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BULLETIN

Coalition of Distrust: Breaking the Political Clinch in Bulgaria

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On 6 June, the Bulgarian parliament approved the government and thus dismissed the prospect of another early election (which would have been the fifth in two years). The cabinet is formed by the centre-right Citizens for European Development of Bulgaria (GERB) party and a reluctant partner, the alliance of the centre-left We Continue the Change (PP) and the liberal Democratic Bulgaria (DB). The coalition is expected to govern for at least a year and a half, with a rotation of the prime minister after nine months. Its sustainability is favoured by the converging Euro-Atlantic orientation of its partners. It also offers opportunities for Bulgaria's entry into the Schengen and euro areas, and for intensifying support to Ukraine.

The Two-Year Clinch. The mass protests of 2020 against the systemic corruption epitomised by Boyko Borisov, three-time prime minister and still chairman of GERB, undermined the decade-long status quo in Bulgarian politics. In the April 2021 elections, the last by the constitutional deadline, GERB won but had no majority or coalition capacity. The parties hostile to it, which entered parliament thanks to the protests, also lacked a majority, leading to early elections. The results did not allow a government to be formed, forcing another round of early elections in November 2021, after which the government of Kiril Petkov from PP was formed. It fell in August 2022 after the eclectic coalition was abandoned by the There Is Such a People (ITN) party of the chimerical celebrity Slavi Trifonov.

The elections in April 2023, the fourth early elections since April 2021, maintained the clinch in the 240-seat parliament. The strongest is GERB with 69 seats, while the PP-DB alliance holds 64 seats. Both factions rejected a coalition with the third party, which has 37 MPs, the nationalist and radically pro-Russian Revival, and the more moderate post-communist Bulgarian Socialist Party, with 23 seats. The Movement for Rights and Freedoms (DPS), with 36 seats, could not partner with PP-DB as it is accused of forming corrupt deals with GERB. The ITN, on the other hand, with 11 MPs, would not be a credible coalition partner, as Trifonov broke up the Petkov government.

Rotating Governments. GERB and the PP-DP were driven to agreement by fears of another early election, which would

probably not break the deadlock, but would strengthen Revival. They were favoured by their converging attitudes to the EU and NATO and their dislike of President Rumen Radev's informal rule. Despite his nominally limited prerogatives, he actually ruled the country because, in the absence of a regular cabinet, he nominated at his discretion the submissive technical governments of Stefan Yanev and later Galab Donev.

GERB and PP-DB agreed on a new governance formula in Bulgaria. It covers one and a half years, with no indication of rules for further co-governance. For the first nine months, the prime minister is Nikolai Denkov, former education minister from PP. He will be replaced by Mariya Gabriel from GERB, who was EU Commissioner for Innovation, Research, Culture, Education and Youth until May. She is the foreign minister but only deputy prime minister before heading the government. After the rotation, ministers are expected to keep their posts. The government is dominated by experts, PP-DB has a few ministries, while GERB has only the MFA, but has deputies in another ministries.

PP-DB leaders mostly fear scandal, as they promised to keep GERB out of government and to account for its abuses. That is why they did not agree a coalition agreement with Borisov, but only declarations of priorities for governing and passing 30 laws. Petkov explains the appointment of Gabriel as minister and, in the future, as prime minister by her lack of ties to national politics and her experience in the EU, necessary for Bulgaria's

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entry into the Schengen and euro areas. However, Borisov's aim is to conclude a formal coalition that would guarantee GERB's influence. To force it, he is taking unfaithful actions. For example GERB, together with Revival and the DPS, rejected the PP-DB anti-corruption bill and referred his own for further work in the parliament.

Internal and European Challenges. The main objective of PP-DB is to increase Bulgaria's resilience to corruption. This is to be based on amending constitutional provisions on the Supreme Judicial Council (SJC), by separating into it chambers of judges and prosecutors without a joint plenum, and on the prosecutor's office. This follows the inability to dismiss Prosecutor General Ivan Geshev, who is accused of shielding corrupt deals. It was only the withdrawal of GERB's informal support in the SJC, which was a precondition for rule with the PP-DB, that forced his resignation.

Denkov's aim is to present a draft as early as July. GERB and PP-DB have 133 MPs against the 160 needed to initiate the amendment. They are therefore seeking the support of the DPS, although Petkov fears obstruction from the Movement's *de facto* leader, oligarch Delan Peevsky, <u>sanctioned by the U.S. for corruption under the Magnitsky Act</u>. PP-DB also wants GERB to appoint a joint council to nominate regulatory and control bodies—the top positions are vacant in more than a dozen of them—including the governors of the National Bank of Bulgaria, the Audit Chamber, 11 members of the SJC, and two judges of the Constitutional Court.

According to Denkov, only the implementation of further anticorruption reforms is a guarantee for Bulgaria's entry into the Schengen area. After discussions with his EU partners, he assures that this could happen from October 2023 in air traffic, and fully from 2024. After the European Commission's positive report on the rule of law in Bulgaria, expected in July, the Netherlands would withdraw its veto, through which Austria would also do so, in order not to be the only blocking state.

Under the Denkov-Gabriel governments, Bulgaria is expected to meet the convergence criteria and enter the euro area on 1 January 2025. This is why the budget, which was passed urgently in place of the technical government's provisional one, assumes a 3% deficit and a reduction of inflation. PP-DB demands that GERB block Revival's referendum initiative on the euro, fearing defeat—according to an Alpha Research poll last November, 33% of Bulgarians want euro adoption and 50% are against it.

Ukraine Aid. GERB and PP-DB, as well as DPS and ITN, are united by a willingness to help Ukraine. During President Volodymyr Zelensky's visit to Sofia on 6 July, the parties supported a declaration of support for Ukraine's NATO membership and an agreement to sell reactors from the unfinished Belene nuclear power plant to Ukraine. Earlier, in June, Defence Minister Dimitar Soyanov at a NATO meeting in Brussels assured military support for Ukraine for "as long as necessary". In addition, the government barred the president from attending the Alliance summit in Vilnius in July. This marginalised the influence of Radev, who, although he has condemned the Russian invasion, opposes military supplies to Ukraine. He explains his stance by

potential entanglement in the war with Russia and Bulgaria's loss of defence capability. He also contested last November's parliamentary order passed by the PP-DP, GERB, and DPS to the Donev technical government to support Ukraine, with the then defence minister declaring only "small arms and some ammunition" would be provided.

Denkov's government announced a new tranche of military aid to Ukraine. Bulgaria has a large stockpile and capacity to produce Soviet-era ammunition, including 122mm and 152mm artillery shells, 125mm tank shells and Grad rockets, which are still commonly used by the Ukrainian military. The supplies delivered by the Petkov government—officially bought mainly by the U.S. and the UK—helped Ukraine fend off the first phase of the Russian invasion. The scale of support is demonstrated by a fivefold increase in Bulgaria's arms exports in 2022, to €3 billion, compared to 2019, the last year before the COVID-19 pandemic.

The new government announced its aim to join the <u>EU programme to purchase one million 155mm shells for Ukraine</u>. It is expected to make it easier for Bulgarian industry to switch to the production of NATO calibres. It also wants a return to talks within the so-called Ramstein format about obtaining modern weapons from allies in exchange for shipping post-Soviet armaments to Ukraine. Radev and his Donev technical government are accused of squandering the potential of this mechanism.

Prospects and Conclusions. The PP-DB and GERB agreement breaks the political deadlock and enables the formation of a majority government, backed by parliament. However, its stability is still uncertain as the parties are distrustful of one another, which could result in crises and a break in cooperation, with the timing of the rotation of the prime minister critical. With PP-DB still considering it, a formal coalition agreement with GERB would be conducive to the sustainability of the government, as clearly stated commitments would reduce the scope for disputes between the partners. However, it is possible that Petkov will continue to shy away from a formal agreement, fearing accusations of selling out to Borisov, whom he has promised to prosecute.

The Euro-Atlantic ideological community of PP-DB and GERB favours reforms that bring Bulgaria closer to Schengen and euro membership. However, it is possible that Borisov, while declaring cooperation, will sabotage the Denkov-Gabriel government's anti-corruption changes. This would push back the prospect of Bulgaria adopting the euro and entering the Schengen area along with the informally aligned Romania. This would be contrary to Poland's position, which advocates the immediate accession of both countries to the area.

The Denkov-Gabriel governments are joining in providing substantial military assistance to Ukraine, rejecting President Radev's policy of non-alignment. The announcement of talks in the Ramstein format also offers the prospect of supplying Ukraine with, for example T-72M tanks, BMP-23 infantry fighting vehicles, howitzers, and possibly S-300 anti-aircraft systems, as well as MiG-29 fighters and Su-25 close-support aircraft.