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## **ISTANBUL ANTI-CORRUPTION ACTION PLAN**

### **THIRD ROUND OF MONITORING**

#### **ARMENIA**

#### **ALTERNATIVE PROGRESS UPDATE**

**Transparency International Armenia**

This document contains the alternative progress update of implementation of recommendations from the Third Round of Monitoring of the Istanbul Anti-Corruption Action Plan for Armenia submitted to the ACN Secretariat by Transparency International Armenia. It provides information selectively to some recommendations. The progress update on Armenia with the assessment adopted at the 17<sup>th</sup> plenary **on 15 September 2016** in Paris is available [here](#).

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## PILLAR 1: ANTI-CORRUPTION POLICY

### Recommendation 1:

*Organise meaningful consultations about the new strategy with the public authorities and the non-governmental partners, including civil society, business and international partners, to ensure that the strategy focus on the right priorities and to build the support of the society to its implementation.*

*Ensure that the new strategy has a strong mechanism for its coordination and monitoring, including a set of performance indicators and the use of surveys and inputs from nongovernmental organisations.*

*Develop a budget for the implementation of the strategy including sufficient human and financial resources to ensure necessary financing from the state budget.*

### 17<sup>TH</sup> ACN Plenary Meeting, September 2016

#### **NGO report**

In regard to 1<sup>st</sup> part of the recommendation, during the period following the last progress report (hereafter – during the reporting period) consultations and joint activities with the civil society and private sector had been continued. However, the crucial part of this recommendation (building support of the society to the implementation of the strategy), still is far from being achieved. The Anti-corruption Council is chaired by the Prime Minister who is from the Republican Party and the allegations that Prime Minister is engaged in business activities is a strong belief in the society. In such circumstances, it is highly impossible to anticipate strong support of the society to the implementation of Anti-corruption Strategy. As about the first part of this recommendation (meaningful consultation) technically this is not relevant anymore due to the wording (organize meaningful consultations...to ensure that the strategy focus on the right priorities).

As about 2<sup>nd</sup> part of the recommendation, during the reporting period no changes took place in regard to mechanisms of coordination and monitoring. The limited progress is conditioned with the fact that state authorities are actively taking the research products of the NGOs and trying to capitalize on it.

In terms of 3<sup>rd</sup> part of the recommendation, so far no budget for the implementation of the strategy has been developed

#### **Assessment of Progress - 17<sup>th</sup> Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Lack of progress.

2 out of 3 parts hasn't been subjected to impact which would make to conclude about progress. The 3<sup>rd</sup> part of the recommendation has only very limited progress. In these circumstances, the conclusion is that the recommendation was not progressed.

## Recommendation 2:

***In addition to general surveys, commission surveys for specific high risk sectors to help the development and monitoring of anti-corruption policy and measures.***

***Provide support to NGOs in their corruption research.***

***Use the results of the surveys commissioned by the government and conducted by the NGOs for the development of the new Strategy and for the monitoring of its implementation and publish them on the site of the anti-corruption council.***

### 17<sup>TH</sup> ACN Plenary Meeting, September 2016

#### ***NGO report***

In terms of the 1<sup>st</sup> part of the recommendation, during the reporting period progress took place in regard to commissioning surveys and helping to the development of anti-corruption policies and measures. More concretely, the RA Police created a working group to study corruption risks in the field of police services to people. However, the results of those surveys and studies are not publicly available.

As about 2<sup>nd</sup> part of the recommendation, during the reporting period the Government and some of the separate ministries (especially Ministry of Justice, Ministry of Education and Science, and Ministry of Healthcare) continued to cooperate with the NGO-s and engaged them, also TI AC, in their discussions.

In terms of the 3<sup>rd</sup> part of the recommendation it must be noted that technically speaking, this part of recommendation is valid only for the part of monitoring and publishing. In both aspects there haven't been seen progress. The research pieces of the NGOs are not published at the website of Anti-corruption Council ([www.gov.am](http://www.gov.am)).

#### ***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

##### Progress

In regard to 2 parts out of 3, the recommendation has progressed. Therefore, the conclusion is that overall the recommendation has progressed.

**Recommendation 3:**

***Provide broader opportunities for the NGOs to participate in the Anti-Corruption Council.***

***During the launch of the new Strategy organise a public awareness campaign to send a strong message from the government to the citizens about intolerance of corruption.***

***Support the implementation of the new Strategy with a regular public information campaign about practical solutions, rights and duties of citizens when facing corruption.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

In regard to 1<sup>st</sup> part of the recommendation, during the reporting period no developments have been observed in this regard. However, it must be mentioned that the positive practice of inviting interested NGOs to the meetings of the Council continues.

As about 2<sup>nd</sup> part of the recommendation it must be noted that it is not relevant anymore.

While in terms of 3<sup>rd</sup> part of the recommendation, during the reporting period no developments took place in regard to public information campaign which would have regular nature. Moreover, no such campaigns even were initiated.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Lack of progress.

No developments took place during the reporting period.

#### Recommendation 4:

***Ensure that the Anti-Corruption Council leads the coordination of the Anti-Corruption Strategy and its monitoring, regularly informs the state bodies and the public about progress and challenges in its implementation and takes measure to strengthen the implementation where necessary.***

***Provide the permanent secretariat for the coordination and monitoring of the Anti-Corruption Strategy with a clear mandate for coordination and monitoring of anti-corruption policy and with the human and financial resources necessary for effective and independent work.***

***Strengthen the capacity of state bodies to develop and implement sectoral anti-corruption measures, provide them with analytical and methodological support, ensure coordination between the anti-corruption focal points and ethics commissions in the state bodies and with the law-enforcement bodies.***

***Establish a donor coordination mechanism to ensure effective support of the donors to the implementation of the Anti-Corruption Strategy and other anti-corruption, integrity and good governance programmes.***

#### 17<sup>TH</sup> ACN Plenary Meeting, September 2016

##### **NGO report**

In regard to first half of the first part of this recommendation no progress took place at all. In terms of informing the public about the progress and challenges, no progress could be observed neither. At the same time, information on all three meetings of the Council (they all took place during the reporting period) was available to public. In addition, there is information on the activities of the Council (see <http://gov.am/am/anti-corruption-reports/>).

In terms of the second part of the recommendation a small progress was registered in the sense that the number of Monitoring Division's staff was raised (5 persons including the head of the Division).

As about strengthening capacity of state bodies to develop and implement sectoral anti-corruption measures again nothing is visible. In terms of focal points and ethics commissions, the latter commissions remain existent just on paper.

In relation to donor coordination mechanism, during the reporting period was held one meeting on November 25, 2015 between the Ministry of Justice, Donor organizations and Civil Society, which was organized by the Ministry of Justice with the assistance of EU Delegation to Armenia<sup>1</sup>. However, this mechanism of cooperation still is not institutionalized and still the diversified cooperation with the donors is continued.

##### **Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Lack of progress

Only raising the number of staff of the Monitoring Division from 3 to 5 and to have one donor coordination meeting doesn't qualify to consider that there was a progress during the reporting

<sup>1</sup> <http://moj.am/article/1430>

period. The letter and purpose of the recommendation is to have in place sufficiently strong resources and institutionalized or at least dynamic donor coordination mechanism.

## II CRIMINALISATION OF CORRUPTION

### Recommendation 5:

*Without further delay introduce liability of legal persons for corruption offences (criminal, administrative or civil) in line with international standards and enable law enforcement to effectively pursue corruption cases that involve legal persons.*

*Bring provisions on the offence of the trading in influence in full compliance with international standards.*

*Develop training curricula and organize training sessions for investigators and prosecutors with regard to detecting, investigating and prosecuting of bribery offences, when the bribe was merely offered or promised, as well as cases of trading in influence, and develop guidelines for investigators, prosecutors and judges on application of these offences.*

*Facilitate the detection and investigation of newly introduced provisions and new elements of the previously existing corruption offences by:*

*(i) increasing pro-activeness of the law enforcement and prosecution authorities notably through an increased use of analytical tools;*

*(ii) using more actively other detection tools in addition to intelligence information gathered by law enforcement, such as media reports, information received from other jurisdictions, referrals from tax inspectors, auditors and FIUs, complaints received via government websites and hotlines, as well as information from other complaint mechanisms, as a basis for launching investigations.*

### 17<sup>TH</sup> ACN Plenary Meeting, September 2016

#### **NGO report**

In terms of liability of legal persons no developments to report. As about trading in influence-no developments took place during the reporting period. In regard to developing training curricula and trainings, there is registered progress: new course is being taught in the Academy of Justice and number of trainings took place for the investigations as per the response to the official query of TIAC. Regarding the last part of the Recommendation, it is not possible to assess its progress based on the statistics, which is not detailed and sufficiently comprehensive.

#### **Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Progress (limited)

Due to course on corruption in the Academy of Justice and conducted trainings it can be considered that there is progress.

**Recommendation 6:**

***Ensure that immunity procedures do not impede successful investigations and prosecutions of corruption cases.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

During the reporting period no developments took place in regard to this recommendation. In fact, newly adopted Constitution contains nothing special in this regard. Moreover, it doesn't contain anything which would significantly differ from the previous Constitution.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Lack of progress

No developments were observed during the reporting period.

**Recommendation 7:**

*Examine the rules applicable to the lifting of bank secrecy and access to financial and commercial records in the course of financial investigations and the manner in which they are currently applied, to ensure that the process is simple and consistently implemented and that it does not impede investigators' and prosecutors' ability to pursue complex corruption crimes.*

*Train investigators and prosecutors on investigations and prosecutions of complex financial cases, and take steps to ensure that such investigations are conducted whenever appropriate and that adequate human and financial resources are allocated, including the availability of expertise in forensic accounting and information technology.*

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

**NGO report**

No developments were registered in regard to the first part of the recommendation. As about the second part of the recommendation, in response to TIAC's official query it was only reported that Deputy Head of a Division on Prosecuting Corruption of the General Prosecutor's office conducted trainings in the Academy of Justice (in the answer is missing the number of participants and number of sessions). This is a very limited progress.

**Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Lack of progress

Overall, only a tiny part of the recommendation was pushed forward in quite small steps (trainings). It doesn't clear yet whether these trainings will be of permanent nature, or it was just one time. Therefore, during the reporting period there is lack of progress.

**Recommendation 8:**

***Strengthen anti-corruption specialization within law enforcement and prosecutorial bodies.***

***Foster cooperation between law enforcement bodies and control bodies in detecting, investigating and prosecuting corruption-related offences.***

***Encourage the criminal investigation and prosecution bodies to approach the corruption phenomenon in a more targeted and proactive manner, aiming at persons among high level officials, main risk areas in public administration and economy.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

In regard of this recommendation no developments took place except for the prosecution of high-level military officials. This was connected with the 4-day war on April, 2016 in the zone of the Nagorno-Karabakh conflict. Some 4-5 high level officials from the military became subject to prosecution for corruption related crimes. It must be mentioned also that during this period of time public demand (intolerance) for corruption in the army among people was at very high level. Another development was connected with the Panama Papers, because of which the head of Service of Mandatory Enforcement of Judicial Acts resigned from his office. Besides, against him was opened criminal file but he wasn't imprisoned. Other than this no developments took place.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Lack of progress

The reason of such assessment is that the both developments described above took place because of external factors (4 days war with Azerbaijan and Panama Papers) which doesn't show a genuine political will to go after high-level officials.

**Recommendation 9:**

*To ensure comprehensive criminal statistics on corruption-related offences, the government should make available the data that allows to determine the following:*

- position/rank/occupation of the suspect/indicted/convicted person,*
- number of investigations, prosecutions and convictions for each type of offence,*
- sanctions applied,*
- the amount of the bribe and/or the damage caused by the offender, and*
- value of properties seized and confiscated.*

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

**NGO report**

During the monitoring report no developments (neither positive nor negative) took place in this connection.

**Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Lack of progress

No developments took place.

### III PREVENTION OF CORRUPTION

#### Recommendation 10:

*Provide the Ethics Commission for High-Ranking Officials with the right and the capacities to verify asset declarations, introduce rules in the legislation and apply sanctions for failure to submit or for submitting false or incomplete information.*

*Provide the Ethics Commission for High-Ranking Officials with an independent budget which will ensure necessary human, financial and technical resources.*

*Designate the Ethics Commission for High-Ranking Officials - or another body - to promote and control of common public service standards and practices across the public administration.*

#### 17<sup>TH</sup> ACN Plenary Meeting, September 2016

##### **NGO report**

During the reporting period no developments were noticeable in regard to all 3 parts of the recommendation.

##### **Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Lack of progress

No developments took place during the reporting period.

**Recommendation 11:**

***Ensure that ethics commissions in public institutions function properly, define their competencies, rules for their creation and operation, their role regarding conflict of interests, restrictions and sanctioning of public servants, and establish their obligation to present reports about their activity to the coordination body and to the public.***

***Designate a body responsible for co-ordination the activity of ethics commissions, for providing them with methodological guidance and training, monitoring and assessing effectiveness of ethics commissions.***

***Establish a mechanism for co-ordination between the ethics commissions, the human resources management departments and the anti-corruption focal points in each state body.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

During the monitoring report the only notable development was adoption of the Strategy of Reforms of Civil Service in December, 2015 (Government's protocol decree). However, this relates only to rules of ethics and not ethics commission. According to the official answer to TIAC's query, Ethics Commission for High-Ranking Officials mentions that it was developed an amendment and alterations to make changes in Law on Public Service, with the aim of increasing the role of the Commission in regard to coordination and the leader.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Progress (limited)

The progress is conditioned with the activities of Ethics Commission (developing alterations).

**Recommendation 12:**

***Develop codes of ethics or conduct for special categories of public servants prescribed by Law on Public Service (art.4)***

***Revise and update codes of conduct for special categories of public servants in order to eliminate discordances existing in legal framework and to align them with the Law on Public Service.***

***Provide practical training to public officials about the use of code of ethics in practice.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

In regard to this recommendation there is one development concerning a project implemented by World Bank, as reported by the MoJ. During the project were analyzed and revealed the problems in regard to Ethics Commissions and were presented some recommendations for overcoming the problems. Also training (workshop) was organized within the framework of the same project. Unfortunately, number of participants is unknown. Besides, in terms of trainings and workshops, the Ethics Commission for High-Ranking Officials organized two events with the support of GIZ during which were presented experience and practice for the matters of ethics by reputable international experts.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Progress (limited)

**Recommendation 13:**

***Develop clear rules regarding positions that are to be considered for merit based appointments and ensure their enforcement in practice, maintain records about merit based appointments.***

***Ensure that the majority of vacant posts are filled through competition and designate a body responsible for coordination and monitoring the process of filling in vacant service posts.***

***Develop guidelines on evaluating integrity and ethics competencies in the selection process.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

This recommendation coincides with activities 35 and 36 of the Action Plan 2015-2018 of the Anti-corruption Strategy. In response to the official query of TIAC, the Civil Service Council has reported that a Working Group was created to work on these issues. In total, during the year of 2015, there were 6657<sup>2</sup> civil servants in Armenia. In the same year were conducted 908 competitions.<sup>3</sup>

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

A limited progress

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<sup>2</sup> <http://www.csc.am/documents/statistics/01.pdf>

<sup>3</sup> <http://www.csc.am/documents/statistics/23.pdf>

**Recommendation 14:**

*Develop clear legal norms regarding the procedure of conflict of interests and declaration by different categories of public servants, including high risk sectors such as public procurement procedure, and public officials who do not have superiors.*

*Without delay analyse the implementation of the Law on Public Service and identify inconsistencies in different laws such as the Law on Civil Service, the Law on NA Procedures, the Law on Municipal Service, the Law on Constitutional Court, the Judicial Code, and the Law on the Prosecutor's Office, and revise legislation in order to address the identified deficiencies.*

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

**NGO report**

Regarding legislative changes in pertinent to 1<sup>st</sup> part of the recommendation it must be observed that no changes happened during the reporting period. In terms of the second part of the recommendation, some developments took place which is connected with the studies conducted by the Ethics Commission for High-Ranking Officials and MoJ, as reported by the MoJ in response to the official query of TI AC.

**Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Progress (limited)

Recommendation 15:

***Create specific channels to report corruption in each public institution, out of the hierarchical chain and launch campaign to raise awareness of those measures among public servants.***

***Adopt legislation and practical mechanism for the protection of whistleblowers .***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

No developments were observed in regard to the recommendation, except for discussing the issue of whistle-blowers during pre-meeting of the ACC on June 10, 2016 and putting it on the agenda.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Lack of progress

No tangible improvements have been observed in regard to recommendation.

**Recommendation 16:**

*Provide anti-corruption and ethics training (linked to creating awareness on codes of ethics) for all/majority of public servants: different programs should be developed for different categories of public servants, such as new public officials, ethics commissions' members and internal auditors, as well as official in high risk sectors such as public procurement; and provide consultations for high-level and political officials.*

*Include measurable performance indicators (quantitative and qualitative) for anti-corruption, conflict of interests and ethics training, including of the impact of training on ethical standards in public administration, in the new Anti-Corruption Strategy and designate responsible body to coordinate and monitor training activities.*

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

**NGO report**

There is some progress in terms of trainings. During 2015 were conducted 4 trainings by the Civil Service Council according to the Civil Service Council and which are being continued in 2016. Besides, the distance learning platform of training of trainers became operational.<sup>4</sup> In regard to 2<sup>nd</sup> part of the recommendation, there is no information.

**Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Progress (limited)

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<sup>4</sup> <http://www.csc.am/en/newsfeed/news/3654-tot-to-introduce-distance-learning>

**Recommendation 17:**

***Ensure proper regulatory impact assessment before adopting legislation and stability of legislation as much as possible to the benefit of businesses in Armenia;***

***Continue introducing e-governance tools aimed at decreasing the customer contact with the Government bureaucracy and reducing the risks of corruption;***

***Make the OGP national platform operational and efficient forum for discussing policy initiatives and monitoring of implementation of e-governance, transparency and accountability initiatives;***

***Finalise inspections reforms with the involvement of the relevant stakeholders;***

***Complete Tax and Customs Reform and ensure their implementation in practice.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

In regard to the 1<sup>st</sup> part of recommendation during the period of October 2015 to May 2016 were assessed more than 200 legal acts, according to MoJ. In regard to 2<sup>nd</sup> part, works are being continued at development of E-penitentiary, e-registterm, e-apostile and e-notary platforms. Besides initiative is being progressed in terms of creation e-legal platform.

In terms of inspection reforms a new law on “State Oversight” was developed and new decrees were adopted by the Government. Besides, on October 10, 2015 entered into effect new decree of the Government which reorganized the “Market Oversight Inspection”.

A progress can be observed for the last part of the recommendation: new Tax Code was adopted by the National Assembly during the first reading. Number of activities have been carried out in regard to tax and inspection reforms.

In terms of OGP, in July 2016, the Government presented the draft of the 3<sup>rd</sup> action plan. On October 28, 2015, the global forum of the Open Government Partnership (OGP) Armenia won award in the competition “Improving public services using the principles of open governance” for its project “Creation and introduction of community management and development-oriented information systems in regional administrations” initiative.<sup>5</sup>

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Progress

<sup>5</sup> [http://www.ogp.am/en/news/item/2015/11/01/OGP\\_Award2015/](http://www.ogp.am/en/news/item/2015/11/01/OGP_Award2015/)

Recommendation 18:

***Ensure that in the course of its audits the Control Chamber pays attention to detecting “fraud” and “incidents of corruption”; improve the mechanism for the Control Chamber to alert law enforcement authorities on suspicions of corruption; ensure experience of the Control Chamber is used in developing training for public servants and cooperates with new internal audit units.***

***Continue to implement measures to put in place an effective financial control and internal audit system in public administration, according to the Strategy and the Action Plan 2011–2013 for Public Internal Financial Control System with specific focus on the design, existence and working in continuity of financial control and the transparent reporting of deficiencies.***

***Continue to provide for sufficient human resources to conduct internal audit at the central and local level public administration bodies; improve the certification programme of internal auditors; ensure that compliance audits of good quality are conducted.***

***Continue to provide training to the heads of administrative bodies and financial management staff in administrative bodies of central and local governments on prevention of corruption.***

#### 17<sup>TH</sup> ACN Plenary Meeting, September 2016

##### **NGO report**

In regard to the first part of the recommendation it seems that there is no notable progress.

There is some progress in terms of the second part of the recommendation. On February 18, 2016 was adopted protocol decree no. 6 by the Government which relates to the approval of the action plan 2016-2020 of reforms in the financial administration system and to the approval of the revised state finances governance strategy.

In terms of the 3<sup>rd</sup> part of the recommendation there is also some progress. According to the MoJ, a new system for testing the qualifications of internal auditors was established. In regard to 4<sup>th</sup> part of the recommendation, in October-November of 2015 the trained auditors of the CoC conducted pilot audit in the Ministry of Nature Protection. Besides that, in November 2015 2 work meetings were conducted for the CoC and internal investigators by the support of GIZ. In addition, members of the CoC and the staff during 2016 went with study visits to Estonia and Georgia. Quite notable development is that on May 2016 6 teams were formed in CoC, who will undergo trainings including for the issues of fraud and corruption. The trainings will take place in September, 2016 with the support of EU.

**Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Progress

**Recommendation 19:**

***Complete the revision and enhancement of the e-procurement system, ensuring that it reflects international best practice, including the electronic processing of every step of the procurement process up to contract award, and extend the mandatory use of the e-procurement system to all public procurement entities;***

***Ensure the timely publication of all relevant procurement notifications, data and statistics on the dedicated government procurement website in Armenian and English languages;***

***Ensure that procurement co-ordinators and any other procurement staff and procurement consultants receive adequate training (including the practical application of the procurement rules and procedures);***

***Introduce additional safeguards (e.g. selective review of tender documents by PSC engineers and/or procurement specialists) to ensure that technical specifications and tender requirements are not biased;***

***Introduce formal and mandatory declarations of conflicts of interest for all members of the PSC, the Procurement Complaint Review Board, the evaluators of tenders, the heads of procuring entities and any other individuals who are involved in public sector procurement processes. Ensure verification and publication of these declarations, introduce sanctions for violations of conflict of interest declarations;***

***Reinforce competition in quasi-monopoly/oligopoly sectors;***

***Significantly reduce the use of single source procurement and of negotiated procedure without notification.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

On the first part of the recommendation, the progress is that during the reporting period most of the negotiated procedure without notification on the basis of urgency are conducted electronically. At the same time, there is no progress in extending the mandatory use of e-procurement to all public procurement entities. Similar to the previous reporting period e-procurement is applied only by central government bodies and urban communities. Rural communities, mainly because of lack of capacity still conduct paper-based procurement procedures.

On July 6, 2016 Armenian Ministry of Finance launched a new platform ([www.armeps.am/ppcm](http://www.armeps.am/ppcm)), which contains three modules, namely, procurement planning, contract management and reporting. This (especially its reporting module), as well as improvements in the work of the official web-site of the Armenian public procurement ([www.gnumner.am](http://www.gnumner.am)) allows us to assert that there is progress regarding the second part of the recommendation, though there are still delays in posting of some information on the latter web-site. Besides that, though the mentioned web-site is supposed to have also English- and Russian-translated versions, and they, indeed, are in place, their content is not adequate to the original (Armenian) version, simply because many pieces of information existing in Armenian, still are not translated in English or Russian.

No new developments are detected by TIAC regarding the third and fourth parts of the recommendation. Here the challenge is to ensure the quality of the training received by different categories of officials responsible for procurement. Also, a good monitoring exercise could be checking the quality of the selective review, undertaken by the specialists of the Procurement

Support Center.

No progress is detected also regarding the fifth part of the recommendation. Unfortunately, the documents (which, actually, is not declaration) of conflict of interest still are not published, and no case, at least publicly, is known about applying sanctions for violations of those documents.

As of the last two (sixth and seventh) parts of the recommendation, according to the results of the current stage of the on-going monitoring of the Armenian public procurement system conducted by TIAC since 2008 (the on-line publication will be available by the end of September 2016), there is no decrease neither in the level of the concentration in the procurement market, nor in the number and volume (monetary) of the single source procurement.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Progress (Limited)

**Recommendation 20:**

*Analyse and subsequently review the FOI Law to bring it in line with international standards, in order to ensure clarity of existing regulations and eliminate existing shortcomings, among other issues reflect the public interest test and e-requests; adopt necessary secondary legislation for implementation of FOI.*

*Ensure proactive publication of information by state bodies, clarify records management and classification system and introduce the registries of public information in state bodies; consider establishing a unified portal for proactive publication of information.*

*Ensure efficient supervision and oversight of enforcement of the right of access to information as well as adequate powers and resources to issue binding decisions, and ensure designation of FOI officers in each agency as required by article 13 of the Law.*

*Raise awareness of public officials to foster the culture of openness and transparency in Government and carry out systematic training of information officers and of other public officials dealing with access to information issues.*

*Ensure implementation in practice of the provisions related to transparency of the entities using public resources (article 1.2 of the Law).*

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

**NGO report**

According to MoJ's official response to the query of TIAC, in 2016 with the support of OSCE all the responsible officials for freedom of information got trainings (totally 80 persons). The appointments of responsible officials is being continued. The Government adopted decree 131-N (in 2016) according to which a new vision of the reforms of freedom of information shall be developed and adopted. The vision is being circulated now. Besides, on October 15 of 2015 was adopted Government's Decree 204-N which relates to the maintenance and classification of information and how the information must be provided.

**Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS**

Progress

**Recommendation 21:**

***Ensure that political parties disclose their financial data, including bank loans and contracts with foundations, associations and other bodies related to them.***

***Ensure substantial and independent monitoring of election campaign funding and monitoring of political parties financing by an independent authority, with adequate staff, material resources and powers to proactively supervise such funding, investigate alleged infringements of political financing regulations and impose sanctions. At a minimum, the Control and Verification Service should be given the power and corresponding tools to assess and verify the validity of declarations.***

***Ensure clear conflict of interest prevention and ethical behaviour rules for elected and other political officials, promote their vigorous application and enforce them; introduce appropriate penalties for violations of these rules.***

***Consolidate the legislation on asset declarations, conflict of interests, and incompatibilities by regulating in a coherent manner the competence of the Ethics Committee.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

In regard to the parts 1 and 2 no progress was registered during the reporting period. In regard to the 3<sup>rd</sup> part of the recommendation no progress was registered. In regard to the last part of the recommendation no consolidation took place during the reporting period.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Lack of progress

No developments during the reporting period in regard to recommendation.

**Recommendation 22:**

***Continue Constitutional reform and ensure its proper implementation providing better separation of powers and independence of the judiciary, including by improving the procedures for nomination of judge candidates and appointment of judges.***

***Ensure in practice proper financing of the judiciary.***

***Establish a mechanism that will ensure equal participation of judges in self-governing bodies; clarify competences of these bodies, as well as the role of the court chairpersons.***

***Ensure that automated case assignment among judges based on objective criteria and ensure that information on case assignment is open to judges, parties and the public is in place and functioning.***

***Ensure that independence of the judiciary includes the independence from interference by other judges and if such practice takes place it is dealt with through disciplinary means against judges taking part in such practice.***

***Modify grounds for disciplinary liability of judges by establishing clear and precise criteria in compliance with international standards and best practice, and ensure that the law reflects the fact that disciplinary liability requires a disciplinary offence and a different than the disciplinary procedure should be considered in dismissing judges who are unable to fulfil their tasks.***

***Ensure that the disciplinary proceedings comply with fair trial guarantees, in particular by separating investigation, prosecution and decision-making in such proceedings, and afford the judges with adequate means to defend themselves.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

In regard to first part of the recommendation, the new Constitution stipulates better self-organization of the Judiciary. Especially the Supreme Judicial Council, which yet to be formed, will be elected in more democratic manner (half of the members judges and another half persons elected by the National Assembly). Still, based on the Constitution, a new code shall be adopted on Judiciary, which so far hasn't been done.

In regard to proper financing of the Judiciary, nothing has been reported in media during the reporting period. In regard to all other questions, the developments are anticipated by the adoption of new code, which still is not adopted yet.

In terms of case assignment, the previous concern remain intact.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Progress (very limited)

A limited progress is conditioned with the new institutional setup of Judiciary. However, the status "Progress" is conditional with to be adopted Judicial Code.

**Recommendation 23:**

***Conduct assessment of corruption risks involving the private sector.***

***In co-operation with business representatives identify business integrity measures and include them in the anti-corruption strategy or another relevant policy document, ensure the monitoring of implementation of these measures.***

***Include business representatives in the anti-corruption bodies foreseen under the new Anti-Corruption Strategy.***

**17<sup>TH</sup> ACN Plenary Meeting, September 2016**

***NGO report***

Strictly speaking no developments took place which would be directly linked with all parts of this recommendation, during the reporting period. However, 3 events took place with the participation of NGO-s where the issue of Business and Anti-corruption were touched upon (all of it referring to the meetings of the ACC). In addition, in response to TIAC's official query, the MoJ informed that a vision on beneficial ownership of companies benefiting from state procurement has been developed. Besides, 2 events were organized by CSO-s concerning the issue of Business and Anti-corruption, during the reporting period.

***Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS***

Progress (very limited)

Although, the developments haven't directly touched the parts of the recommendation, but they relate to the recommendation. Therefore, a limited progress can be registered.