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ISTANBUL ANTI-CORRUPTION ACTION PLAN

FOURTH ROUND OF MONITORING

ARMENIA

PROGRESS UPDATE REPORT

The report was adopted by the OECD/ACN at the Istanbul Anti-Corruption Action Plan monitoring meeting on 21 March 2019.

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BACKGROUND

About the OECD

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the world. Find out more at www.oecd.org.

About the Anti-Corruption Network for Eastern Europe and Central Asia

Established in 1998, the main objective of the Anti-Corruption Network for Eastern Europe and Central Asia (ACN) is to support its member countries in their efforts to prevent and fight corruption. It provides a regional forum for the promotion of anti-corruption activities, the exchange of information, elaboration of best practices and donor co-ordination via regional meetings and seminars, peer-learning programmes and thematic projects. ACN also serves as the home for the Istanbul Anti-Corruption Action Plan. Find out more at www.oecd.org/corruption/acn/.

About the Istanbul Anti-Corruption Action Plan

The Istanbul Anti-Corruption Action Plan is a sub-regional peer-review programme launched in 2003 in the framework of the ACN. It supports anti-corruption reforms in Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Ukraine and Uzbekistan through country reviews and continuous monitoring of participating countries' implementation of recommendations to assist in the implementation of the UN Convention against Corruption (UNCAC) and other international standards and best practice. Find out more at www.oecd.org/corruption/acn/istanbulactionplan/.

PROGRESS UPDATE METHODOLOGY SUMMARY

After the adoption of the Monitoring Report, the evaluated country presents a Progress Update at each subsequent ACN Plenary meeting.

The **Progress Update** begins with a description of the methodology, followed by the summary of the assessment of implementation of recommendations, as agreed during the Plenary Meeting of September 2016. It then goes into each recommendation separately, providing the country report, as well as the ACN and expert evaluation. Each recommendation section includes all progress updates since the last monitoring report.

The Progress Update follows the following steps:

1. Progress Update reports are prepared by country representatives

These documents include information on implementation measures taken for each recommendation, and may also cover additional anti-corruption developments. Country representatives submit a written Progress Update report to the ACN Secretariat through appointed National Co-ordinators, together with supporting documents, such as laws and statistical data. Civil society also submits alternative reports on progress.

2. Preparation of preliminary assessment by ACN Secretariat and experts

The Secretariat and the experts who contributed to the Monitoring Reports (or delegates replacing the experts) study the Progress Update reports and prepare a draft progress assessment for the Plenary Meeting. Civil society is also invited to contribute to the evaluation.

3. Discussion at ACN Plenary meeting

ACN Secretariat and experts discuss the Progress Update during a bilateral preparatory meeting with country representatives. The Plenary then discusses and endorses the assessment.

4. Finalisation of Progress Update

Following the Plenary Meeting, the Secretariat adds the final assessment to the Progress Update reports, finalises and publishes them on the ACN website.

PROGRESS UPDATE SUMMARY

The 4th round [monitoring report](#) on Armenia was adopted in July 2018. This report looks into the progress made by Armenia to implement recommendations of the monitoring report since the adoption of the report till March 2019.

20th Istanbul Anti-Corruption Action Plan Monitoring Meeting March 2019: The progress update report was submitted by the national coordinator Ministry of Justice of Armenia and alternative reports were presented by NGOs: Armenian Lawyer’s Association (ALA), Transparency International Armenia (TIAC), Freedom of Information Centre of Armenia (FOICA) and Protection of Rights without Borders. In addition, alternative reports in relation to the recommendations on integrity in higher education in Armenia have been presented by Open Society Foundation Armenia and TIAC.

The report was reviewed by following experts: Mr Wojtek Zielinski (OECD/GOV), Mr Dirk Plutz, (EBRD), Mr Grigory Gruzinov (IIB) Ms Rusudan Mikhelidze (ACN Secretariat).

As the Government was not present at the plenary meeting, the findings were presented at the Plenary Meeting, however, it was not adopted due to the absence of the representative of the Government of Armenia. The report was finalized by the assessment team and shared with the national coordinator.

Progress was noted in relation to 7 recommendations and the lack of progress in relation to 22.

Recommendation	20 th Plenary Meeting March 2019
Recommendation 1: Anti-corruption policy documents	Lack of Progress
Recommendation 2: Public awareness raising and education	Lack of Progress
Recommendation 3: Anti-Corruption policy and coordination institutions	Lack of Progress
Recommendation 4: Civil service reform policy	Lack of Progress
Recommendation 5: Institutional framework for civil service	Progress
Recommendation 6: Ethics commissions in state bodies	Lack of Progress
Recommendation 7: Implementation of civil service and public service laws	Progress
Recommendation 8: Merit-based recruitment	Lack of Progress
Recommendation 9: Remuneration	Lack of Progress
Recommendation 10: Conflict of interests	Lack of Progress
Recommendation 11: Asset declarations	Progress
Recommendation 12: Ethics codes and training	Lack of Progress
Recommendation 13: Whistleblowing	Progress
Recommendation 14: Integrity of political officials	Lack of Progress
Recommendation 15: Integrity in the judiciary	Progress
Recommendation 16: Integrity in the public prosecution service	Lack of Progress
Recommendation 17: Transparency and accountability in public administration	Progress
Recommendation 18: Access to information	Lack of Progress
Recommendation 19: Public procurement	Progress
Recommendation 20: Business integrity	Lack of Progress
Recommendation 21: Criminal law	Lack of Progress
Recommendation 22: Detection and investigation of corruption	Lack of Progress
Recommendation 23: Enforcement of criminal liability	Lack of Progress

Recommendation 24: Anti-corruption law-enforcement bodies	Lack of Progress
Integrity in Higher Education	
Recommendation 1: Anti-corruption policy	Lack of Progress
Recommendation 2: Staff policies	Lack of Progress
Recommendation 3: Compliance and quality assurance procedures	Lack of Progress
Recommendation 4: Transparency and accountability	Lack of Progress
Recommendation 5: Effectiveness of enforcement	Lack of Progress

Note:

Significant progress- important practical measures were taken by the country to adequately address many elements of the recommendation (more than a half). This can involve the adoption and/or enforcement of an important law.

Progress - some practical measures were taken towards the implementation of the recommendation. For example, drafts of laws that have been at least approved by the government and submitted to the parliament would constitute "progress" for the assessment of progress updates.

Lack of progress - no such actions were taken.

Recommendations, that appear to be fully addressed can be closed for the progress update procedure and further evaluated only as a part of the monitoring procedure.

PROGRESS UPDATES BY RECOMMENDATION

Chapter 1: Anti-Corruption Policy

Recommendation 1. Anti-corruption policy documents

1. Ensure that the anti-corruption policy documents are developed with wide stakeholder engagement and are based on needs and risk assessment.
2. Include ambitious measures to target actual corruption risks, key areas vulnerable to corruption requiring reform as a matter of priority.
3. Ensure participatory implementation and regular monitoring of the strategy. Systematically publish the results of monitoring to ensure accountability.
4. Carry out public opinion surveys to measure the level of corruption, public trust and impact of anti-corruption measures, including at sector level. Publish the results of the surveys and use them in anti-corruption policy development, implementation and monitoring.
5. Promote internal integrity action plans in public bodies based on risk assessments.
6. Ensure that anti-corruption policy documents are realistic, affordable and enforceable, accompanied by necessary budget for implementation. Include financial reports in the reports on implementation.

20th Plenary Meeting, March 2019

Government report

1.1. In 2018, Armenia has launched the process of development of the new Anti-Corruption Strategy. To ensure wide stakeholder engagement in the development process the Ministry of Justice has applied to the interested NGOs in order to receive their suggestions on priorities, directions, actions. After having received very limited suggestions, the Government has decided to start the discussions on very preliminary version of the draft strategy. On 19, December, in the framework of the EU-funded “Commitment to Constructive Dialogue” Project and in cooperation with CSO Anti-Corruption Coalition the Draft was discussed with a number of NGOs¹. At the same day the draft was made available for public discussion in e-draft.am² (Unified website for publication of legal acts' drafts). On 25, January, Transparency international organized an event where the core issues and suggestions on anti-corruption strategy were presented³. The draft will be also discussed in Armenian regions and with other groups of stakeholders. After summarizing all the provided suggestions and making appropriate amendments, the updated draft will be once again presented to public discussions.

1.2. In Government’s opinion the draft strategy includes ambitious measures to target corruption risks. Thus, the draft contains measures on centralisation of intelligences and investigation of corruption crimes, creation of a register on beneficial owners, measures aimed at preventing corruption, improving the efficiency of detection and investigation of corruption, making accent on education and awareness raising. Moreover, taking into account the suggestions of NGOs, the draft will include also measure on detecting corruption risks and based on them to develop and implement sectoral anti-corruption action plans in all public institutions.

As a general target it should be highlighted that the Strategy is aimed at improving TI score and to make it at least 50 (According to the 2018 results the score is 35).

¹<https://ccd.armla.am/en/3792.html>; <http://moj.am/article/2215>; <https://urlzs.com/9S2gm>

² <https://www.e-draft.am/en/projects/1439>

³ <https://transparency.am/hy/news/view/2623>

1.3. The reports on implementation of previous strategy for the years 2015-2018 are systematically published on Government's website⁴. New monitoring system will be developed in cooperation with NGOs and will be conducted in a short period.

1.4. Public Opinion Surveys have been conducted for the periods July 23–August 15⁵ and October 9–29, 2018⁶ in order measure the level of corruption, public trust toward new Government and impact of revolution. Joint briefing on the findings of the focus group conducted by the Caucasus Research and Resource Centre Armenia (CRRC) on behalf of the National Democratic Institute (NDI). 12 Focus groups were conducted from August 22-28 in Kotayk, Syunik, Shirak and Yerevan. Participants were 50% male and 50% female in three age groups (18-30, 31-50, 50+) sorted in two groups of optimists, thinking the new government is committed to reforms, and pessimists. According to the results of the surveys it can be concluded that corruption emerged as number one challenge that prevents Armenia from becoming a fully democratic society. The participants believe velvet revolution is a turning point for Armenia to move in the right direction. Only when corruption is eradicated, Armenians will believe the country is becoming democratic. Impunity is one of the major issues in combating corruption. People would like to see the corrupt actors held accountable and the fight against corruption administered fairly and consistently. Some respondents are focused on the return of the stolen money and on how the government plans to spend it. The army, police, courts and education system were seen as highly corrupt institutions. "Cleansing" is a frequently used word to describe the essence of the anti-corruption reform. People believe the government has already made tangible steps in this direction at higher levels, but they expect similar change to happen at local, community level as well. Young people are especially concerned about nepotism and corruption in hiring processes. Participants would like to see more awareness-raising about the effects of corruption and stress the need for more transparency in handling corruption cases. The results of the surveys are taken into account in the process of development of anti-corruption policy.

1.5. The current draft strategy includes measure on developing and implementing internal integrity action plans in public bodies based on risk assessments.

1.6. Draft strategy provides for mandatory financing of Anti-Corruption Measures under the RA Law on RA State Budget which will ensure necessary budget for implementation of the strategy.

Assessment of Progress

1. Previous policy documents expired in 2018. The Government has launched wide ranging public consultations, that is planned to include regions, the draft was placed on e-drafts portal. The Government took part in the discussions organized by the NGOs.
2. New policy documents have not been adopted yet. The draft is targeting to improve the TI CPI score and includes various measures incorporating some of the OECD/ACN recommendations.
3. According to the Government, reports are systematically published on the web-site.⁷ The new monitoring methodology is planned to be developed for the new strategy.
4. The government referred to the survey carried out by the CRRC and NDI in the aftermath of the Velvet Revolution to research attitudes of citizens, perception of corruption and public trust towards the Government that have been used in defining targets for some measures of the action plan.
5. No progress, however related measures are included in the draft action plan.
6. New policy documents have not been adopted yet, NGOs pointed out that for the first time in Armenia there is a political will to tackle corruption, however, the vision and capacity to implement reforms are lacking.

⁴ <https://anti-corruption.gov.am>

⁵ https://www.iri.org/sites/default/files/2018.10.9_armenia_poll_presentation.pdf

⁶ https://www.iri.org/sites/default/files/2018.11.23_armenia_poll.pdf

⁷ <https://anti-corruption.gov.am/am/reports>

Overall there is limited progress only in connection with the first component and not in relation to other 5 parts of the recommendation.

Lack of progress

Recommendation 2. Public awareness raising and education

1. Engage civil society and larger public in awareness raising against corruption.
2. Conduct awareness raising based on a comprehensive communication strategy. Target activities to the sectors most prone to corruption and use diverse methods and activities adapted to each target group.
3. Allocate sufficient resources to awareness raising measures, evaluate the results and impact and plan the next cycle of awareness raising accordingly.
4. Provide anti-corruption education at the various stages of the education process.

20th Plenary Meeting, March 2019

Government report

- 2.1.** The Prime-Minister's staff has launched an awareness raising campaign on e-request system⁸. This system is aimed at raising the accountability and transparency of public bodies. Thus, by using the abovementioned system citizens can apply electronically to the Government, follow the application process and receive feedback. "Freedom of Information" NGO, on its side, is supporting the Government by advertising the e-request system via social media. Yerevan Municipality together with the Ministry of Justice and the UK Embassy in Armenia continued the campaign of raising awareness on whistleblowing system. Billboards are available in all parts of the city. NGOs', Business' and International organizations' representatives were shot in a video clip on whistleblowing system⁹. "Armenian lawyers association" NGO, as well as Iravaban.net are cooperating with government by organizing a number of events aimed at presenting to the larger scope of public the importance of fighting against corruption. During 2018, the RA Prosecutor General's Office has been the co-organizer of the International Youth Competition of Social Anti-Corruption Advertising on "Together Against Corruption". The competition has been held within the framework of Interstate Anti-Corruption Council, with the view to take joint effective measures against the organization of constructive international cooperation and this negative social phenomenon. On 25.10.2013 the treaty on the establishment of the Interstate Anti-Corruption Council has been signed by six states - Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. The co-organizers of the competition have been the Prosecutor General's Office of the Russian Federation, the Prosecutor General's Office of the Republic of Belarus, the Prosecutor General's Office of the Kyrgyz Republic, the State Service and Anti-Corruption Agency of the Republic of Kazakhstan, the State Agency for Financial Supervision and Anti-Corruption of the Republic of Tajikistan. The competition, within the framework of which to the citizens from 14 to 35 and to creative groups of youth (from the states, which are members of CIS Interstate Anti-Corruption Council)

⁸ <https://www.facebook.com/armgovernment/videos/707072189687700/?v=707072189687700>

⁹ <https://www.youtube.com/watch?v=u3y4rSuR2jk>;
https://www.youtube.com/watch?v=mFWi4ntxxzs&fbclid=IwAR0FyZHm1PgOmORiojADPVFqRFR0zBHRKMz5ZKANtXWD3O_1nxP-8Ano2VM;
<https://www.youtube.com/watch?v=oJNJHKTpZAo>;
<https://www.youtube.com/watch?v=ZaR4AzRcNrI>

it has been offered to present anti-corruption social advertising posters and video clips aimed at spreading and strengthening the idea of rejecting corruption as a phenomenon.

On the website of the Prosecutor's Office are regularly published data on criminal cases of public interests, as well as the process of the investigation of corruption related criminal cases with a view to ensure public awareness.

Thus, more than 100 messages have been published in 2018 regarding the disclosure of facts of specific corruption cases, initiation of criminal cases, the criminal-procedure of criminal proceedings during pre-trial criminal investigations and criminal prosecutions launched within the framework of the mentioned cases.

In addition to that, according to the Article 5 of the Law on the Prosecutor's Office every year up to April 1, on the website of the Prosecutor's Office are published data on the results of the investigation of corruption related crimes, statistical data, comparative analyses and conclusions.

Moreover, different public officials, including the Prime-Minister are using the social media in order to raise awareness on fight against corruption. Civil society is also presenting their recommendations and concerns via Media sources.

2.2. Development and implementation of anti-corruption awareness raising communication strategy is previewed by the draft anti-corruption strategy.

2.3. Financial resources have been allocated to the Departments on Public Relations in all state bodies, in order to ensure that state bodies are regularly informing in appropriate way the public on their activities, including on efforts made to fight against corruption.

2.4. The Justice academy, Police Academy, Justice Institute are regularly providing anti-corruption education to correspondent group of persons.

Assessment of Progress

1. Examples of public awareness raising campaigns in connection with specific reforms have been provided by the Government that shows proactive work and engagement of citizens and civil society.
2. Lack of progress in relation to other parts of the recommendation.

Lack of progress

Recommendation 3. Anti-corruption policy co-ordination and prevention institutions

1. Define criteria for the membership to the Competition Board for the selection of Commissioners of the Commission for the Prevention of Corruption and ensure transparent selection process.
2. Ensure transparency and objectivity of the appointment of Commissioners, free from any, including political interference and that the process is seen as objective by the public at large.
3. Provide for adequate resources and permanent dedicated staff specialised in the anti-corruption work that proactively support the process of policy coordination, implementation and monitoring.
4. Strengthen capacity of public authorities in the development and implementation of sectoral anti-corruption measures, provide them with analytical and methodological support, ensure co-

ordination (including CPC, anti-corruption focal points, integrity affairs organizers, ethics commissions and law enforcement bodies).

5. Establish a donor co-ordination mechanism to ensure effective support to the implementation of anti-corruption strategy and related programmes.

20th Plenary Meeting, March 2019

Government report

- 3.1. The issue on defining criteria for the membership to the Competition Board for the selection of Commissioners of the Commission for the Prevention of Corruption is currently under discussion. Thus, the issue is discussed in the framework of institutional changes. The final decision will be made in upcoming days.
- 3.2. Selection of Commissioners has been postponed in order to ensure the absence of any interference to the process. Moreover, taking into consideration the fact that in December, 2018, Armenia has undergone parliamentary elections, it was decided to organize the appointment process of Commissioners only after the operation of the new Parliament.
- 3.3. The state budget for 2019 includes a special line for financing of Corruption Prevention Commission in order to ensure adequate resources and wages of staff.
- 3.4. The coordination on anti-corruption issues is ensured in practice. In regard strengthening capacity of public authorities in the development and implementation of sectoral anti-corruption measures, it should be highlighted that the Order N 43-A of the Minister of Justice, dated 13.02.2019 on “Approving the program and the timetable of training for anti-corruption focal points envisages a special topic on Basics of development anti-corruption strategies and measures.
- 3.5. Donor coordination mechanism was established by the Government decision N 132-N, dated 15.02.2018. It is planned to organize donor coordination meeting in upcoming months.

Assessment of Progress

While preparations for establishing a new corruption prevention body had been advanced during the monitoring, the process seems to have stalled and no results have been shown yet. There is no progress in relation to the first, second and third parts of the recommendation. In relation to the fourth part training for focal points on development of anti-corruption strategies and measures is envisaged under the newly approved programme. This action, when implemented, will address one element of the recommendation 3.4. the Government reported about establishing a donor coordination mechanism through a legal act, however it will need to be put in operation in order to meet the recommendation 3.5

Lack of progress

Chapter 2: Prevention of Corruption

Recommendation 4. Civil service reform policy

1. Assess the implementation of the new CSL and PSL and develop the civil service reform policy that is evidence-based supported by the relevant data, risk and impact assessment.
2. Introduce the new human resources management information system and start its application in practice for the entire civil service. Ensure that the disaggregated statistical data is produced and

used in police development and monitoring. Ensure regular publication of the data on civil service.

20th Plenary Meeting, March 2019

Government report

4.1. The CSL and the PSL are fully functional in all state bodies.

The new regulations envisaged by the new CSL and the PSL were developed based on the gaps identified by the international and local experts through evidence-based research regarding the integrity and ethics principles in the public sector. The research had identified that the acting integrity regulations are inefficient and that working and tested mechanisms are necessary for the development of this field. Thus the new CSL, the by-laws developed based on that (namely the RA Government Decision N 814-N from July 19, 2018; RA First Deputy Prime Minister's Resolution N 192-A from October 8, 2018; RA First Deputy Prime Minister's Resolution N 270-N and article 6 of RA First Deputy Prime Minister's Resolution N 29-N) have been developed with the view of introducing more effective integrity principles. This is going to be supported by the new electronic platform that is already under development.

4.2. The Civil Service Office has prepared a concept note for the introduction of a new human resources management information system (HRMIS) which is meant to provide wide opportunities in terms of public service and civil service human resources policy planning and monitoring. The establishment of the HRMIS is supported by the World Bank and is envisaged to have the following milestones: strategic planning tools, workforce planning and employment opportunities, human resources management and development, remuneration system, risk management, regulation of employment relationships, statistical data and much more. The information gathered through the system will be analysable and will contribute to the HR policy planning and assessment. It should be highlighted that in this respect World bank is currently organizing a competition.

Assessment of Progress

1. Report of the Government does not clarify whether a new strategic policy document was developed on civil service. The previous strategy is outdated. The OECD was not provided with any documents accompanying CS Law that would contain a detailed data-based analysis of the state of affairs, risk and impact analysis.
2. Based on the report of the Government, the development of the HRMIS is on the early stages of implementation. This is a good development; however, progress can be concluded once the system is already in place.

Lack of progress

Recommendation 5. Institutional framework

1. Take all necessary measures to set up the new institutions (Commission for the Prevention of Corruption and Office of Civil Service) as stipulated by law and make them fully operational in practice.
2. Ensure that the institutional memory is maintained after the change. Ensure continuity of the exercise of the related functions in the transitional period.

20th Plenary Meeting, March 2019

Government report

5.1. The Office of Civil Service has been established and acting as of 1st of July 2018, as envisaged by the new Law on Civil Service. It is fully staffed and operational, actively involved in policy making, development of secondary legislation, methodological guidelines and manuals. The OCS has met all the targets set for 2018, keeping the commitments and obligations made to international donors and the central government.

The establishment of the Commission for the Prevention of Corruption was postponed because of the fact that the commissioners shall be elected by Parliament and in December, 2018, Armenia has undergone parliamentary elections. The Commission will be established in a most probable short period.

5.2. Despite the fact that the new CS law did not identify the OCS as the legal successor of the CSC, the institutional memory had to be maintained. This was ensured through retaining some of the core staff members and in addition a political decision has been made to appoint a person as the Head of the Office of Civil Service who has made a career in the CSC for 10 years entering as a junior specialist and growing to a Head of the Legal Department at CSC (afterwards left the position for a higher public appointment).

Assessment of Progress

1. The Commission for the Prevention of Corruption is not yet in place, however the Civil Service Office was created and is operational.
2. With regard to the civil service agency, only 35% of staff was retained by the Civil Service Office, which is a low and points to the substantial change in staff. The situation with the CPC and CEHRO needs to be assessed later upon its creation.

Progress

Recommendation 6. Institutional framework: ethics commissions in state bodies

1. Finalize adoption of the necessary legislation to ensure proper operation of ethics commissions in practice. Establish mechanisms for the monitoring the performance of ethics commissions.
2. Ensure that ethics commissions and integrity affairs organizers have necessary capacities, guidance and tools to perform their functions in practice.
3. Ensure coordination among ethics commissions, the CPC, integrity affairs organizers and anti-corruption contact points in practice, as well as methodological guidance and support on integrity issues to individual agencies.

20th Plenary Meeting, March 2019

Government report

6.1. The legislative basis for creation and operation of ethics commissions are in place and the commissions will start to function ad hoc. The Office of Civil Service is maintaining the database of the commission members and integrity organizers.

6.2. Based on the recommendations received from the international organizations, the position passports of the commission members and the integrity affairs organizers have been changed. The training of the latter is already planned and will be implemented in the nearest future.

6.3. The Corruption Prevention Commission (to be established) shall ensure the consistent application of the incompatibility requirements and other restrictions prescribed by law and, in fulfilling this function, will carry out coordinating efforts like: 1) provide professional advice and methodological assistance to the ethics commissions of the relevant bodies concerning the incompatibility requirements and other restrictions; 2) present advisory clarifications regarding the

code of ethics for high-ranking officials (except for Deputies, judges, and prosecutors), and make a proposal on steps to address a conflict of interest situation; 3) interpret the incompatibility requirements and other restrictions prescribed by this Law; 4) revise the opinions of the ethics commissions of the relevant bodies and others. Those activities will be carried out once the CPC is established. As soon as the exemplary forms of the guidelines are received from the CPC as pledged by the law, the OCS will develop guidelines for civil service. Meanwhile the OCS is doing some preparatory work in this direction. These guidelines will ensure coordination between the ethics commissions, the CPC, integrity organizers and anticorruption contact points.

Assessment of Progress

1. Legal basis for the functioning of ethics commissions was established, however they are not yet operational. To make conclusions regarding their operation, statistical data should be reviewed, including number of cases, number of decisions, etc. Civil Service Office will be in charge of monitoring; however it is not in place yet. Future reports should include information on which data is collected and how, what is the frequency of reporting, how are the conclusion drawn and if the outcomes of the monitoring are made public.
2. While preparations are commendable, provided information does not yet demonstrate progress in relation to the recommendations 6.2 and 6.3.

Lack of progress

Recommendation 7. Implementation of Civil Service Law and Public Service Law

1. Adopt secondary legislation necessary for the implementation of the new Law on Public Service and the new Law on Civil Service.
2. Carry out comprehensive and large-scale awareness raising and training of civil servants on the new legal framework with the special emphasis on the state bodies that did not previously belong to the civil service.
3. Prepare manuals and guidebooks related to the main HR processes.

20th Plenary Meeting, March 2019

Government report

- 7.1.** All the sub legislative acts, that had been planned to be adopted, have been developed by the OCS and adopted by the Government. Most of them are in force, while some sections of the others are still pending and will be active starting from October the 1st connected with the establishment of the HRMIS platform.

Draft secondary legislation related to the mandate of the Corruption Prevention Commission necessary for the implementation of the new Law on Public Service and the new Law on Civil Service was developed and circulated. Meanwhile, it was decided to postpone the adoption of the draft, and the deadline was postponed by the Decree of the Prime Minister of Armenia taking into consideration the fact that the CPC is not established yet.

- 7.2.** Awareness raising seminars and training for the HR staff of all the extended bodies had been carried out by the OCS. Series of seminars on the new legislation (New CS Law, the sub-legislative acts) had been conducted starting from November through December for HR heads and staff. In addition, a special large- scale awareness raising training seminar had been conducted for the Heads of Staff of all the 72 bodies (the enlarged civil service system bodies) in order to present the new approaches and new opportunities of the new CSL.

7.3. The OCS has already launched the process of preparation of methodological manuals and guidebooks for the proper application of the new by-laws and implementation of the new CSL. The guidebooks are intended to support the HR staff in their daily activities, to be the point of reference in case of difficulties with applying and localizing the new legislation.

Assessment of Progress

1. Government reported adoption of the necessary secondary legislation, with the exception of the legislation related to CPC and HRMIS.
2. Government reported carrying out extensive awareness raising in relation to the new laws. Overall 4 rounds (11 programmes) of trainings and seminars were organized for 1109 civil servants. Another round of trainings (4 programmes) is planned for the second half of 2019.
3. The manuals, guidebooks and other material have not been prepared yet. These materials should have been prepared before the entry into force of the new legislation to ensure smooth change.

There is progress in relation to recommendation 7.1 and 7.2.

Progress

Recommendation 8. Merit-based recruitment

1. Ensure merit-based recruitment in practice implementing new regulations.
2. Limit the influence of political officials in the recruitment for senior civil service positions.

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Government report

8.1. The new regulations had been developed based on the recommendations of the international experts, and a new decentralised model of recruitment is in place for a more resilient civil service system. Taking into consideration the preparatory work of the by-laws which took some time in 2018, all the relevant bodies of the extended civil service system will start advertising civil service positions starting from April 2019 and will conduct their own competitions for recruitment to civil service.

The recruitment as well as the promotion of Diplomats is conducted on the basis of the Law on Diplomatic Service which among other things stipulates merit-based approach.

New regulations were adopted in December 2018:

- Order of the Minister of Foreign Affairs N 2616, of December 10, 2018, on adopting the regulations for conducting competition for filling in vacancies of diplomatic service.
- Order of the Minister of Foreign Affairs N 2595, of December 7, 2018, on adopting the regulations of appointment to diplomatic service posts for persons who have undergone training in Diplomatic School for occupying diplomatic service posts and graduated with high marks.

8.2. A very irrelevant portion (about 5%) of recruitment and selection authority is vested on the ministers (only the Deputy General Secretary and the heads of Departments are selected by the ministers). The vast majority (about 95%) of the positions are selected by the selection commission created by the General Secretary.

Assessment of Progress

1. New legislation is in place, but has not been applied in practice yet. The recommendation is about merit-based recruitment in practice and implementation of regulations.
2. Provided information did not allow for decisive conclusions on this part of the recommendation. Minister is still involved in the recruitment of the Secretary General and deputies as well as heads of offices and heads of departments. At the same time written clarification provided by the government suggests that the Secretary General is in charge of recruitments of all these positions except for secretary general's position. This issue thus needs to further explored.

Lack of progress

Recommendation 9. Remuneration

1. Increase the level of competitiveness of civil service salaries. Limit the share of variable pay in total remuneration. Ensure that the bonuses are linked to the performance evaluation and based on the clear and objective criteria.
2. Ensure practical implementation of the new civil service law provisions on performance evaluation and introduce mechanisms to monitor their implementation.

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- 9.1.** The Government and particularly the OCS are working on developing new regulations regarding the pay system of the civil servants (base pay, bonuses, premiums, additional pays etc). The OCS is collaborating with the Delegation of European Union in Armenia towards developing a new TWINNING project proposal which is to support the establishment of a new performance evaluation system throughout the civil service system thus ensuring solid basis for applying objective and evidence-based criteria to the bonuses.

Moreover, the Prime-Minister's office has drafted a decision on "Establishing a unified order and conditions for awarding premiums from state budget". The draft is currently under discussion.

- 9.2.** The OCS is drafting a new sub-legislative act on performance evaluation which will be coherent with the principles set forth in the new CSL. The need for international expertise and advice is anticipated to be satisfied by the TWINNING project mentioned above, as well as coordination of monitoring activities will be ensured by the OCS and corresponding progress will be made available to interested parties.

Assessment of Progress

1. The work on the salary system is at a very early stage – the Twinning project has not started yet. However, the draft regulation on variable pay was already circulated for comments. This regulation is critically assessed by TIAC. The regulation on performance appraisals does not exist. SIGMA assessment report is also quite critical about bonuses in the civil service of Armenia.
2. Necessary secondary legislation has been drafted but not adopted yet.

Lack of progress

Recommendation 10. Conflict of interests

1. Step up the enforcement of conflict of interest rules in practice by responsible institutions, including ethics commissions in public agencies and integrity officers.
2. Raise awareness and train public servants on the new regulations to boost the implementation. Provide necessary guidance on interpretation of these rules in practice.

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10.1. An integrity system has been implemented in the public service sector by the Law on Public Service, according to which public officials and public servants are obliged to act in accordance with the established behaviour principles, regulations of conflict of interests, etc. The new Law offers a broader scope of 'related persons' regarding conflict of interests as well as new structures of management of conflict of interest situations. In addition, conflict of interest regulations cover a wider range of public officials.

As for the Commission on Ethics of High-Ranking Officials (CEHRO), it has been committed to promoting integrity in the public sector and has carried out a study on «Conflict of interests of high-ranking officials: legislation and practice». Within the scope of the study, 2181 declarations and other sources have been examined. As a result, the CEHRO has revealed that certain high-ranking officials along with their related persons have taken part in the activities of 841 commercial organizations. Moreover, 14% of the studied contracts relating to the aforementioned organizations include characteristics of apparent conflict of interest situations. The study outcomes on the prevention of conflict of interest situations have been submitted to the Government together with related reform proposals.

Moreover, the CEHRO studied 7 complaints and applications concerning apparent conflict of interest situations in 2018.

10.2. The CEHRO carried out the following training activities in 2018:

1. In cooperation with the State Revenue Committee of RA, 66 trainings have been organised for tax and customs officers on topics ranging from anti-corruption to integrity (public ethics). A total of 1021 tax and customs officers have participated in the training courses.

Within the scopes of the “Current issues relating to the prevention of corruption in the public service sector” training course organized at the RA Academy of Justice, 45 judges and 46 prosecutors have been trained on “Public ethics”.

Assessment of Progress

1. Information provided by the Government is already reflected in the monitoring report. Since the CPC has not established yet and the operation of CEHRO seems to have stalled, no progress could be concluded on this point of the recommendation. According to TIAC, as CPC still is not established, the relevant article of the Public Service Law (first of all Article 33) relating to the conflict of interest are not in effect still.
2. According to the Government report some trainings were carried out, but only for tax officers and judges. However, trainings to these categories of public servants were already reflected in the monitoring report.

Lack of progress

Recommendation 11. Asset declarations

1. Provide systematic, impartial, consistent and objective scrutiny of asset declarations and subsequent follow up as required by law with the focus on high level officials.
2. Ensure follow up on alleged violations disclosed through e-declarations system.
3. Ensure that the body in charge of verification has access to all information and databases held by public agencies and tools necessary for its full exercise of its mandate.

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11.1. In 2018 the Commission made 5400 records on the appointment and dismissal of declarant public officials in declaration registry. During the same period the Commission has had a total of 11,124 submitted declarations, all of which were published on the CEHRO official website. Statistically, the total number of submitted declarations has respectively increased 2.5 and 5 times compared to 2017 and 2016. The total number of the late submitted declarations during 2018 was 2002 (18% of the overall submitted declarations). In 2018, 32 declarant public officials failed to submit declarations related to assuming their office and 112 public officials failed to submit declarations related to terminating their office respectively. The lists of the declarant public officials, who fail to submit their declarations or submit the latter with the violation of the deadlines as well as information regarding the measures taken by the CEHRO are regularly updated on the CEHRO official website.

As a result of declaration analysis, 419 proceedings on the administrative violations related to declaration regulations were instituted by the CEHRO, out of which: 1) 256 proceedings for the failure to submit the declarations within the deadline prescribed by the law; 2) 151 proceedings for the negligently submitting false or incomplete data in the declaration and 3) 2 proceedings for the submission of the declaration with the violation of the submission procedures.

11.2. As a result of the instituted proceedings: 1) 219 public officials were penalized by “warning” administrative penalty; 2) 68 public officials were penalized by fines; 3) 122 public official related proceedings were canceled; 4) 8 public official related proceedings were suspended and 5. 2 administrative acts were annulled.

The materials on proceedings instituted for failure to submit declarations by 2 public officials (with apparent characteristics of intentional non submission) have been forwarded to the RA Prosecutor General's Office, in accordance with the Law on Public Service.

In 2018, 5 administrative complaints were filed against the CEHRO’s administrative acts, out of which: 1) one complaint was returned; 2) in regard to another complaint, the CEHRO’s decision was unchanged and the complaint against it was not satisfied; 3) in one more case, the CEHRO’s decision was canceled and the case was suspended; 4) in the two remaining cases, the administrative complaints left undiscussed.

11.3. According to the Law on Public Service, the CEHRO is vested with the power of declaration analysis through: 1) compliance checking with the declaration submission rules and guidelines, 2) verification of the declared data. The legal regulations ensure access of the CEHRO to databases of state and local self-government bodies as well as the specified private organizations. Since February 2015, the Commission has had an access to the state electronic databases of 1) the State Register of Legal Entities, 2) the State Register of Civil Status Acts, 3) the Population State Register, 4) the Transportation Vehicles Register and 5) the State Committee of Real Estate Cadaster. The CEHRO has authority to request and receive information and documents during declaration analysis from state and local self-government bodies, the Central Depository and other persons entitled to maintain shareholders’ registry, credit bureaus.

Recently, in order to obtain data from the RA Central Depository and credit bureaus according to the Law on Public Service, a joint decision has been signed between the RA Central Bank and the CEHRO and the access will be functional in the nearest future. Moreover, preparatory activities have been carried out with the RA Ministry of Labor and Social Affairs regarding their “e-pension & family destituity assessment” and “electronic pensions” databases and the related technical solutions will follow up soon.

Assessment of Progress

1. Data provided in the Government report does show regular scrutiny of declarations and intensified performance of the CEHRO, however it does not include information on high level officials. However, the CSOs question the impartiality of CEHRO.
2. Provided data shows that the CEHRO is following up on the violations and sanctions are applied in practice. Detailed data is needed to conclude whether enforcement is impartial or not.
3. According to the Government report, databases to which the CEHRO has access to has not been expanded since 2018. Access to the tax databases is still to be provided.

Progress can be concluded in relation to the recommendations 11.1 and 11.2.

Progress

Recommendation 12. Ethics code and trainings

1. Adopt the codes of conduct as provided by legislation, or revise existing codes, to serve as basis for the enforcement of ethics rules and for ethics training.
2. Ensure systematic and coordinated ethics trainings throughout the public service.

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Government report

12.1. The Corruption Prevention Commission shall: 1) provide professional advice and methodological assistance to the ethics commissions of the relevant bodies concerning the incompatibility requirements and other restrictions; 2) present advisory clarifications regarding the code of ethics and make a proposal on steps to address a conflict of interest situation; 3) interpret the incompatibility requirements and other restrictions prescribed by the Law; 4) present advisory clarifications regarding the code of ethics for public officials (except for Deputies, judges, and prosecutors), and making a proposal on steps to address a conflict of interest situation.

Taking into consideration the fact that CPC is not formed yet, the CEHRO has prepared explanatory working documents on certain ethics values and principles in public service.

12.2. Ethics has been involved in the list of continuous training programmes for competencies and thus will be taught among all the civil servants by the OCS, since the latter is responsible for the organization of competency trainings. Ethics training are also part of training curriculum for anti-corruption focal points.

The CEHRO has carried out the following training activities in 2018:

- In cooperation with the State Revenue Committee of Armenia, 66 trainings have been organised for tax and customs officers on the topics related to anti-corruption and integrity (public ethics). The total of 1021 tax and customs officers have participated in the training courses.
- A training course was organized at the RA Academy of Justice within the scopes of the “Current issues relating to the prevention of corruption in the public service sector” initiative, where 45 judges and 46 prosecutors were trained on “Public ethics issues”.

Assessment of Progress

1. Lack of progress.
2. While some activity in relation to ethics training has been reported, the provided information does not suggest that the ethics trainings are systematic and coordinated throughout the public service.

Lack of progress

Recommendation 13. Whistleblowing

1. Establish clear procedures for submitting, reviewing and following up on whistleblower reports and providing protection and ensure their application in practice.
2. Further raise awareness on whistleblowing channels and protection mechanisms to promote and incentivize whistleblowing.
3. Ensure proper functioning of the related IT system and that the anonymity is observed in practice.

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Government report

13.1. The Government decision N 272-N Adopted on 15 March 2018 “On approving the sample form of recording and processing reports in cases of internal and external whistleblowing as well as establishing the procedure for the implementation of protection measures provided to the whistleblower”¹⁰ establishes clear procedures for submitting, reviewing and following up on whistleblower reports based on the provision of the law “On whistleblowing system”. All persons responsible for internal and external whistleblowing in state bodies have been appointed. The data on the abovementioned persons is available on website of each state body.

Moreover, some of state bodies, such as the Ministry of Foreign Affairs have published on their website information about internal and external whistleblowing, providing contacts of the relevant authority in the Ministries. The information of Ministry of Foreign Affairs is available in Armenian at the following link: <https://www.mfa.am/hy/nerqin/>. The website is already functioning and several reports have been received through this channel. The confidential nature of the received information is strictly preserved.

13.2. The awareness raising campaign dedicated to the whistleblowing system that was launched in the beginning of last year continued during full year of 2018. Billboards on promoting whistleblowing were available in all parts of the city. NGOs’, Business’ and International organizations’ representatives were shot in a video clip on whistleblowing system¹¹. The Video clip was being advertised by central TV Channels of Armenia.

13.3. IT system ensuring the anonymity of whistleblowing has been developed and introduced. The system will be operational in upcoming days.

Assessment of Progress

¹⁰ See attached

¹¹ <https://urlzs.com/HmYxs>

1. Armenia continued the implementation of the whistleblower protection reform. The procedural rules have been adopted.
2. Awareness raising campaign that was already launched at the time of the monitoring has continued and expanded.
3. The IT system was developed but is not operational yet.

Thus, there is progress in the reporting period and the next steps should focus on practical implementation.

Progress

Recommendation 14. Integrity of political officials

1. Adopt the code of conduct for political officials and a separate code of conduct for members of parliament. Provide training, consultations and guidance for their practical application once adopted.
2. Ensure proactive, systematic and consistent enforcement of the existing rules in practice without undue interference.
3. Provide for systematic, consistent and objective scrutiny of asset declarations of political officials and subsequent follow up as required by law.

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14.1.

The Law on the Corruption Prevention Commission (CPC) foresees the following functions for the new Commission, which are applicable to the political officials, the scope of whom is set by the Law: 1) to follow the compliance with the incompatibility requirements and other restrictions as well as the ethics codes and regulations on conflict of interest for high-ranking officials; and 2) to inspect and analyse the declarations; 3) to ensure the consistent application of the incompatibility requirements and other restrictions prescribed by law. Meanwhile, the Law stipulates the following powers for the CPC, which are related to the political officials, the scope of whom is set by the Law: 1) presenting advisory clarifications regarding the code of ethics and making a proposal on the steps to address a conflict of interest situation; 2) interpreting the incompatibility requirements and other restrictions prescribed by this Law; 3) revising the opinions of the ethics commissions of the relevant bodies; 4) developing educational programmes and public awareness-raising programmes devoted to the issues related to the fight against corruption and carry out measures; 5) presenting recommendations on organising anti-corruption trainings and including them in educational programmes, as well as in training programmes for officials and public servants; and 6) providing educational and methodological guidelines for the implementation of educational programmes and other materials and others.

Those functions and powers will be exercised once the CPC is established.

14.2. From the moment that CPC is established, the regulations will be enforced in practice.

14.3. The CEHRO has instituted number of administrative proceedings against high-ranking officials, out of which 21 were against political officials. Among the instituted cases against political officials (including against members of parliament, community heads and others) for: 1) failing to submit the declarations within the deadline prescribed by the law; and 2) negligently submitting false or incomplete data in the declaration. 19 Cases resulted in administrative sanctions - 10 “warnings” and 9 fines and 2 proceedings were cancelled.

Assessment of Progress

1. The code of conduct for MPs has not been adopted.
2. No new development was reported in the progress update. In its written comments, the Government further explained that the National Assembly has received five applications regarding violations of rules of ethics but they are pending. The project "Support to the National Assembly of the Republic of Armenia in improving parliamentary oversight and communication with electorate" is supporting Armenia to raise awareness.
3. Statistics on using warning against political officials has been provided by CEHRO, however, it does not demonstrate change from the previous situation of the lack adequate enforcement against political officials.

Lack of progress

Recommendation 15: Integrity in the judiciary

1. Consider continuing the reform of the judiciary to ensure its independence in law and practice.
2. Establish open, transparent and competitive procedure of election of non-judicial members of the Supreme Judicial Council and specify criteria for elections as its member by the National Assembly.
3. Ensure reducing courts' workload in practice, i.e. by considering increasing the number of judges and court staff.
4. Ensure that judicial servants, including judges' assistants and secretaries, are recruited through an open, merit-based selection.
5. Ensure in practice proper financing of the judiciary.
6. Distinguish grounds and procedures of disciplinary liability and imposed termination of powers of judges in cases of involvement in political activity or violation of the political neutrality requirement.

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15.1. The RA Government has launched a new stage of judiciary reforms. Particularly, the Ministry of Justice has started a new format for cooperation. Thus, a working group with participation of NGOs was created in order to ensure participatory development of Strategy on Judicial and legal reforms. The working group is meeting every week and discussing issues aimed at continuing the reform of the judiciary.

Moreover, during 2018 a number of sub-legislative acts were developed and adopted by the RA Government which also aim to create guarantees for the independence of judges, especially, aimed at defining the procedure for paying adequate remuneration to a judge appointed outside his or her permanent place of residence, its duration and the maximum amount, at establishment of the procedures for supplying service weapon and special means of protection.

In addition, by the Decision No. 116-N of 21 February 2019 of RA Government the judges were included in the social package beneficiaries list.

15.2 In 21.08.2018 the Supreme Judicial Council published "Comprehensive concept of improving the effectiveness of justice in RA". The aim of the Concept is to raise public trust in justice as much as possible, to create prerequisites for the consistent realization of the principle of Rule of law, to

minimize corruption risks in the justice sector, to invest progressive electronic justice and monitoring systems, make qualitative changes to the Court's accessibility and examination of cases in reasonable timeframes, to reduce justice costs, to create guarantees for functional, structured, material and social independence of judges and courts, to raise the responsibility and quality of judicial officers, to increase the logistical provision of the courts.

15.3. A large-scale research was made to calculate the judges' workload within the framework of the Concept. The research of judicial statistics data of the recent years has shown that the number of civil and criminal cases received in the courts of general jurisdiction of the RA has sharply increased, however, at the same time there have not been significant changes in the number of judges in the period under review. Significant changes have not taken place also in procedural procedures, as a result of which in fact the judges acted in overloaded conditions, each year the number of collected cases has increased, which has resulted to long-term proceeding of cases.

Particularly, researches made in the sphere of civil cases have shown that the reason for the increase of received civil cases in the courts is the sharp increase of the number of civil cases arising out of obligatory legal relations, and, more specifically, cases involving the requirements for levy of money, whereas the survey showed that the cost of claim did not exceed 2,000,000/two million AMD/.

For the solution of the above mentioned issues certain legislative changes have already been implemented, which can solve the problem of the existing overload of the civil cases.

In the civil proceedings it has been introduced a procedure of examining cases under simplified proceedings, according to which civil cases with a claim cost up to 2,000,000 AMD /two million/ are subject to simplified procedure without convening a court session (Article 297 of the RA Civil Procedure Code).

In the Concept it has been proposed to take complex measures to implement legislative reforms to unburden the overload of the courts, in particular:

Development of the institute of Mediation, implementation of the institute of performance inscription, enlarging the number of positions in the Courts Staff, capacity building of the employees and so on.

Among the above mentioned researches, the survey has shown that in order to ensure the workload equal to the existing workload of all judges of the first instance courts of general jurisdiction, it is necessary to increase the number of judges' positions by at least with 7.

The researches in the Concept have also shown that in the case of the RA Civil, Criminal and Administrative Courts of Appeal, there has also been an increase of the workload during the last five years, for the solution of which in the RA Administrative and Criminal Courts of Appeal have already been taken steps, in particular: the number of the positions of the judges of the RA Criminal Court of Appeal has increased by 2 in 2018, and the number of the positions of the judges of the RA Administrative Court of Appeal by 3. In case of the RA Civil Court of Appeal no steps have been taken from the point of increasing the number of the judge positions.

At present, on the basis of the Concept there have been launched processing activities of the Strategic Action Plan.

It should be noted that the "Comprehensive concept of improving the effectiveness of justice in RA" was officially sent to the Prime Minister of the Republic of Armenia and the Minister of Justice of the Republic of Armenia.

Besides, the RA Government Action Plan for 2018-2022 provides for development and introduction of tools (including electronic) and methods for measuring the number of cases and judges' burden based on advanced technological experience (CEPEJ, National Center for State Courts, American Bar Association li etc.) as well as tools for detecting the causes of delays in the procedure (as a result of case accumulation) and development of appropriate software. The same program also planned to increase the number of judges until 2020.

In addition, the Ministry of Justice was prepared and submitted to the Government the draft law "On amending the Code of Civil Procedure of the Republic of Armenia" in order to improve the institution of simplified proceedings, which should also reduce the burden of the courts and guarantee the preconditions for ensuring the efficiency and predictability of simplified procedures.

15.4. On 13 June, 2018 the Law on Judicial Department Service was adopted, which sets up the status of the Judicial Department and the types of services rendered by this body in accordance with the regulations in force.

The above-mentioned law defines the minimum requirements for judicial officers to be reflected in the passports of judicial service positions, the confirmation of which has been assigned to the Supreme Judicial Council.

The procedure for maintaining vacancies is reserved to the Law on Civil Service, and the particularities and the procedure, procedure for forming Competition Committees for vacancies in the judicial service, as well as the authority to determine the procedure of their activities has been assigned to the Supreme Judicial Council.

It has also been established that by the recommendation of the judge, the vacancy attached to him in the judicial service can be occupied in a competitive way.

15.5. The Government Action Plan for 2018-2022 envisages that starting from 2020 the salary of judges shall annually increase.

15.6. Article 142 of the Constitutional Law on "Judicial Code" provides that the grounds for imposing disciplinary liability on a judge, among other things, is a flagrant violation by a judge of the rules of professional conduct established by the same code, which has been committed intentionally or by gross negligence. The Code also included the obligation to exercise political restraint and neutrality under the rules of the judge's conduct (Article 69). At the same time, article 159 stipulates that the decision of the Supreme Judicial Council puts an end to the judge's powers, if he has been involved in political activities.

Assessment of progress

1. The new stage of judiciary reform was launched and is ongoing. The process seems to be inclusive. Reportedly a working group was established which holds its meetings regularly. The various normative acts were adopted in 2018.
2. No progress could be noted with regard to the selection of the non-judicial members of the Supreme Judicial Council. Recent election (28 February 2018) by the National Assembly of 5 members of SJC has entailed criticisms from CSOs, that even the existing laws have not been followed when electing them.
3. Supreme Judicial Council has carried out a comprehensive study on the workload in the judiciary. The Government reported about increased number of judges in civil courts. Some progress can be noted but the reform is at the early stage.
4. The procedure of selection and appointment of judges has been changed after the adoption of the Judicial Code. However, the provided information does not suggest whether judicial servants, including judges' assistants and secretaries are to be recruited through an open, merit-based selection.
5. Proper financing of the judiciary continues to present a challenge according to the CSO report. The salary increase for judges is envisaged by the action plan.

6. The existing legal provisions have not been amended to address the part of the recommendation.

Overall, it is positive that the judicial reform continues in Armenia creating opportunities of aligning the laws and practices with the recommendation.

Progress

Recommendation 16: Integrity in the service of public prosecution

1. Consider further narrowing the powers of the Prosecutor's Office to participate in non-criminal protection of the state's interest by elaborating more specific criteria through internal policies for initiating or intervening in a case.
2. Introduce mandatory involvement of independent experts to the process of selection of a candidate for the Prosecutor General by the Standing Committee.
3. Consider abolishing the possibility of re-election of the Prosecutor General for the second consecutive term in office in favour of longer single term.
4. Provide prosecutors with the right to object to a body within the Prosecutor's Office against assignments and instructions of the Prosecutor General when they find them illegal or unjustified.
5. Ensure that the closed competition to hire prosecutors is applied in exceptional cases and based on clearly defined criteria.
6. Change the rules of composition of the Qualification Commission so that a simple majority of its members should be appointed in a process that does not include the Prosecutor General. Increase representation of non-senior prosecutors in the representative bodies of prosecutors.
7. Consider limitation of the Prosecutor General's discretion in decision-making on the issues recommended by the representative bodies of prosecutors.

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16.1. 16.2. 16.3. 16.4. Currently consultations are organized aimed at discussing issues in respect to the selection of the Prosecutor General, the scope of functions of the Prosecutor's office, as well as other issues envisaged in this recommendation.

16.5. The procedure for the closed competition for the prosecutors is defined by the RA Prosecutor General's Order No. 43 of 26.04.2018, which establishes clear criteria for the recruitment of prosecutors in the result of a closed competition.

In particular, the right to participate in a closed competition with a view to be included in the list of prosecutors have:

1. the citizens of the Republic of Armenia referred to in Article 38 (Part 10) of the Law, who meet the requirements prescribed by law and other legal acts envisaged for the appointment to the post of prosecutor;

2. candidates who have appealed to court the rejection of the application by the Qualification Commission in the manner prescribed by Article 38 (Part 6) of the Law, if the acceptance of the

application has been recognized by the court as illegal and the relevant open competition has been completed.

Assessment of Progress

The provided information does not suggest any progress to address the recommendation. NGO reports indicate that the Prosecution Service continues to be subject of political influence, at the same time the trust seems to have increased since the change of the Government, that is shown by whistleblower reports, according to the CSO representatives.

Lack of progress

Recommendation 17. Transparency and accountability in public administration

1. Further enhance the participation and compliance with the requirements of transparency initiatives (OGP, EITI).
2. Ensure publication of the information and datasets of the public interest in open data format.

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17.1.

- Based on the Government Decision N 1307 – L, dated 15.11.2018, the fourth action plan of Open Government Partnership initiative for the years 2018-2020 was approved. In this regard it should be highlighted that the overall process of development of 4th round action plan was started in the beginning of 2019. Thus, on 19 February 2018, the session of the working group coordinating the activities of the Open Government Partnership initiative took place within the Staff of the Government of the Republic of Armenia. One of the items on the agenda was the launch of the Fourth OGP-Armenia Action Plan and the adoption of the timetable for elaboration of the New Action Plan. The Government of the Republic of Armenia published the main criteria, guideline and format by which it had to be guided when drafting the commitments of the Action Plan. The Staff of the Prime Minister has initiated a number of awareness raising campaigns aimed at the launch of the new OGP Action Plan and has collected proposals from public administration bodies. As a result, 42 proposals were collected.

The commitments of the Fourth OGP-Armenia Action Plan were discussed and approved during the session of the OGP working group held on 17 October 2018. On 15th November, 2018 Cabinet meeting approved the OGP 4th National action plan. It is worth to highlight that 6 out of 11 commitments are the proposals which were delivered by NGOs and International Organizations.

- As regards EITI initiative, it should be mentioned that following the designation of Armenia as a candidate country, Armenia continued its activities aimed at association to EITI initiative.

After two years of rapid progress by the Armenia EITI Multi-Stakeholder Group (MSG) and national secretariat, the country's inaugural EITI Report was launched in Yerevan on 30 January. The report is the first comprehensive review of the Armenian mining sector, providing the public with insight into the revenues generated by the country's extractives sector, as well as

¹² http://ogp.am/u_files/file/OGP_2018_2020_eng.pdf

information on production volumes, jobs and social spending generated, and the legal owners behind the extractive companies¹³.

Producing the first EITI Report allowed the different stakeholders to become informed of each other's concerns and priorities. The establishment of an e-reporting platform, which also serves as a data portal, was an important stepping stone towards facilitating collaboration. The portal not only lessened the reporting burden for companies, but also provided information to civil society in open data formats. MSG members can monitor the status of company and government data submissions to the e-reporting portal¹⁴, allowing them to raise reporting issues in a more timely manner at MSG meetings.

The Government of Armenia in collaboration and with the support from the World Bank and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) organized a Conference on 30.01.2019 devoted to the First National Report of the Extractive Industries Transparency Initiative (EITI) of Armenia.

Representatives of RA Government, mining companies, civil society, EITI International Secretariat, governments of other EITI member countries and international organizations participated in the conference.¹⁵

The official website www.eiti.am was also launched during the conference, where all the key documents on the EITI implementation are published. From website users can go to the EITI online reporting system. In 2018 for the first-time state bodies and mining companies submitted their EITI reports through this platform, which are available in PDF format at www.eiti.am.

For the main part of the database (for example production and export, employment, taxes paid by the companies to the state and community budgets, etc.) EITI national secretariat envisaged also some filters which can be applied to extract information users need.

During the Conference 3 panel discussions were also held with the focus on topics regarding the transformative role of the EITI and the future of the systematic data publication disclosure of the beneficial owners, as well as the responsible mining.

It should be also mentioned that the Scoping Study for 2018 EITI Report was conducted in the framework of the "Support to Enhance Armenia's Capacity to Implement EITI and to Increase Transparency and Accountability in Mining Licenses and Contracts" project funded by the British Embassy Yerevan. The implementing partner of the project is the Center for Responsible Mining of the American University of Armenia. The study reveals a number of issues in Armenia's mining industry and sets out the scope of 2018 EITI Report.

During the Government session on 21.02.2019, the executive branch approved the legislative package on the regulations of identifying beneficial owners of metal mining companies in the sphere of extractive industries. The legislative package was submitted to the National Assembly.

17.2. Based on the FOI law regulations all state bodies are currently publishing information and datasets of the public interest on their website. It should be highlighted that the published information is mainly in an open data format, meanwhile, the Government is currently undertaking measures to ensure that all data published is in open data format.

Moreover, the Human Resources Management Information System of the Office of Civil Service is envisaged to have a public interface (a webpage) where all the announcements regarding vacant positions, news and publications, events and new legislative acts will be available. It will be user friendly, with a possibility of online registration for receiving announcements from desired public bodies. In addition, all tests will be broadcasted in a live regime in the HRMIS.

¹³ <https://eiti.org/document/20162017-armenia-eiti-report>

¹⁴ <https://reports.eiti.am/hy/>

¹⁵ <https://www.eiti.am/en/news/2019/01/30/conference-on-the-first-national-report-of-the-extractive-industries-transparency-initiative-of-arm/49>

Assessment of Progress

1. Armenia reported important developments in relation to OGP and EITI processes. Armenia developed the 4th OGP action plan 2018-2020 through a diligent and inclusive process. The adopted action plan includes NGO proposals, even though some of the important ones have not been taken on board. FOICA has been active in promoting OGP and cooperating with the Government in the process. As an EITI candidate, Armenia published its inaugural report, introduced it to the stakeholders, launched a website and an electronic reporting system. The legislative package on beneficiary ownership is a step ahead as well. It seems that the extractive sector companies will be obliged to disclose their beneficial owners when the legal regulations are adopted (submitted to the Parliament).
2. Government reported that the information is regularly updated on the public agencies' websites, and most of it is available in open data format. Specific information on which datasets have been added has not been provided. NGOs reported regress in relation to the proactive publication of public information, stating that the information is not updated regularly.

Progress

Recommendation 18 (parts of the previous recommendation that remained valid) Access to information

1. Ensure proactive publication of information by state bodies, clarify records management and classification system and introduce the registries of public information in state bodies; consider establishing a unified portal for proactive publication of information.
2. Ensure efficient supervision and oversight of enforcement of the right of access to information as well as adequate powers and resources to issue binding decisions.
3. Raise awareness of public officials to foster the culture of openness and transparency in Government and carry out systematic training of information officers and of other public officials dealing with access to information issues.
4. Ensure implementation in practice of the provisions related to transparency of the entities using public resources.

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- 18.1.** As it was already informed, based on the FOI law regulations all state bodies are currently proactively publishing all requested information on their webpages. The Ministry of Justice has applied to the Prime Minister's office and, accordingly, the Prime Minister has ordered to all state bodies to ensure the publications in an open data format. As a result, a number of state bodies are currently publishing their data in a word or excel format. For example, the orders of the RA Prosecutor General, decisions of the Board of the Prosecutor's Office, as well as the conclusions of the Qualification Committee adjunct to the Prosecutor General are published on the official website of the RA Prosecutor's Office.
- 18.2.** The Human Rights Defender's office is currently exerting supervision and oversight of enforcement of the right of access of information. Thus, citizens are applying to the HRD's office in order to ensure that their right is respected. Media and NGOs, such as FOI, on their side, are overseeing the process of provision of information to the citizens.
- 18.3.** During the reporting period a number of training have been organized in order to raise awareness of public officials on regulations of freedom of information law, practice, etc. Thus, in September, October training for anti-corruption focal points have been conducted which also included a special session on access to information. The issues in regard access to information

are also thought during annual training for civil servants. Moreover, 38 media representatives have been trained on abovementioned issue.

The Prime-Minister's staff has launched an awareness raising campaign on e-request system¹⁶. This system is aimed at raising the accountability and transparency of public bodies. Thus, by using the abovementioned system citizens can apply electronically to the Government, follow the application process and receive feedback¹⁷. "Freedom of Information" NGO, on its side, is supporting the Government by advertising the e-request system via social media.

18.4. As an obvious example of implementation in practice of the provisions related to transparency of the entities using public resources, it can be highlighted that the website of interactive budget¹⁸ includes all information on expenses from the state budget, all texts of the contracts, data on participants of the contracts, financial indicators are publicly available.

Assessment of Progress

1. Armenia reported that state agencies publish information on their websites in an open date format according to the law. At the same time NGOs noted that some state agencies failed to duly follow disclosure requirements record management and classification system is not in place.
2. No data has been provided to conclude that efficient supervision and oversight of enforcement of the right to access is ensured in practice by Public Defender's Office. FOICA reported about various activities aimed at lobbying creation of oversight body.
3. The Government reporting about various trainings conducted for Freedom of Information Officers and a comprehensive awareness raising campaign related to introduction of e-request.
4. According to the Art. 3.6 of the FOI law entities that receive public funds are subject to disclosure requirements. However, no data has been provided how these requirements are implemented in practice.

Lack of progress

Recommendation 19: Public procurement

1. Systematically monitor contract award patterns both in competitive and single source procurement procedures
2. Further enhance the electronic procurement platform to include all procurement procedures and comprehensive and machine-readable reporting facilities.
3. Continue to introduce systematic centralized monitoring procedures and facilities to ensure impartial and technically adequate technical specifications, requirements and terms of reference.
4. Ensure the publication of names of debarred entities and the reasons and duration of their debarment.
5. Ensure that contract amendments and change orders are recorded, made publicly available, and any unusual patterns in this respect are investigated.

¹⁶ <https://www.facebook.com/armgovernment/videos/707072189687700/?v=707072189687700>

¹⁷ <https://www.e-request.am/en>

¹⁸ <https://www.e-gov.am/interactive-budget/>

6. Further reduce the use of single source procurement.
7. Ensure independence, adequate professionalism and adequate budget and staff allocation for the Procurement Complaints Appeals Body.

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Government report

19.1. According to the clauses of the RA Law “On Procurement” (hereinafter the “Law”), the whole information related to the procurement is published on the official bulletin of procurement (at the website www.procurement.am).

Meanwhile, procurement accountability software program is operating at the www.armeeps.am/ppcm internet address, which contains complete information on electronic procurement procedure from the moment the procedure is announced till the contract award, including on the actions performed within this period and subject to publishing. The program also includes awarded concluded contracts as well as delivery-acceptance protocols justifying their performance and invoices.

Given the above mentioned, all stakeholders may regularly conduct monitoring, as a result of which they have a right to appeal actions (inactions) and decisions of customer and evaluation committee in case of disagreements.

19.2. Since 16 July, 2018 the “e-Auction” Electronic Auction System software has been operated by which business processes are automated as much as possible. The electronic auction system is available at www.eauction.armeeps.am website.

According to the requirements of the Law, procurement plans, announcements and invitations of procurement procedures, protocols of sessions of the evaluation committee, statements on clarification of invitations, changes in invitation, the absence of a conflict of interest signed by members and secretary of the evaluation committee, concluded contract, the decision to conclude a contract, the change made in the concluded contract, declaration of failed procurement procedure, as well as information about winner participants (real owners) are published by the customers at www.procurement.am website.

In the context of the Law, customers publish the announcements and invitations of competitive procurement procedures and single source procurement due to the urgency, as well as contracts awarded as a result of such procedures at the www.procurement.am website. At the same time, customers implementing procurement through ARMEPS electronic procurement system (state bodies, urban municipalities, commercial organizations established by the state, funds) publish the mentioned documents in the ARMEPS system and announcements and invitations of electronic auctions are published both in the ARMEPS system and www.eauctions.armeeps.am system as well.

19.3. The Order “On Assessment of Qualification Requirements for Items Characteristics and Participants Approved by the Customer through a Sample Order” (hereinafter the “Order”) was approved by the RA Government Decree N1454-N, dated 16 November, 2017.

The mentioned order envisages that in view of ensuring the requirements for competitiveness and non-discrimination envisaged by the Law procurement invitations defined by the sample are evaluated by the authorized body as a result of which the later publishes positive or negative conclusion on the www.procurement.am website.

In case of a negative conclusion the customer should submit clarifications on recorded inconsistencies to the authorized body, which is considered and approved or denied by the authorized body. Meanwhile, the Order also defines the cases when the clarification submitted by the customer should be adopted by the authorized body.

At the same time, for the purpose of ensuring the publicity and transparency of the assessment results clarification of the customer and the conclusion of the authorized body are also published on the www.procurement.am website.

It is also envisaged to develop a guideline identifying common criteria for technical characteristics of goods as a result of which customers should take the same technical characteristics as a basis for obtaining the specific procurement items.

19.4. The participant is included in the list of participants who are ineligible to participate in the procurement process (hereinafter the “List”) for two years pursuant to the decision of the appeal examining person. The list is published on the www.procurement.am website, which contains the following data on the participants included in the List: participant's name, taxpayer registration number, basis and date of inclusion in the List.

At the same time, the number of the decision of the appeal examining person to include a participant in the List is also specified in the List.

19.5. According to the RA Legislation on Procurement, announcements on making amendments to the contracts awarded for state needs are published on the www.procurement.am website.

See also Section 1.

19.6. The volume of single source procurement due to urgency amounted to around AMD 21.2 bln (18.6 percent of total measures for non-monopoly procurement) in 2015, around AMD 6.6 bln (7.2 percent of total measures for non-monopoly procurement) in 2016, around AMD 4.8 bln (5.7 percent of total measures for non-monopoly procurement) in 2017 and around AMD 1.051 bln (1.1 percent of total measures for non-monopoly procurement) in 2016.

19.7. According to the requirements of the Law, each person has a right to appeal the actions (inactions) and decisions of the customer and evaluation committee to the appeal examining person, as well as to appeal judicially the actions (inactions) and decisions of the customer, evaluation committee and appeal examining person.

At the same time, the appeal examining person is a disinterested and independent body implementing investigation, which is not interested in the outcome of a specific procurement process and is protected from external influences during the implementation of his/her duties and rights.

The appeal examining persons are the subordinate bodies of the RA Ministry of Finance. The structure of each body under the RA Ministry of Finance includes the appeal examining person. The RA Ministry of Finance provides the implementation of functions of assistants of the appeal examining person, as well as other persons required for technical service. The relations of remuneration of the appeal examining person are regulated pursuant to the RA Law “On Remuneration of Persons holding State Posts and State Service Posts”.

At the same time,

the decision of the appeal examining person are legal binding and can be changed or eliminated (including partial) only by court,

the decision adopted by the appeal examining person should be subject to immediate execution if it has not been eliminated by judicial order.

Assessment of Progress

1. The Government reported that all information related to public procurement processes is now published in the official bulletin of procurement on the Government website www.procurement.am. This website also contains all information related to procurement processes that are conducted through the electronic procurement system (Armepps), thus providing the stakeholders of a procurement process with timely and comprehensive information related to the given process. Whilst it is commendable that third parties have access to procurement related information such as contract awards and that stakeholders can monitor the procurement process for a given contract, there does not appear to be any systematic monitoring system in place that analyses contract award patterns both in competitive and single source procurement procedures.
2. According to the Government, a new “e-Auction” Electronic Auction System software has been in operation since July 2018. This further enhancement of the Armenian electronic procurement platform is a positive development. However, CSOs criticise that the information contained in the electronic platform is still not machine readable and that not all procurement processes are conducted in Armepps. For the next update it will need to be established whether all procurement methods are now processed through Armepps.
3. The Government reported that participants in a procurement process may alert the procuring authority on inconsistencies or bias of the technical specifications in tender documents through clarification requests during the procurement procedure. Whilst this is an effective tool, it does not replace the need for defining unbiased standards of technical specifications. CSOs report that the Government has not undertaken any visible steps in introducing such standards. However, the Government envisages to develop a guideline identifying common criteria for technical specifications of goods, which should lead to a standardisation of such specifications. It is highly advisable that this guideline is developed and published as soon as possible.
4. The names of debarred entities are included on a list of participants who are ineligible to participate in public procurement processes, which is published on www.procurement.am. This is a positive development. It will need to be monitored whether all debarred entities are included in this list.
5. The Government further noted that announcements of contract amendments are also reported on www.procurement.am, which is commendable. It could not be established whether unusual patterns for contract amendments or change orders are systematically monitored.
6. A very positive development can be recorded in the area of single source procurement due to urgency. According to data provided by the Government, single source procurement has been significantly reduced from AMD 21.2 billion in 2015 to AMD 1.05 billion in 2018.
7. Ensuring independence and professionalism of the persons dealing with public sector procurement complaints is of high importance. According to the Government, these persons are independent in their decision-making process and report to RA Ministry of Finance. The Government further states that sufficient measures have been taken to ensure these persons’ independence. CSOs are still doubtful about the independence of these persons. Further developments in this respect should be closely monitored.

Progress

Recommendation 20: Business integrity

1. Prioritise business integrity measures in national anti-corruption and law-enforcement policy.
2. Develop business integrity section of the anti-corruption policy documents based on risk analysis, in consultation with companies and business associations. Promote active participation of private sector in the monitoring of anti-corruption policy documents.

3. Ensure that business has a possibility to report corruption without fear of prosecution or other unfavourable consequences, for example through independent bodies. Promote such reporting.
4. Promote integrity of state-owned enterprises through their systemic reform, by introducing effective anti-corruption programmes and increasing their transparency, including setting the requirement for proactive publication of information. Develop, implement and monitor anti-corruption measures in state-owned enterprises.
5. Consider adopting a Corporate Governance Code for SOEs based on the OECD Guidelines and other international standards.
6. Promote the role of business associations for business integrity, such as studying corruption risks, disseminating good integrity practices; support awareness raising and training.
7. Ensure gradual and effective beneficial ownership disclosures: a) require disclosure of beneficial ownership of legal persons; b) create a central register of beneficial owners; c) publish the information on-line in open data format in line with local and internationally recognised guarantees of data and privacy protection; d) ensure dissuasive sanctions for nondisclosure in law and in practice.
8. Raise awareness of and train the representatives of state bodies and those of the companies on business integrity issues.

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Government report

- 20.1. In the draft anti-corruption strategy and its implementation action plan for the years 2019-2022 a special chapter is dedicated to the business integrity measures.
- 20.2. On 19 November, 2018 a conference devoted to the programme "Reducing Corruption Risks in the Private Sector" took place with the participation of all stakeholders. The conference was held by the Ministry of Justice and "Harmonious Development" non-governmental organisation with the support of VivaCell-MTS¹⁹. During the conference it was highlighted that taking into account the international commitments assumed by the Republic of Armenia, as well as the recommendations received as a result of different international assessments, which state the necessity of active steps aimed at preventing corruption in the private sector, the Ministry of Justice of the Republic of Armenia is co-operating with VivaCell-MTS within the scope of the jointly implemented programme entitled "Reducing Corruption Risks in the Private Sector". The programme is aimed at identifying the corruption risks hindering the private sector and developing simple, innovative and modern methods for neutralisation of those risks. Within the scope of the programme, the relevant international practice has been studied and inquiries have been made by the partnering "Harmonious Development" non-governmental organisation, as a result of which innovative ideas have been compiled. The recommendations received in the course of the programme concern the tax and customs sectors, the regulations regarding receipt of licences and permits, the procurement system, etc. The recommendations received mainly envisage the creation of electronic websites, platforms, chat bots and similar mechanisms which will make the receipt of services and the exchange of information quicker and more accessible. The abovementioned NGO has collected all the gaps highlighted and ideas presented during the Conference and has applied to relevant stakeholders.

Moreover, the Ministry of Justice together with VivaCell-MTS has launched a new programme aimed at introduction of internal integrity system in business organisations as well as on organizing anti-corruption education.

¹⁹ <http://moj.am/en/article/2172>

- 20.3.** Business sector whistle-blowing website enables business representatives to inform anonymously about corruption risks and other problems encountered in business, while ensuring their safety. So far the number of submitted reports is 73, from which 68 were acknowledged and 10 of them were satisfied. Moreover, the electronic platform for anonymous whistleblowing will be operational soon, and business will also be able to report corruption.
- 20.4.** The draft anti-corruption strategy and its implementation action plan for the years 2019-2022 include special measures on promoting integrity of state-owned enterprises. It is also envisaged, that based on the results of risk assessment, anti-corruption measures will be developed and implemented.
- 20.5.** In partnership with PwC Armenia legislative improvement of corporate governance has been launched, in particular, as a result of international competition, an expert has already been selected, who will provide consultations concerning the revision of the rules of corporate governance in accordance with the principles of OECD.
- 20.6.** In order to promote the role of business associations for business integrity, the Government is actively cooperating with a number of business associations, such as Republican Union of Employers of Armenia, Union of Manufacturers & Businessmen of Armenia, Consumers Association.
- 20.7.** The legislative package on disclosure of beneficial owners have been developed, circulated, discussed with wide scope of stakeholders, approved by the Government and submitted to the Parliament. The legislative package provides for creation of a central register of beneficial owners. According to the abovementioned draft, the information will be publicly available in an open data format in line with local and internationally recognised guarantees of data and privacy protection. Moreover, the draft envisages that the provisions on mandatory disclosure will be pilotly introduced for legal persons operating in the mining sector. As regards sanctions, it should be highlighted that the sanction for non submitting information on beneficial owners will be the suspension of license.
- 20.8.** The programme launched between the Ministry of Justice and VivaCell-MTS envisages that a training curriculum on business integrity will be developed and implemented within the representatives of state bodies and companies.

Assessment of Progress

1. New anti-corruption policy documents are in preparation. The Government reported that a dedicated section on business integrity is included in the draft.
2. Civil society has been involved in the process of elaboration; however, no information is provided about the involvement of the private sector. Ministry of Justice continued its cooperation with Viv Cell-MTS on promoting business integrity measures and launched a new programme to that effect.
3. Armenia is in the process of introducing whistleblower protection system as described under the recommendation 13. This mechanism will be applicable to businesses as well and will ensure anonymous reporting. No dedicated channels or mechanisms are foreseen otherwise. No information has been provided about promoting such reporting.
4. According to the Government, such measures are included in the draft policy documents. Thus, progress in their realization cannot be assessed at this point.
5. Work on launching revision of the Corporate Governance Code was initiated in cooperation with the PWC. However, it is at the early stage of recruiting a consultant to assist in the process.
6. Armenia reported about active cooperation with business associations, however, concrete information on measures carried out has not been provided.
7. Legislative package on beneficial ownership disclosure has been submitted to the Parliament. According to the Government, the draft provides for creation of a central register of beneficial

owners and online publication of information. NGOs however reported that the obligation to disclose is not provided and disclosure will be voluntary and the pilot disclosure in the register will only apply to the mining sector. The experts have not seen the draft law to make conclusions on its substance.

8. Training curriculum is planned to be developed within the framework of the VivaCell project.

Overall, tangible steps have only been made in relation to recommendation 20.7. While other measures seem promising, they are at early stage of implementation.

Lack of progress

Chapter 3: Enforcement for Criminal Liability for Corruption

Recommendation 21: Criminal law

1. Without further delay introduce liability of legal persons for corruption offences in line with international standards.
2. Enable law enforcement to effectively pursue corruption cases that involve legal persons.
3. Ensure that “essential damage” and “essential harm” as element of abuse of power offences are compliant with legal certainty requirements.
4. Analyse practice of application of the new provisions on illicit enrichment and, based on the results of such analysis, introduce amendments to address deficiencies detected, if needed.
5. Ensure the proportionality of sanctions in corruption cases.

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Government report

21.1. 21.2. 21.3. The issues regarding introduction of criminal liability of legal persons for corruption offences in line with international standards as well as ensuring that “essential damage” and “essential harm” as element of abuse of power offences are compliant with legal certainty requirements will be resolved once the Draft Criminal Code will be adopted.

21.4. During 2019, the RA Prosecutor General's Office plans to conduct a study concerning the legal application of the corpus delicti of illegal enrichment, as a result of which specific problems will be solved.

21.5. During the session of March 3, 2017 of the RA Prosecutor's Office, the peculiarities of the number of crimes as well as the punitive policy of corruption related crimes have been discussed and, accordingly, the RA Prosecutor General has instructed the divisions of the Prosecutor's Office to tighten the punitive policy for corruption crimes.

Assessment of Progress

The legal amendments are in the pipeline. No new development to conclude progress.

Lack of progress

Recommendation 22: Detection and investigation of corruption

1. Continue to expand the use of various sources of reliable information and analytical tools to consider opening investigations into corruption. Introduce statistics on sources of detection of corruption offences.

2. Remove existent limitations on access to financial information from financial institutions for the purposes of investigations and prosecutions of corruption offences and other financial crimes in line with the international standards.
3. Ensure that law enforcement agencies have effective electronic access to the asset declarations, tax, customs, marriage, birth, travel, and other state databases.
4. Establish a centralised register of bank accounts, including information about beneficial owners of accounts, and make it accessible for investigative agencies with appropriate safeguards.
5. Consider developing criteria that provides some limitations on the Prosecutor General's absolute power to transfer cases.
6. Enhance the cooperation and coordination between the law enforcement authorities and competent state bodies in charge of prevention, detection, investigation and prosecution of corruption offences.
7. Ensure that investigations of money laundering involving public officials or where the predicate offences are corruption are adequately coordinated with investigators and prosecutors who deal with corruption cases.
8. Build the capacity of investigators and prosecutors to conduct financial investigations and use circumstantial evidence; encourage use of in-house or outsourced specialised expertise; use IT systems to compile and analyse data for detection and investigation of corruption offences, identify areas prone to corruption.
9. Develop guidelines on detection, investigation and prosecution of bribery offences, when the bribe was merely offered or promised, as well as cases of trading in influence, and illicit enrichment.
10. Consider developing and adopting plea agreement legislation, policies and guidelines on its implementation.
11. Encourage various modern and informal forms of international cooperation and make good use of the available mechanisms for cooperation under the umbrella of regional and global organisations.
12. Collect and analyse data about the practical application of available international cooperation mechanisms during the investigation and prosecution of corruption cases, identify relevant challenges to cooperation and take necessary measures for their remedy.

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22.1. IT system ensuring the anonymity of whistleblowing has been developed and will be operational in upcoming days. The investigative bodies have access to data of the State registry; moreover, the CPC will have access to all databases except for banking secrecy.

Based on the Article 5 of the Law on Prosecutor's Office, by the order of the RA Prosecutor General N. 1 of January 22, 2018 a methodological guideline has been approved concerning the provision of information and statistical data on the results of the investigation of corruption related crimes, on the basis of which every year up to February 1 bodies conducting the preliminary investigation present to the RA Prosecutor General's Office information and statistical data on the results of the investigation of crimes, committed during the past year, as well as the investigation of corruption related crimes.

According to subpoint (a) of point 4 of the methodological guideline approved by the above-mentioned order, as well as forms of statistical report concerning the work of the prosecutor, statistics are also been maintained under Article 176 of the RA Criminal Procedure Code regarding the sources for identifying corruption offenses.

22.2. The law enforcement agencies, within the authorities provided by the law and vested upon it have electronic access to numerous information platforms, including to the indicated ones, the

number of which periodically increases. -Thus, the information on asset declarations is publicly available. Law enforcement agencies have direct access to birth, travel, registry and other information. The data on marriage is provided to law enforcement bodies within the framework of a criminal case.

The recommendations under **22.2, 22.4, 22.5 and 22.9** are currently under discussions with all stakeholders and donor organizations.

22.6.The Criminal Procedure Code of the Republic of Armenia has sufficient safeguards to ensure the cooperation between the authorities of investigation and supervision (eg. discussions of criminal cases, instructions by the criminal cases given by the prosecutor and so on), which is practically implemented successfully.

22.7. The investigation of money laundering and other crimes of corruption by officials is carried out by the Special Investigation Service of the Republic of Armenia if the perpetrator is considered to be in accordance with Article 4, parts 2 and 3 of the RA Law “On Special Investigation Service” senior official of the legislative, executive and judicial authorities or state official who are under the jurisdiction of the Service, with the exception of Articles 149, 150, 154.1, 154.9, 314.2, 314.3, 310.1 of the Criminal Code of the Republic of Armenia, by which preliminary investigation is anyway carried out by the Special Investigation Service. A specialized department for investigation of corruption cases is operating within the Service: Investigation Department of Corruption, Organized and Official Crimes. Specialized investigators of the Department carry out investigation by criminal cases on corruption offences. It should be also highlighted that National Security service and Investigative Committee also have specialized anti-corruption departments.

As for as prosecution, it should be mentioned that the Department for Supervision over the Investigation of Crimes against Public Security of the Prosecutor General’s Office of the Republic of Armenia, which is also the specialized subdivision implementing the supervision over the legality of investigation of cases on money laundering has specialized prosecutors, who are implementing the supervision over the legality of preliminary investigation of corruption related criminal cases, consequently, in cases where offenses that have been preceded by money laundering or another crime (being under the competence of the above-mentioned department) have corruption nature, the prosecutorial supervision over the investigation and procedural lead is being conducted by the mentioned specialized prosecutors.

Concerning the cases of money laundering committed by the officials then the supervision over those cases is being implemented by the Department for Supervision over the Investigation of Especially Important Cases of the RA Prosecutor General’s Office, which has a corresponding specialization.

22.8. The Prosecutor's Office periodically conducts analysis directed toward the identification of the fields of having higher corruption risks. Based on the analysis, appropriate recommendations are presented to the Government and other competent authorities.

In respect of building capacity of investigators and prosecutors, it should be highlighted that investigators and prosecutors are periodically participating in various training and courses organized both in the country and abroad with the assistance of the US Embassy’s International Narcotics and Law Enforcement Affairs Office, GIZ, IRZ and other international organizations.

In addition, the Legal Provision and External Relations Department of the Special Investigation Service periodically organizes and conducts workshops aimed at raising the professional qualities of investigators.

22.10. In the draft of the Criminal Procedure Code of the Republic of Armenia cooperation procedure is being regulated by the separate chapter. And before the adoption of the new RA Criminal Procedure Code, without having a separate institute of pre-trial cooperation, certain legal regulations relating to the mentioned institute by the legislation of the Republic of Armenia still exist.

Thus, Articles 72 and 73 of the RA Criminal Code regulates the institutions for exemption from criminal liability on the grounds of having regrets for his/her action as well as reconciliation with

the victim, and exemption from criminal liability is envisaged by a number of articles of the special part of the Criminal Code, if the latter has compensated the damage caused in the result of the crime (Article 189, part 5, Article 184.1 Part 3 of the Criminal Code).

22.11. The Prosecutor's Office of the Republic of Armenia always attaches importance to the discussion of various mechanisms for international cooperation within the framework of international and regional organizations.

With a view to make the international and legal cooperation within the criminal cases more effective and to communicate on time with the competent authorities of foreign states (mechanisms for cooperation) in the lists of the contacts elaborated by the corresponding international organizations (e.g. UN, CoE, IAP, Eurojust) have been mentioned the contact data of the RA Prosecutor's Office with the aim of contacting at any time, consulting before sending officially petitions on legal assistance, petitions for extradition as well as for the transfer of proceedings to the competent bodies of the RA and discussing urgent issues.

Within the framework of the international cooperation, importance has been given to the meeting of the RA Prosecutor General with his Swiss colleague in September 2018, during which the mechanisms for returning the assets obtained by the criminal way have been discussed.

In 2018, there has also been an active cooperation within the framework of the CIS. The Prosecutor General of the Republic of Armenia during the session of anti-corruption interstate Council held in Yerevan in July 2018 has been elected as the Chairman of the CIS anti-corruption interstate council.

The Prosecutor General of the Republic of Armenia Artur Davtyan has participated in the works of the 28th session of the Coordination Council of the CIS Prosecutor Generals organized in Dushanbe.

Within the framework of the session, the RA Prosecutor General had a speech concerning the results and experience of Armenia against systemic and criminal legal fight against corruption. The anti-corruption institutional reforms implemented in Armenia in recent years, the legislative solutions stemming from them and the existing practice of their implementation have been presented.

The representative of the Department for Combatting Corruption and Economic Crimes of the Prosecutor General's Office of the Republic of Armenia on June 18-19, 2018 in the capital of Moldova, Chisinau has participated in the workshop entitled "Possible ways of revealing illegal enrichment within the framework of the fight against corruption".

The representative of the Department for Combatting Corruption and Economic Crimes of the Prosecutor General's Office of the Republic of Armenia in Prague on November 13-16, 2018 has participated in the meeting, held within the framework of the topic of "Prosecutors independence, international cooperation and disclosure of corruption cases".

The representative of the State Interests Protection Department of the Prosecutor General's Office of the Republic of Armenia from February 10 to March 9 of 2019 will participate in the seminar held (in Garmisch-Partenkirchen, FGG) within the framework of the program on countering transnational organized crime of the George C. Marshall Center - European Center for Security Studies

The representative of the RA General Prosecutor's Office Department for Supervision over the Investigation of Crimes Against Public Security has participated in the 56th plenary session of the Council of Europe's "MONEYVAL" commission in Strasbourg, France from July 1 to July 7, 2018, within the framework of which in 2015 the progress report of FATF 2013 on the steps undertaken by the Republic of Armenia in relation to issues identified in the 5th round evaluation report on methodology of the system against Money Laundering and Terrorist Financing (ML / FT) in RA has been approved, according to which the Republic of Armenia has made considerable progress towards implementing the FATF Recommendations 1 (Risk assessment and risk-based approach), 7 (Targeted financial sanctions related to proliferation of weapons of mass destruction) and 8 (Non-profit organisations).

Specifically:

- With respect to FATF Recommendation 1: The revised methodology for ML / FT national risk assessment in the Republic of Armenia has been approved by the Interdepartmental Commission on combating money laundering, terrorism financing and the proliferation of

weapons of mass destruction, on the basis of which several areas of national risk assessment have been revised by the concerned agencies, including threats and trends of ML, latent crime, transboundary flows, shadow economy and the level of corruption, as well as the risk of abuse of commercial and non-commercial organizations from the ML / FT perspective,

- With respect to FATF Recommendation 7: The RA Law on Making Amendments and Addenda to the RA Law on Combating Money Laundering and Terrorism Financing has been developed and submitted by the National Assembly of the Republic of Armenia on March 1, 2018, which defines the obligation to impose targeted financial sanctions on financing the proliferation of weapons of mass destruction,
- With respect to FATF Recommendation 8: A study of the risk of abuse of non-commercial organizations from TF perspective has been carried out, according to the laws governing their activities, as well as possible relationships with risk countries in terms of TF.

22.12. As for some challenges (challenges to cooperation) in the field of international legal cooperation within the framework of criminal cases we can mention the following:

The responses concerning the discussion results of petitions of legal assistance and transfer of proceedings sent to some states are not received as well as the discussion of extradition petitions is delayed for a long time.

Some states return the petitions on legal assistance because they don't correspond with the legislation of their state, without mentioning the main requirement of the legislation which is not in accordance with the petition on legal assistance addressed to them.

The absence of an international treaty regulating the international legal cooperation with some states. In the absence of such treaty, cooperation is usually carried out on the basis of the principle of reciprocity between the two states, which often requires a long time (reach an agreement).

The results obtained by the implementation of petitions on legal assistance sent to competent authorities of foreign states from foreign states are often received in the RA Prosecutor General's Office for more than 4-7 months. In the above-mentioned terms it is worth including the period of transmitting, implementing and returning the petition on legal assistance to the competent authority of foreign state through diplomatic channels.

Assessment of Progress

1. Evidence to show expansion of the use of source and tools for opening investigations have has not been provided. The Government reported about the newly approved methodological guidance requiring collection of statistics on the sources of detection of corruption offences.
2. No progress.
3. Armenia reported that the law enforcement agencies have access to databases. No information was provided about developments to address this recommendation. Thus, it is not clear if such steps were made or not. NGOs reported about signature of agreements by Investigative committee with the state bodies to provide obtain access.
4. No progress
5. No progress
6. No evidence to conclude progress
7. No new evidence to demonstrate progress
8. Provided general information does not demonstrate progress in relation to the recommendation.
9. No progress
10. No new development
11. Provided information concerns participation of Armenia's representatives in various international forums related to fighting corruption and implementation of FATF recommendations. While these developments may be positive, they do not represent an evidence on using international cooperation methods for investigation and prosecution of corruption cases.

12. No steps have been taken to analyse practical application of international cooperation mechanisms, identify challenges and address them.

Lack of progress

Recommendation 23: Enforcement

1. Step up efforts to detect, investigate and prosecute high-profile and complex corruption cases, especially by using financial intelligence, anonymous tips, whistleblower information, and other law enforcement tools in a targeted and proactive manner, aimed at persons among high level officials, main risk areas in public administration and economy.
2. Collect and analyse data on corruption cases to identify trends in types of corruption detected, investigated and prosecuted, to determine what practical challenges arise and how they can be tackled, including how new types of corruption offences are being investigated and prosecuted.
3. Complement criminal statistics on corruption-related offences with data on the seized and confiscated property.

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23.1. In the course of 2018, a large number of criminal cases have been related to corruption cases and they have been of public interests.

Particularly, within the framework of criminal cases investigated by the Special Investigative Service of the Republic of Armenia for committing corruption related crimes, 44 officials have been sued and according to the spheres and positions held they have been:

1) Police officers- 11,

including

- ✓ Division Head - 1,
- ✓ Operative Division Deputy- 1,
- ✓ Unit Duty Officer - 1,
- ✓ Criminal Prosecution Division Head - 2,
- ✓ Police Detective of Criminal Prosecution Division - 2,
- ✓ Community police division inspector - 2,
- ✓ Policeman – 1
- ✓ Leading specialist of the passport group; - 1,

2) Officers of the Penitentiary Department of the RA Ministry of Justice - 14,

including

- ✓ **Penitentiary Institution Head- 1,**
- ✓ **Penitentiary Institution Acting Head - 1,**
- ✓ **Penitentiary Institution Deputy Head - 1,**
- ✓ **Penitentiary Institution Division Head - 1,**
- ✓ **Unit Duty officer - 4,**
- ✓ **Penitentiary Institution Specialist (including chief) - 6,**

3) Officials of the RA Investigative Committee - 8,

including

- ✓ Regional Investigative Department Head - 1
- ✓ Deputy Head of the Investigative Division- 1,
- ✓ Investigator (including chief) - 6,

4) Officials of the RA State Revenue Committee - 7,

including-

- ✓ Tax Division Head - 1,
- ✓ Tax Division Deputy Head - 1,
- ✓ Tax inspector - 2,
- ✓ Customs inspector - 2,
- ✓ Chief Specialist of the SRC - 1,

5) Fire rescue officer of the RA Ministry of Emergency Situations - 1,

6) Compulsory Enforcement Officer of the Compulsory Enforcement Service of the RA Ministry of Justice – 2

7) Commander of the military unit of the RA Ministry of Defence - 1:

For committing corruption related crimes within the framework of terminated on non acquittal grounds criminal cases, parts of criminal cases as well as materials based on which the initiation of the criminal case has been rejected, 10 officials who held the following positions:

1) Police officers - 2,

including-

- ✓ Passport Division Head - 1,
- ✓ Road Traffic Inspector - 1,

2) Officers of the SRC adjunct to the RA Government - 5,

- ✓ Deputy Head of the Department - 2,
- ✓ Division Head - 1,
- ✓ Unit Duty Officer - 1,
- ✓ Chief Specialist-Inspector of the border control point - 1,

3) Compulsory Enforcement Officer of the Compulsory Enforcement Service of the RA Ministry of Justice -1,

4) Former Investigator of the Prosecutor’s Office - 1,

5) Specialist of the Penitentiary Institution of the RA ministry of Justice – 1

It should be also highlighted that a number of cases have been initiated for corruption or corruption related cases against high level officials, such as former Minister of Nature Protection A. H., Deputy of National Assembly M.G., Former Head of the State Protection Service V. G., etc.

23.2.

Record of corruption crimes is constantly maintained in the Investigation Department of the NSS of RA, with the data of those cases being subjected to a thorough analysis. According to Article 200 of the current Code of Criminal Procedure of the Republic of Armenia, “the prosecutor, the investigator, the investigating body, during the preliminary investigation, are obliged to reveal the circumstances conducive to the committed crime and, when necessary, to submit a motion to the appropriate legal entity or official on taking measures to eliminate these circumstances. The motions are subject to

mandatory consideration, and the body or official who forwarded these motions must be informed in writing about the results within a month". In case of necessity, the investigators of the Investigation Department of the NSS of RA submit corresponding motions on the risks detected as a result of the analysis of the data of the investigation of corruption crimes.

Moreover, territorial subdivisions of the RA Prosecutor's Office monthly, then annually send to the Department of Combatting Corruption and Economic Crimes of the RA Prosecutor General's Office the statistical data on the structure, level and progress of corruption crimes.

The bodies conducting the preliminary investigation according to their jurisdiction also provide information concerning the trends of corruption crimes.

All the above-mentioned data are summarized in the annual report of corruption crimes, which is published on the official website of the prosecutor's office every year until April 1.

The study of comparative analysis, statistical data on the structure, level and progress of corruption crimes allows for conclusions about the trends of growth or decline of corruption crimes, which in its turn predetermines the priorities of the fight against corruption crimes, as well as the choice and direction of fighting methods.

23.3. According to the Methodology Guideline regarding the provision of information and statistical data on the investigation results of corruption related crimes approved by the RA Prosecutor General's Order N 1 of January 22, 2018 as well as statistics report forms concerning the prosecutor's work, statistics are being maintained at the present moment concerning the amount of the property damage caused in the result of the crime within the framework of the completed materials and criminal cases. The data on the above-mentioned are also being published every year on the official website of the prosecutor's office.

Assessment of Progress

1. The Government provided statistics of opened cases, that constitutes an increase and includes high-level officials. No evidence has been provided about using specific tools recommended in 23.1 or further information that would enable assessing effectiveness of investigations of complex corruption cases. The NGOs attest that the investigations are ongoing against former high-level officials.
2. Government reported about the existing practice of data collection and analysis and publication of the annual reports, that has been in place during the previous monitoring as well. No evidence has been provided about specific requirements of the recommendation, related to the analytical reports to identify practical challenges of detection, investigation and prosecution of corruption offences.
3. Provided information does not address the recommendation.

While increased activity of the law enforcement to investigate and prosecute corruption is a positive development, the provided information is insufficient to conclude progress.

Lack of progress

Recommendation 24: Anti-corruption law-enforcement bodies

1. Continue to strengthen capacity for fighting corruption by ensuring and guaranteeing institutional, functional and financial independence of law enforcement bodies dealing with fight against corruption.
2. Put in place effective mechanisms to prevent various forms of hierarchical pressure and undue interferences with corruption investigations and prosecutions.
3. Introduce competitive and transparent merit-based selection of heads of specialised anti-corruption agencies.
4. Equip law enforcement institutions responsible for fight against corruption with adequate resources and provide their staff with consistent, needs-tailored training, especially on issues related to whistleblowers and asset declarations.

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The Governmental Program provides for establishment of a specialized, autonomous anti-corruption law enforcement body with all capacity required for the identification of corruption offenses.

Armenia, with the support of OSCE has launched a program aimed at Strengthening anti-corruption reform in Armenia and especially, at creation of Anti-Corruption Investigative Agency. Within the framework of the program it is planned to conduct risk and need assessments, based on the results of the assessment develop legislative framework. In the scope of the developed legislation, the selection process of heads will be modified. The program also envisages that OSCE will provide technical support, including the provision of necessary digital and IT tools and equipment to ensure operational capacities of 10 regional offices throughout Armenia. The Government of Armenia is expected to provide in-kind contribution in the form of building and office space, communication, infrastructure and salaries/benefits of staff of these regional offices. The list of necessary equipment and tools that would include hardware and software products would be compiled during the aforementioned expert driven comparative needs assessment. The OSCE will conduct competitive and transparent tendering to locate the most efficient provider of digital IT tools and equipment, in accordance with the OSCE procurement procedures. Besides, the OSCE, in partnership with the Ministry of Justice of Armenia, as well as other selected international partners, will design a specialized curriculum programme of training modules in the area of corruption prevention, combating corruption, anti-money laundering, countering financing of terrorism, asset declaration, as well as asset recovery and returned assets re-use. The curriculum will include comprehensive training package designed for junior, mid-level and senior level staff of the agency, as well as for other relevant government agencies, including investigators, prosecutors and judges. Also, it will include a tailor made “Train-the-Trainer” programme to enhance professional capacities of the Agency’s professionals, as well as to ensure sustainability of training programme and its ongoing continuance.

24.4. The Academy of Justice continued the provision of training to investigators and prosecutors. Moreover, the prosecutors and investigators participated in training organized in Strasbourg and in Prague.

The Training and Certification Department of Police Educational Complex of the RA together with relevant Chairs have revised retraining programs of Police Educational Complex of the RA envisaging updated trainings aimed at creating knowledge and skills on preventing corruption.

By the order N 3377-A of the head of Police of the Republic of Armenia adopted on 08.12.2017 the schedule of trainings of Police Educational Complex of the RA was approved for 2018.

According to the training groups, changes and additions were made to thematic plans to improve the level of knowledge in line with international demands required to avoid corrupt behaviour of police officers.

The studies on “Criminal Law of the Republic of Armenia” in the thematic plan of training courses envisage the following topics:

“The criminal procedure characteristics of corruption related crimes”, “Criminal procedure policy on combating corruption in European and national levels”.

“Criminology and prevention of crimes” studies envisage a topic on “Corruption and its prevention”. “Ethics of policemen” studies envisage topics on “Competition between ethics norms preservation and professionalism of criminal investigator” and “Rules of Ethics for Policemen”.

“Police Ethics” studies included a new topic on “Conflict of Interaction and Corruption Risks in the Police”.

The following changes have been made:

Online training on "Ethics of Police Officers" has also been developed. During 2018 “Skype for business” was tested video calls and video conferencing at the central apparatus, in several provinces and the Educational Complex. -

Assessment of Progress

1. The Government reported about future plans of establishing a specialized investigative body and cooperation with OSCE aimed at increasing investigative capacities throughout Armenia. No specific measures have been carried out so far to address the recommendation.
2. No progress
3. No progress
4. Provided information does not address the recommendation.

Lack of progress

Chapter 4: Prevention and Prosecution of Corruption in Higher Education

Recommendation 1: anti-corruption policy

1. Ensure that the sector strategy and action plan are implemented, and that progress is monitored and analysed in view of adjusting the priorities. Consider extending the timeline for implementation into the next strategic period.
2. Clearly indicate the budget necessary for the implementation of anti-corruption measures (amount and the resource that will fund implementation) and ensure that the measures address the conditions in the sector which contribute to corruption risk.
3. Ensure that the Ministry of Education and Science has sufficient capacity to coordinate, monitor, and steer the implementation of the sectoral anti-corruption strategy and report on progress.
4. Ensure that higher education institutions are provided with guidance and clearly defined obligations regarding the inclusion of anti-corruption priorities in their annual plans, the implementation of those priorities, and the monitoring and reporting on progress.

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- 1.1. In 25 of September 2015 the Government of RA approved the “Anti-Corruption Strategy of RA and its Implementation Action Plan for 2015-2018” (Decree № 1141-N) where the education was addressed as a priority sector and an integral part of. In accordance with this strategy, the “Corruption Risks and their Neutralization and (or) Reduction revealed in Education” Action

Plan for the period of 2018 was developed. The activities listed in “Higher and Postgraduate Professional Education” section of the Action Plan was discussed and implemented jointly with higher education institutions as co-performers. In accordance with the schedule of the Action Plan the progress of the implementation of each activity was periodically monitored and analysed by the Ministry of Education and Science of RA and summary information on each item was submitted to the Government according to the deadlines. It should be mentioned that anti-corruption measures in Higher Education sphere are continuous and in this respect a project of new Anti-Corruption Action Plan is being elaborated with the participation of all stakeholders.

1.2. It is envisaged that both the budget necessary for the implementation of anti-corruption measures and the measures themselves will be indicated in the new action plan. There is work on a new action plan. NO indication how it relates to the existing one. No indication that the current action plan has been complemented with funding.

1.3 As has been stated above, the Ministry periodically monitored and analysed the activities listed in “Higher and Postgraduate Professional Education” section of the Action Plan and submitted the summary information on each item to the Government according to the deadlines prescribed by the Plan. No information provided on capacity upgrades

1.4. In order to ensure the transparency and accountability of the HEIs, long-term strategic plans, which necessarily include anti-corruption principles and their implementation approaches, strategic development plans for HEIs, anti-corruption strategic plans (if available) and their implementation reports, which include the overall information on the activities of the university, are as a rule placed in the relevant sections of the official websites of the HEIs.

Assessment of progress

1. The provided information is repetitive of the answers received during the monitoring. No new developments have been reported. CSO responses note lack of progress as well.
2. The Government refers to its ongoing work on a new action plan. The CSOs note the lack of progress.
3. The Government refers to the situation described in the monitoring report, while the CSOs note lack of progress.
4. CSOs note the lack of progress, while the government refers to the websites of HEIs, which is not in focus of the recommendation.

Lack of progress

Recommendation 2: prevention - staff policies

1. Address the precarious employment of staff in higher education by reducing and eventually eliminating the practice of short-term, non-competitive appointments to increase employment security and predictability.
2. Ensure that conflict of interest regulations and mechanisms of disclosure for university staff are in place in all higher education institutions and are applied in practice. This should include the de-politicisation of governing structures in HEIs.
3. Introduce an obligation for members of the ethical and disciplinary commissions of higher education institutions to recuse themselves in case they are concerned by a case or complaint which the commissions are dealing with.
4. Provide that appointment and appraisals of the HEI staff are merit-based.

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2.1. Regarding the first recommendation in this section it should be mentioned that relevant internal legal acts are elaborated in all higher education institutions, in particular the determination of the staff list for all positions, the process of selection and distribution of workers, including the recruitment of scientific and pedagogical staff, the procedures for holding positions of scientific-pedagogical staff and of heads of scientific and academic subdivisions, the organisation of qualification upgrading and training courses for specialists, internal disciplinary rules and other regulatory procedures. The above-mentioned procedures which regulate the processes of hiring, dismissal and promotion of a university staff (job descriptions and requirements, competitive selection of candidates for the position, appointments, etc.) are posted on the universities' web sites.

2.2. The Draft Law on "Higher Education and Scientific and Research Activities" includes the approaches to elaboration and implementation of relevant concepts for effective use of ethics principles by HEIs. Prior to that, a standard code of ethics has been elaborated for the administrative and academic staff of higher education institutions and the process of their localization and adoption has started.

A number of internal legal documents defining the rights and obligations of a university students and staff, conflicts of interest, rules of conduct, incentives and disciplinary responsibilities are in the process of review, which will promote to conduct the appointments based on merits.

2.3. The functions of the Ethics Committees operating in a number of higher education institutions are under review. Besides investigating violations, they should also conduct monitoring. It was suggested that members of the Ethics and Disciplinary Committees be obliged to declare self-withdrawal in cases when the Committee examines a complaint addressed to them.

Assessment of progress

The Government report largely refers to the situation described in the monitoring report. No new developments have been provided suggesting the lack of progress under point 2.1.

Regarding points 2.2 and 2.3, the Government notes that there is a planning/revision process underway, but the responses provide no evidence and detail to corroborate the statements. While some positive developments seem to be underway in relation to 2.3 of the recommendation, there is no tangible results to conclude progress yet.

No new information has been provided on 2.4.

Lack of progress

Recommendation 3: prevention - compliance and quality assurance procedures

- 1.** Introduce a model code of ethical conduct as a mandatory standard in the development of internal regulations of higher education institutions.
- 2.** Introduce compliance, integrity risks and corruption prevention in the accreditation and reaccreditation criteria for higher education providers. Ensure that the support to higher education institutions provided as part of the external quality assurance, for instance through ANQA, includes the development of HEI capacity to meet these criteria.
- 3.** Ensure that the entities in charge of licensing and accreditation are free from undue influence and conflict of interest.
- 4.** Step up the development of internal quality assurance mechanisms, focusing specifically on the ability of HEIs to ensure compliance and involve students in QA processes on institutional level.

5. Consider combining the administrative and substantive aspects of internal audit in one process, which is binding for all higher education institutions, irrespective of their legal status.

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3.1. Consider combining the administrative and substantive aspects of internal audit in one process, which is binding for all higher education institutions, irrespective of their legal status
As a result of a new process of higher education reform since 2013, higher education institutions were given the opportunity to institute a legal form of the foundation, which significantly reduced the competences of the RA Ministry of Education and Sciences and control and supervisory activities.

Particularly, internal audits cannot be carried out in the newly converted higher education institutions by the RA Ministry of Education and Sciences or another authorized body. The status and responsibilities of the higher education institutions are described in the RA Law "On the Foundations", according to which they are private entities and in case of satisfying the relevant standards should be regularly subject to external audits. It should be noted that, unlike the external audit, which is mainly limited to the valuation of financial statements the scope of internal audit is wider, including also the educational process, examination and evaluation of the regulations and standards developed by the RA Ministry of Education and Sciences or other authorized bodies which can create sufficient grounds for preventing or detecting possible corruption risks and violations.

The proposal to combine the internal audit process for higher education institutions in one body is acceptable for the RA Ministry of Finance if it does not contradict the logic of reforms implemented in the field of higher education.

The Draft Law on "Higher Education" stipulates the obligation of universities to have ethical policies and rules.

Prior to the adoption of this requirement in the Draft Law, the 2nd criterion for institutional accreditation "Management and administration" mentioned in "Professional Education Accreditation Criteria" (adopted by Government Decision № 959-N dated 30.06.2011) has already required that a university is to implement its' activities in conformity with ethical norms and rules.

Quality assurance in the accreditation process is carried out by the ANQA on the principles of stakeholders' contentment and a continuous improvement.

3.2. Taking into account the specificity of the recommendation and the Draft Law on "Higher Education", the ANQA is already elaborating a package of proposals to amend the accreditation criteria.

However, it is important to note that starting from the year 2017 ANQA has organized trainings on the subject titled "Ethics of Administration and Management", "Ethics in Vocational Education Institutions", for higher education and vocational institutions' representatives with a view to promote the introduction of ethics policy and the formation Ethics Committee.

Moreover, before the discussions of the Law on "Higher Education", many of the HEIs have already undertaken measures to have ethical rules.

It was also suggested to add a provision on the consequences of non-accreditation for higher education institutions in the draft law on "Higher Education".

3.3. We find it necessary to comment on this recommendation. The ANQA Board of Trustees does not make accreditation decisions, it is fulfilled by the Accreditation Committee, and the accreditation is only signed by the Minister of Education and Science of the Republic of Armenia without having a content review of the accreditation award.

After having undergone an international accreditation by the European Association for Quality Assurance in Higher Education, ENQA (ENQA Assessment Report of 2016) and having met the

Higher Education Quality Assurance Standards and Guidelines (3.3), the ANQA has been recognized as an independent structure.

3.4. It should be mentioned that internal quality assurance mechanisms already function in all higher education institutions and due to certain tools, it is being improved to enlarge the student's enrolment in internal quality assurance processes.

3.5. As to the 5-th recommendation it will be considered within the framework of educational reforms, particularly in the draft law on "Higher Education and Research Activities".

Assessment of progress

1. No new information to conclude progress.
2. The Governments reported that the ANQA is working on a revision of the accreditation criteria, CSO response notes lack of progress.
3. The response by the Government appears to question the relevance of the recommendation of the monitoring report adopted in 2018.
4. The response by the Government appears to question the relevance of the recommendation of the monitoring report adopted in 2018.
5. The response seems to misinterpret the notion of internal audit and discusses inspections by the Ministry of Education. It also appears that the response questions the relevance of the recommendation. Instead of providing new information, the response refers to the situation as described in the monitoring report, which suggests lack of progress.

Lack of progress

Recommendation 4: prevention - transparency and accountability

1. Improve the transparency of reporting by higher education institutions on the financial and procurement aspects of their operation by introducing a mandatory common reporting template developed in consultation with higher education practitioners, stakeholders, and civil society.
2. Introduce mechanisms for participants in higher education (*e.g.* students) to request access to information on the use of resources by their higher education institution for the fulfilment of its educational mandate, or any other aspect of university operation.

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- 4.1.** The RA draft law on "Higher Education and Scientific and Research Activities" includes necessary provisions on accountability and transparency in higher education institutions of Armenia, on the basis of which higher education institutions will undertake additional revision of internal legal acts (regulations, employment procedures, rules) or the elaboration of new regulations.
- 4.2.** The draft law envisages to set a range of information (strategic plan and report on the results of its operations, financial reports, etc.) to be compulsory publicized by any university and common forms of mandatory reporting will be defined by this, ensuring the transparency of budget expenditures and procurement procedures by HEIs as well as the transparency of student council financial activities.

Assessment of Progress

1. The government refers to provisions in the draft law on higher education, but there is no further detail about these provisions, and also no information whether they are in place in the latest draft of the law. The CSO responses indicate that there has been no progress.

2. The response does not address the recommendation. The recommendation is about the introduction of mechanisms for students and staff to request access to information on various aspects of university operation. The response of the government refers to a planned obligation of universities to report regularly on spending, procurement, etc., which is not the same. The CSO responses indicate that there has been no progress.

Lack of progress

Recommendation 5: effectiveness of enforcement

1. Involve all relevant stakeholders in the development of a comprehensive detection and enforcement strategy in the higher education sector. This could include the description of sector-specific forms of violations in areas at risk of corruption and an update of descriptions of administrative and disciplinary penal procedures, as appropriate.
2. Collect statistics on administrative and disciplinary sanctions in higher education and make them publicly available.

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With regard to these two recommendations, we find it necessary to state that as HEUs have no obligation by law to submit information on administrative and disciplinary offenses and responsibilities to the Ministry, the Ministry has recommended universities to conduct statistics and submit the data on the above-mentioned cases to the Ministry annually. It should be mentioned as well that, within the framework of the new draft law, the provision on the inclusion of the information on administrative and disciplinary offenses and responsibilities in reports, subject to mandatory publication by the university will be discussed with all relevant stakeholders.

Assessment of Progress

1. No indication of progress.
2. The Government questions the relevance of the recommendation. At the same time, it is planned to consider possibility of including the provision on information on disciplinary and administrative offences in the draft law.

Lack of progress