



ACN

Anti-Corruption Network for Eastern Europe and Central Asia

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ISTANBUL ANTI-CORRUPTION ACTION PLAN

KYRGYZ REPUBLIC

PROGRESS UPDATE

The second round monitoring report on Kyrgyz Republic was adopted by the Istanbul Action Plan monitoring meeting in February 2012. This document contains progress updates on the implementation of recommendations from the second round monitoring report and assessment of the progress made at the following meetings of the ACN Istanbul Action Plan: a meeting held on 16-18 April 2014; and a meeting held on 8-10 October 2014.

SUMMARY

13th ACN Istanbul Action Plan Meeting on 16-18 April 2014: The second round monitoring report on Kyrgyz Republic was adopted by the Istanbul Anti-Corruption Action Plan monitoring meeting in February 2012. The progress report on implementation of the recommendations adopted in the second round was submitted by the ACN National Coordinator of Kyrgyz Republic – the Office of the Prosecutor General of Kyrgyz Republic. The report was reviewed by the team leader from the second round of monitoring, Mr Daniel Thelesklaf (Principality of Liechtenstein), and the monitoring experts, including Mr Vladimir Georgiev (Former Yugoslav Republic of Macedonia), Mr Saulius Urbanavicius (Lithuania), and Ms Tanya Khavanska (OECD/ACN Secretariat). Second round of monitoring experts Ms Olena Kustova (USA) and Ms Rasa Tumene (Lithuania) provided written comments. The progress update was discussed and adopted by the Istanbul Action Plan monitoring meeting on 16-18 April 2014.

The monitoring meeting congratulated Kyrgyzstan on being the only country which submitted its Progress Update in a timely manner. Moreover, it was noted that Kyrgyzstan also succeeded in following the guidelines regarding conciseness and focus of the provided information, and made available all necessary reference materials. It was concluded by the monitoring meeting that the approach of the Kyrgyz Republic was example-setting and should be followed by other IAP countries. The monitoring meeting also thanked the monitoring experts for their preparation for the assessment of progress.

Progress was recorded in the implementation of the 19 out of 23 recommendations adopted for the Kyrgyz Republic in the second round of monitoring; progress on two recommendations could not be established due to lack of sufficient information. The table below summarises the assessment, including the recommendations where progress was noted or where it was lacking.

14th ACN Istanbul Action Plan Meeting on 8-10 October 2014: The Progress update was submitted by the ACN National Coordinator of Kyrgyz Republic – the Office of the Prosecutor General of Kyrgyz Republic. The report was reviewed by the team leader from the second round of monitoring, Mr Daniel Thelesklaf (Principality of Liechtenstein), and the monitoring experts, including Mr Vladimir Georgiev (Former Yugoslav Republic of Macedonia) and Ms Tanya Khavanska (OECD/ACN Secretariat). The progress update was discussed and adopted by the Istanbul Action Plan monitoring meeting on 8-10 October 2014.

Progress was recorded in the implementation of the 21 out of 23 recommendations adopted for the Kyrgyz Republic in the second round of monitoring; progress on one recommendation could not be established due to lack of sufficient information. The table below summarises the assessment, including the recommendations where progress was noted or where it was lacking.

Recommendation	Progress in implementation	
	16-18 April 2014	8-10 October 2014
<i>Recommendation 1.2.:</i> anti-corruption policy documents	Progress	Progress
<i>Recommendation 1.3.:</i> corruption surveys	Progress	Progress
<i>Recommendation 1.4.:</i> public participation	Progress	Progress
<i>Recommendation 1.5.:</i> raising awareness and public education	Progress	Progress
<i>Recommendation 1.6.:</i> anti-corruption policy and coordination bodies	Lack of progress	Lack of progress
<i>Recommendation 2.1.-2.2.:</i> offences, elements of the offence	Lack of progress	Progress

<i>Recommendation 2.5.: confiscation</i>	Progress	Progress
<i>Recommendation 2.6.: immunities and statute of limitations</i>	Progress	Progress
<i>Recommendation 2.8.: application, interpretation and procedure</i>	Progress	Progress
<i>Recommendation 2.9.: anti-corruption law enforcement bodies</i>	Progress	Progress
<i>Recommendation 2.10.: law enforcement statistics</i>	Progress	Progress
<i>Recommendation 3.2.2.: recruitment and promotion</i>	Progress	Progress
<i>Previous recommendation 3.2.3.: remuneration</i>	Progress	Progress
<i>Previous recommendation 3.2.4.: legality and impartiality of the civil service</i>	Progress	Progress
<i>Previous recommendation 3.2.8.: whistle blower protection</i>	Lack of sufficient information to assess progress	Lack of sufficient information to assess progress
<i>Previous recommendation 3.3.: transparency and discretion in the public administration</i>	Progress	Progress
<i>Recommendation 3.4.: financial control and audit</i>	Progress	Progress
<i>Recommendation 3.5.: public procurement</i>	Progress	Progress
<i>Recommendation 3.6.: access to information</i>	Progress	Progress
<i>Recommendation 3.7.: political party finance</i>	Lack of sufficient information to assess progress	Progress
<i>Recommendation 3.8.: judiciary</i>	Progress	Progress
<i>Recommendation 3.9.: business integrity</i>	Progress	Progress

PART I: PROGRESS IN IMPLEMENTING RECOMMENDATIONS

Recommendation 1.2. - Anti-Corruption Policy Documents

Estimate the financial needs for the implementation of the specific measures/activities, when developing action plans, to enable appropriate budgetary allocations to the implementing institutions, as well as grounded requests for technical support from the international community.

Ensure active participation of the civil society in the forthcoming development of the action plans for implementation of the State Strategy on Anti-Corruption Policy.

Conduct regular monitoring and assessment of the implementation of the State Strategy on Anti-Corruption Policy with appropriate inclusion of NGOs, international community and experts in these processes.

Ensure wide publication of the reports on implementation of the State Strategy in general and action plans in particular.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

Political anti-corruption documents:

- KR State Strategy on Anti-Corruption Policy approved by KR Presidential Decree No. 26 of 02 February 2012;
- KR Law on the Fight against Corruption No. 153 of 08 August 2012;
- the Kyrgyz Republic National Strategy of Sustainable Development for 2013-2017 approved by KR Presidential Decree No. 11 of 21 January 2013 (with a special section on Anti-Corruption Measures);
- the Kyrgyz Republic National Programme and Plan of Sustainable Development for 2013-2017 No.218 of 30 April 2013 (anti-corruption measures specify amounts and sources of financing);
- KR Presidential Decree No. 215 of 12 November 2013 on Measures for Eliminating Causes of Political and Endemic Corruption within Bodies of Authority;
- the Kyrgyz Republic National Anti-Corruption Programme and Action Plan for 2012-2014 approved by KR Government Resolution No. 596 of 30 August 2012.

Para 6 of the Kyrgyz Republic National Anti-Corruption Programme for 2012-2014 approved by KR Government Resolution No. 596 of 30 August 2012, Indicative Allocated Budget, stipulates that the measures envisaged by the Programme requiring financial expenditures will be implemented at the expense of the state budget within the amount allocated to the public agencies for a corresponding year, external lending, as well as resources provided by international organisations and donor countries within the framework of technical and consultative support.

The republican budget envisages the allocation of the following funds (see Table)

Table. Sums Total by the Year (soms), 2012, 2013, 2014

Sums total by the year (soms)	2012	2013	2014
Priority 1. Eliminating corrupt practices	2 785 449.0	951 285.4	697 609.3
Priority 2. Reform and modernisation of government administration for purposes of enhancing transparency and accountability	2 216 353.0	929 387.2	673 521.2

Priority 3. Interaction of the public agencies with the civil society and informing it	3 170 951.0	2 536 761.0	348 804.7
TOTAL:	8 172 753.0	4 417 433.6	1 719 935.2

Note. These calculations are built on indicative data calculated on the basis of the average wage fund of the staff of public agencies.

The principle of 10 percent increase is applied for 2013-2014.

At the same time, most of the measures were implemented at the expense of support funds of international organisations and donor countries.

On 10-11 July 2013, the Kyrgyz Republic held a high-level conference with donors where the KR Government submitted for discussion the following measures, supplemented with detailed rationale:

1. Development and implementation of the anti-corruption legal framework.
2. Anti-corruption advocacy and awareness-raising.
3. Development and implementation of the national anti-corruption system.
4. Development and implementation of a system of preventing and reducing political corruption.
5. Creation and support of institutions of civil control in the anti-corruption sphere.
6. Development and implementation of measures for improving law enforcement anti-corruption

practices and adopting international experience of ensuring transparency in the work of the judiciary.

Broad public hearings were held for the purposes of ensuring active participation of the civil society in development of the action plans for implementation of the anti-corruption policy and the following documents were adopted:

- the Kyrgyz Republic National Strategy of Sustainable Development for 2013-2017 approved by KR Presidential Decree No. 11 of 21 January 2013 (with a special section on Anti-Corruption Measures);
- the Kyrgyz Republic National Programme and Plan of Sustainable Development for 2013-2017 No.218 of 30 April 2013 (anti-corruption measures specify amounts and sources of financing).

Interaction with civil society institutions is one of the priorities of the state anti-corruption policy (the Kyrgyz Republic National Anti-Corruption Programme for 2012-2014 approved by KR Government Resolution No. 596 of 30 August 2012).

To step up the processes of cooperation of the public agencies with the civil society and form a system of permanent control over the activities of public officials, an Anti-Corruption Forum was created at the initiative of the KR Ministry of the Economy and the Anti-Corruption Business Council – a platform for the public agencies and civil society institutions – which has demonstrated the efficiency of such interaction during the short period of its existence. Both representatives of the public agencies and civil society institutions participate in the work of the Forum. According to the approved plan of work, each meeting of the Forum begins with the review of the anti-corruption situation in a particular public institution. In the beginning of 2014, branches of the Forum were created in the Talass and Issyk Kul regions.

Civil society institutions analyse corrupt practices and risks existing within the public institution under review. Representatives of that institution, in their turn, prepare information on the measures taken to prevent corruption.

The head of the public institution addresses the Forum for presenting information on a particular issue put on the agenda, after which representatives of civil society institutions present their analysis.

A resolution is adopted upon the results of the Forum's work and referred to Zhogorku Kenesh, the Staff of the President and the Government, as well as the KR Defence Council. Upon the results of the adopted resolution, the public institution takes measures for implementing decisions of the Anti-Corruption Forum, the results of which are considered at its next meeting.

In 2013, the Anti-Corruption Forum held seven meetings where it considered corrupt practices and risks in the power sector, in public procurement, distribution and transformation of land. For example, in only

one Moskovsky district of the Chuy region, ten facts of corruption were discussed in relation to land distribution, lease and sale.

Therefore, success of the anti-corruption policy is impossible without fundamental shifts in public, group and individual consciousness, without serious positive adjustments of the rules of conduct not only of target groups such as public and municipal servants, but the public at large. The described example illustrates the practice of civil society participation in the implementation of the anti-corruption policy and control of its implementation.

- The KR state and municipal authorities signed memorandums of cooperation in the anti-corruption sphere with civil society institutions.
- Media plans have been developed for interaction with media representatives.

Regular monitoring and assessment of the implementation of the State Strategy on Anti-Corruption Policy with appropriate inclusion of NGOs, international community and experts in these processes
For purposes of implementation of the KR State Strategy on Anti-Corruption Policy approved by KR Presidential Decree No. 26 of 02 February 2012, the Government of the Kyrgyz Republic approved the National Anti-Corruption Programme and Action Plan for 2012-2014 by its Resolution No. 596 of 30 August 2012.

The operative part of this document (para 4) appoints the KR Ministry of the Economy as the Government Secretariat (working body) in charge of assessment and monitoring of implementation of the Programme, Plan, and departmental action plans of the Government aimed at the fight against corruption, in connection with which the following measures are prescribed:

- ensuring organisation and coordination of work of the executive authorities and bodies of local government on issues of the Programme and Plan fulfilment and implementation;
- submitting to the Kyrgyz Republic Government and Defence Council in the prescribed manner a summary report on results of each half-year period on the pace of implementation of the Programme and Plan for consideration at the Kyrgyz Republic Government sessions.

Anti-corruption monitoring and assessment of the implementation of the measures envisaged by the Programme are conducted with the use of performance indicators. Three levels of performance efficiency indicators are used for evaluating the efficiency of the Government anti-corruption measures: achievements of the public institution, state-level, and country-level indicators based on various international assessments of rating agencies and international organisations.

Institutionalisation. The Programme assessment and monitoring system is based on two information channels: public (official) and with the participation of NGOs and independent experts (community).

Official anti-corruption monitoring is performed by anti-corruption subjects themselves (initial monitoring), as well as by the authorised institution for assessment and monitoring of implementation of the Programme, Plan, and departmental anti-corruption action plans (combined monitoring). The results of the alternative (community) monitoring are included in the consolidated report of the KR Ministry of the Economy which is being prepared upon the results of every quarter of a year. Consolidated reports are heard at the KR Government sessions upon the results of each half-year.

In accordance with a Memorandum between the Ministry of the Economy and the KR Anti-Corruption Business Council (ABC), members of the ABC and members of the Anti-Corruption Forum representing civil society institutions prepare an alternative report. The outputs of the alternative (community) monitoring are placed on the ABC website and the on website of the KR Ministry of the Economy, and are also included in the Government consolidated report.

Independent monitoring of the implementation of anti-corruption measures in individual ministries and agencies at the national and local level, including activities on the Government assignment, is carried out by representatives of public supervisory boards at the KR public institutions.

Upon the results of 2013, within the context of implementation of the KR Government Anti-Corruption Action Plan, a total of 24 (36%) measures were fulfilled, 8 (12%) are at their final stage of fulfilment, 34

(51%) – at the implementation stage, and 1 (1%) measure remained unfulfilled.

Performance was poor in the following spheres of work: implementation of anti-corruption advocacy and awareness raising measures; orientation on effectiveness of the anti-corruption measures taken; measures in response to applications of individuals and legal entities on issues of protection of their rights against corruption encroachments, including through telephone hotlines and electronic applications from citizens; activity of HR management services in the sphere of prevention of corruption and other offences.

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: There is progress in implementation of the Recommendation 1.2. However, the last paragraph of the provided summary of measures taken to implement recommendations indicates that there are segments in which implementation is still lacking. In addition, it is not clear whether governmental reports on implementation of the State Strategy and action plans (the last element of the Recommendation) are being widely published. Information provided by the government of Kyrgyzstan on this matter only mentions publication of the alternative (community) monitoring reports on the Websites of the Anti-Corruption Business Council (ABC) and of the Ministry of Economy – this is a positive step but publication of results of both, official and community, types of monitoring is essential to keeping the public properly informed on governmental efforts to reduce corruption.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 1.3. - Corruption Surveys

Conduct further surveys and relevant research, based on adopted transparent and comprehensive internationally comparable methodology, to obtain more precise information about the scale of corruption in the country and in order to ascertain the corruption risks and the true extent to which corruption affects specific institutions, such as the police, judiciary, public procurement, tax and custom services, education, health system, etc.

Ensure wider inclusion of NGOs in anti-corruption researches of corruption based not only on perception, but also focus groups, victims of corruption, assessment of legislation, etc.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

(1) A national survey of the shadow economy in the Kyrgyz Republic was conducted on request of the KR

Ministry of the Economy with support of the World Bank, a special part of which was devoted to the study of the causes and manifestations of corruption (the report was presented at the beginning of 2012). A roundtable was held upon the results of the survey with the participation of heads of investigation and operative divisions of KR law enforcement agencies, which covered in detail the problems of patronage (protection racketeering) of business, imposition of corruption rent on representatives of small and medium business by holding inspections and setting all sorts of requirements for the issuance of various permits, etc. All survey materials were used for holding seminars (more than 60 during 2012 and 2013) and for developing the Kyrgyz Republic Government anti-corruption measures (the Action Plan was approved by KR Government Resolution No. 596 of 30 August 2012).

Source: official website of the Ministry of the Economy - <http://www.mineconom.kg>.

Reported measures since April 2014:

The research was posted on: <http://mineconom.kg>, published as a booklet (in an edition of 500 copies.); as well, presentations for representatives of public agencies, civil society institutions and business associations were held.

2) On commission of the KR Ministry of Economy and with the World Bank's financial support in the first half 2014, an extensive research conducted was into causes for, degree and magnitude of corruption in the Kyrgyz Republic. The propose of the research was to identify and evaluate major corruptogenic factors and administrative barriers that affect residents' lives and advancement of entrepreneurship, to find out the magnitude of corruption activities, their causes, and develop recommendations on lowering the level of corruption basing on findings of the research that covered residents and civil servants, and on a subsequent analysis. The geography of the research and a respective survey encompassed all the regions of the country. Preliminary sample comprised the following strata: residents – 2,000 representatives; corporations – 350; private entrepreneurs -400; civil society institutions and the expert community -50, public and municipal servants – 400. The research was posted on: <http://mineconom.kg>, published as a booklet (in an edition of 500 copies); as well, detailed presentations were held for representatives of public agencies, civil society institutions and business associations.

3) A research project was completed into causes for corruption in the KR State Property Fund management system. The research aimed at studying, analysis and development of recommendations on institutionalization of detection and prevention of corruption in the area of state property management, development of indicators which inform of the state/degree of corruption in the said sphere and allow monitoring the dynamic of implementation of the proposed anticorruption recommendations. The research was posted on: <http://mineconom.kg>; as well, detailed presentations were held for representatives of public agencies, civil society institutions and business associations

4) The Population Confidence Index approved by Resolution of the KR Government "On assessing efficiency of government executive agencies and local self-government bodies of the Kyrgyz Republic" of 17.02.2012 r. №105 was complemented by questions aimed at researching into, and identifying the level of corruption in the Kyrgyz Republic. This will allow employment of sociological research data for collecting information about the state of corruption in the society and across government agencies in particular (the questionnaire was developed on the basis of questions used in the Transparency International's Global Corruption Barometer.

(2) OECD Monitoring Report (OECD Anti-Corruption Network for Eastern Europe and Central Asia) reviewing the progress of the Kyrgyz Republic in implementing anti-corruption reforms and fulfilment of recommendations received during the country review within the context of the Istanbul Anti-Corruption Action Plan adopted at the Istanbul Anti-Corruption Action Plan plenary meeting on 24 February 2012 at the OECD Headquarters in Paris.

The Report also contains new recommendations in three spheres: anti-corruption policy, criminalisation of corruption, and prevention of corruption.

(3) At the beginning of 2014, a new comprehensive survey of the causes, levels and scope of corruption in the Kyrgyz Republic was launched on request of the KR Ministry of the Economy with support of the World Bank (the Terms of Reference are attached). The survey will be completed by mid-2014.

Geography of the survey – all regions of Kyrgyzstan. Preliminary sampling of the survey:

- population – 2000 people;
- companies (legal entities) – 350;
- private businesses – 400;
- civil society institutions and the expert community – 50;
- public and municipal servants – 400.

(4) The Population Confidence Index approved by Resolution of the Kyrgyz Republic Government on Performance Evaluation of the Public Executive Authorities and Bodies of Local Government of the Kyrgyz Republic No. 105 of 17 February 2012 introduced additional issues aimed at the examination and determining of the corruption level in the Kyrgyz Republic. This circumstance will allow to obtain information every half-year on the status of corruption in society at large and specifically within public institutions based on sociological surveys (the questionnaire was developed on the basis of the Global Corruption Barometer – Transparency International).

(5) A format was developed for detection, assessment and management of corruption risks at a state, departmental, and sector-specific levels, which will enable the performance of systematic desktop research and elaborate a policy of corruption risk management.

(6) Starting 2012, the Kyrgyz Republic Ministry of Public Health has been performing regular anonymous questioning of patients of territorial health institutions upon the results of which relevant measures are adopted to put in place anti-corruption measures in the system of public health.

(7) The Kyrgyz Republic Ministry of Education and Science adopted a set of measures for eliminating factors leading to corruption within the education system. E.g. the heads of educational institutions were instructed to hold regular public hearings for presenting their reports on extra-budgetary expenditures. Universities were provided with special boxes for proposals, complaints and comments, and telephone hotlines. At present, exams and tests in oral form are prohibited in universities.

Research is conducted on the basis of general scientific research methods (logical, theoretical and empirical), which include: desktop surveys, field research (sociological surveys), crowdsourcing, interviews, analytical reviews, monitoring, etc.

Reported measures since April 2014:

8) The European Bank for Reconstruction and Development (EBRD) and the World Bank conducted a joint survey «Business Environment and Enterprise Performance (BEEPS)» at the company level across thirty developing countries in Europe and the Central Asia. In early April 2014, the World Bank office in the Republic of Kyrgyzstan presented the survey findings in relation to the local business environment and enterprise performance in Kyrgyzstan. The BEEPS addressed a broad array of issues pertaining to development of the domestic business environment in the Kyrgyz Republic, including challenges facing businesses, corruption and such issues unofficial payments, taxation and regulatory environment. When compared with the 2008 findings, the recent ones demonstrated effectiveness of the reforms in progress, with corporations having sensed lower corruption and diminution of unofficial payments. Meanwhile, entrepreneurs reported expectation of a greater need for unofficial payments in such areas as grid and water supply connection, licensing and tax audit.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP)

plenary)

April 2014: As presented in the Progress update provided by the Government of Kyrgyzstan, there are ongoing and /or planned studies and surveys on corruption. The Population Confidence Index might prove a good way to look into the corruption risks and the extent to which corruption affects specific institutions, such as the police, judiciary, public procurement, tax and custom services, education, health system, etc.. The implementation of this methodology would need to be closely assessed, however, to properly establish the extent to which the Recommendation 1.3. has been implemented. Regarding second part of the recommendation limited information was provided about inclusion of NGOs in anti-corruption research of corruption that goes beyond perception indices.

October 2014: Government of Kyrgyzstan reported additional measures undertaken to disseminate results of the studies, as well as new studies and surveys on corruption, which is a positive step. However, it appears from the provided information that the Population Confidence index has not yet been launched – Kyrgyz authorities are encouraged to do so. The second part of the recommendation appears to be still unaddressed.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 1.4. – Public participation:

Maintain and, where possible, expand the application of permanent forms of co-operation (public supervisory councils) between civil society and public agencies.

Establish procedures for the involvement of public at large in the development and monitoring of implementation of the anti-corruption measures, for instance, through public consultations and hearings, publication of the draft legislation with tools for submission of comments on-line.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

(1) Aiming at further extension of normative consolidation and practical implementation of the forms of interaction between public agencies and civil society institutions in the Kyrgyz Republic in the corruption prevention sphere, and at ensuring transparency of decision-making and implementation procedures with account taken of public interests, a Corruption Prevention Anti-Corruption Committee has been set up at the public supervisory councils of the public institutions, pooling at its initial stage 41 public supervisory councils (additional regional and municipal public supervisory councils have also been established and are underdoing the formation process, and their representatives will also join this Committee).

Procedures ensuring the involvement of the public at large in the development and monitoring of implementation of the anti-corruption measures, for instance, through public consultations and hearings, publication of the draft legislation with tools for submission of comments on-line have been formalised and are regulated by systematic monitoring by civil society institutions. Their information is referred to the KR Government for hearing their findings at the KR Government meetings held upon the results of each half-year.

To step up the processes of cooperation of the public agencies with the civil society and form a system of permanent control over the activities of public officials, an Anti-Corruption Forum was created at the

initiative of the KR Ministry of the Economy and the Anti-Corruption Business Council – a platform for the public agencies and civil society institutions – which has demonstrated the efficiency of such interaction during the short period of its existence. Both representatives of the public agencies and civil society institutions participate in the work of the Forum. According to the approved plan of work, each meeting of the Forum begins with the review of the anti-corruption situation in a particular public institution. At the beginning of 2014, branches of the Forum were created in the Talass and Issyk Kul regions.

(2) The Central Commission for Elections of the Kyrgyz Republic jointly with the “Interbilim” International Centre is implementing a project on introducing a mechanism of monitoring political parties’ expenditures during election campaigns. A publication was issued in 2013 in the form of recommendations for the improvement of the legislation of the Kyrgyz Republic regulating the formation and expenditure of election funds/resources of political parties.

(3) To involve the business community into the fight against corruption launched by the State, an appeal to business entities was prepared, urging them to switch over to modern, civilised socioeconomic and sociocultural methods of doing business, compliant with the common international standards. A draft anti-corruption Charter “Business of Kyrgyzstan against Corruption” was developed and put forward, which will become a contribution of the business community of Kyrgyzstan to the global fight against corruption. The proposed Draft Charter is presently being broadly discussed at various business forums and deliberating platforms and is pending its signature. The Charter is open for accession to all Kyrgyz, joint, foreign companies and entrepreneurs, professional unions, associations and affiliations.

(4) The process of preliminary debate on the introduction of the institution of business ombudsman is currently underway with the participation of representatives of the business community, the Secretariat of the Government Council for Business Development and Investment, the Office of the Ombudsman, the Ministry of the Economy, the Justice Ministry, and other stakeholders, for identifying the place of the aforementioned institution within the system of public administration.

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: In addition to 41 public supervisory councils, regional and municipal public supervisory councils have been established or are underdoing the formation process. There is information that procedures ensuring the involvement of the public at large in the development and monitoring of implementation of the anti-corruption measure have been formalized but it will be necessary to examine more closely how they work in practice.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 1.5. - Raising Awareness and Public Education:

Conduct awareness raising campaigns for the citizens and organize trainings for the public institutions, law enforcement agencies, judiciary, local government and the private sector about the sources and the impact of corruption, about the tools to fight against and prevent corruption and include NGOs in

providing such trainings and education.

Assign the preventive body with developing of a comprehensive methodology for awareness-raising campaigns and plan of trainings.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The Ministry of the Economy held over 60 training seminars and roundtables on various aspects of the anti-corruption policy for authorised public officials of public anti-corruption agencies (including special events involving representatives of law enforcement agencies), business entities, civil society institutions, public supervisory councils, international organisations, and citizens of the Kyrgyz Republic. All events received media coverage, and were placed on the official website of the Ministry of the Economy and the Anti-Corruption Business Council. Guest lectures are being delivered at public agencies. A travelling seminar on the subject “Corruption Prevention: Development and Implementation of Efficient Measures in the System of Public Administration” was held within the programme of the Summer Anti-Corruption School with the participation of local and international experts on corruption prevention (from 17 to 21 June 2013).

In-house training curricula were developed by public institutions for retraining and professional upgrading of the qualifications of public servants, officers of law enforcement agencies, fiscal institutions and special agencies whose official functions include participation and corruption prevention activities. A number of institutions have developed and launched the process of training of their employees.

The Academy of Public Administration under the President of the Kyrgyz Republic has developed and introduced training courses on corruption prevention for all categories of students, including programmes for retraining and professional upgrading of the qualifications of public and municipal officials.

These measures were supported by the World Bank, UNDP, and the Kyrgyzstan office of the international organisation TIRI. The course on “Anti-Corruption Policy” was also included in the master’s degree programme of the Academy of Public Administration under the KR President, and a training module of a short-term course (72 academic hours) was developed for public servants.

Reported measures since April 2014:

Over the period in review, the Ministry of Economy ran more than 15 training workshops and roundtables on various anti-corruption matters for public officials responsible for countering corruption, business structures, civil society institutions, the expert community and citizens of the Kyrgyz Republic, with the number of trainees totaled 665. All the events were covered by the media and information thereof was posted on the Ministry’s website. As well, guest lectures are regularly held at public agencies.

In accordance with the plan of training of representatives of government agencies’ territorial branches and local self-government bodies, training workshops were held in all the regions of the Kyrgyz Republic (between May and June 2014). In the frame of the Spring Anti-Corruption School, on 18-24 May 2014, a retreat was held on the subject of «A public agency’s anti-corruption model », with domestic and international anti-corruption experts having contributed to the event.

There were developed in-house training and capacity building curricula for civil servants, law-enforcement, fiscal and special-service agencies’ staff, whose duties include participation in countering corruption. A number of agencies developed and launched the staff training process.

The Academy for State Administration under the KR President hosted training courses on countering corruption for all categories of trainees, including advanced training and capacity building programs for

sitting public and municipal officials.

Raising public awareness. In order to shape up the society's zero tolerance towards corruption the KR Ministry of Economy in tandem with the Institute for Development Policy conducted a broad-scale awareness raising campaign (Campaign). The Campaign was run in the first half 2014 by means of conducting anti-corruption propaganda, informing communities of causes for, and consequences of, corruption, instruments to prevent and counter it, citizens' rights while interacting with public agencies. Some 570 differing by format and substance messages about corruption and its adverse effects were channeled to the population through mass media. To educate the general public, as many as 10 channels were used (printed, broadcast and Internet media). An interactive platform against corruption, <https://www.facebook.com/CorruptionKG>, launched in the frame of the Campaign attracted attention of some 50,000 residents to the subject matter, and it currently boasts 877 subscribers. So, events (workshop, press events, introductory workshops, mailing lists) held under the auspices of the project covered some 700 residents (.).

Over 16 independent experts and civil society representatives were engaged in the process of creation of anti-corruption content. Press events were held in the format of exchange of views and opinions between, and evaluation of research findings by, the expert community, business, public agencies, NPOs and mass media (there were held 8 such sessions).

A great number of journalists and heads of public agencies were engaged in the sessions, which helped ensure the level of representation and significance of the events.

Three interactive radio shows were organized and broadcast by Birinchi Radio, OTRK, Kyrgyzstan Obondory and Retro FM, and another 4 TV interactive shows were held by OTRK and NBT, with the last show aired in the talk show format.

No less than 11 representatives of public agencies were engaged in the work on generation of anti-corruption content. The team included senior policy makers who shared with mass media results of the fight against corruptogenic behavior and crackdown on conditions generating a favorable environment for corruption. This activity was carried out in the frame of press events, TV- and radio broadcasts, as well as in the frame of an Internet-based campaign.

The principal instrument and achievement in creation of self-generating content became a specially developed manual (guidelines) "How to Assert Rights and Blow a Whistle about Red-Tape Officials' Corrupt Practices with the Use of the Internet" (whose draft is available on: <http://dpi.kg/ru/news/full/788.html>). The document contains guidelines and a set of rules as to how one should react while confronting corrupted persons and officials and how one should register and efficiently make public facts of bribe solicitation by, and corruption of, civil servants.

As many as 3 themed anti-corruption videos were developed (see: <https://www.facebook.com/photo.php?v=1430402120554389>), which should be aired any time soon. A dedicated Facebook account was started and is currently updated. Yet another indicator of the program being a success became entrepreneurs' willingness to support the above initiatives.

In the course of the project, there were held a nationwide competition among mass media "Corruption and I", a contest of posters, a training session for compliance commissioners on promotion of anti-corruption propaganda by means of the Internet, the anti-corruption school's workshops for civil servants. The events attracted over 500 participants.

The nationwide competition among mass media "Corruption and I" was launched for journalists to highlight corruption challenges in the community. As many as 42 journalists from Bishkek and regions across the Republic took part in the contest and submitted 238 publications on the issue.

As concerns the visual presentation of the issue, the poster contest was held, with 130 professional artists, amateurs, and children from all the regions of the Kyrgyz Republic having submitted over 282 posters thereto. After nominating winners and awarding prizes, the posters were put on display at the Aytiev National Museum of Fine Arts. The exhibition opened on 30 May 2014 and was attended by heads

of government agencies, international organizations and civil society representatives. The poster contest allowed better understanding of both the society's general sentiment towards corruption and through which visual images the community identifies corruption processes in KR.

An interdepartmental training session was held on promotion of the Campaign through the Internet (attended by as many as 22 representatives of 22 ministries). While taking part in the session, compliance commissioners acquired the skill of operating a social network-based platform to communicate and share information. Participants in the session were also trained to create shared documents and use fast data exchange instruments.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: A number of trainings and educational programmes were realized since February 2012, it seems that these efforts cover to some extent citizens at large (trainings for civil society, business community, students, etc.) but it appears that more can be done in the context of public awareness raising campaigns for regular citizens. From information provided by the Government of Kyrgyzstan it can be directly assumed that the Ministry of Economy and/or Academy of Public Administration carry out functions of the body/ies assigned to develop a public awareness methodology and plan of trainings for certain target groups. However, there needs to be explicit assignment of this function to a specific coordinating institution in order to meet the requirements of the Recommendation.

October 2014: It appears that the Government of Kyrgyzstan broadened the scope of public awareness and educational campaigns to target the broader public and has used new tools to do so. It is still not clear whether a formal assignment of related functions was made in regard to the Ministry of Economy.

Progress/lack of progress

April 2014: Progress

October 2014: Analysis from April 2014 remains unchanged.

Recommendation 1.6. - Specialized anti-corruption policy and coordination bodies

Ensure that a body (bodies) responsible for development and control over implementation of the state anti-corruption policy is (are) provided with resources, specialised staff, training that are necessary to effectively carry out such functions.

Establish an effective mechanism for raising public awareness and other anti-corruption prevention measures.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

- Secretariat of the Kyrgyz Republic Defence Council – coordination of activities on implementation of the State Strategy on Anti-Corruption Policy of the Kyrgyz Republic;
- Parliamentary control by Zhogorku Kenesh of the of the Kyrgyz Republic in keeping with requirements of the KR Law on Procedures for the KR Zhogorku Kenesh Controlling Functions;
- Prosecution agencies' control over implementation of the anti-corruption legislation by public

institutions;

- Civil society monitoring;

- Monitoring and assessment of anti-corruption measures. In accordance with Government Resolution No. 596 of 30 August 2012, the KR Ministry of the Economy was appointed the Government Secretariat (working body) for prevention of corruption. According to the operative part of this document, the KR Ministry of the Economy is in charge of assessment and monitoring of implementation of the Programme, Plan, and departmental action plans aimed at the fight against corruption, and also ensures the organisation and coordination of work of the executive authorities and bodies of local government aimed at their implementation. In keeping with KR Government Resolution on Amendment of the Resolution on the Maximum Staff Number of Ministries, Administrative Agencies and other Public Agencies in the Kyrgyz Republic No. 473 of 22 August 2011 (KR Government Resolution No. 74 of 18 February 2013) and KR Government Resolution No. 596 of 30 August 2012 on Approval of the Kyrgyz Republic National Anti-Corruption Programme and Action Plan for 2012-2014, a special unit was created within the Ministry of the Economy – the corruption prevention policy department, which is directly responsible for anti-corruption monitoring and assessment.

Every public agency in the Kyrgyz Republic has its internal programmes and action plans for the fight against corruption based on the Methodology for Development and Implementation of Departmental Anti-Corruption Programmes and Action Plans approved by instruction of the KR Government No. 44-r of 12 February 2014.

Monitoring is conducted on the basis of the Anti-Corruption Monitoring and Assessment Methodology approved by instruction of the KR Government No. 44-r of 12 February 2014. Monitoring and reporting mechanisms, etc. are described by the aforementioned documents.

The main purpose of anti-corruption monitoring is objective assessment of the level of corruption in the Republic for timely prevention, detection and elimination of the consequences of corruption manifestations, on the basis of the issued managerial decisions.

The achievement of the target would require the solution of the following tasks:

- (1) Organisation and coordination of activity of anti-corruption subjects aimed at timely and quality provision of information materials (reports, statements, analytical and explanatory memos) on implementation of anti-corruption measures;
- (2) Development and introduction of a system of monitoring of the implementation of anti-corruption measures by anti-corruption subjects and assessment of their impact on the status of corruption;
- (3) Regular monitoring of the implementation of programmes based on performance indicators, with subsequent assessment of the efficiency of the implemented measures ;
- (4) detection and forecasting of key directions of anti-corruption activity efficiency improvement, taking proactive measures for preventing corruption and the impact of corruption-conducive factors, and forming anti-corruption public opinion.

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Corruption prevention policy department within Ministry of Economy was established to monitor the assessment of the National AC Programme and Action plan, further additional information was provided during the preparatory meeting with the Government of Kyrgyzstan as to

the capacity of this department. However, there was no information provided regarding the second part of the Recommendation 1.6. on establishment of an effective mechanism for raising public awareness and other anti-corruption prevention measures.

Progress/lack of progress

April 2014: Lack of progress

October 2014: Analysis from April 2014 remains unchanged.

Recommendation 2.1.-2.2. – Offences, elements of offence

Amend provisions of the Criminal Code related to corruption offences to align them with international standards, in particular, to ensure that:

- foreign bribery is criminalised, either through expanding the definition of a public official or by introducing separate criminal offences;
- promise and offer, as well as solicitation of and acceptance of promise/offer of an undue advantage, both in private and public sectors, are criminalised as completed offences;
- passive bribery offences cover illegal actions by the official receiving an undue advantage;
- subject of bribery offences, both in private and public sectors, covers non-material benefits;
- offences of bribery in the private sector, abuse of office, concealment are compliant with the UN Convention against Corruption.

Repeal in the Criminal Code the offence of ‘corruption’ (Article 303) and revise offences of passive bribery in the public sector to simplify and streamline relevant provisions, including provisions on bribe extortion and effective regret.

Introduce an effective liability of legal persons for corruption offences and money laundering according to international standards.

Revise the Law on the Fight against Corruption by streamlining its provisions and ensuring their practical enforceability and consistency with other laws.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

On 10 August 2012, new Article 194-1 (Insider transactions on the securities market) and Article 194-2 (Price manipulation on the securities market) were introduced to the Criminal Code of the Kyrgyz Republic.

Articles 310 (Receiving a bribe-award), 311 (Receiving a bribe-subornation) and 312 (Receiving a bribe for providing an office) of the KR CC were recognised null and void.

Articles 313 (Extortion of a bribe), 313-1 (Bribe taking), 313-2 (Mediation in bribery), and 314 (Bribe giving) establish criminal responsibility in respect of foreign officials and officials of international organisations.

Articles 313 and 314 of the KR CC cover as the subjects of bribery offences both pecuniary and **non-pecuniary** benefits.

Aiming at the implementation of the measure of the Kyrgyz Republic Action Plan approved at the FATF Plenary Meeting on 28 October 2011 to introduce administrative responsibility of legal entities for

involvement in money laundering, a relevant Draft Law was submitted for consideration of the Kyrgyz Republic Parliament at the beginning of February 2014. The Draft Law was developed jointly by deputies of the Parliament and the Kyrgyz Republic Financial Intelligence Unit. The Draft Law is available at: <http://www.kenesh.kg/lawprojects/lps.aspx?view=projectinfo&id=103167>.

The Draft Law is presently being reviewed by parliamentary committees of the Kyrgyz Republic, Government and Presidential Staff of the Kyrgyz Republic.

The Law of the Kyrgyz Republic on the Fight against Corruption was adopted on 8 August 2012.

Reported measures since April 2014:

Art. 303 of the CC of KR (Corruption) was omitted from the draft CC KR as of 28.05.2014.

Article 214 of the CC of KR (Giving of the bribe) the aforementioned conflict was omitted in the draft CC KR as of 28.05.2014 and replaced with the following wording: "The person who has given a bribe shall be exempt from criminal liability for the deed provided for by the present Article, where there has taken place solicitation of bribe on the part of a public official or where that person voluntarily reported the bribery to the body that has powers to initiate a criminal case".

The draft CC of KR as of 28.05.2014 provides for Art. 20. Coercive measures of criminal and legal enforcement in respect to legal entities.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Some limited steps have been taken towards implementation of this Recommendation, i.e., legislative changes took place in regards to foreign bribery, pecuniary advantages; also draft law on administrative liability for money laundering was prepared but it does not cover corruption offences and therefore will not help Kyrgyz Republic implement relevant element of the Recommendation 2.1-2.2. Other parts of the Recommendation have not been addressed by the Kyrgyz Republic to date.

October 2014: New steps aimed at amending criminal legislation of Kyrgyz Republic in line with Recommendation 2.1-2.2 have reported. Among them, two major developments which can help comply with two elements of the Recommendation, namely repealing of the article on "corruption offence" and introduction of liability for legal persons in the new draft Criminal Code. Experts will need to review the text of the draft article 20 to make a more meaningful conclusion on compliance with international standards – this can be done in the framework of the 3rd round of monitoring and once the draft CC is adopted.

Progress/lack of progress

April 2014: Lack of progress

October 2014: Progress

Recommendation 2.5. - Confiscation

Amend legislation to ensure confiscation of instrumentalities and proceeds of corruption and money laundering crimes according to Article 31 of the UNCAC, as well as effective procedures for tracing and seizing proceeds of crime even before a suspect in the case was identified.

Consider introducing in the legislation provision requiring an offender to prove the lawful origin of alleged proceeds of crime or other property liable to confiscation.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

In accordance with the Law of the Kyrgyz Republic on Introduction of Amendments and Additions to Some Legal Acts of the Kyrgyz Republic No. 164 of 10 August 2012, the Criminal Code of the Kyrgyz Republic was amended, in particular, Article 52 (Property confiscation) was presented in a new edition. According to paragraph 1 of Article 52 of the Criminal Code, the following types of property are liable to confiscation:

- (1) a convicted person' property or proceeds therefrom, weapons and other instrumentalities used or intended for use in some way during the commission of offence;
- (2) the property of a convicted person handed over to another person if the person accepting this property was aware or should have been aware of it having been obtained as a result of criminal actions;
- (3) crime proceeds or any profit (benefit) from crime proceeds received as a result of legalisation (laundering) of crime proceeds;
- (4) property or part of the property corresponding to the estimated value of attached crime proceeds if the crime proceeds were attached to the property obtained from legal sources.

Matters of identifying crime proceeds and imposing arrest on them are covered by the Criminal Procedure Code.

In connection with the adoption of the aforementioned Law of the Kyrgyz Republic, the FATF Plenary Meeting issued a decision on compliance of the Kyrgyz Republic legislation on confiscation and arrest with relevant FAFT Recommendations.

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Steps to address first part of the Recommendation have been taken and on its face without the in-depth analysis of the new legislation it appears that this part is mainly addressed. However, no progress has been reported under the second and third part of the recommendation.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 2.6. Immunities and statute of limitations

Revise provisions on immunities of officials to ensure that they do not obstruct effective investigation and prosecution of corruption offences, in particular:

- introduce functional immunities for all relevant officials and harmonise exemptions in cases of in flagrante situations;

- repeal immunity of the former President;
- streamline procedures for lifting immunity of deputies of the parliament, Prosecutor General and Ombudsman;
- provide for suspension of the statute of limitations for the period when a person enjoyed immunity;
- consider changing provision not allowing to conduct operative measures with regard to a judge until the criminal case is opened and revising restriction that only Prosecutor General may open a criminal case as regards a judge.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The Constitutional Law on the Government of the Kyrgyz Republic of 18 June 2012 lifted immunities of members of Government, i.e. exemptions in cases of in flagrante situations are harmonised.

To maintain the possibility of imposing criminal liability on a person enjoying immunity in the event of suspension of proceedings in a case, on 29 April 2013 Article 67 of the Criminal Code of the Kyrgyz Republic was supplemented with paragraph 4-1 according to which if a criminal case is initiated against a person enjoying immunity and the case was suspended due to the immunity, the statute of limitation for imposing criminal liability shall in this case be suspended.

The Kyrgyz Republic took the recommendation into account and lifted the legislative restriction concerning initiation of criminal cases against a judge only by the Republican Prosecutor General. Constitutional Law No. 167 was adopted on 10 August 2012 on Introduction of Amendments and Additions to the Constitutional Law of the Kyrgyz Republic on the Status of Judges of the Kyrgyz Republic in accordance with which a decision to initiate a criminal case against a judge is issued by the Prosecutor General of the Kyrgyz Republic and authorised prosecutors whose status is not lower than prosecutors of regions and the cities of Bishkek and Osh.

Reported measures since April 2014:

With regard to this recommendation, in July 2014, the General Prosecutor's Office submitted a letter to the Prime Minister of KR concerning consideration of a possibility for its development and implementation.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Considerate progress on this recommendation has been made by the Kyrgyz Republic. However, new changes into legislation will need to be looked into more in-depth for a more proper analysis. On two elements of the Recommendation, nevertheless, no progress was reported. Namely, it appears that no changes have been made regarding:

- **repealing immunity of the former President;**
- **streamlining procedures for lifting immunity of deputies of the parliament, Prosecutor General and Ombudsman.**

October 2014: It would be necessary to study in more detail contents of the letter to the PM and proposals contained within in order to make a meaningful evaluation of further progress under this Recommendation.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 2.8. - Application, interpretation and procedure

To amend legislation in order to allow effective access of law enforcement officials to bank secrets, tax and customs information, including before formal institution of a criminal case, while ensuring that proper protection of personal data is safeguarded.

To reconcile provisions on access to bank data in the Law on Bank Secrecy and the Criminal Procedure Code.

To ensure that the FIU work closely with the law enforcement authorities in order to identify patterns of possible corruption and establish effective exchange of information and feedback on the action taken based on STRs.

To remove legal obstacles to allow that the STRs directed to law enforcement agencies be used as evidence, insofar as they relate to domestic information.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The Financial Intelligence Unit examined the new edition of the FATF Recommendation and the UN Convention against Corruption as a result of which provisions regulating access of law enforcement agencies to information constituting bank secrets through resources of the financial intelligence unit are envisaged by the Draft Law of the Kyrgyz Republic on Fighting the Legalisation (Laundering) of Crime Proceeds and the Financing of Terrorist or Extremist Activity. This Draft Law was approved by the Prosecutor General's Office – the authorised executive body in charge of these issues, endorsed by Government Resolution No. 868 of 29 December 2012 and submitted for consideration of the Kyrgyz Republic Zhogorku Kenesh (undergone the first hearing).

The Anti-Corruption Service of the State National Security Committee developed Draft Government Resolution of the Kyrgyz Republic on Approval of the Draft Law of the Kyrgyz Republic on Introduction of Amendments and Additions to Some Legal Acts of the Kyrgyz Republic allowing effective access of law enforcement officials to bank secrets, tax and customs information, including before formal institution of a criminal case, which is currently pending approval.

The Financial Intelligence Unit of the Kyrgyz Republic actively cooperates in the information sphere with the Prosecutor General's Office and other law enforcement agencies of the Kyrgyz Republic in matters of detection and investigation of corruption offences.

However, to ensure adequate preparation and analysis of reports on suspicious transactions related to corruption offences, the staff of the Financial Intelligence Unit and financial institutions must upgrade its qualifications.

The issue of accepting reports about suspicious transactions as evidence needs detailed examination and discussion, in part, by studying the experience of other countries.

Reported measures since April 2014:

To implement the Financial Action Task Force's (FATF) recommendations, the Republic adopted Act "On countering the financing of terrorism and legalization (laundering) of criminal proceeds" of 31 July 2006 №135 and established an authorized public agency to counter the financing of terrorism and legalization (laundering) of criminal proceeds (The KR State Financial Intelligence Service). As well, amendments were introduced in some normative and legal acts of the Kyrgyz Republic that concern reporting persons who provide information about suspicious transactions in the CFT and LCP area and on other public administration bodies of the Kyrgyz Republic.

With Resolution of 5 March 2010 №135 the Government of the Kyrgyz Republic approved the Statute "On procedure of providing by government agencies of the Kyrgyz Republic and reporting persons the State Financial Intelligence Service under the Government of the Kyrgyz Republic with information and documents" and a number of other statutes. On this basis, the SFIS entered into interdepartmental cooperation agreements on with competent government agencies of the Kyrgyz Republic to counter the financing of terrorism and legalization (laundering) of criminal proceeds. In addition, the State Financial Intelligence Service under the KR Government has gained access to databases of the State Tax Service under the KR Government, the KR National Statistics Committee, and the State Registration Service under the KR Government.

With its Resolution №135 of 5 March 2010, the Government of the Kyrgyz Republic approved the Statute "On providing and considering generalized material", with interdepartmental agreements on cooperation and information exchange having been concluded by and between SFIS and the Prosecutor General's Office, the KR State Committee for National Security, the KR State Committee for Drugs Control, the KR Ministry of Interior, and the KR State Service for Combat against Economic Crime.

Guided by the KR law, the SFIS for its part provides generalized information about CFT and LCP, including transactions of corruption nature, to the KR law-enforcement agencies, with copies thereof to the Prosecutor General's Office for the sake of procuratorial supervision.

Currently a draft Act of KR "On countering financing of terrorism and legalization (laundering) of criminal proceeds" has been submitted to Zhogorku Kenesh of the Kyrgyz Republic and passed the first reading.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Some progress in the form of draft legislation was made. Texts of the draft laws have not been examined by the monitoring experts but it appears they illustrate steps taken towards implementation of the Recommendation 2.8. Cooperation of the FIUs and law enforcement takes place but the Kyrgyz Republic itself identified the need for training for the FIU staff. And finally, some elements of the recommendation have not been addressed to date or relevant information has not been provided in this regard.

October 2014: Most of the newly reported measures refer to the legislation in force since before the 2nd round of monitoring and are not taken into consideration for assessment of progress. However, positive development on adoption of the draft Law on AML and FT in the first reading indicates further progress.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 2.9. – Specialized anti-corruption law-enforcement bodies

Ensure that law enforcement agencies dealing with corruption cases be operationally and structurally independent to be able to effectively target high-level corruption.

Ensure effective specialisation in investigation of corruption crimes in line with international standards.

Organise regular training on enforcement of anti-corruption legislation for law enforcement officials, prosecutors and judges, including regular joint trainings.

Take measures to ensure a uniform court practice regarding possibility of using the results of special investigative measures as evidence in corruption trials and, if necessary, amend legislation.

Introduce in the law regulation of the simulated bribery and establish clear guidelines for law enforcement officers in line with human rights standards.

Secure funding for implementation of witness protection programmes.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The Kyrgyz Republic Government Resolution No. 383 of 8 June 2012 set up the State Service for Fighting Economic Crime under the Kyrgyz Republic Government, which is a specialised law enforcement body subordinate and accountable directly to the Kyrgyz Republic Government, whose main functions include detection, prevention, termination, solution and investigation of economic crimes and well as official offences in the sphere of economy and finance in keeping with the legislation of the Kyrgyz Republic.

The session of the KR Defence Council on 04 November 2013 instructed the Secretariat to explore the issue of setting up a separate special institution for the fight against corruption on the basis of the existing State Service for Fighting Economic Crime and Anti-Corruption Service of the State National Security Committee.

Amendments were introduced to Article 163 of the KR Criminal Procedure Code (Investigative jurisdiction) determining the institutions responsible for investigating some or other offences. Investigation of criminal cases of corruption and official offences (Art. 303-316 of the KR CPC) is carried out by prosecution and national security officers.

The Law of the Kyrgyz Republic on Introduction of Amendments and Additions to Some Legal Acts of the Kyrgyz Republic of 10 August 2012 qualifies the results of special investigative measures obtained in the prescribed manner, as acceptable evidence in a case.

On 10 January 2014, Government Resolution No. 12 approved the State Programme of ensuring protection of witnesses, victims and other participants in criminal proceedings for 2014-2016 envisaging funding from the budget, as required for the implementation of the relevant Law within the context of the programme.

Reported measures since April 2014:

Establishment of an independent corruption prevention government agency would entail significant costs for its creation and operation.

Given the current state of the Kyrgyz Republic's budget, at a Cabinet meeting on 22 August 2014 which discussed, inter alia, progress in the KR government agencies' implementation of the KR Government's action plan on prevention of corruption, the decision was made to establish a dedicated unit on the basis of the existing Bureau for Corruption Prevention Policy under the KR Ministry of Economy (Protocol Order by the KR Government №13-3147 of 28.08.14 r.). The decision was made with account of the Ministry's certain progress in the corruption prevention area, including development of the legislative and methodological base, capacity building and expertise. Plus, since 2012 the KR Ministry of Economy has become the Secretariat (Operational Body) to the KR Government in regard to evaluation and monitoring of implementation of the Government's Corruption Prevention Program, Action Plan, and departmental action plans, as well as responsible for organization and coordination of the government executive agencies and local self-government bodies' operation on implementation of anti-corruption measures.

The draft Resolution suggests a functional and capacity building of the KR Ministry of Economy, including introduction of respective amendments to the Statute on the KR Ministry of Economy and adding 9 staffing positions to create the Department for Corruption Prevention Policy.

The Department for Corruption Prevention Policy will consist of 14 officers and its head will report directly to the KR Minister of Economy. The structure of the Department will comprise three units:

- 1) Bureau for development of the corruption prevention policy.
- 2) Bureau for monitoring and assessment.
- 3) Bureau for coordination and introduction of preventive measures.

The draft Criminal Code of KR as of 28.05. 2014 provides for Art. 340:

Provocation of bribery or corrupt payment

Provocation of bribery or corrupt payment, i.e. an attempt to hand over a bribe to a public official or a person exercising executive functions in commercial or other organizations without that person's consent for the purpose of artificial creation of evidence of commitment of a crime or blackmail, - is punishable by correctional treatment of the 4th category, or a fine of the 5th category, or imprisonment of the 1st category, with deprivation of the right to hold a certain office or engage in a certain activity for the term of up to 2 years.

Note. The following acts shall not be considered provocation of bribery or corrupt payment:

- 1) detection and recording by the investigator or prosecutor of the person's already existing intent to receive bribe accompanied by creation of a possibility for manifesting (realizing) such an intent, without signs of corruption (or corrupt payment) for the purpose of a subsequent exposure of him (her) in its receipt;
- 2) conducting, in compliance with the law, a probe on integrity of an official who has in advance granted his (her) consent to running such examinations on him (her).

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Out of all measures outlined by Recommendation 2.9, it is not clear what was done to enable law enforcement bodies dealing with corruption to target high-level corruption. In particular, in-depth analysis of the Government Resolution No. 176 of 15 March 2012 about establishment of the State Service for Fighting Economic Crime will need to be undertaken to properly assess legislative framework established for the agency. However, in general, it would be more appropriate to have

these issues regulated by the law rather than a government resolution. Also, having corruption and economic crimes grouped together creates a risk of giving less priority to corruption cases.

No information about regular training on enforcement of anti-corruption legislation for law enforcement officials, prosecutors and judges was provided.

Issue of using the results of special investigative measures as evidence in corruption trials was addressed by amending the legislation in 2012. However, it is difficult to assess whether any further measures to ensure a uniform court practice regarding use of such evidence were taken and what kind of results were received.

Although the Kyrgyz Government adopted the State Programme of ensuring protection of witnesses, victims and other participants in criminal proceedings for 2014-2016, it is not clear how much funding has been secured for the implementation of witness protection measures (no concrete number or any calculation in the text of the document). The programme is mainly about development of bylaws and regulations needed to start implementation of the relevant Law. It also suggests establishment of a body/bodies to implement measures aimed at protection of a particular witness or assignment of this duty to an existing body (not specified) within existing human resources. So, it is also not clear whether a separate body is going to be created or not, but if yes, significant funds should have been secured in the programme.

October 2014: Further progress is being acknowledged regarding one element of Recommendation 2.9 – draft CC of KR now includes provisions on simulated bribery. Its adoption and subsequent establishment of clear guidelines for law enforcement officers will help ensure full successful implementation of this element. Other developments reported by the Government of Kyrgyzstan on creation of the new A/C unit within the Ministry of Economy pertain to preventative functions and are not relevant to assessment of progress on law-enforcement A/C specialisation.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 2.10. - Statistical data on enforcement of criminal legislation on corruption

Amend methodology for gathering and processing statistics on corruption-related offences to ensure collecting of comprehensive data which should be made public and allow appropriate monitoring and evaluation of criminal justice system operations by governmental and nongovernmental institutions.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The Prosecutor General's Office has developed a computerised information system of accounting corruption-related offences, which will enable to simplify the process of registration and accounting of offences and will be intended for the purposes of keeping, storing, and processing data on offences in electronic format, and also ensure the accounting of offences, accused persons, investigation outcomes and progress in criminal cases; accounting of defendants and results of legal review of criminal cases; placement of additional information and reference resources and services aimed at granting citizen's

rights to information access as prescribed by effective legislation; keeping archives of offences; generation of standard and optional forms of reporting.

The introduction of the system is scheduled for April-June 2014.

Reported measures since April 2014:

In the meantime, an agreement has been reached with OSCE on sponsorship of the system development and launch until the end of 2014.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Steps have been taken to address this recommendation. Its actual implementation will depend on practical application of the newly introduced computerized system once it becomes operational. One aspect of recommendation in regard to making statistical information available to the public is not clarified by the KR in the provided update.

October 2014: Further progress is being acknowledged regarding steps to ensure practical implementation of the recommendation – through finding avenues to finance functioning of the new system.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.2.2. – Recruitment and promotion

Clarify the definitions of political and administrative officials, as well as the regulations which are applicable to the political officials.

Prevent further politisation of civil service by limiting the number of political posts and ensuring the stability of professional civil service and the continuity of the institution of State Secretaries.

Strengthen recruitment process for high-level positions by applying different recruitment procedures and evaluating not only knowledge of applicants but also abilities and competencies.

Increase transparency and impartiality of competitions by limiting the number of the commission members and including external experts to examine special knowledge, skills and competencies of the applicants.

Increase attraction of civil service by developing a promotion system which will motivate civil servants, create merit-related criteria for civil servants promotion to higher positions.

Reconsider the necessity of internal and national reserves, and either develop its proper implementation, or reject it as not useful element in the recruitment system.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

In keeping with the Law of the Kyrgyz Republic on Civil Service, political official positions include positions the appointment (election) to and dismissal from which is performed by the President, Zhogorku Kenesh, and the Prime Minister in the legally prescribed manner, in line with the register of political and special public positions and relevant spheres of functions prescribed for them by the Constitution, laws, Presidential Decrees, and Government Resolutions.

Administrative official positions include positions within the staff of the supreme public agency in the legislative, executive and judiciary branches of public authority, as well as the Presidential Staff, with the volume of powers and responsibilities in performing the tasks and functions of the public agency prescribed by the Constitution and other legal acts.

KR Presidential Decree No. 215 of 12 November 2013 on Measures for Eliminating Causes of Political and Endemic Corruption within Bodies of Authority instructed the State Personnel Service of the Kyrgyz Republic to develop a harmonised system of public and municipal service in the Kyrgyz Republic consisting of two interconnected branches of public and municipal service:

- Political public and municipal service not covered by the class ranking system and including persons occupying political public and municipal positions, as well as positions of their assistants, advisers, consultants and administrative aides;
- Administrative public and municipal service including persons occupying administrative positions at public agencies and bodies of local government.

In this connection, the State Personnel Service has developed Draft Law of the Kyrgyz Republic on Public Civil Service and Municipal Service providing new definitions of political and administrative positions.

The Draft Law defines a political position as a position in the process of occupying which a person exercises the functions of authority and takes policy setting decisions, bears responsibility for the implementation of the existing policy goals, within the powers prescribed by the Constitution and other legal acts.

The definition of the political position is based on the adoption of political decisions rather than the appointment procedures. It is proposed to refer to political officials exclusively the top officials of public agencies, and refer their deputies to administrative positions enjoying special appointment procedures. Criteria are provided for referral to political and administrative positions and clear classification according to these criteria, which made it possible to strengthen the civil service potential in general, as the number of positions involving privileges has been decreased.

The Draft Law will be submitted for public consultation in the near future.

Selection criteria are not established for top officials of public agencies, as top officials of public agencies occupy political positions to which no qualification requirements are set.

Recruitment to senior administrative positions is conducted through competition.

The following qualification requirements are set to administrative positions:

- to the level and specialisation of professional education, taking into account the category and group or administrative public positions;
- to work experience and length of professional service and relevant professional skills.

In accordance with para 19 of the Temporary Provision on competition for a vacant administrative public position in the civil service of the Kyrgyz Republic (approved by Government Resolution No. 741 of 29 November 2011), the competition attestation commission consists of:

- the competition attestation commission chairperson – state secretary (chief of staff) of the public agency;
 - the competition attestation commission secretary – a public official of the public agency;
- members of the competition attestation commission:
- representatives of an authorised public agency;
 - chairperson of the public agency’s commission on ethics;
 - representatives of civil society institutions (or the expert community, business associations) in a relevant industrial sphere;
 - heads (specialists) of the personnel service and the legal service;
 - heads (specialists) of other structural units of the public agency.

The Draft Law of the Kyrgyz Republic on State Civil Service and Municipal Service providing new definitions of political and administrative positions developed by the State Personnel Service contains a number of key innovations, according to which career planning is recognised as the main professional promotion tool and the single system of labour remuneration is based on public officials’ performance evaluation.

The provision on public officials’ performance evaluation is legally consolidated. It means determining the level of effectiveness in discharging official functions in accordance with the goals and objectives of the public agency of the body of local government.

To improve the system of performance-based recruitment and career advancement of public servants, restrict opportunities for discretionary decisions, the Draft Law of the Kyrgyz Republic on Public Civil Service and Municipal Service introduces a new order of forming the national and internal personnel reserves.

Reported measures since April 2014:

The State Cadres Service (SCS) in tandem with the expert community crafted a draft Act of the Kyrgyz Republic “On the government civil service and municipal service”. The bill provides for a new system of classification of offices into political, special, administrative and patronate ones.

More specifically, the bill defines political government office as “<a> position, in the process of filling of which a person exercises authoritative powers and makes policy decisions”, while administrative state office is “a position <construed> as a full-time equivalent at a government body with an established volume of powers and responsibilities, which was established to implement that government body’s tasks and functions”.

The draft Act was considered twice at the meeting of the Advisory Council under the SCS and since April 2014 has been made publicly available on the KR Government’s website. It also formed a part of agenda at roundtable discussions with participation of Zhogorku Kenesh deputies, representatives of the KR Presidential administration staff, Zhogorku Kenesh and Government staff, the non-governmental sector, assistant deputy heads of government agencies, heads of local self-government bodies. The bill also underwent a comprehensive evaluation at a concluding conference. At the end of all the discussions the draft Act was refined with account of articulated stances and received propositions, which ensured its enhanced quality.

On 23 June 2014, the Bill was submitted to the KR Government Staff to ensure cooperation in its coordination with government agencies and local self-government bodies (ref. № 03-1/428). By executive order of the First Deputy Prime Minister of the Kyrgyz Republic of 1 July 2014 № 12-23684 the draft Act was forwarded for approval to government agencies and local self-government bodies. The draft Act currently undergoes the approval procedure at the Government Staff.

The draft Act “On the public civil service and municipal service” establishes qualification requirements for filling an administrative position, including requirements to the record of service, level and profile of training with account of the category and group under which the administrative position falls.

No selection criteria were established with regard to first heads of government bodies, as such positions are political ones, thereby not being subject to any qualification requirements.

Administrative positions are filled by means of competition-based selection.

Qualification requirements to administrative positions are as follows:

- qualification requirements to the level and profile of professional training with account of categories and groups of administrative government offices;
- Qualification requirements to the record of service and career history by a given discipline, and to respective professional skills.

To avoid corruption, SCS representatives to public agencies’ certifying competition commissions undergo testing with the use of lie detector and are rotated every half-year. Every government agency’s commission shall without fail comprise “representatives of civil society institutions or the expert community, business associations of the respective profile”.

In compliance with par. 19 of the Temporary Statute on holding competition for filling a vacant administrative public office of the Kyrgyz Republic (as approved by Resolution of the KR Government of 29 2011 № 741), the certifying competition include:

- Assistant Deputy Head (Chief of Staff) of a given government agency as its Chairperson;
- civil servant of that government agency as the Commission’s Secretary;

Commission members:

- representative of an authorized government body;
- chair of the ethics committee under the government agency;

In accordance with Resolution by the KR Government “On measures on improvement of the labor compensation system for government and municipal servants of the Kyrgyz Republic for 2013-2020” of 28 June 2013 N 383, the planning of a servant’s professional advancement and rewarding him/her for excellent performance has been in place. The Resolution also provides for conduct of evaluation of servants’ performance.

In addition, the draft Act “On the public civil service and municipal service” sets forth career planning as a fundamental instrument of service, its pillars being a functioning cadres reserve, competition- based selection procedure, and a uniform labor compensations system on the basis of evaluation of civil servants’ performance and their material and non-material motivation. While developing the draft Act “On the public civil service and municipal service” SCS defined a string of key novelties whereby the career planning, as well as the uniform labor compensations system basing on evaluation of civil servants’ performance, is construed as a major instrument of service.

A legislative framework is provided for a clause on evaluation of public servants' performance, which is understood as identification of the level of performance of official duties in accordance with objectives and tasks of a given government or self-government body.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: The new definitions of political and administrative officials are defined in the Draft Law of the Kyrgyz Republic on Public civil service and Municipal Service. It is difficult to measure what decisions are made to prevent further politisation of civil service, as well as improvement of recruitment procedures. Structure of commission members isn't changed so the impartiality and transparency of competitions isn't ensured. In the Draft Law career planning and performance evaluation are improved as well as formation of internal and national reserves, but it is not clear how reserves are formed.

October 2014: Steps to ensure public consultations/comments on the Draft Law have been reported, as well as internal state institutions consultation processes. This is a positive step that can ensure further improvements of the draft law. The Government of Kyrgyzstan also reports some steps taken to increase attractiveness of the civil service – this is also a positive development.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.2.3. – Remuneration

Perform comparative study of the salaries in civil service in different public institutions and as compared to those in the private sector; as well as the study of the relative shares of fixed and variable parts of the salaries. Based on the findings, review remuneration system to ensure decent salaries for civil servants as well as transparency and equality of remuneration for similar jobs across the civil service.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

In the period from 2011 to 2013, the third component of the World Bank Project "Capacity Building in Economic Management" (CBEM) aimed at reforming the system of remuneration of public and municipal servants, was implemented at the State Personnel Service of the Kyrgyz Republic.

Analysis of the existing system of remuneration of public and municipal servants was performed within the context of this Project and revealed the following key problems:

(1) Imperfection of the regulatory framework in the sphere of remuneration of public and municipal servants, manifested in the fact that the system of remuneration is regulated by an extremely large amount of legal acts. At the same time, many legal provisions regulating labour remuneration are mutually exclusive and often pursue narrow departmental interests.

(2) Imperfection of the principles of setting conditions of remuneration of public and municipal servants, which means that the level of salary of an official depends on his/her position without taking into account

the workload, difficulty and level of responsibility of the official tasks performed. As a consequence, public servants who were at the same official level but performed functions of different amounts, levels of difficulty and responsibility, were receiving the same salary.

(3) Complexity of the labour remuneration system, as a sophisticated system of official salary calculation was used, including a multitude of different minimum basic salary rates and scale-up factors depending on the hierarchy of the public or municipal institution and its managerial level.

(4) The lack of transparency of the labour remuneration system was connected with the closed nature of information on labour remuneration of public and municipal institutions. Moreover, the amount of bonuses to the official salary, incentives and other payments strongly differed across different public and municipal institutions depending on the remuneration terms approved for those institutions. In addition, some public agencies were permitted to make additional payments to their employees at the expense of special resources and funds. As a result, public servants occupying similar positions and performing identical amounts of work, but at different public institutions, were receiving different salaries. Moreover, the difference in their salaries could sometimes be several-fold.

The Project examined the components of public servants' remunerations in different public and municipal institutions, revealing that the share of official salary in the total remuneration of public servants was generally about 60-70 percent, and in some public agencies this share was as low as 30 percent.

A comparative study of the salaries in civil service at different public institutions and as compared to those in the private sector was also conducted within the context of the Project. The findings of this study revealed that the levels of salary in public services were lower than those in the private sector at all levels of official hierarchy: from the lowest category of specialists to organisation heads. As a matter of fact, the gap in the levels of salary becomes larger as the level of the position in official hierarchy increases. In other words, the ratio of the average salary of the head of a private company to the salary of the head of a public institution is much higher than the ratio of average salary of specialists in the private and public sectors.

Building upon the research work performed, a Programme of Improvement of the Labour Remuneration System of Public and Municipal Servants in the Kyrgyz Republic was developed for 2013-2020 and subsequently approved by Government Resolution of the Kyrgyz Republic No. 383 of 28 June 2013.

The Programme is aimed at creating an effective labour remuneration system of civil servants based on interconnection of the amount of labour remuneration with the hierarchy of positions and performance results of public and municipal servants. The new system of labour remuneration will have the following advantages:

- ensuring equality in labour remuneration based on the principle of equal pay for equal work;
- the labour remuneration system will become transparent, as the official salary will constitute the main part of the overall income;
- the administration of the system of labour remuneration of public servants will be simplified;
- opportunities for horizontal promotion for most civil servants will be extended;
- the performance evaluation system will be integrated into the labour remuneration system;
- salaries will become more competitive and closer to the level of the private sector;
- mechanisms of attracting, stimulating and preserving qualified personnel will be developed;
- employees will strive for upgrading their qualifications and career promotion.

The introduction of a new unified model of the labour remuneration system developed within the context of the World Bank CBEM Project will proceed in several stages, depending on financial opportunities of the State.

Gradual introduction of the new labour remuneration system approved by Government Resolution of the Kyrgyz Republic No. 384 of 28 June 2013 was launched in August 2013. At the first stage, this model was adopted by all municipal institutions and a number of public agencies where the former level of salaries was lower (in many of them – much lower) than the new one.

It was a serious accomplishment that for the first time the information on the size of minimum basic salaries and bonuses, official mark-up factors, and the lists of public and municipal institutions introducing the new labour remuneration system was not closed and was available to the public. The former labour remuneration systems were preserved at the initial stage in the public institutions where the introduction of the new labour remuneration system could lead in an overall decrease in the level of salaries. Transfer to the new labour remuneration system in those institutions will be gradual as the minimum basic salary rate increases.

In the long term, it is also planned to achieve maximum proximity of the share of official salary to 80 percent of the total amount of labour remuneration.

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Analysis of the existing system of remuneration was performed by World Bank Project and a Programme of Improvement of the Labour Remuneration System of Public and Municipal Servants in the Kyrgyz Republic was developed for 2013-2020. Financial support is needed for implementation of remuneration reform, so support of the State is crucial.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.2.4. – Legality and impartiality

Further improve the definition of the conflict of interest established in the Law on Civil Service.

Create effective mechanism for the management and control of implementation of the conflict of interests' regulations by introducing a requirement to declare public and personal interests and by strengthening the role of managers and heads of the institutions in their control.

Reform the asset declarations system by:

- Introducing effective sanctions for failure to submit asset declarations or for providing false or incomplete information.
- Considering establishment of a mechanism for the verification of the information provided in the declarations.
- Streamlining the rules related to disclosure of asset declarations, introducing the same requirements on disclosure and exemptions from disclosure of information with mandatory publication of data from declarations of political officials and persons holding special offices, as well as higher administrative officials on the web-site of the State Personnel Service.
- Creating clear mechanisms for sharing of information contained in asset declarations with law enforcement agencies.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

Government Resolution of the Kyrgyz Republic No. 90 of 13 February 2014 approved the Temporary Provision for Managing Conflict of Interest in the Public and Municipal Service in the Kyrgyz Republic, which improved the definition of the conflict of interest in accordance with OECD recommendations. A working group at the Zhogorku Kenesh of the Kyrgyz Republic developed a Draft Law on Conflict of Interest which has undergone public consultations in December 2013. The KR Government prepared a Draft Law on the introduction of amendments and additions to KR Law on the Fight against Corruption, which will include the concept of “conflict of interest” in its definitions.

The Temporary Provision for Managing Conflict of Interest in the Public and Municipal Service in the Kyrgyz Republic was developed on the basis of OECD Guidelines for Managing Conflict of Interest in the Public Service, envisaging an effective mechanism for the management and control of implementation of the conflict of interests regulations by introducing a requirement to declare public and private interests and strengthening the role of managers and heads of the institutions under their control.

The KR Ministry of the Economy, as the body authorised by the KR Government to develop the KR anti-corruption policy, approved by its Order No. 193 of 12 September 2013 the Memo for public and municipal officials in the Kyrgyz Republic on detection, prevention and management of conflict of interest in the public service. A number of seminars and trainings were held during 2013 with the support of the World Bank on issues of management of conflict of interest in the public and municipal service. Amendments and additions have presently been introduced to the KR Labour Code and the Law on Civil Service in connection with conflict of interest, imposing certain restrictions on persons holding public or municipal service positions during their entry into labour or civil agreement. In addition, non-compliance by a person holding a public or municipal service position notified of a conflict of interest shall constitute grounds for dismissal in connection with loss of confidence.

Concerning the reform of the asset declaration system:

- sanctions for violation of the law on asset declaration are provided by:

the KR Law on Civil Service – disciplinary sanctions;

the Code of Administrative Liability – fines;

the Criminal Code – criminal responsibility.

- a verification mechanism was established by KR Government Resolution No. 855 of 25 December 2012.

- the rules related to disclosure of asset declarations are prescribed by the declaration legislation and approved by KR Government Resolution No. 855 of 25 December 2012.

- a mechanism of sharing information was approved by KR Government Resolution No. 855 of 25 December 2012.

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: The definition of the conflict of interest was improved. Requirement to declare public and personal interests was introduced. Seminar and trainings were organized with the support of the World Bank about mechanisms for the management and control of implementation of the conflict of

interests'. Sanctions for the conflict of interest and violation of the law on asset declarations were introduced in legal acts. It is mentioned that verification of the information provided in the declarations, the rules related to disclosure of asset declarations, mechanisms for sharing of information contained in asset declarations with law enforcement are regulated by Government Resolutions but it was not possible to measure how it works in practice.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.2.8. – Whistle blower protection

Introduce effective protection of whistle-blowers from arbitrary dismissal and harassment.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The following measures can be taken for protection of whistle-blowers (Article 6 of the KR Law on Protection of Witnesses, Victims and other Parties in Criminal Proceedings):

- (1) personal protection, dwelling and property protection;
- (2) provision of special individual protective gear, means of communication and danger alert;
- (3) ensuring confidentiality of information on the protected person;
- (4) moving to another dwelling place;
- (5) substitution of personal identification documents with a change of personal data, when necessary, applied also to family members of the protected person;
- (6) changing of appearance;
- (7) personal disguise or additional visual isolation during appearance at court sessions, non-disclosure of personal and other details during the investigation;
- (8) changing the place of work (service) or study;
- (9) temporary movement to a place of safety;
- (10) applying additional measures of security to a protected person who is in detention or in prison, including transfer from one pace of detention or prison to another.

2. In the event of presence of the grounds stipulated by Article 16 of this Law, other security measures envisaged by the legislation of the Kyrgyz Republic can also be applied in respect of a protected person.

3. Security measures stipulated by paras 4-7 of the first part of this Article shall be taken only in criminal cases of grave and especially grave crimes.

Prosecution bodies, in keeping with their powers prescribed by the law on criminal procedure, carry out permanent oversight over the activity of law enforcement agencies, including their anti-corruption activities and compliance with the Law of the Kyrgyz Republic on Protection of Witnesses, Victims and other Parties in Criminal Proceedings.

Strict compliance with Article 12 (part 4) of the CPC of the Kyrgyz Republic Law on Protection of Witnesses, Victims and other Parties in Criminal Proceedings obliging the court, prosecutors, investigators, and inquiry bodies to take legally prescribed measures within their competence for protection of the life, health, honour, dignity and property of parties in criminal proceedings, as well as requirements of the Law on Protection of Witnesses, Victims and other Parties in Criminal Proceedings envisaging a system of measures of public protection of parties in criminal proceedings, including security

measures and social protection of the aforementioned persons, are crucial for addressing the tasks of implementation of requirements of the Kyrgyz Republic Law on Protection of Witnesses, Victims and other Parties in Criminal Proceedings.

In this connection, in pursuance of the aforementioned paragraph of the Action Plan, the Prosecutor General's Office prepared instruction No. 112-u of 15 November 2012 on Ensuring Additional Measures for Strict Compliance with Requirements of the Law on Protection of Witnesses, Victims and other Parties in Criminal Proceedings and referred it to prosecutors of regional prosecution office for implementation.

KR Government Resolution No. 12 of 10 January 2014 approved the State Programme of Protection of Witnesses, Victims and other Parties in Criminal Proceedings for 2014-2016.

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Information provided in the progress update by the Kyrgyz Republic is about witness protection, not whistle-blower protection. It was, therefore, not possible to determine progress under this Recommendation.

Progress/lack of progress

April 2014: Lack of sufficient information to assess progress.

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.3. - Transparency and discretion in public administration

Implement in practice provisions on anti-corruption screening of draft legal acts and ensure publication of conclusions of such screening. Introduce anti-corruption review of effective legal acts, first of all in the most corruption-prone areas of regulation.

Conduct awareness-raising campaign on the rights of persons in administrative procedures according to the respective law.

Adopt special procedural rules for adjudication of administrative cases, i.e. complaints of private parties against public authorities, and consider setting up specialised administrative courts.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The Justice Ministry performs regular anti-corruption screening of legal acts submitted by the KR public agencies in accordance with their sector-specific policy. Upon the results of 2013, the Interdepartmental Commission for Cataloguing Legal Acts at the KR Justice Ministry conducted anti-corruption screening of 32 draft legal acts.

Training seminars were held on the basis of the KR Justice Ministry with support of international organisations on methodologies and strategies of anti-corruption screening of legal acts.

In addition to introducing an anti-corruption component to the legislation, there is a need to take measures for reducing the administrative and regulatory burden of the state on businesses using the guillotine strategy. It is necessary to increase the capacity, systemise and support the entire legislative process of ensuring obligatory anti-corruption screening of draft legal acts.

In this connection, a Memorandum of Understanding was signed on 19 March 2014 between the Government of the Kyrgyz Republic and the Organisation for Security and Cooperation in Europe (OSCE) Centre in Bishkek concerning the implementation of the regulatory reform project System Analysis of Regulation, which also envisages computerising the process of anti-corruption screening of legal acts. The implementation of this Project envisages introduction of clear legal definitions excluding ambiguous wordings, specifying the conceptual framework, eliminating collisions and excessive amounts of reference provisions the presence of which in matters of priority importance requires exceptions.

According to para 8 of the KR Presidential Decree on Measures for Eliminating the Causes for Political and Endemic Corruption in Bodies of Authority No. 215 of 12 November 2013, the Government of the Kyrgyz Republic, in cooperation with the business community, was instructed to develop measures of support of entrepreneurs aimed at reducing administrative and regulatory pressure of the state on business and introduce obligatory anti-corruption screening of effective legal acts, first and foremost in the most corruption-prone areas of regulation.

Aware of the importance of continuing the reforms, the Ministry applied to the OSCE Centre for support in analysis of the entire legal framework with a view to conduct anti-corruption screening of effective legal acts, assess the loyalty of effective legal acts toward business, and distribution of the principles of regulatory impact analysis and guillotine as the main tools of private sector regulation.

The Ministry's initiative was strongly supported by the OSCE Centre which proposed a separate project on regulatory reform envisaging the creation of a Council on Regulatory Reform under the chairmanship of the KR Prime Minister, comprehensive work on simplification and optimisation of the legal framework regulating business processes, employing international practices and procedures in the regulation area. The KR Justice Ministry has launched a campaign of raising the awareness on the rights of persons in administrative procedures according to the respective law in the course of which community liaison offices were opened in all regions of the Republic providing free counselling and legal services.

The KR Anti-Corruption Service of the State National Security committee also opened counselling offices in each regional centre, which received 3322 (1528) applications from citizens in 2013 alone, upon the consideration of which 62 (66) criminal cases were initiated. The counselling offices also provide free legal counselling to the population.

Work on interaction with mass media was also stepped up to ensure the coverage of high-profile cases on television, in printed media and on news agency websites. Special reports, television programmes, documentaries and public service announcements were prepared and demonstrated.

Televised reports on the main outcomes of the Anti-Corruption Service activities, as well as public service announcements of the series "Corruption from the Mouth of Children" are examples of measures that were favourably received by the population.

In 2013, the Anti-Corruption Service opened counselling offices in all regions of the country, where the procedures for receiving citizens' applications and complaints was considerably simplified. A round-the-clock telephone hotline and website is also operating. Additionally, the website of the Akipress news agency has posted an information banner of the Anti-Corruption Service.

Reported measures since April 2014:

The work is underway on shaping up a legislative operational framework for courts of law, which regulates matters of judicial administration and litigation proceedings, the judges' legal and social status and strengthening of guarantees of their independence, and raising their responsibility.

An advisory body under the Head of the State, namely the Council for Judiciary Reform, was established to coordinate measures on priority avenues of the ongoing judicial reform and ensuring government agencies' concerted actions with regard to implementation of main avenues in the area.

One of critical moves became Decree of the President of the Kyrgyz Republic of 8 August 2012 №147 «On measures on improvement of the administration of justice in the Kyrgyz Republic», which set out the main avenues of further improvement of the Kyrgyz Republic's judicial system and recommendations, including proposals on the most relevant aspects of and challenges to the judicial administration and litigation. The Decree contains a valuable analysis and specific propositions on a number of priority avenues of the judicial reform in the short run.

The said recommendations in the area of improvement of specialization of judges and courts of law provide for the need in implementation, at the initial stage, of specialization of judges and panels on administrative cases, with creation of administrative courts in the longer run.

It is assumed that once the development of the aforementioned bills is over, the expert task forces would be submitting them for consideration to the Council for Judiciary Reform under the KR President.

As concerns improvement of the administrative law and litigation proceedings, the recommendations provide for the need in the following:

- crafting the Concept of development of the administrative law;
- designing and putting into effect the Administrative Procedural Code, while excluding from the civil procedure law provisions on the procedure of consideration of administrative cases, etc.

On 1 February 2013, The Chief of Staff of the President of the Kyrgyz Republic signed an executive order in accordance with which, pursuant to the aforementioned Decree of the President of the Kyrgyz Republic of 8 August 2012 №147 «On measures on improvement of the administration of justice in the Kyrgyz Republic» and with account of members of the Council for Judiciary Reform under the President of the Kyrgyz Republic, government bodies concerned, and international organizations' proposals on forming expert task forces to develop bills aiming at improvement of procedural provisions and other provisions of law in the course of administration of justice, the following task forces were established:

- On the Criminal Code of the Kyrgyz Republic, the Code of Offences of the Kyrgyz Republic; and the Criminal Procedure Code of the Kyrgyz Republic;
- On the Correctional Code of the Kyrgyz Republic;
- On the Civil Procedure Code of the Kyrgyz Republic;
- On the Act of the Kyrgyz Republic «On enforcement proceedings of the Kyrgyz Republic»;
- On the Act of the Kyrgyz Republic which provides for introduction of amendments into some legislative acts of the Kyrgyz Republic with regard to raising responsibility of judges of the Kyrgyz Republic.

The task forces include academics, judges, lawyers, representatives of government bodies, experts from non-governmental and international organizations.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Progress has been made in regards to practical implementation of the legal acts screening, however, it is unclear if the results are being published. Numerous measures have been undertaken by the KR on awareness raising. It appears that no special procedural rules for adjudication of administrative cases, i.e. complaints of private parties against public authorities were devised, and there is no mention of consideration for setting up of specialised administrative courts.

October 2014: Numerous steps to implement the element of the Recommendation 3.3 pertaining to administrative courts have been reported. Judicial reform foresees establishment of administrative courts and its implementation can be reviewed in more detail in the 3rd round of monitoring.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.4. - Financial Control and Audit

Update Guidelines on Internal Audit to make them more practical and user-friendly.

Develop training materials on internal audit standards and responsibilities of the internal auditors, as well as special materials targeted at the management of the institutions where such services have been established, and conduct regular trainings with the use of the developed training materials.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

To ensure the implementation of internal audit tasks in keeping with the Midterm Action Plan for Reform of the Public Finance Management System in the Kyrgyz Republic, amendments were introduced to the Law on Internal Audit and the following regulations were adopted for ensuring effective internal audit:

(a) Regulation on the Internal Audit adopted by Government Resolution of the Kyrgyz Republic No. 498 of 09 September 2013.

(b) Government Resolution of the Kyrgyz Republic No. 721 of 31 December 2013 introducing the ethical standards for internal auditors of the public agencies and institutions in the Kyrgyz Republic.

(c) Regulation on Financial Management and Control in Public Sector Organisations adopted by Government Resolution of the Kyrgyz Republic No. 722 of 31 December 2013.

The process of retraining of representatives of the public sectors involved in financial management and control was launched at the training centre of the KR Finance Ministry. The process of certification of internal auditors is currently being developed.

Reported measures since April 2014:

In the frame of the ongoing reforms in the public finance administration system, measures are taken to improve the internal audit system. Such measures aim at improvement of the normative legal and methodological base, raising awareness to ensure an in-depth understanding of the substance and role of internal audit in the finance management area, and increase of the level of professional training of

internal audit specialists at the ministries and agencies for the sake of a higher-quality audit. To improve the internal audit system, until 1 July 2014 the KR Ministry of Finance had undertaken the following measures:

- Incorporation of a Chapter on internal audit into the draft Budget Code;
- Incorporation of amendments into the Act of the Kyrgyz Republic "On internal audit" (as reworded as of 7 February 2014, № 29) in regard to development of strategic and annual plans of holding internal audit on the basis of risk assessment with account of the opinion of the head of the object of internal audit. The changes in question help qualitatively change the methodological approach to the internal audit units' operation in the public administration sector;
- Development and approval of the Standards of Internal Audit in the Kyrgyz Republic (Resolution of the Government of the Kyrgyz Republic №296 of 3 June 2014). The Internal Audit Standards create grounds for assessment of the quality of internal audit units' performance. As to their structure, the Standards are based upon the Institute of Internal Auditors' International Professional Practices Framework;
- Development of the Ethical Standards for internal auditors of government agencies and institutions of the Kyrgyz Republic approved by Resolution of the Government of the Kyrgyz Republic № 721 of 21.12.2013. Compliance with the Ethical Standards promotes trust in auditors and their work. This also constitutes a pillar to enhancement of the quality of internal audit;
- Development and approval of the Statute on Financial Management and Control at Budget Institutions (Resolution of the Government of the Kyrgyz Republic № 721 of 21.12.2013). This document allows improvement of the internal auditors' operation with regard to risk management in the public administration sector, securing independence of the internal audit and implementation of elements of the COSO model.

In exercise of their duties, the internal audit units are currently guided by provisions of the Internal Audit Guidelines, which was approved by executive order of the Ministry of Finance of the Kyrgyz Republic of 17 March 2008 № 54-p, and by methodological guidelines. Prior to their approval with executive order of the Ministry of Finance of the Kyrgyz Republic of 17 March 2008 № 54-p, the government agencies had failed to develop Internal Audit Guidelines for their internal audit units. At the moment such units operate already at 19 ministries and agencies, and their number is on the rise. The internal audit units' operation in accordance with the effective Guidelines showed the need in its improvement, which is why the document was redrafted, and its new version is currently at the stage of its accommodation by interested parties for a subsequent approval.

To coordinate training and capacity building activities for internal auditors the Ministry of Finance periodically holds workshops and training sessions to raise their qualification, conducts study tours overseas to familiarize them with good practices.

While delivering technical assistance, international donor organizations developed dedicated "Internal Audit" training modules to boost internal auditors' professional competencies. It is planned to conduct on their basis a regular training of internal auditors since September 2014. At the initial stage, the Ministry of Finance of the Kyrgyz Republic will train coaches who will subsequently be tasked to train public internal auditor units' staff. It is also planned to transfer the said training modules to the Training Center under the Ministry of Finance of the Kyrgyz Republic to use them for capacity building and training of the Ministry's staff.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Kyrgyz Republic didn't provide explicit information on simplification of the Guidelines, however, a lot has been done on improvement of the regulations on the Internal Audit and it would merit taking a look at the new regulations to clarify if they are indeed more simple and user-friendly. Kyrgyz Republic also undertook training in the systemized fashion.

October 2014: Further steps on both updates of the guidelines and conduct of the training have been reported.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.5. - Corruption in public procurement

Ensure that adequate resources are allocated to the Main Procurement Unit to carry out its functions and that established rules and requirements are diligently enforced and supplemented by effective system of internal control in purchasing organisations.

Provide continuous training on integrity in public procurement, especially to the officials of purchasing organisations.

Ensure that confidentiality principle is well balanced with the need of public access to information on procurement, in particular ensure that tender documentation, procurement procedure protocol, main information on single-source procurement can be obtained on request by any person.

Reconsider policy on the costs of the remedy procedures to allow a wider access to complaint system.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

Government Resolution of the Kyrgyz Republic No. 68 of 3 February 2014 established the Department for Public Procurement at the Finance Ministry of the Kyrgyz Republic as a special agency in charge of the public procurement policy in the Kyrgyz Republic. We are also interested in ensuring the staffing of the Department with highly qualified specialists on a long-term basis and are studying various options of decent remuneration of the Department employees.

In addition, the Finance Ministry of the Kyrgyz Republic developed a Draft Law on Public Procurement aimed primarily at the elimination of corruption elements in the sphere of public procurement and the possibilities for corruption (office abuse) for persons responsible for public procurements. The Law of the Kyrgyz Republic on Public Procurement was adopted by the Government of the Kyrgyz Republic and will be reviewed by Zhogorku Kenesh of the Kyrgyz Republic. Draft by-laws were also prepared envisaging the creation of an independent bidding mechanism. The by-laws will be adopted immediately after the new Law.

In order to enhance transparency of the public procurement system, on 9 April 2012 the Finance Ministry launched an electronic procurement portal (www.zakupki.okmot.kg). The portal has considerably improved its coverage and functionality since the moment of its launching. Starting 2012, all procurements of public agencies of the Kyrgyz Republic are published on the public procurement portal.

We are planning to further develop the public procurement portal, including the development of modules for online procurements and the use of electronic digital signatures. The introduction of the new system will require the training of the regulator, implementing agencies, the independent bidding commission, as well as representatives of the private sector.

Reported measures since April 2014:

To ensure observance of openness and transparency in the public procurement system, an e-portal for public procurement of the Kyrgyz Republic was developed and launched in a pilot mode on 9 April 2012.

To ensure transparency of procurement procedures since early 2012 all the central government bodies' announcements have been posted on the e-procurement Portal of the Kyrgyz Republic. The electronic public procurement system appears a flexible mechanism which reacts at the procuring organization and the prospective supplier's act. In other words, the system ensures a practically complete automation of procedures of procurement planning, completion of tender documentation, publication of an announcement, completion and submission of a bid, evaluation and opening of tender bids, selection and publication of successful bidders' names. That is to say, for example, while drafting tender documentation one has to follow a strict sequence of steps to be completed and moving to next step is impossible where information provided at the previous step proved incorrect. The system also automatically gives user-prompts and highlights erroneous entries.

So, procuring organizations have now enjoyed such options as electronic publication of an annual plan, formation and publication of e-procurements with a detailed reference to requirements to prospective bidders, an automated completion of the bid opening report, findings of an offline bid evaluation with nomination of winners, and their publication on the portal's Homepage.

The supplier can likewise make use of such options as various user-prompts and a logical and stage-by-stage entry of data, the possibility to attach documents, etc.

The system automatically opens bids and publishes the respective report with evaluation results and winner selection and makes them publicly available on the electronic public procurement portal (<http://zakupki.gov.kg/>).

The launch of the new electronic public procurement system has ensured:

- completion of bids in full and in accordance with the procuring organization's qualifying requirements;
- exclusion of a possibility for selling out tender documentation;
- a practically full exclusion of the human factor from the bid evaluation and winner selection procedures;
- a significant simplification and streamlining of the bid evaluation procedure;
- mitigation of corruptogenic risks associated with lobbying and promotion of "crony" suppliers;
- saving (by more than 50 %) time and costs associated with bid completion and submission;
- suppliers and all the parties concerned, including the civil society and business community, enjoying the possibility for obtaining information about procurement from a single centralized source and having unrestricted access to statistics and analytical data on both ongoing and already terminated procurement.

In compliance with Art. 63 of the Act of the Kyrgyz Republic «On public procurement», prior to the tender commission making decision on nomination of the winner, bidders have the right to submit a complaint to the procuring organization. The procuring organization shall consider such a complaint within 3 business days starting from the date of its submission.

In compliance with Art. 65 and 67 of the said Act, where the procuring organization has failed to render its decision or the supplier (contractor) has remained displeased with such a decision, then the supplier (contractor) has the right to appeal to an authorized government body and, subsequently, to the court of general jurisdiction. In that case, the authorized government body has the right to apply one or several legal remedies, including:

-the ban on the procuring organization's unlawful acts, or making unlawful decisions, or application of unlawful procedures;
- cancellation, in full or in part, the procuring organization's unlawful decision;
- cancellation of the procuring organization's unlawful decision made in violation of the bidding procedure;
- forcing the procuring organization to compensate for the complainant's costs, less *lucrum cessans* (opportunity costs) in connection with implementation of the procurement procedure due to the procuring organization's unlawful act or decision, and implementation of an unlawful procedure;
- rendering a decision to terminate the procurement procedure.

As well, participants in the procurement procedures have the possibility for posting their questions to the authorized body on the Public Procurements Portal.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Considerable number of steps has been reported by the Kyrgyz Republic on a majority of the elements of the Recommendation 3.5. New procurement institution (unit) has been established and e-procurement portal launched – these are positive developments and will need to be followed up on to see how they work in practice. Some elements of the Recommendation 3.5., such as access to information, costs of remedial steps and training have not been covered in the current government's progress update and do not allow to fully assess progress on all of the Recommendation's elements.

October 2014: Further steps on implementation of Recommendation 3.5 have been reported. Further implementation of the e-procurement is commendable. It appears that steps to put a remedial system in place are being taken as well. Some elements of the recommendation remain however un-addressed.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.6. - Access to Information

Reform legislation on access to information according to international standards and best practice by consolidating relevant provisions in one law and by aligning other legislative acts (and first of all the law on state secrets) with the access to information law. Carry out a campaign to raise awareness of citizens on the implementation of the access to information right.

Repeal criminal and administrative liability for insult, and review the civil law provisions concerning liability for defamation, in particular by introducing an exemption from liability for expression of value judgments.

Abolish duty of the Prosecutor General to protect honour and dignity of the President.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

Article 33 of the Constitution (of 25 June 2010)

1. Everyone shall have the right to freely seek, receive, keep and use information and disseminate it orally, in writing or otherwise.
2. Everyone shall have the right to acquaint with the information on himself/herself in state authorities, local self-governance bodies, institutions and organizations.
3. Everyone shall have the right to obtain information on the activity of state authorities, local self-governance bodies as well as officials thereof, legal entities with the participation of state authorities and local self-governance bodies as well as organizations financed from the republican and local budgets.
4. Everyone shall be guaranteed access to information in the possession of state authorities, local self-governance bodies as well as officials thereof. The regulations of providing information shall be envisaged in the law.
5. No one may be subject to criminal prosecution for the dissemination of information which abases or humiliates honour and dignity of a person.

Starting 2006, the “Precedent” partnership group has been conducting training in information access throughout the entire territory of Kyrgyzstan, including public agencies.

By decision of the Constitutional Chamber of the Supreme Court of 06 November 2013 Article 128 (Insult) of the KR Criminal Code was recognised unconstitutional.

Reported measures since April 2014:

The draft Act «On introducing amendments to the Act «On access to information»» reads that the Act «On guarantees and freedom of access to information” shall become inoperative.

[Abolish duty of the Prosecutor General to protect honour and dignity of the President.]Basing on this recommendation, in July 2014, the Prosecutor General’s Office submitted a note to the Prime Minister regarding consideration of a possibility for its development and implementation.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Based on the information provided, the Law on access to information is still not adopted (Article 33, para 4 of the Constitution). No information about activities for raising awareness on access to information right was provided. A positive development is the decision of the Constitutional Chamber of the Supreme Court regarding Article 128; now further steps will need to be taken to repeal this article all together. No information regarding other elements of the second part of the Recommendation 3.6. has been provided to make a proper judgement regarding progress made by the Kyrgyz Republic to implement them. Therefore, although, some limited progress has been made under this Recommendation, the Kyrgyz Republic will need to step up its efforts on implementation of the Recommendation 3.6.

October 2014: Some additional steps on implementation of Recommendation 3.6 have been reported by Kyrgyzstan, including steps to further streamline access to information legislation by repealing one of the “duplicating acts” in the draft legislation, as well as steps to try and address last element of the recommendation 3.6. on duty to protect President’s honour. Having noted these steps the experts highlight the need for many more measures to implement this recommendation fully.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.7. - Political corruption

Set a limit for the amount of a membership fee and a single donation from natural and legal persons for the routine (not related to elections) activities of the political parties.

Ensure publication of detailed reports submitted by parties on their income and expenditures, as well as monitoring of their finances by an independent state authority in line with international standards.

Establish liability for violations of the regulations on political party/elections financing.

Ensure wider involvement of the civil society in monitoring of the financing of the electoral campaigns to make sure that funds used for campaigns are acquired and spent in a transparent manner.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

Article 42 of the Constitutional Law of the Kyrgyz Republic on Elections of the President of the Kyrgyz Republic and Deputies of Zhogorku Kenesh of the Kyrgyz Republic, and Article 16 of the Law of the Kyrgyz Republic on Elections of Deputies of Local Keneshes stipulate that control over the formation and expenditure of election funds by candidates and political parties is exercised by election commissions. Resolution of the Central Commission for Elections of the Kyrgyz Republic No. 30 of 15 July 2011 approved the Instruction on the order of formation, accounting of income and expenditure of money of the election fund of a candidate for the position of President of the Kyrgyz Republic; Resolution of the Central Commission for Elections of the Kyrgyz Republic No. 14 of 25 January 2012 approved the Instruction on the order of formation, accounting of income and expenditure of money of the election funds of candidates to deputies of local keneshes of the Kyrgyz Republic. In addition, Resolution of the Central Commission for Elections of the Kyrgyz Republic No. 19 of 31 January 2012 approved the Provision on the controlling and auditing group at the Central Commission for Elections of the Kyrgyz Republic in elections of deputies of local keneshes. On the basis of the aforementioned legal acts, a controlling and auditing group is set up at the Central Commission for Elections for controlling the sources, proper accounting and expenditure of the election funds of candidates, political parties, and electoral associations. The controlling and auditing group includes: head of the controlling and auditing group, his/her deputy, members of the election commission appointed to the controlling and auditing group, external specialists from law enforcement, financial and other public agencies, organisations and institutions.

On written instruction of the Central Commission for Elections, the controlling and auditing group:

- (1) audits financial reports of candidates, political parties and subordinate election commissions;
- (2) requests and receives information from candidates, political parties and election commissions on all issues within their competence;
- (3) controls compliance with the existing procedures for election campaigning, implementing other measures directly related to election campaigns of candidates and political parties;

- (4) contacts public agencies and organisations irrespective of their forms of ownership, as well as individuals on matters referred to the competence of the controlling and auditing group, requests the necessary data and materials related to financial support of elections. Responses to the applications of the controlling and auditing group and the materials requested by it are to be presented within three days, and in the period 5 or less days prior to elections – immediately;
- (5) prepares documents on financial violations in the financing of elections;
- (6) raises issues before relevant election commissions concerning the imposition of liability on candidates, political parties as well as individuals and legal entities for violations committed in the financing of candidates' and political parties' election campaigns;
- (7) attracts experts to conducting audits, preparation of conclusions and expert evaluations.

Upon the results of past elections of deputies of local keneshes of the Kyrgyz Republic, a report on the movement of cash of election funds of candidates and political parties is regularly placed on the official website of the Central Commission for Elections www.shailoo.gov.kg. It is also necessary to mention the cooperation of the Central Commission for Elections with non-governmental organisations in these matters. Starting 2012, the Central Commission for Elections has been providing consultative support to the "Interbilim" International Centre in implementation of the project of building civil society's potential for Campaign Finance Observation.

The project is aimed at effective monitoring of political party expenditure while campaigning, with particular reference to the abuse of state resources. In 2013, the "Interbilim" International Centre issued a publication in the form of recommendations on improvement of the legislation of the Kyrgyz Republic regulating political party election fund formation and expenditure, in connection with which amendments were introduced to the legislation, and part of the issues are under review of Zhogorku Kenesh of the Kyrgyz Republic.

Reported measures since April 2014:

The Zhogorku Kenesh is currently considering a bill "On political parties in KR".

The bill holds that the amount of donations a political party collects from a given legal entity over a calendar year may not exceed an amount equivalent of fifty thousand minimum wages established by the KR law as of the date of collection, while that from a private individual – five thousand minimum wages.

The draft Act of KR «On political parties in KR» reads as follows:

Art. 31. Financial Reporting by Political Parties

1. The political party and its territorial branches submit financial and accounting reports following the procedure and within the timelines established by the Kyrgyz Republic's law.
2. The political party shall annually, no later than 20 March of the year following the accounting year, submit to a tax office the consolidated financial report on the political party's incoming and outgoing cash flows over the accounting year.
3. The political party's consolidated financial report shall contain information about sources and amounts of cash received into the political party and its territorial branches' accounts, its spending, as well as the political party' assets with a reference to their value and information about their registration, with the funds spent by the political party and its territorial branches on preparations for, and participation in, elections being accounted separately.

The consolidated financial reporting form and rules of filling it in are established by the tax service in compliance with the present Act and other normative and legal acts.

4. The political party shall annually, no later than 20 March of the year following the accounting year, publish in printed media the consolidated financial report data by using the form established by the tax office.

Based on elections outcome, a report on cash flow of candidates, political parties' electoral funds is regularly posted on the Central Electoral Commission's website at: www.shailoo.gov.kg.

Art. 42 of the Constitutional Act of KR «On elections of the KR President and deputies of the Zhogorku Kenesh of KR» reads that control over the procedure of formation and spending of candidates' political parties' electoral funds is exercised by electoral commissions.

Art. 46 of the said Constitutional Act holds that where a political party, while financing its electoral campaign, has spent, in addition to moneys in its electoral fund, other cash equivalent of over 0.5% of the total amount of cash collected into that political party's electoral fund, or where the political party's expenses from its electoral fund have exceeded by more than 0.5% a pre-established ceiling amount of all the expenses from the political party's electoral fund, the registration of that political party's list of candidates shall be canceled.

The bill "On political parties" also holds that where political parties have breached the Constitution of the Kyrgyz Republic, the present Act and other normative and legal documents, they shall be punished, with respective sanctions taking the form of **warning, suspension of operation and liquidation**.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Information about the measures taken to implement recommendation 3.7 refers to financing of electoral campaigns. No information about routine financing of political parties, sources of income, expenditures, audits, possibility to transfer finances from regular account to the account for financing electoral campaigns was provided.

No information about establishment/enforcement of the liability for violations of the regulations on political party/elections financing was provided.

No information was provided about the new Law on Political Parties, in the monitoring report from 2012 authorities stated that it is drafted but it appears that the 1999 Law remains to be in force.

Progress was made in controlling and monitoring of the financing of electoral campaigns for local keneshes and amendments to the legislation for political party election fund formation and expenditures are currently under review.

October 2014: Draft law on Political Parties which is right now being reviewed by the Parliament seems to contain provisions that would help address the first element of Recommendation 3.7. Other elements of this recommendation are being partially dealt with through Articles 41, 42, 46.

Progress/lack of progress

April 2014: Lack of sufficient information to assess progress

October 2014: New assessment: Progress

Recommendation 3.8. - Integrity in judiciary

Continue reforming the legislation on the judiciary in order to strengthen the guarantees of judicial independence, their irremovability from office, and elimination of corruption possibilities, in particular:

- exclude or significantly limit the role of the Parliament in appointment of judges;

- revise the composition and the procedure for forming the Council for Selection of Judges;
- establish uniform criteria for selection of judges on the basis of personal qualifications;
- provide clear grounds for, and modify the procedure of, bringing judges to disciplinary responsibility in order to comply with the fair trial guarantees and prevent arbitrary dismissal of judges from office while ensuring effective accountability of judges;
- establish the amount of judicial remuneration in law.

Ensure implementation in practice of an automated case assignment system and that information on case assignment is open; ensure publication of court decisions on the Internet.

Consider abrogating the procedure for revision of court decisions through supervisory review.

Ensure that the constitutional jurisdiction body is formed and functions.

Reform the public prosecution bodies to ensure their independence and accountability; in particular, define an exhaustive list of clear grounds for dismissal of the Prosecutor General and other prosecutors.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

As of today, there are three priorities in this respect. The first is the selection of judges, second – development of a revamped law of procedure, and third is the forthcoming development of the judiciary system in the Kyrgyz Republic up to the year 2017.

In respect of the first priority, according to the existing procedures, the Council for Selection of Judges of the Kyrgyz Republic selected candidates to judges; the Supreme Court of the Kyrgyz Republic, the Constitutional Chamber of the Supreme Court of the Kyrgyz Republic, all regional courts and most of martial-law courts have been formed with the participation of President and Zhogorku Kenesh of the Kyrgyz Republic and are successfully functioning. Changes are presently being introduced to the process of selection of judges aimed at lowering the level of discretion and ensuring recruitment of the best candidates.

In respect of the second priority, the recommendations produced in the course of public consultations on further reform of the judiciary system in the Kyrgyz Republic were accepted as the basis for ensuring coordinated actions of the country's public agencies; the Council on Judiciary Reform was created in the context of such reform under the President of the Kyrgyz Republic. Seven expert task forces were formed and are working on the development of relevant draft laws of procedure and other legal acts.

In respect of the third priority, the Council of Judges of the Kyrgyz Republic, on behalf of the judiciary system, prepared and submitted to the Government of the Kyrgyz Republic a Draft State Target Programme of Development of the Judiciary System of the Kyrgyz Republic for 2014-2017. This is a major achievement providing a platform for an independent budget of the judiciary system and envisaging gradual but significant increase in the amount of resources allocated to this sector. More specifically, further gradual increase of the judiciary system financing will start in 2015 by an annual 10 percent over the period of the previous year (2014) and will ultimately reach the ceiling of 1 percent of the republican budget expenditure.

The Government is also taking measures for raising the salaries of workers of the judiciary system with a view to boost motivation and reduce corruption phenomena. Resolutions on Remuneration of Labour of Public and Municipal Servants in the Kyrgyz Republic No. 384 of 28 June 2013 and on Labour Remuneration of Judges of the Kyrgyz Republic, Public Servants of the Supreme Court Staff of the Kyrgyz Republic, the Staff of the Constitutional Chamber of the Supreme Court of the Kyrgyz Republic No. 560 of 18 October 2013 were adopted and entered into force as of 1 October 2013. In comparison with 2013, work on reform of the judiciary system is underway in 2014 aimed at an overall salary increase by 51.9 percent.

We have also taken measures for increasing transparency of the judiciary system. The Judiciary Department at the Supreme Court of the Kyrgyz Republic prepared a report on statistical data which is available on the websites of the Council of Judges (www.sskr.kg) and the Supreme Court (sudsistem.kg). These statistical data will further on be published in the bulletin of the Supreme Court of the Kyrgyz Republic and can be used for assessment of the impact of governmental reforms on the functioning of the judiciary system.

Resolution of the Zhogorku Kenesh of the Kyrgyz Republic No. 3065-V of 15 May 2013 on Election of Judges adopted KR Constitutional Law on the Constitutional Chamber of the Supreme Court of the Kyrgyz Republic No. 37 of 13 June 2011. Judges were selected on a competitive basis and the Constitutional Chamber has been staffed. At present, the Constitutional Law on the Constitutional Chamber of the Supreme Court of the Kyrgyz Republic has proceeded to reviewing cases.

The Law on the Prosecution Office of the Kyrgyz Republic contains an exhaustive list of grounds for dismissing the Prosecutor General and other prosecutors, and the terms of 5 and 7 years are established for remaining in office with subsequent rotation. The expiration of these terms shall not constitute grounds for dismissal.

Reported measures since April 2014:

In the meantime, amendments have been introduced into Act of the Kyrgyz Republic “On the Judicial Selection Council of the Kyrgyz Republic” of 13 June 2011 N 40 and Constitutional Act “On the status of judges of the Kyrgyz Republic” of 9 July 2008 N 141 to ensure a more transparent procedure of competitive selection of judges.

In compliance with provisions of the Act of the Kyrgyz Republic “On the Judicial Selection Council of the Kyrgyz Republic”, the 24-strong Council is manned with judges selected by the Council of Judges of the Kyrgyz Republic, civil society representatives, and those elected by the parliamentary majority and opposition at the Zhogorku Kenesh.

In compliance with the recently adopted Constitution, the procedure of appointment of judges to the Supreme Court and local courts was changed – nowadays, judges of courts of first and second instances are appointed by the KR President for the first term of 5 years and subsequently - until the mandatory retirement age, i.e. 65 years, while the Zhogorku Kenesh elect Supreme Court judges aged under 70 years; the procedure of election and appointment of chairs of courts of all the levels was also modified – all of them, including the Supreme Court and Constitutional Chamber chairs, shall be elected by a meeting of judges of respective courts for the term of three years. That said, the same person may hold the position in question for no more than 2 consecutive terms.

Matters pertaining to judges’ disciplinary responsibility fall under the remit of the Council of Judges of the Kyrgyz Republic. It is an elected judiciary self-regulation body consisting of 15 judges elected by the congress of judges for a three-year term.

In compliance with the Constitutional Act of the Kyrgyz Republic “On the status of judges of the Kyrgyz Republic”, the judge may be brought to disciplinary responsibility for commitment of a disciplinable

offense which is understood as the judge's action or inaction that fails to meet the irreproachable conduct requirements established by the national law, as well as engagement in activities incompatible with the chair.

On the basis of a functional analysis of the judiciary system and pursuant to Decree of the President of the Kyrgyz Republic of 8 August 2012 №147, the Supreme Court of the Kyrgyz Republic in cooperation with representatives of the KR President Staff, the Council of Judges and the Administration of Justice Department under the Supreme Court of the Kyrgyz Republic developed a draft State Target Program "Developing the judiciary system of the Kyrgyz Republic for 2013-2017", with the ultimate objectives being a greater judges' independence, combat against corruption, boosting the quality and accessibility of administration of justice, including, *inter alia*, improvement of the financial, technical and administrative support to courts of law, which implies refurbishment, reconstruction and construction of judiciary offices, their computerization and provision of other technical facilities and equipment.

The State Target Program seeks to solve new challenges associated with the nation's strive to meet the global standards in the area of administration of justice and driven by progress in the IT area.

The Program suggests a holistic solution to the problem of ensuring accessibility, openness and transparency of administration of justice, bolstering the society's trust in it and efficacy of trials, judges' independence, a stricter enforcement of courts' rulings, and creation of proper conditions to administer justice.

In accordance with the Program, there was developed an action plan which aims at attainment of the objectives and tasks of developing the judicial system, and its envisaged ultimate outputs.

The Supreme Court began to build an e-base of judicial acts. Since April 2013, when a dedicated top-notch portal had become up and running at www.sot.kg, the e-base has become available to local courts of the capital city of Bishkek, Osh and Chyuskaya regions, and the work is underway to get the remaining courts connected thereto.

The ultimate goal of the process is to make information about court hearings, cases, time and place of their consideration, and texts of rulings indiscriminately available to the general public.

Presently, a vigorous work is underway to implement other modules of the portal in question, which should ensure automation of business processes at courts of law, including an automated assignment of cases, e-administration of justice, a verdict enforcement module, etc.

In addition to www.sot.kg, the Supreme Court on a permanent basis works to ensure openness of administration of justice and making the information on courts' operations publicly available.

More specifically, a new Supreme Court's website, www.jogorku.sot.kg, went live since late 2012. The new website provides detailed information of courts' operations and the ongoing judiciary reform.

The website also provides for an online acceptance of claims and petitions from citizens and corporations, which should have a positive effect on the level of courts' openness and transparency.

In compliance with Art. 96 of the Constitution, the Supreme Court is the supreme judicial authority in regard to civil, criminal, economic, administrative and other cases, and as such, on request by parties to the trial and following the procedure prescribed by law, it may review local courts' verdicts.

In compliance with Art. 14 of the Act of the Kyrgyz Republic «On the Supreme Court of the Kyrgyz Republic and local courts of law» the Supreme Court exercises oversight of the local courts' judicial practice in the form of review of their verdicts on request of parties to the trial.

In compliance with Art. 114 of the Constitution of KR of 27.06.2010:

1. Act on introducing amendments to the Constitution may be adopted by referendum set by the Zhogorku Kenesh.
2. Amendments to Sections Three, Four, Five and Six (**judicial power of the Kyrgyz Republic**), Seven and Eight of the Constitution may be adopted by the Zhogorku Kenesh on proposal by the majority of the overall number of the Zhogorku Kenesh deputies or by initiative of no less than 300,000 voters.

NB! In compliance with Act of KR of 27 June 2010, clauses of Section Two Art. 114 shall go into effect as of 1 September 2020.

Art. 5 “Guarantees of Independence of Prosecution Service” of the Act «On the Prosecutor General’s Office of the Kyrgyz Republic» holds that:

1. Interference in the prosecution authorities’ operations is prohibited.

Exerting influence in any form on the prosecutor for the purpose of preventing him from exercise of his powers or <encouraging> him to make an unlawful decision, as well as failure to comply with a prosecutor’s remedial action order, legal notice entails liability imposed by law.

2. The prosecutor, investigative officer of a prosecution service is not obligated to give any representations on the merits of cases and materials at hand or to disclose them to anyone otherwise than where it is prescribed by law and following an established legal procedure. No one may disclose documentation of examinations and cases until their completion without the respective prosecutor’s consent.

Art. 13. Accountability of the Prosecutor General

1. The Prosecutor General reports to the President of the Kyrgyz Republic and the Zhogorku Kenesh of the Kyrgyz Republic.

2. The Prosecutor General submits an annual report on the state of rule of law in the Kyrgyz Republic to the President and Zhogorku Kenesh of the Kyrgyz Republic.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Progress on some parts of the Recommendation 3.8. appears to be made. It appears that judiciary is undergoing major reforms. Constitutional body has been set up in the Kyrgyz Republic; steps are taken to provide for better remuneration. It is unclear how new reform will in practice influence independence of the judiciary but this can be looked into the 3rd round of monitoring. No information was provided on random case allocation and how it is being implemented in practice.

October 2014: Further steps have been reported by the Government of Kyrgyzstan aimed at implementation of the Recommendation 3.8 – most elements are in one way or another partially being addressed, including independence of the judiciary, selection and appointment of judges, random case assignment, and reform of the prosecution service. Kyrgyzstan appears to be moving in the right direction toward full implementation of this recommendation.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

Recommendation 3.9. - Integrity in the private sector

Establish a dialogue with business to raise awareness about risks of corruption and solutions for private sector, to solicit inputs for the review of the legal acts relevant for private sector with a view to reducing possibilities for corruption.

Facilitate, in close co-operation with business unions and civil society organizations, promotion and enforcement of internal corporate compliance programmes with due account of the best international

practice and standards, in particular, Annex 2 to the OECD Council Recommendation of 26 November 2009.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

An Expert Panel was set up at the Consultative Council, which includes representatives of both public agencies and the nongovernmental sector and the civil society.

- *Public anti-corruption screening of legal acts*
- *Public hearings of draft legal acts with the participation of experts and representatives of civil society institutions*
- *Monitoring by the public supervisory councils, the anti-corruption Consultative Council of the public supervisory councils*
- *Anti-Corruption Forum at the Ministry of the Economy of the Kyrgyz Republic*
- *Uniting the civil society sector through the Memorandum of Association against Corruption. A total of 25 civil society institutions signed this Memorandum*
- *Creation of task forces at the public agencies and bodies of local government, involving independent experts and specialists for purposes of eliminating factors causing corruption, development of anti-corruption models and analysis of administrative procedures in various spheres of the economy and public administration.*

Reported measures since April 2014:

No new reported actions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

April 2014: Through the information provided under recommendations of Pillar 1 and this recommendation, the Kyrgyz Republic reported numerous steps taken towards implementation of the Recommendation 3.9. Engagement with the private sector seems to have activated considerably and the business sector appears to be developing internal controls within the companies and undertaking other compliance measures. Therefore, the Kyrgyz Republic seems to be moving in the right direction.

Progress/lack of progress

April 2014: Progress

October 2014: April 2014 assessment remains unchanged.

PART II: OTHER MAJOR ANTI-CORRUPTION DEVELOPMENTS

(Description of other major anti-corruption developments, which were not covered by the recommendations, such as any new policy, legislative, administrative, or case law developments since the adoption of the report, to be provided by the National Coordinator)