

Armenia

Member of European Union	No
Member of NATO	No
Member of Open Government Partnership	Yes
UN Convention Against Corruption	Ratified in 2007
Arms Trade Treaty	Has not ratified

Armenia is in the midst of a significant political transition. Former President Serzh Sargsyan's attempt to move from the presidency to a newly empowered premiership position ignited mass anti-government protests, in what became known as the Velvet Revolution.¹ His ensuing resignation in 2018 ushered in a new coalition government that has pursued democratic reforms and pledged to address long-standing grievances, including those related to political corruption and opaque policymaking.² The new government of Nikol Pashinyan has also prioritised preserving and strengthening Armenia's sovereignty and security, in a region of growing instability³ with the intractable conflict with Azerbaijan over Nagorno-Karabakh a central concern.⁴ The eruption of clashes in the region in July 2020 was a deeply concerning development and throws into question the progress made between Yerevan and Baku during talks at Dushanbe in 2018.⁵ In the face of these security challenges, Pashinyan has announced serious changes in Armenia's defence strategy and intensified military ties with Russia with a focus on acquiring modern weapons.⁶ The current period represents a once in a generation opportunity for the Armenian government, buoyed by popular support and an anti-corruption platform, to drive through reforms to reduce corruption and improve the governance of a sector that has long suffered from opacity, weak oversight mechanisms, corruption and that consumes a vast chunk of Armenian public funds.

Parliamentary Oversight

Legislative oversight of budget (2019 OBS)	Not rated
Defence budget as % of GDP ⁷	4.9%
Committee members with defence expertise % ⁸	18% (2 of 11)
# of meetings/year	No data.
Last review of defence policy/strategy ⁹	2020

Under the Presidential system of government prior to 2018, parliamentary oversight of the executive and defence was poor. The government operated in a highly secretive manner, often refusing to

¹ Freedom House, *Nations in Transit: Dropping the Democratic Façade*, Freedom House, Washington DC, 2019, p. 15, https://freedomhouse.org/sites/default/files/2020-05/NIT_2020_FINAL_05062020.pdf.

² Miriam Lansky & Elspeth Suthers, 'Armenia's Velvet Revolution', *Journal of Open Democracy*, vol 30(2), 2019, pp. 85-99.

³ Dr Gayane Novikova, 'Armenia in a Shifting Security Environment', *European Security and Defence*, 6 November 2019, <https://euro-sd.com/2019/11/articles/15094/armenia-in-a-shifting-security-environment/>.

⁴ International Crisis Group, 'Digging out of Deadlock in Nagorno-Karabakh', *ICG*, Report 255, 20 December 2019, <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-conflict/255-digging-out-deadlock-nagorno-karabakh>

⁵ International Crisis Group, 'Preventing a Bloody Harvest on the Armenia-Azerbaijan State Border', *ICG*, Report 259, 24 July 2020, <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-conflict/259-preventing-bloody-harvest-armenia-azerbaijan-state-border>

⁶ Novikova, 'Armenia in a Shifting Security Environment'.

⁷ SIPRI, 'Military Expenditure by Country as Percentage of GDP, 1988-2019', SIPRI, 2020, <https://www.sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932019%20as%20a%20share%20of%20GDP.pdf>

⁸ National Assembly of the Republic of Armenia, 'Standing Committee on Defence, National Security and Internal Affairs – Members', <http://www.parliament.am/committees.php?do=members&ID=111153&lang=eng>

⁹ Vahram Ter-Matevosyan, 'Armenia's New National Security Strategy: Sharing First Impressions', *EVN Report*, 23 July 2020, <https://www.evnreport.com/opinion/armenia-s-new-national-security-strategy-sharing-first-impressions>

respond to parliamentarians' questions for reasons of "secrecy"¹⁰ and actively side-lining opposition voices.¹¹ Key documents, such as the national security strategy and military doctrine, were approved by presidential decree. Other key texts were discussed by the Security Council, made up solely of members of the executive, and bypassed parliament entirely. The executive and its business allies had direct influence over the legislature, restricting the legislature's capacity and ability to perform oversight activities thereby reducing it to a forum for approving draft laws. For instance, whilst the Committee of Defence and Security has the formal power to set up inquiry committees for defence matters, the composition of any such committee is decided by the Chairperson of the National Assembly, raising questions as to its impartiality. Moreover, criminal corruption cases have been opened against two former committee members and, at present, only two of eleven members have any expertise in defence. Furthermore, there is no data available showing the incorporation of committee recommendations into the activities of the Ministry of Defence, painting a stark picture of the committee's actual power. However, after the Velvet Revolution, parliament is becoming increasingly involved in defence sector oversight, offering hope that it "will adopt a more active and assertive role as an institutional counterweight to the executive branch."¹² The rules of procedure of the National Assembly have been amended to tighten oversight over the executive and increase its accountability to parliament, for instance through the compulsory submission of reports on budget implementation. Whilst it is still too early to judge the impact of these measures, it is crucial for Armenia to make strengthening parliamentary oversight a key priority. Reinvigorating the defence committee by increasing the available financial and human resources and empowering it to deploy the full powers of oversight at its disposal is vital. Building the capacity of other oversight bodies, such as civil society and audit mechanisms, is another key task and will inform and complement parliament's work.

Defence Procurement

Military expenditure (US\$ mil) (2019) ¹³	673
Open competition in defence procurement (%)	Insufficient data.
Main defence imports (from)	Russia, Unknown suppliers
Main defence exports (to)	N/A

Recent years have seen a steep and rapid increase in Armenia's military expenditure, from 3.9% of GDP in 2014, to 4.9% in 2019.¹⁴ The increase has been driven by mounting tensions with Azerbaijan over the protracted conflict in Nagorno-Karabakh, increasingly poor relations with Turkey and a new defence strategy that favours deterrence over deep defence.¹⁵ This shift has fuelled a significant procurement drive, including large contracts with Russia for sophisticated military hardware.¹⁶ As a result of this drive, in 2018, 21% of government spending was directed towards the military.¹⁷ This

¹⁰ Ashot Khurshudyan, Marijn Zeger Van der Wal, Elkhon Mehdiyev, Tamar Pataraiia, Shorena Lortkipanidze and David Sikharulidze, 'Oversight of the Security Sector by Parliaments and Civil Society in the Caucasus: Cases of Armenia, Georgia and Azerbaijan', *Cascade Caucasus*, September 2016, p. 9, <http://www.cascade-caucasus.eu/wp-content/uploads/2016/11/D5.2.pdf>.

¹¹ Lansky & Suthers, 'Armenia's Velvet Revolutions'.

¹² Ani Mejlumyan, 'Armenia Begins Probe of 2016 War', *Eurasianet*, 14 June 2019, <https://eurasianet.org/armenia-begins-probe-of-2016-war>

¹³ SIPRI, 'Military Expenditure by Country, in constant (2018) US\$m., 1988-2019', SIPRI, 2020, <https://www.sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932019%20in%20constant%20282018%29%20USD.pdf>

¹⁴ SIPRI, 'Military Expenditure by Country as Percentage of GDP, 1988-2019', SIPRI, 2020, <https://www.sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932019%20as%20a%20share%20of%20GDP.pdf>

¹⁵ Novikova, 'Armenia in a Shifting Security Environment'.

¹⁶ Novikova, 'Armenia in a Shifting Security Environment'.

¹⁷ Sam Bhutia, 'Armenia-Azerbaijan: Who's the Big Defense Spender?', *Eurasianet*, 28 October 2019, <https://eurasianet.org/armenia-azerbaijan-whos-the-big-defense-spender>

increase in the volume of defence procurement, however comes at a risk. Armenia's current oversight and management framework is largely unfit for purpose and exposes the procurement process to considerable corruption risk. Armenia currently does not have a publicly available process for acquisition planning that involves clear external oversight or ties to the National Security Strategy, obscuring the selection of procurement priorities. Oversight of procurement procedures is further limited by secrecy clauses that restrict public oversight considerably. The Audit Chamber has the power to monitor all defence procurement procedures, however its reports are not publicly available and are shared only in a summarised form.¹⁸ It remains to be seen whether the coalition's commitment to transparency and anti-corruption in defence procurement is sustained in the long term. To do so will require sustained investment in building up the capacity of oversight institutions, whilst also strengthening transparency throughout the entire procurement cycle, from identification of needs, to development of requirements, to contracting, and through to monitoring and implementation.

Transparency & Access to Information

Defence-related access to information response rates	(1) % granted full or partial access: No data. (2) # subject to backlog: No data.
Defence-related complaints to ombudsman/commissioner #	No data.
Does the commissioner have authority over the MoD?	Yes
Audit reports on defence (2015-2020) #	None 2018, one scheduled for 2019 but currently no information on completion
Open Budget Index (2019)	Not rated
World Press Freedom Index (2020) ¹⁹	61 st out of 180

Transparency around government decision making has historically been limited, with previous administrations conducting policymaking in a highly opaque manner. However, the new government has worked to give citizens greater access to information, by speaking much more frequently to the press and the public, including through live video streaming on social media.²⁰ Access to information in the defence sector itself is regulated by two laws. The Law on Freedom of Information ensures the right for public access to information held by state institutions. However, the Law on State and Official Secrets lists the entire defence sector as one of official secrets, where the disclosure of information can have grave consequences for national security. As a result, although there is a legal framework for access, it does not provide clauses for access to information relating to defence. This gives authorities broad scope to arbitrarily reject requests for information even if they pertain to non-sensitive data. This lack of transparency is also apparent in the secrecy surrounding the defence budget, the majority of which is not disclosed to the public. Only general items are published, devoid of explanations and with little clarity over sources of income other than from central budget allocations. Strengthening access to information legislation pertaining to defence is crucial to help further transparency in the sector, whilst greater budget clarity and closer cooperation with CSOs would help build trust and facilitate the work of oversight bodies.

Whistleblowing

Defence sector whistleblower cases #	No data.
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¹⁸ Ministry of Defence of the Republic of Armenia, 'The Vision of The Minister of Defence of The Republic of Armenia', <http://www.mil.am/en/news/5402>

¹⁹ Reporters Without Borders, 'Armenia', 2020, <https://rsf.org/en/armenia>

²⁰ Freedom House, 'Armenia Country Report', 2019, C3, <https://freedomhouse.org/country/armenia/freedom-world/2020>.

Armenia's Law on Whistleblowing entered into force in January 2018 and frames the rights and responsibilities of whistleblowers, including in relation to defence institutions.²¹ The legislation is largely comprehensive, enshrining whistleblowers' right to protection, anonymity and non-disclosure of personal information. However, reversed burden of proof is not regulated by law, meaning that the onus is on whistleblowers to provide evidence, even though they often do not have access to the financial resources, institutional records and support that their employers do, creating a significant imbalance in the process.²² In the defence sector, the Ministry of Defence's Human Rights and Integrity Building Centre is the responsible authority for implementing the legislation and processing reports. Given how recent the legislation is, it is difficult to assess how effectively it is being implemented and prioritised within the sector. However, it should be noted that the Human Rights Centre in the Ministry is directly accountable to the Minister of Defence and its activities can be stopped at any time by the Minister's order. This raises considerable questions around the centre's independence and ability to fully and impartially implement the legislation and process claims. The current structure could facilitate political interference in the whistleblowing process for the defence sector, potentially leading to loss of protection for those raising alerts and leading employees to lose trust in the system.

Operations

Total armed forces personnel # ²³	49,000
Troops deployed on operations #	121 in Afghanistan (NATO), ²⁴ 41 in Kosovo (NATO), ²⁵ 33 in Lebanon (UNIFIL) ²⁶ & 20,000 in Nagorno-Karabakh (Artsakh Defence Army) ²⁷

Armenia has a significant number of soldiers in operations, with troops deployed in the Nagorno-Karabakh area, participation in two of NATO largest missions and a contingent deployed with the UN in Lebanon. Armenia's experience in military operations has not translated into increased resilience to corruption risks whilst on deployments. Armenia's military doctrine still does not address corruption risks as a strategic issue for the success of military operations. Corruption was also not included in the forward planning of military operations and defence has historically not been a priority sphere for anti-corruption, although the new administration is beginning to address this. Moreover, training for commanders on corruption issues is dependent on civil society or military partners and restricted to Armenia's peacekeeping battalion. The establishment of the Peacekeeping Training Area in Yerevan is a positive step in this regard; however, the training it provides must be expanded to other units whilst also increasing its focus on corruption issues during deployments. There is also no evidence of expert personnel responsible for monitoring and evaluating corruption risks during operations.

²¹ Republic of Armenia, 'Law on Whistleblowing', 4 August 2018, <http://www.irtek.am/views/act.aspx?aid=90396>.

²² Republic of Armenia, 'Law on Whistleblowing', Article 6, clause 8.

²³ The World Bank, 'Total Armed Forces Personnel – Armenia', <https://data.worldbank.org/indicator/MS.MIL.TOTL.P1>

²⁴ NATO, 'Resolute Support Mission (RSM): Key Facts and Figures', June 2020,

https://www.nato.int/nato_static_fl2014/assets/pdf/2020/6/pdf/2020-06-RSM-Placemat.pdf

²⁵ NATO, 'Kosovo Force (KFOR): Facts and Figures', June 2020, https://www.nato.int/nato_static_fl2014/assets/pdf/2020/6/pdf/2020-06-KFOR-Placemat.pdf

²⁶ United Nations Peacekeeping, 'Troop and Police Contributors – Armenia', <https://peacekeeping.un.org/en/troop-and-police-contributors>

²⁷ Charles W. Blandy, 'Azerbaijan: Is War Over Nagorno-Karabakh a Realistic Option?', May 2008, <https://css.ethz.ch/en/services/digital-library/publications/publication.html/87342>