



*Policy Forum*

## **Anti-Corruption, Democratic Resilience and Economic Security**

9 November 2023  
Sredets Hall, Sofia Balkan Palace

*Opening Remarks of Dr. Ognian Shentov, Chairman*

The topics we'll be addressing today are incredibly pertinent, given the ongoing global conversation about safeguarding our democracies in the aftermath of the Russian invasion in Ukraine. The simmering conflicts in our surrounding regions pose a threat to our security, and it's imperative that our institutions demonstrate their resilience against external and unwarranted influence. This forum will serve as a platform for discussing the ways in which enhancing local public finance spending and implementing anti-corruption measures at the local level can bolster national economic security.

- The region has been under special EU rule of law and anti-corruption supervision for the past 20 years, providing both grounds for learning and policy innovation and frustration at the slow progress of democratization and European integration. The lessons learned from the past decade underscore that, in order to reignite the region's reformist momentum, governments and civil societies need to dismantle state capture through evidence-gathering mechanisms, capacity-building, and ensuring the effective enforcement of sanctions.
- The forum will advocate for new Instruments for engagement and impact when it comes to implementation of anti-corruption policies. Corruption Risk Assessment (CRA) is a diagnostic tool used by public bodies to identify and prevent the most prevalent and damaging corruption and conflict of interest schemes at institutional, sector and local levels. CSD will present its experience in applying CRA methods, detecting the latest corruption and state capture trends, and evaluating the efficiency of the anti-corruption measures used by individual public bodies.
- Countering strategic corruption and bolstering Europe and its partners' economic and investment security requires an additional layer of measures fortifying the EU's resilience against corrosive capital inflows. Presently, there are considerable gaps and discrepancies in enforcement capabilities and the effectiveness of investment screening mechanisms across the EU. Bulgaria, in particular, lacks the necessary legislation and instruments for ensuring a safe friendshoring investment climate.
- Investment screening, alongside other tools such as sanctions enforcement, control of dual use goods, monitoring state aid and illicit financial flows, is becoming an integral part of emerging US and EU economic security policy-making. Bulgaria should seize this opportunity to align its legislation, adopt international standards and establish effective institutions for sanctions enforcement and investment screening.

- Today, we are excited to continue these efforts with our long-standing partners from the Regional Anti-Corruption Initiative, our partners from the Regional Public Private Partnership Platform and the Center for International Private Enterprise in Washington D.C.
- My colleagues will present CSD's baseline analysis on the fiscal relationship between the local and central level authorities sharing the risks of corruption within the distribution of public funds from the national authorities and public procurements on local level. The publication outlines how shadow networks of clientelism compromise the integrity of public finances in Southeast Europe and hinder the capacity of the region to cope with a number of converging domestic and international challenges.
- Let me finish by thanking and giving the floor to the Ambassador of Norway to Romania, Bulgaria and Moldova, Siri Beate Barry. The kingdom of Norway remains an indispensable partner for the EU in safeguarding our common economic and investment security and in building democratic resilience through regional cooperation.