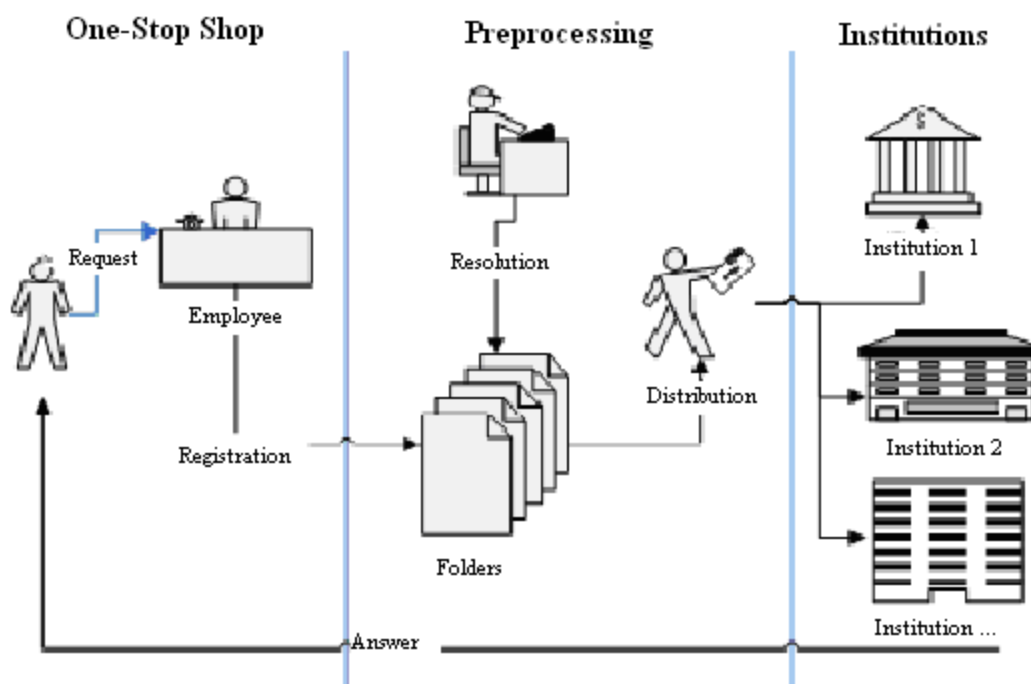


Figure 2: One-stop shop

The portal inherits the advantages of the model of one-stop shops and the opportunities of the technologies used in information processing. The result

is an environment that has a great potential for development and interaction with other systems (Figure 3).

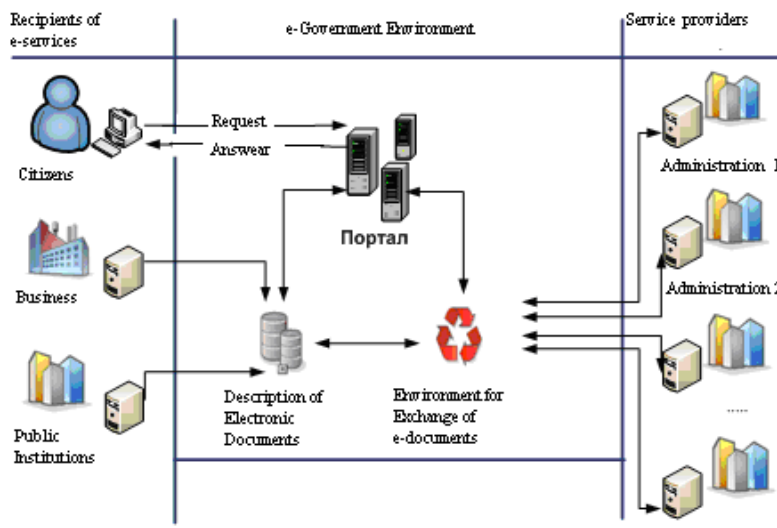


Figure 3

The access to e-services via the portal will be free, unlimited and unconditioned by any requirements for user authentication. In other words, users can use the portal without typing name and password, i.e. as anonymous users.

8.3. Architecture of the portal

The portal is a software web application, built on a typical three-layer architecture that works in the Internet environment. Every customer who has a browser can work with the portal. The middle layer of the application is based on Java technology and BEA WebLogic Server application, and the third layer is the database Oracle. The solution is scalable and, if necessary, the capacity for processing applications may be increased. To secure uninterrupted work, cluster architecture is provided that ensures high reliability of the site.

The hardware infrastructure of the main center consists of 46 servers and has 16 TB of disk space. It provides technological solutions for:

- Resistance to system failover (Fault tolerance);

- Distribution of the load (Load-balancing);
- Disaster recovery (Disaster recovery);
- Backup and recovery (Back-up & Restore).

Three regional centers - Bourgas, Dobrich, Stara Zagora have been connected to the pilot system so far. The peripheral system is built with 76 server configurations - 2 for each municipality and 4 for each regional administration. The established program infrastructure includes three postal systems, 3 defense systems, 3 database systems, 3 systems for managing the integration of processes and 11 systems for documents. A network connection to all district and municipal administrations in the region is also built.

The network connection between the cities and the portal uses the National Electronic Communications Network built in 2007. It provides network access points in 19 regions and ensures high speed and reliability of the information transmitted between the central and local administrations of the executive authorities.

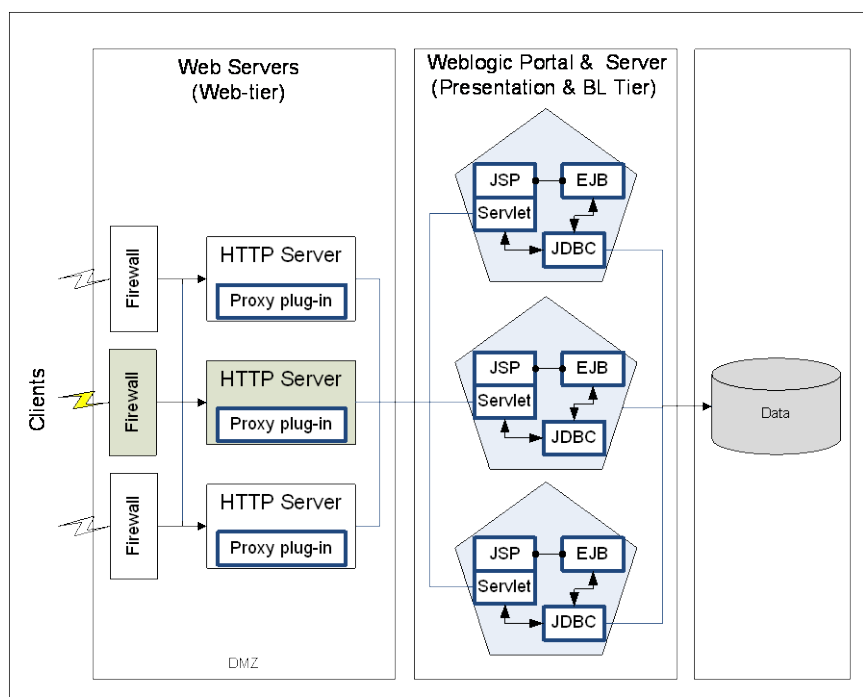


Figure 4: Schematic diagram of the system infrastructure and architecture

For clustering two layers are defined:

- Web Servers tier - a layer of HTTP proxy servers;
- Web Logic Server & Portal tier - a representative compound layer and business layer of objects.

For maximum efficiency, the portal will work with a centralized database. With decision made by the Oracle Data Guard the transactions on physical level of reserved machines in different territorial centers will be replicated. This will maintain accurate physical copies of the database, which, in case of need and preconfigured as such, can be restored from the main database of the portal through the rapid and accurate procedures for Disaster recovery.

The proposed decision requires secured communications connectivity to the center and communication access to the end systems. The architecture described above allows the addition of hardware or software Load Balancer module later in the project.

CONCLUSIONS

1. The development of the e-Government in Bulgaria goes through several stages, each of them characterized by its peculiarities. The first stage is preparatory - it is connected with the adoption of the program documents outlining the basics of the e-Government. The second stage is the initial development, where activities were undertaken related to the development and implementation of decisions of national and local importance. The third phase of purposeful development is characterized by the construction of the pilot portal for e-Government, development of documents and programs for construction and unification of information systems and last but not least - work on international exchange of documents.

With a view to ensuring the effective and efficient functioning of the e-Government in Bulgaria, a set of laws, establishing the legal framework and outlining the vision of e-Government, has been developed.

The present stage of development of e-Government in Bulgaria is associated with the Concept 2010 - 2015 and the Strategy for E-Government in Bulgaria 2011-2015. The basic principles of this concept are:

- orientation to the user
- partnership and cooperation
- orientation to services
- critical success factors
- policies

Achieving the objectives referred to in the Concept and the Strategy for E-Government in Bulgaria will not only lead to services with a higher quality, but also to transparency in government. Of course not least, we should indicate that the good organization, coordination and control, underlying the concept of e-Government, will lead to reduction of corrupt practices.

According to the UN report conducted in 2010 on the status of e-Government implementation, Bulgaria was ranked 44th, while another study of the end of 2009 carried out by the consulting company Capgemini positioned the country on 29th place.

2. The service under the "One-Stop Shop" Principle leads to greater customer satisfaction, both in

terms of access to information and quality service. The analysis shows that the challenge to the work of the administration raises efficiency in service delivery. The most needed change 51% of consumers indicate is shortening the time of services provision. Only 38% of citizens are able to do their job within a visit to the administrative structure. The physical positioning of services in one place is not a sufficient condition for improvement of administrative services. Administration is not using all possibilities for optimization of services provided by them. Offering services in non-integrated separate administrations is not yet sufficiently widespread.

Municipalities are the closest and accessible points of communication between the administration on the one hand and citizens and businesses, on the other. They must become the main place where users request and receive administrative services. To this end, municipalities should establish active and quick channels, including electronic communication with other administrations. Therefore, it provides to focus precisely on strengthening the capacity of administrations locally. Under a project financed by the PHARE Program, pilot activities were implemented to provide key services derived on the basis of an analysis of demand.

The main problems of the "One-Stop Shop" Principle are the lack of necessary machinery and equipment, on the one hand and, lack of opportunity for automated exchange of documents and data between information systems of different administrations. Furthermore, consensus between local and centralized administration is also missing. There still remain some not fully solved problems: provided funds to purchase equipment, training of employees and competent assessment of this which services may be offered to "One-Stop Shop" and which are not appropriate. One of the very pressing problems is the lack of sufficient accumulated skills and experience to work with new technologies. To carry out effective work in the field of information technology, respectively, in the "One-Stop Shop" model, it is necessary to have a set of knowledge, project management, technical support system and updated information. The shortage of skills in this area leads to delays, additional costs and poor services.

The premise for the establishment of effective communication between the administrations in serving individuals and businesses is the integration and standardization of administrative services. The development of the principle of "One-Stop Shop" commits to simultaneous and synchronized simplification and improvement of work processes, human resources and technologies available in the places of service. The important point here is the integration of services at local level because local authorities represent the nodal point of contact with the users of administrative services. Due to the parallel involvement of several administrations in servicing customers, priority should proceed to the integration of services aimed at businesses.

Broadly speaking, the main objective is the facilitation and improvement of administrative services to citizens and businesses through the application of this organizational principle, which can be defined as creating a place to access the service, but through different channels of access. The concept brings a key moment in the actions of the administration to focus on consumer services. It is based on best European practice and experience for organization of the administration.

3. The idea behind the adoption of the Services Directive by the Member States of the European Union is to further improve the internal market service functioning through reduced administrative burden and synchronized legislation, creating space for new business opportunities across the Union. The expectations also include greater social and economic development, combined with expanded consumer choice and more jobs.

To achieve this, the Republic of Bulgaria had to transpose the Services Directive into its national legislation with the adoption of the Service Activities Act (in force since 23.02.2010). With that made into action, the legal framework of the Services Directive can be allowed to operate in the country's national borders.

4. Provision of e-services to the citizens and the business is an important part of the e-Government. If we look closely we will find that one service is described with specific work process. In general the work process is complex and consists of a set of work subprocesses. Some of the subprocesses are automated in some extent, the others are not. During the service provision the connection between processes is asynchronous. Looking at the service as work process allows to find bottlenecks and to define where it is necessary to include a new system for automation of administrative process. On a later stage it is possible to implement an optimization of work processes and to propose changes in legislation if needed. The citizen or the company is not interested in the work process. They are only interested in what type of documents (input data) are needed for starting the procedure and what will be the final result of the e-services.

5. The major part of the public administration activities is related to the provision of services to citizens and businesses – in the field of social work, healthcare, education, issuance of licenses, permits, etc. Despite the measures taken to improve administrative services, the opinion polls show that citizens and businesses are not satisfied with the quality of services delivered. Over the past few years the quality of service in the private sector has improved considerably. Thus, the public administration in Bulgaria is facing a double challenge.

The public administration has to bring into their work the good practices of the private sector and, at the same time, apply the higher requirements for legality, responsibility and accountability imposed by the civil service.

Being a member state of the European Union, Bulgaria has committed to introduce the EU standards in areas such as food safety and environmental protection. When applying the standards, public administration will serve not only Bulgarian citizens, but also citizens of other European countries. Goods produced in Bulgaria and crossing the borders, move freely within the Union. It is necessary to ensure that they meet the standards imposed by the EU.

Besides the policy for more transparency, accountability and control over the administration's activities, the policy for combating corruption also includes a much wider range of activities in other areas, such as competition basis in the recruitment of civil servants, conducting studies in the field of anti-corruption, good management of the civil service, development of e-Government, full implementation of the "one-stop shop" service, introduction of the system for integrated payment "Single Fiche" at cross border points,

etc. For the overall success of the anti-corruption policy, it is extremely important to continue and deepen this "integrated approach", which is aimed not only at fighting corruption, but also at its prevention.

With regard to the commitments for modernizing the public administration in Bulgaria, a consistent policy is pursued. The basis for this legal framework is already established. However, it should be noted that, in comparison to other Member States of the European Union, the use of electronic governance and e-Government in Bulgaria has been delayed. The analysis of the reasons for this allows for measures to be taken ensuring that the European requirements will be met.

Until now, four main reasons for weaknesses in the implementation of e-Government in Bulgaria have been established:

- Lack of an efficiently functioning legal basis;
- Lack of interoperability of the information systems in the administration;
- Lack of an adequate electronic document workflow between the administrative departments;
- Unresolved problems with the unification of the information for administrations.

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