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Anti-Corruption Network for Eastern Europe and Central Asia

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## ISTANBUL ANTI-CORRUPTION ACTION PLAN

### FOURTH ROUND OF MONITORING

#### ARMENIA

#### PROGRESS UPDATE REPORT

Please fill in this template with the information on the implementation of recommendations of the Fourth Round of Monitoring of the Istanbul Anti-Corruption Action Plan in Armenia.

**Information should be included under 20<sup>th</sup> Plenary Meeting, March 2019. Please only include the new developments starting July 2018 and do not repeat what has already been mentioned in the previous reports. The total length of new information should not exceed 15 pages.**

Please send the report to [tamara.shchelkunova@oecd.org](mailto:tamara.shchelkunova@oecd.org) by 25 February, 2019 at the latest.

The report will be reviewed and adopted at the 20<sup>th</sup> monitoring meeting in 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](http://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/](http://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/](http://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

### 20<sup>th</sup> Istanbul Anti-Corruption Action Plan Monitoring Meeting March 2019:

Recommendation	Assessment of Progress		
	20 <sup>th</sup> Meeting		
	March 2019		
Recommendation 1			
Recommendation 2			
Recommendation 3			
Recommendation 4			
Recommendation 5			
Recommendation 6			
Recommendation 7			
Recommendation 8			
Recommendation 9			
Recommendation 10			
Recommendation 11			
Recommendation 12			
Recommendation 13			
Recommendation 14			
Recommendation 15			
Recommendation 16			
Recommendation 17			
Recommendation 18			
Recommendation 19			
Recommendation 20			
Recommendation 21			
Recommendation 22			
Recommendation 23			
Recommendation 24			
Recommendation 1			
Recommendation 2			
Recommendation 3			
Recommendation 4			
Recommendation 5			

**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.

#### 20<sup>th</sup> Plenary Meeting, March 2019

##### Government report

- 1.1.
- 1.2.
- 1.3.
- 1.4.
- 1.5.
- 1.6.

##### TIAC report

1.1. On December 19, 2018 Armenian Ministry of Justice posted on the [e-draft.am](http://e-draft.am) portal for the publication of draft legal acts the draft of the new national Ant-corruption Strategy and Its 4<sup>th</sup> (2019-2022) Implementation Action Plan. The initial deadline for the submission of suggestions and comments was set at January 3, 2019, and then was extended until January 8, 2019 - the first working day of 2019 after New Year and Christmas holidays (December 31, 2018 – January 7, 2019).

Compared to the process of drafting of the previous two anti-corruption strategies and their implementation action plans (2009-2012 and 2015-2018) the engagement of the civil



society and other non-governmental stakeholders, such as businesses, academia and others in the given stage of drafting of the mentioned documents was substantially narrower. For example, during the process of drafting of 2015-2018 Anti-corruption Strategy and Its Implementation Action Plan, drafts of those documents were circulated officially after they were discussed with civil society organizations. This time there was a discussion of the draft with a limited number of NGOs upon their initiative on December 19, 2018, while the official publication of and access to the document was provided for other NGOs on [e-draft.am](http://e-draft.am) portal several hours later.

On January 8, 2019 TIAC together with 26 partner NGOs issued a [statement](#) criticizing the process, as well as the structure and content of the strategy and its implementation action plan.<sup>1</sup> Some other criticism was expressed by other NGOs. After such criticism the Ministry of Justice changed its approach. The deadline for the submission of comments and suggestions was extended one more time - until January 31, 2019. Relevant officials of the Ministry confirmed that all comments and suggestions will be analyzed and based on this analysis, a new draft will be developed and the final document will be based on a wide consensus among the stakeholders. Thus, there is expectation that the final version of the new strategy and its implementation action plan will be of much higher quality and will also carry the spirit of the velvet revolution that took place in Armenia on April-May 2018.

**1.2.** Non-applicable for this reporting period, as the new, 4<sup>th</sup> national anti-corruption strategy is not yet developed.

**1.3.** Not applicable for the new strategy and its implementation action plan. As of the previous, 2015-2018 strategy, which should be completed by December 31, 2018, the situation did not change during the reporting period, i.e. there was neither participatory implementation, nor regular monitoring. Also, by now there are still no published reports on the results of the strategy implementation or monitoring.<sup>2</sup>

**1.4.** Same as with Point 1.3 - no surveys were carried out related to the previous 3<sup>rd</sup> strategy, while for the new strategy it is not applicable.

**1.5.** According to Article 46 of the Public Service Law, internal integrity actions plans should be drafted by the integrity officers in public bodies. From the internal communication with the Ministry of Justice, it was revealed that such officers are already appointed. However, by February 22, 2019 there was no information either on the officers or on their activities on the official web-sites of public bodies.

**1.6.** Not applicable for the reporting period because of the absence of the new strategy and laws to be adopted after the enactment of the new strategy.

**Assessment of Progress - Progress**, only because now there is some process related to the drafting of the new strategy.

<sup>1</sup> Please note that in the Statement the reference on the Decision N 2 of January 22, 2015 is an error.

<sup>2</sup> They should be published on the anti-corruption portal ([www.anti-corruption.gov.am](http://www.anti-corruption.gov.am)), which is active since January 2018.

## 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.
- 2.2.
- 2.3.
- 2.4.

#### TIAC report

- 2.1. No actions during the reporting period.
- 2.2. For the remaining period of the implementation of the 2015-2018 Anti-corruption Strategy no awareness raising activities were conducted by the responsible public bodies.
- 2.3. Non-applicable for the reporting period, as the resources should be allocated after the adoption of the new strategy.
- 2.4. Non-applicable for the reporting period, as the new strategy is still in process of drafting.

#### Assessment of Progress - **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.
- 3.2.
- 3.3.
- 3.4.
- 3.5.

**TIAC report**

- 3.1. No changes during the reporting period.
- 3.2. The CPC Commissioners are not yet appointed, as even the contest for their selection did not take place.
- 3.3. Not applicable, as CPC still does not exist and the new strategy is not adopted.
- 3.4. Non-applicable for the reporting period, as the new strategy is still in process of drafting and the issues mentioned in this point could be implemented only after they will be included in the new strategy and the strategy adopted.
- 3.5. On February 2018 donor coordination became one of the official functions of the Council on the Fight against Corruption (ACC). However, as after the velvet revolution and until now ACC did not hold any sessions, as well as the new strategy is still in the process of drafting, no such mechanism is established.

**Assessment of Progress** **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.

4.2.

##### CSO report

4.1. No progress.

4.2. No progress.

#### Assessment of Progress – **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.

5.2.

##### TIAC report

5.1. As mentioned above CPC is not yet established. As of the Office of Civil Service (OCS), it was established on April 2018 when the relevant article of the Law on Civil Service (Article 38) entered into effect. On July 2, 2018 by the Prime Minister's Decision 890-A the Head of the Office was appointed. However, OCS still does not have its web-site.

5.2. No progress.

**Assessment of Progress - Progress**, as the Office of Civil Service is established.

### **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 organisers 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.

6.2.

6.3.

#### **CSO report**

6.1. No progress.

6.2. No progress.

6.3. No progress.

**Assessment of Progress – 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.

7.2.

7.3.

**CSO report**

7.1. No progress.

7.2. No progress.

7.3. No progress.

**Assessment of Progress – Lack of 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.

**20th Plenary Meeting, March 2019**

**Government report**

8.1.

8.2.

**CSO report**

8.1. No progress.

8.2. No progress.

**Assessment of Progress – 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.

**20th Plenary Meeting, March 2019**

## Government report

9.1.

9.2.

## TIAC report

9.1. On February 8, 2019 the Staff of the Prime Minister posted on the legal acts drafts e-draft portal the draft of the Government Decree “On defining the unified procedure and conditions of rewarding bonuses to the employees from the bonus fund foreseen for the state bodies from the 2019 state budget”. The deadline for submitting comments and suggestions to the draft was set at February 23, 2019. The main incentive for developing the mentioned draft was the scandal that took place earlier, in January 2019, when it was revealed that at the end of 2018 very large bonuses were paid to public servants, including high-ranking ones. In many cases, as experts and opposition politicians were arguing it was done through violation of law (for example, some of those officials should not get bonus payments, because they did not serve sufficient time on their positions to be entitled to receive bonuses). Also, it was not clear, whether these bonuses were linked to the performance evaluation of the bonus recipients.

The draft law amendments does not provide solution to the problem, does not provide criteria for the bonus and does not actually ensure bonus system based on extraordinary performance. It continues to ensure that there is some supplement paid to the low salaries of officials. TIAC’s opinion on the draft amendment is provided [here](#).

9.2. No progress.

**Assessment of Progress - Progress**, as the Government is in process of introducing some additional regulations on paying bonuses.

## 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.

## 20th Plenary Meeting, March 2019

### Government report

10.1.

10.2.

### TIAC report

**10.1.** 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 still are not in effect.

**10.2.** No progress.

**Assessment of Progress - 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.

#### **20th Plenary Meeting, March 2019**

##### **Government report**

**11.1.**

**11.2.**

**11.3.**

##### **CSO report**

**11.1.** No progress.

**11.2.** No progress.

**11.3.** No progress.

**Assessment of Progress - Lack of 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.

#### **20th Plenary Meeting, March 2019**

##### **Government report**

**12.1.**

**12.2.**



### **TIAC report**

**12.1.** No progress.

**12.2.** No progress.

**Assessment of Progress - 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.

#### **20th Plenary Meeting, March 2019**

### **Government report**

**13.1.**

**13.2.**

**13.3.**

### **TIAC report**

**13.1.** No progress.

**13.2.** No progress.

**13.3.** On July 12, 2018 Armenian National Assembly (Parliament) amended the Law on Whistleblowing System (entered into effect on August 4, 2018) through which the creation of the unified electronic platform for the submission of anonymous reports was postponed from July 1, 2018 to January 1, 2019. However, by February 24, 2019 the named platform was still dysfunctional.

**Assessment of Progress - Lack of 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.

**20th Plenary Meeting, March 2019**

**Government report**

14.1.

14.2.

14.3.

**TIAC report**

14.1. No progress.

14.2. No progress.

14.3. No progress.

**Assessment of Progress - 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.

**20th Plenary Meeting, March 2019**

**Government report**

15.1.

15.2.

15.3.

15.4.

15.5.

15.6.

#### **CSO report**

15.1. No progress.

15.2. No progress.

15.3. No progress.

15.4. No progress.

15.5. No progress.

15.6. No progress.<sup>3</sup>

**Assessment of Progress - Lack of 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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<sup>3</sup> This conclusion is made based on the study of the official web-site of the Armenian Judiciary ([www.court.am](http://www.court.am)), as well as the Judicial Code. Specifically, no relevant (to the Recommendation) decisions have been adopted neither by the Supreme Judicial Council, nor by the General Assembly of Judges (the latter only adopted a decision on the establishment of the disciplinary committee under the General Assembly – see Decision-14A from August 29, 2018). Similarly, no changes or amendments were made in the Judicial Code, since its enactment on April 9, 2018.

**20th Plenary Meeting, March 2019**

**Government report**

**16.1.**

**16.2.**

**16.3.**

**16.4.**

**16.5.**

**16.6.**

**16.7.**

**TIAC report**

**16.1.** No progress.

**16.2.** No progress.

**16.3.** No progress.

**16.4.** No progress.

**16.5.** No progress.

**16.6.** No progress.

**16.7.** No progress.

**Assessment of Progress – 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.

**20th Plenary Meeting, March 2019**

**Government report****17.1.****17.2.****TIAC report**

**17.1.** On November 23, 2018 Prime Minister Nikol Pashinyan signed the Decision N1307-L on the approving the Fourth national OGP Action Plan for 2018-2020 (for the English text of the Action Plan please visit [http://ogp.am/en/news/item/2018/11/26/4th\\_AP/](http://ogp.am/en/news/item/2018/11/26/4th_AP/) ). It has 11 commitments, which are more ambitious and specific, compared to previous ones. However, by February 24, 2019 still the new working group is not created.

On February 21, 2019 the government adopted the package of draft law amendments to ensure the transparency of beneficial ownership of the mining companies. It was recognized as an urgent act and will be submitted to the National Assembly shortly. The package includes changes to the Mining Code, Law on the State Registration of Legal Persons and Law on Public Service. It should be noted that this same package did not get the insufficient number of votes by the previous parliament and was not passed. Additionally it should be noted that the transparency of beneficial ownership was included in the OGP Action plan for 2018-2020.

**17.2.** No new developments in the reporting period.

**Assessment of Progress - 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.

**20th Plenary Meeting, March 2019****Government report**

18.1.

18.2.

18.3.

18.4.

**CSO report**

18.1. No progress.

18.2. No progress.

18.3. No progress.

18.4. No progress.

**Assessment of Progress – 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.
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.

**20th Plenary Meeting, March 2019**

**Government report**

19.1.

19.2.

**19.3.**

**19.4.**

**19.5.**

**19.6.**

**19.7.**

**TIAC report**

**19.1.** No progress.

**19.2.** No progress.

**19.3.** No progress.

**19.4.** No progress.

**19.5.** No progress.

**19.6.** No progress.

**19.7.** As it is mentioned in the IAP Armenia Fourth Round Monitoring Report (see p. 106) as a result of the introduction of changes and amendments in the Law on Procurement adopted by NA on March 23, 2018 (entered into effect on April 9, 2018) the Procurement Appeals Board was replaced by the persons considering procurement appeals. It should be mentioned that these changes and amendments further limited the independence of the procurement appeals system. Though, as a result of these changes, now the Law does not contain any provisions on who appoints the persons considering procurement appeals (in the initial formulation of the relevant articles it was clearly defined that the members of the Appeals Board shall be appointed by the president of the Republic upon proposal by the Prime Minister), according to information received from the Ministry of Finance (authorized body for public procurement), these persons now shall be appointed by the Prime Minister upon proposal by the Minister of Finance. This means further limitation of the independence of the procurement appeals system.

In addition, through these amendments now the Ministry of Finance also approves the procedure of activities of the persons considering procurement appeals (see December 6, 2018 Order N 600-N of the Minister of Finance – entered into effect on December 18, 2018), whereas before these procedures were approved by the Appeals Board. This means that the appeals system now completely depends on the procurement authorized body (Ministry of Finance), as there are already other provisions in the Procurement Law making this system dependent from the Ministry (see TIAC's answers to the questions of the questionnaire submitted on February 2018).

**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**

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**CSO report**

20.1. No progress.  
20.2. No progress.  
20.3. No progress.  
20.4. No progress.  
20.5. No progress.  
20.6. No progress.  
20.7. No progress.  
20.8. No progress.

**Assessment of Progress – 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.  
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**TIAC report**

21.1. No progress.  
21.2. No progress.

**21.3.** No progress.

**21.4.** No progress.

**21.5.** No progress.

**Assessment of 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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### Government report

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### CSO report

22.1. No progress.

22.2. No progress.

22.3. Investigative committee has signed agreements with the State Committee on Real Estate Cadastre, Police Departments on Passport and Visas, Board Control and Traffic Control, State Register on Legal Acts, State Revenue Committee and Communication Operators and have an increased access to their databases, which include data on property ownership, tax, customs, marriage, birth, travel, citizenship, punishments, ownership of vehicles, etc. Some of these agreements were signed before the revolution, however they were developed further and put in action.

22.4. No progress.

22.5. No progress.

22.6. Through implementation of digitalization of the data related to criminal acts by the Investigative Committee, the information was made accessible for the Prosecutor's Office that allow to conduct everyday control over cases, including the corruption related cases. This practice does not exist for other law enforcement bodies.

Since April 2018 the Investigative Committee uses the system of electronic investigation that allows to register the decisions related to criminal cases and generate statistics.

22.7. No progress.

22.8. No information about the progress.

22.9. No information about the progress.

**22.10.** No information about the progress.

**22.11.** No information about the progress.

**22.12.** No information about the progress.

**Assessment 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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**Government report**

**23.1.**

**23.2.**

**23.3.**

**TIAC report**

**23.1.** After April-May 2018 velvet revolution the new government initiated number of corruption cases against high-profile officials of the former regime. Several cases are under investigation and further developments will show how professional was the investigation.

**23.2.** The assessment on the progress towards the implementation of this point of the Recommendation will be possible only after April 1, 2019, when the statistics on crimes, including corruption crimes, will be published in accordance with Article 5 of the Law on Prosecutor's Office.

**23.3.** Same as for the 23.2 Point.

**Assessment of Progress – Progress**, given the cases of detection of former high ranking officials, which did not happen earlier.

**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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**Government report**

- 24.1.
- 24.2.
- 24.3.
- 24.4.

**CSO report**

- 24.1. No progress.
- 24.2. No progress.
- 24.3. No progress.
- 24.4. No progress.

**Assessment 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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**Government report**

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**CSO report**

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**Assessment 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.

Provide that appointment and appraisals of the HEI staff are merit-based.

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**Government report**

2.1.

2.2.

2.3.

**CSO report**

2.1.

2.2.

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**Assessment 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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**Government report**

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<b>CSO report</b>
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<b>Assessment of Progress</b>

<b>Recommendation 4: prevention - transparency and accountability</b>
<ol style="list-style-type: none"> <li>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.</li> <li>2. Introduce mechanisms for participants in higher education (<i>e.g.</i> 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.</li> </ol>
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<b>Government report</b>
4.1.
4.2.
<b>CSO report</b>
4.1.
4.2.
<b>Assessment of Progress</b>

<b>Recommendation 5: effectiveness of enforcement</b>
<ol style="list-style-type: none"> <li>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</li> </ol>



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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**Government report**

5.1.

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**CSO report**

5.1.

5.2.

**Assessment of Progress**