

GOVERNMENT OF THE REPUBLIC OF ARMENIA

DECISION

No - N of ---- 2019

ON APPROVING THE REPUBLIC OF ARMENIA ANTI-CORRUPTION STRATEGY AND ITS IMPLEMENTATION ACTION PLAN FOR 2019-2022

The Government of the Republic of Armenia hereby ***decides:***

1. To approve the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2019-2022, pursuant to Annexes No 1 and No 2.
2. To approve the financial assessment of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2019-2022.
3. To assign the Minister of Finance of the Republic of Armenia, jointly with the relevant public administration bodies of the Republic of Armenia, at the time of planning the State Budget of the Republic of Armenia, consider the issue of envisaging relevant funds in the State Budget of the Republic of Armenia for the purpose of ensuring the outcomes predetermined for the given year under the Action Plan of the Republic of Armenia Anti-Corruption Strategy for 2019-2022.
4. To assign the heads of public administration bodies and recommend the heads of autonomous bodies and independent state bodies to submit to the Staff of the Prime Minister of the Republic of Armenia a semi-annual report within

a 20-day period following the end of each semester, and after the end of the year — also an annual report on the course of implementation of the actions incorporated in the Plan approved upon this Decision.

5. This Decision shall enter into force on the day following its official promulgation.

**Prime Minister
of the Republic of Armenia**

N. Pashinyan

Annex No 1

**to Decision of the Government
of the Republic of Armenia**

No of 2019

**ANTI-CORRUPTION STRATEGY
OF THE REPUBLIC OF ARMENIA**

YEREVAN - 2019

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INTRODUCTION

1. For the Armenian people having unquestionably and consciously chosen the path to real democracy, there is no other alternative to sustainable development than the formation of an atmosphere and attitude of the public that is not unrepentant towards the intolerance and inadmissibility. Only in the case of deep entrenchment of this idea the materialisation of unprejudiced hopes and expectations of the public from the democratic authorities will be possible and realistic. In this context, once again, it is worth stating that, at international and national levels, States have repeatedly reiterated the danger of corruption and its irreparable impact on the rule of law, human rights protection and economic development. Taking into account the geographical extension of corruption, the diversity of corruption-related practices and the crucial importance of an uncompromising fight against it, States have expressed their willingness to combine their efforts in the fight against corruption and to identify corruption schemes both on domestic and international platforms.
2. It is worth underlining in the above-mentioned context that the Republic of Armenia has also been involved in the above-mentioned developments and processes. Throughout the past decades the Government of the Republic of Armenia has continuously announced in public speeches and on international platforms about the goal to lead a consistent fight against corruption. However, there has not been real political will to accomplish the specified goal and there have not been specific practical steps to detect and target the real problems with the anti-corruption policy and provide systemic and fundamental solutions to those problems. It is necessary to state that, in spite of the fact that the Republic of Armenia has had three anti-corruption strategies with relevant action plans, the unfavourable consequences arising from corruption maintain their unwavering place in various spheres of public life, along with all of

the manifestations of those consequences. Evidence of this are the public perception and moods regarding the existing level of corruption in the previous years and the various evaluation reports and indicators of reputable international organisations.

3. Thus, for instance, the Fourth Round Monitoring Report of the Istanbul Anti-Corruption Action Plan of Anti-Corruption Network for Eastern Europe and Central Asia of the Organisation for Economic Co-operation and Development (OECD) (2014-2018) states that despite the changes made in the field, Armenia does not seem to achieve serious and visible success in the fight against corruption because of the lack of political will. At the same time, it follows from the Corruption Perceptions Index of Transparency International that corruption in Armenia had comprehensive nature.
4. Therefore, the above mentioned, among other circumstances, gave rise to unprecedented, historic and popular resistance. It was the fundamental issues accumulated in the sectors of rule of law and human rights protection, the insufficient level of development of democratic institutions and, of course, the lack of a real fight against corruption that became the reason for the non-violent, velvet and popular revolution that took place in Armenia in April-May 2018. The people went out to the street to realise their dream of having a better country. The people raised their voice with the uncompromising demand to have a country free of corruption and secured by guarantees of rule of law and human rights protection, and the government, formed as a result of the victory of the popular revolution, assumed the commitment to realise the mentioned will with responsibility. Naturally, implementation of this commitment implies the persistently formulated will and determination to proclaim the fight against corruption as an overriding direction, and the foundation for this was laid with Decision of the National Assembly of the Republic of Armenia AZhVo-002-N of 14 February 2019 "On approving the Programme of the Government of

the Republic of Armenia" and with the specific actions undertaken at the highest political level to eliminate systemic corruption.

5. In the Programme of the Government of the Republic of Armenia, leading a more targeted and radical fight against corruption, public rejection of corruption and the existence of a society free of corruption were defined as fundamental benchmarks for the activities of the Government of the Republic of Armenia. Moreover, several fundamental and conceptual requirements were predetermined which already imply the implementation of more specific and targeted actions within their scope. In particular, the Programme of the Government clearly underlined the destructive impact of corruption and stated that the Government will be determined, persistent, uncompromising and intolerant in the fight against corruption. In the Programme of the Government, special importance was attached to identification of the reasons for corruption and implementation of actions aimed at elimination of those reasons. The importance of a decisive, persistent and uncompromising fight against corruption and the formation of a society free of corruption were also particularly emphasised in the Programme of the Government of the Republic of Armenia.
6. Indeed, the logical continuation and way of implementation of the Government Programme shall be considered to be the adoption of the new Anti- Corruption Strategy of the Republic of Armenia which will predetermine the main directions and expected outcomes of the real fight against corruption in line with the policy adopted by the Government of the Republic of Armenia. It is also necessary to emphasise that it is important that the new Anti-Corruption Strategy of the Republic of Armenia arise from and compile with the current challenges; moreover, what is also important is the speedy solution to the existing problems, by distinguishing the precise targets.

7. The unprecedented political will and determination of the Government of the Republic of Armenia will also be one of the main guarantees for implementation of the Strategy. Through will and determination it is necessary to undertake the elimination of causes giving rise to corruption behaviour and the conditions contributing to that, which, in its turn, will lead to gradual overcoming of corruption. Of course, the existence of political will is vitally necessary but it is not the only sufficient factor and condition for effective implementation of the anti-corruption policy. In this regard, the Government, civil society and citizens clearly need to combine their efforts to accomplish the common goal. What is also important is the introduction of active steps and institutional tools for ongoing formation of wide public support and legal culture in the system whereof the anti-corruption education may play an essential role. As a result of all this, the formation of sustainable public attitude of intolerance and inadmissibility towards corruption in the Republic of Armenia, as an institutional tool to extirpate corruption, also needs to be defined as an Anti-Corruption Strategy goal.
8. From this perspective, what is noteworthy is that the Strategy, among other goals, will be aimed at creating and improving effective and feasible mechanisms for integrity, transparency and participation in public governance, dictating the common rules for counter influencing corruption within the public administration system, as well as introducing the institutional model for the fight against corruption.
9. Due to the need for having an inclusive strategy, the Strategy attaches special importance to the active involvement of civil society and citizens in the process of implementation of the anti-corruption policy and the need for public oversight.
10. The financial stability of the Strategy and the Action Plan arising from the Strategy is guaranteed by the provision of financial resources from the State Budget of the Republic of Armenia for implementation of the Action Plan

deriving from the goals of the Strategy. The support provided by partners, including international, regional and non-governmental organisations is also important from the perspective of the strengthening of co-operation in the fight against corruption. The financing ensuring implementation of the Strategy is expected from sources such as the State Budget of the Republic of Armenia, the financing to be provided by international organisations and other funds not proscribed by the legislation of the Republic of Armenia.

CHAPTER 1.

ANALYSIS OF THE CURRENT STATE OF THE ANTI-CORRUPTION POLICY

1.1. Assessment of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2015-2018

11. The assessment of outcomes of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2015-2018 — approved upon Decision of the Government of the Republic of Armenia No 1141-N of 25 September 2015 — is essentially important in terms of predetermining the priorities and tasks covered by the new Anti-Corruption Strategy in the Republic of Armenia (hereinafter also referred to as "the RA"), determining the directions for introducing the new institutional system of anti-corruption bodies of the RA, as well as accomplishing the goals for implementation of the programme policy of the Government of the RA. The importance of such an assessment is also emphasized, for it provides the opportunity to give an adequate assessment of the outcomes achieved through the previous Strategy, the omissions, as well as to outline the list of predetermined actions by taking into account the best practice.

12. Paragraph 24 of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2015-2018 directly heralded that the major goal of the Anti-Corruption Strategy is to contribute to the progressive and consistent reduction of corruption in Armenia through implementation of the international anti-corruption standards (...). Nevertheless, the major guarantee for implementation of the goal of the Strategy is the political will, in the absence of which the goals and objectives were not adequately met.
13. One of the shortcomings of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2015-2018 is the lack of a monitoring mechanism for implementation. Even though during the four years of operation of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2015-2018 the responsible state bodies have submitted, on a regular basis, reports on the anti-corruption measures implemented by them, nevertheless, given the absence of precise indicators, no regular and comprehensive examination of these reports or assessment of the level of implementation of the measures, was possible to carry out. Naturally, the absence of the specified substantive assessment tools has led to the improper or formal completion of a large portion of the actions incorporated in the Strategy.
14. In addition to what has been said – there have not been any analyses on the outcomes of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2015-2018 either in order to establish the degree of positive or negative impact and level of effectiveness of this or that action having been incorporated in the Action Plan. The lack of such tools showing the effectiveness of the actions in progress made the entire process of implementation of the Anti-Corruption Strategy strictly formal, with all the negative consequences that arise from that.

15. It is also necessary to emphasise that, within the scope of the actions of the Anti-Corruption Strategy, the system of institutional bodies for implementation of the anti-corruption policy was not adequately determined, the mandatory requirement for a certain specialised body for the fight against corruption was not defined, as a result whereof the policy on the fight against corruption was actually dissolved in various domains of functional competences of several state bodies and lost the attributes of co-ordination and uniformity. This, in its turn, entailed an ineffective fight against corruption. In addition, due to this distinction, the requirement for investigation of corruption crimes under uniform standards was not objectively ensured, and this undermined the uniformity of investigative practice.
16. In addition, the outcomes attained by the Anti-Corruption Council — established upon Decision of the Government of the Republic of Armenia No 165-N of 19 February 2015 — mainly ensured progress in the legislative field, but did not attain results from the perspectives of implementation and co-ordination of the anti-corruption policy and elimination of the reasons for emergence and dissemination of corruption.
17. In addition to what has been said – not all of the actions incorporated in the aforementioned Strategy complied with the essence of the “task-solution-expected outcome” triumvirate in terms of formulation and content.
18. The list of omissions and shortcomings is not exhaustive. Nevertheless, it is necessary to state and take note of the positive aspects of the aforementioned Strategy. Before stating facts about the positive aspects, it is definitely necessary to note that they predominantly concern legislative amendments that have not significantly affected entrenchment of the idea among the public that the State is leading a systemic and consistent fight against corruption. Besides the absence of public entrenchment of the idea of the State leading a systemic and consistent fight against corruption, the steps for taking realistic actions in the fight against

corruption were not clear and visible, and this made the fight against corruption ostensible. This is especially seen brilliantly in the context of adopting legal acts related to the sector, which created the illusion of a fight against corruption, but in the long run, the mandatory requirements prescribed by legal norms were never enforced.

19. When talking about the outcomes of the previous Strategy, the followings need to be distinguished as positive steps:

- (1) On 9 June 2017, the package of the draft Laws “On making amendments and supplements to the Law “On Commission for the Prevention of Corruption” and to related laws” was adopted, which envisaged the establishment in Armenia of a preventive anti-corruption body vested with guarantees of independence.
- (2) On 23 March 2018, the Law “On public service” was adopted, whereby the system of public service was completely revised, and the mechanisms for declaration, conflict of interests, incompatibility requirements, other restrictions and integrity, which serve as the major elements for prevention of corruption, were completely reconsidered.
- (3) On 23 March 2018, the Law “On civil service” was adopted as a result of practical implementation of the requirements whereof the system of civil service will become more value-based and competitive.
- (4) To ensure public participation in the process of elaborating regulatory legal acts and transparency, as well as accountability of this process, Decision of the Government of the Republic of Armenia No 1134-N “On making supplements and amendments to Decision of the Government of the Republic of Armenia No 296-N of 25 March 2010” was adopted (repealed upon Decision of the Government of the Republic of Armenia No 1146-N of 10 October 2018) on 2 September 2016 whereby the Unified

Website for Publication of Legal Acts' Drafts was established. At the same time, in line with the requirements of the Law "On regulatory legal acts", the new procedure for organising and holding public discussions was established upon Decision of the Government of the Republic of Armenia No 1146-N of 10 October 2018 "On establishing the procedure for organising and holding public discussions and on repealing Decision of the Government of the Republic of Armenia No 296-N of 25 March 2010", having the principles of publicity, accessibility, transparency and public accountability as a basis.

- (5) In order to ensure transparency of the public administration system and simplify administration, a number of separate electronic democracy tools (e-democracy) tools (i.e. e-request.am, e-hotline.am, e-license.am, etc.) have been introduced or are in progress.
- (6) The package of Laws of the Republic of Armenia "On making a supplement to the Criminal Code of the Republic of Armenia" and "On making supplements to the Criminal Procedure Code of the Republic of Armenia" was adopted on 16 December 2016, as a result of which illicit enrichment was criminalised and investigative subordination was prescribed.
- (7) The Laws of the Republic of Armenia "On making supplements and amendments to the Criminal Code" and "On making supplements to the Administrative Offences Code of the Republic of Armenia" adopted on 9 June 2017 prescribed criminal and administrative liability for intentionally failing to submit declarations to the Ethics Commission for High-Ranking Officials, presenting false datum in the declaration or concealing datum to be declared, failing to submit declarations in the prescribed time limits, or submitting a declaration in violation of the requirements for filling out a declaration or in violation of the procedure for submission of a declaration, or negligently providing wrong or incomplete datum in the declaration, respectively.

- (8) The package of draft Laws of the Republic of Armenia "On making amendments and supplements to the Law "On the whistle-blowing system"" and to related laws" was adopted on 9 June 2017. Within the scope of the legislative package, the guarantees, as well as provisions for introduction of active mechanisms for protection of whistle-blowers have been prescribed (mechanism for submitting an anonymous report), with a view to contributing to the formation of public intolerance towards corruption in the society, disclosing corruption cases and raising the level of effectiveness of the activities of bodies disclosing corruption cases.
- (9) At the same time, the "Sample form for record-registration and formulation of reports in case of internal and external whistle-blowing, as well as the procedure for implementation of measures for protection granted to a whistle-blower" and the "Technical description and procedure for maintenance of the Unified Electronic Platform for Whistle-Blowing" have been developed and approved upon Decision of the Government of the Republic of Armenia No 272-N of 15 March 2018 and Decision of the Government of the Republic of Armenia No 439-N of 12 April 2018, respectively, in order to ensure enforcement of the aforementioned Law.

1.2. Assessment of current situation and corruption perception of the public

20. The fourth round of implementation of the Anti-Corruption Strategy has coincided with the period of the Fourth Round of Monitoring of the Istanbul Anti-Corruption Action Plan of the Anti-Corruption Network for Eastern Europe and Central Asia of the Organisation for Economic Co-operation and Development (OECD¹).

¹.The OECD conducts general, comprehensive and periodic evaluations of the anti-corruption processes to be undertaken in countries and the current situation.

21. In this regard, it should be stated that the Fourth Round of Monitoring Report on Armenia of 2018 of the Istanbul Anti-Corruption Action Plan of the Anti-Corruption Network for Eastern Europe and Central Asia of the OECD (hereinafter referred to as "the Report")² made several considerations that need to be addressed within the scope of this Strategy in order to have a more in-depth picture of the current situation.
22. Thus, the Report states that, over the course of the past four years Armenia has further reformed its anti-corruption legislation and institutions, but a genuine resolve to address widespread corruption has been lacking.
23. The Report highlights the fact that Armenia has adopted a comprehensive legal framework for civil service and for public service integrity, including regulations on ethics and conflict of interests, criminalized trading in influence and illicit enrichment, introduced the laws on whistleblower protection and the Commission for the Prevention of Corruption, as well as enhanced the legal provisions on asset declarations and public procurement. Armenia has also introduced various e-governance tools and services, the system for publication and verification of asset declarations and expanded e-procurement. Some improvements of business climate and marginal decrease of the perceived level of petty corruption have been achieved as a result of simplifying regulations and introducing e-governance tools.
24. The Report also touched upon the fact that these efforts, however, had only limited impact so far and corruption remained a significant problem in critical areas of public administration, such as the judiciary, tax and customs, health, education, military, and law enforcement.

² <https://www.oecd.org/corruption/acn/OECD-ACN-Armenia-4th-Round-Monitoring-Report-July-2018-ENG.pdf>

25. The Report also states that the lack of practical enforcement of anti-corruption laws remains a serious concern in the context of the monopolised economy and widespread conflict of interest among public officials.
26. In light of the change of situation in the country, in terms of evaluation of the current situation, the Report indicates that the recent revolution brought about massive hope for a democratic change and placed the trust in the new regime, creating an important momentum for change.
27. With the Report, the OECD urges Armenia to take bold measures against conflict of interest within the Government of the Republic of Armenia and the National Assembly of the Republic of Armenia, ensure judicial and prosecutorial independence and integrity, and step up the efforts to detect, investigate and prosecute high-profile and complex corruption cases using diverse sources of information and analytical instruments.
28. When talking about the responses of international organisations regarding the current situation, it is necessary to state that the 2017 Compliance Report of the Fourth Evaluation Round on Armenia of the Group of States against Corruption (hereinafter referred to as “the GRECO”), entitled “Corruption prevention in respect of members of parliament, judges and prosecutors” (hereinafter referred to as “the GRECO Report”³), has also addressed the current situation in the sectors for assessment, including the steps undertaken by the State and the omissions.
29. Thus, in respect of members of parliament, GRECO states that Armenia has made progress with regard to the measures for applying standards for transparency and incompatibility of the legislative process in the National Assembly. Nevertheless, it is necessary to undertake further steps aimed at elaborating the code of conduct for members of parliament and

³ <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/1680775f12>

strengthening the mechanisms envisaged for implementing oversight over the compliance of members of parliament with the norms and standards of ethics.

30. Touching upon judges, GRECO welcomes the constitutional amendments and stated that the judicial self-governance was reformed in Armenia with the establishment of the Supreme Judicial Council. Furthermore, the immunities of judges have been limited to so-called "functional immunities". Some progress has been achieved as regards the procedures for recruitment, promotion, dismissal and transfer of judges. Nevertheless, GRECO recommends taking action in relation to dedicated training and counselling of judges and with respect to safeguards against the use of disciplinary proceedings to influence or retaliate against judges. Effective rules against undue interference still have to be put in place.
31. Regarding prosecutors, GRECO welcomes the adoption of the Law "On Prosecutor's Office"; important steps to enhance the recruitment procedures of prosecutors and to strengthen the ethics committee of prosecutors have been made. In the Report, GRECO recommended taking more measures to introduce dedicated mandatory training and confidential counselling.
32. With regard to situational analyses of corruption, importance is also attached to gathering, through surveys, opinions of citizens on corruption perception, the effectiveness and impact of the actions taken in the sector and the activities of the post-revolutionary institutions. Evidence of the importance of this is the fact that the addressee of any reform is ultimately the individual whose perception of the processes being implemented is of key importance.
33. When talking about corruption perception, it is first necessary to analyse the results that Armenia has attained in the reporting period in terms of the change of the Corruption Perceptions Index of Transparency International.

Thus, the point necessary for calculating the index in the reporting period has almost been stable, ranging between 33 and 35 points. This goes to show that the level of corruption perception is rather high in the country.

34. Based on the results of the 2018 Corruption Perceptions Index (CPI) of Transparency International released on 29 January 2019⁴, it was stated that the point for Armenia has not changed compared with 2017⁵ (35). At the same time, Transparency International has touched upon the fact that, in the context of the overall political picture of countries in the region, a positive trend is noticed only in Armenia in light of the establishment of the new Government. Nevertheless, in spite of the high level of corruption perception, studies show that few citizens are ready to whistle-blow corruption when faced with it. For instance, the results of a survey conducted within the scope of the Global Corruption Barometer show that citizens of Armenia are not inclined to whistle-blow cases of corruption⁶.
35. This factor has also been confirmed based on the results of a survey conducted during the public awareness campaign with regard to the whistle-blowing system. In particular, out of the participants of the study, 88.5% said they were not aware of the whistle-blowing institution, 57% said they believe whistle-blowing corruption is a good thing if other people whistle-blow, 25% will not take such a step at all, thinking that the people around them will not understand, and 7% of the participants said they will not whistle-blow, considering that it will not change anything, 1.5% considers whistle-blowing against his or her principles and only 9% are ready to whistle-blow such cases.

⁴ <https://www.transparency.org/cpi2018>

⁵ The point for Armenia in the CPI is formed based on the comparison of data in the studies of 6 international organisations, and 5 of those studies were conducted prior to the velvet revolution in 2018, which itself had an impact on the result.

⁶ <https://www.transparency.org/research/gcb/overview>

36. Such results of the study show that the public does not fully realise the importance of its participation in the fight against corruption. Thus, the general target of this Strategy must be the consistent increase of legal awareness of citizens in this regard and making them become demanding in the fight against corruption.
37. The results of the survey of the Caucasus Barometer in Armenia in 2017 developed as a result of annual surveys on social and economic and political situation, conducted by the Caucasus Research Resource Centers show that in 2017 only 5 per cent of respondents in Armenia unconditionally believe in the executive power, whereas 36 per cent have absolutely no confidence in it. Though these results are higher than those recorded in 2015 (2 per cent of absolute confidence and 45 per cent of absolute distrust), however, they essentially concede to the results recorded in neighbouring Georgia. However, the data of the Caucasus Barometer regarding 2019 are not available yet, and thus, drawing comparison between the level of the public trust towards the post-revolutionary government and the previous level of trust is practically impossible.
38. According to the latest result of the survey "Nations in Transit" of the "Freedom House" published in 2018, Armenia is considered to be a partly free country. Based on the survey, the index of Armenia is 5.43. Furthermore, 7 is given in the index to the least democratic and 1 — to the most democratic states. In 2018, the corruption rating of Armenia was 5.5.
39. In the 6th subindicator of the World Governance Indicators of the World Bank "Control of Corruption" Armenia ranks 32.96 out of 100.
40. It is necessary to also study the post-revolutionary perceptions of the citizens to have a more comprehensive view in terms of analysis of the situation.

41. Thus, the results of the surveys conducted during the period between 23 July 2018 and 15 August 2018⁷ and from 9 to 29 October 2018 within the framework of "A Project of the International Republican Institute"⁸ show that the respondents condition the final establishment of democracy in the country mainly upon the elimination of corruption. From the perspective of succeeding in the fight against corruption, the participants of the survey have attached importance to the exclusion of impunity, recovery of stolen assets and targeted use thereof.
42. Within the framework of the same Project, surveys on activities of state bodies, prevention of corruption and other topics were conducted on 6-31 May 2019⁹. The results show that nearly 30 per cent of respondents consider the decreased corruption as the biggest success of the Government, 20 per cent — the establishment of democracy and freedom of speech. An important result is also considered to be the fact that 48 per cent of respondents have attached importance to the success achieved by the Government in the improvement of the psychological state of the society and stopping of anarchy and impunity. To the question whether the respondents have witnessed corruption behaviours in the past 12 months, 80-88 per cent of respondents have noted that they have not witnessed any corruption behaviour. The majority of respondents find that the situation with corruption is getting better and the Government is making enough effort to fight corruption. The important changes and success in the fight against corruption are, according to the majority of the respondents, the activities aimed at disclosure of different corruption schemes, suppression of the former oligarchy system, disclosure of cases of taking and receiving bribes, stopped collection of bribes in education and healthcare system.

⁷ https://www.iri.org/sites/default/files/2018.10.9_armenia_poll_presentation.pdf

⁸ https://www.iri.org/sites/default/files/2018.11.23_armenia_poll.pdf

⁹ https://www.iri.org/sites/default/files/armenia_poll_may_2019_final.pdf

43. At the same time, the army, police, judicial and educational systems have been indicated by respondents to be the most corrupted institutions, and the most wide-spread manifestation of corruption — the patronage and corruption risks in the recruitment process.
44. When speaking about the anti-corruption policy conducted by the Government formed after the revolution, the citizens have mainly mentioned that the authorities have made quite serious progress in the fight against corruption at the top level, demonstrated clear political will, nevertheless, it is necessary to take ongoing measures with a view to making similar changes at local and community levels as well.
45. The respondents have noted that they would welcome transparency demonstrated by the Government of the Republic of Armenia during the process of public awareness raising activities on the consequences of corruption and disclosure of corruption cases.
46. Based on the results of the survey it can be stated that the priorities indicated by the respondents mostly coincides with the priorities established by the Government of the Republic of Armenia.
47. It is obvious that the measures included in the scope of this Strategy must, with their ideological bent and basis, mandatorily reflect the above-mentioned ideas and attitudes. Otherwise, the important citizen–Government feedback will be immediately disrupted. In this regard, this Strategy must be a result of agreed and interrelated citizen–state will, in ensuring whereof the representatives of the civil society play a key role.

1.3. International anti-corruption commitments assumed by the Republic of Armenia and the evaluations

48. The 2015-2018 reporting period has proved to be particularly active in terms of international cooperation in the anti-corruption field. In 2005, the Republic of Armenia signed the UN Convention against Corruption, which was ratified by the National Assembly of the Republic of Armenia in 2006, and the provisions of the Convention entered into force for the Republic of Armenia on 7 April 2007¹⁰. In January 2004, Armenia became a member of the Group of States Against Corruption (GRECO). In December 2017, the Compliance Report of Fourth Evaluation Round on Armenia, entitled “Corruption prevention in respect of members of parliament, judges and prosecutors” was adopted during the regular Plenary Meeting of the GRECO, in result whereof it was stated that Armenia made progress in respect of 17 recommendations out of 18 recommendations. In particular, the Report states that 5 recommendations out of 18 were implemented sufficiently, while 12 recommendations out of the remaining 13 were partially implemented and one recommendation was not implemented.
49. Since 2003 Armenia is involved also in the Istanbul Anti-Corruption Action Plan of the Anti-Corruption Network for Eastern Europe and Central Asia of the Organisation for Economic Co-operation and Development (OECD). The Fourth Round Monitoring of the OECD was launched in October 2014 and was completed with the publication of the Report on outcomes of the Fourth Round on 26 October 2018. As a result of the monitoring it was stated that in the given round the 21 recommendations proposed to Armenia

¹⁰ Acting as a member to the UN Convention against Corruption, the Republic of Armenia undergoes, on a regular basis, monitoring in terms of implementation of the UN Convention against Corruption. The Second Cycle of Review of Implementation of the UN Convention against Corruption was launched in 2015 and will last 5 years. Within the framework thereof, in 2018, Serbia and the Dominican Republic will review the process of implementation of Chapters 2 (Preventive measures) and 5 (Asset recovery) of the Convention by Armenia.

undergoing evaluation were implemented, moreover, 3 out of those were fully implemented, 8 — considerably and 10 — partially implemented. As a result, 24 general and another 5 recommendations relating to the field of higher education were proposed to Armenia. It is worth mentioning that the general recommendations relate to the anti-corruption policy, the prevention of corruption and the criminalisation of corruption. In May 2003 the Republic of Armenia signed the Council of Europe Criminal Law Convention on Corruption and Additional Protocols to the Criminal Law Convention on Corruption which was ratified in June 2004 and in February 2004 the Republic of Armenia signed the Civil Law Convention on Corruption which was ratified in December.

50. In 2006 the European Union and the Republic of Armenia ratified, within the framework of the European Neighbourhood Policy (hereinafter also referred to as “the ENP”), an Action Plan wherein the fight against corruption is included as a priority field.
51. Effective governance and fight against corruption are the main areas of cooperation under the 2015-2018 and 2019-2022 Action Plans of Armenia-Council of Europe.
52. In 2011, Armenia joined the Open Government Partnership, the main mission whereof is to ensure transparent, accountable and effective governance in member states. Having joined this initiative, the Republic of Armenia assumed a number of commitments which include also the fight against corruption. Four Action Plans were adopted within the framework of the OGP, namely for the periods of 2012-2014, 2014-2016, 2016-2018, 2018-2020. Attaching importance to the role of international cooperation in the fight against corruption, as well as realising the legislative and structural development of the field following the implementation of the recommendations made by the international specialised institutions, the directions and actions envisaged by

the this Strategy and Action Plan derive from the fulfilment of commitments assumed by Armenia as a result of accession to the above-mentioned organisations and evaluations thereof.

CHAPTER 2.

GOAL AND TASKS OF THE ANTI-CORRUPTION STRATEGY

2.1. Key goals pursued

by the Anti-Corruption Strategy and main tasks set forth

53. The main goal of the Anti-Corruption Strategy is the consistent implementation of conceptual postulates and principles proclaimed by the Government of the Republic of Armenia, including identifying and eliminating the causes of corruption, instilling and spreading the attitude of intolerance among the public and public servants towards corruption, complete and continuous decrease in corruption.
54. For the purpose of achieving the mentioned goal, such tasks (final or interim results) have been proposed, such as establishing and developing institutional bases necessary for more target-oriented fight against corruption, creating a decent and faithful image of a public servant, reducing to the extent possible the options of applying dual approaches in the regulations of the sectoral legislative framework, ongoing introduction of transparency and participation tools for ensuring the public oversight. The Strategy also aims at increasing the efficiency of disclosure of corruption cases through introduction of effective legal and practical mechanisms, etc. It is worth mentioning that when drawing up the Strategy the benchmark requirements and legal and ideological baselines

defined by the statement of Kuala Lumpur on anti-corruption strategies made on 21-22 October 2013 have also been taken into account which, certainly, have great significance in drawing up the mentioned programme documents.

55. Special attention was paid also to the requirements prescribed by Protocol Decision of the Government of the Republic of Armenia No 42 of 5 October 2017 "On approving the methodological instruction on drawing up, submitting and exercising control over strategic documents affecting the state incomes and expenditures". In particular, the conceptual requirement has been taken into account, according to which the strategic documents must contain the description of the ways, actions or measures for achieving the mentioned goal, substantiating the explicit connection between those actions and the expected results. The Strategy envisages also the following proposed tasks:

- 1) transforming and developing the institutional anti-corruption system;
- 2) overcoming administrative corruption through identification of sectoral corruption risks and reduction thereof, introduction and continuous improvement of tools of electronic democracy;
- 3) creating a decent and faithful image of a public servant through introduction of relevant mechanisms for ensuring accountability, transparency and integrity;
- 4) simplifying and clarifying sectoral legal regulations, enhancing the role of the institute of regulatory impact assessment;
- 5) ensuring distinct limits of separation of business and politics, ensuring and guaranteeing freedom of economic activities and free economic competition;
- 6) guaranteeing the implementation of the principle of inevitability of liability for corruption-related offences, ongoing improvement of the legislation, including through establishing the list of corruption-related crimes;

- 7) establishing and introducing mechanisms for illegal asset forfeiture, ensuring their compliance with international standards, strengthening international cooperation;
 - 8) instilling an attitude of denial towards corruption through public education and awareness-raising, including shaping demanding citizens by way of changing the attitude towards the institution of whistle-blowing;
 - 9) raising the level of effectiveness of the fight against corruption through updating the outdated measures as a result of an effective monitoring mechanism.
56. The tasks set forth by the Strategy will be implemented by other strategies as well, including judicial and legal, electoral strategies, by equivalent combination of the measures set forth, excluding the possibility of time and content gaps between them.
57. The active participation of all the interested parties is expected in overcoming problems and challenges set forth in the Strategy and its Implementation Action Plan, which serves as a guarantee of success to be achieved under the Strategy.

CHAPTER 3.

INSTITUTIONAL ANTI-CORRUPTION SYSTEM

58. When referring to the directions of anti-corruption policy, it is first necessary to form the vision of the institutional model of implementation of the anti-corruption policy.

59. New realities following the Velvet revolution proved that the Government of the Republic of Armenia demonstrated necessary and sufficient political will to make significant progress in the fight against corruption. Nevertheless, alongside with the political will, importance is attached to the systemic leading of the fight against corruption; in this regard, the existence of a developed institutional anti-corruption system is one of the principal guarantees of success.
60. For the purpose of having the overall picture of the institutional system it is necessary to ensure the establishment of guarantees of independence required for the effective activities of the bodies responsible for the prevention and disclosure of corruption behaviours, introduction and development of relevant mechanisms, strengthening of the cooperation. Within the context of the above-indicated, the vision of the following separated model of the institutional anti-corruption system is recommended, with the possible prospects of making a shift to the universal model in case of justification thereof.
61. As a result of the previous strategy, steps for establishment of a preventive anti-corruption body were taken at legislative level. In particular, package of draft Laws “On making amendments and supplements to the Law “On Commission for the Prevention of Corruption” and to related laws” adopted on 9 June 2017 envisaged establishment of a preventive anti-corruption body in Armenia, provided with independence guarantees. Nevertheless, the Commission has not been established to date. The main reason for failure to establish the Commission is the complex and incomplete formulation of the mechanisms for the procedure for formation thereof.
62. In particular, Articles 11 and 13 of the above-mentioned Law prescribed that the Chairperson of the National Assembly shall establish a competition board (hereinafter referred to as "the Board") for selection of candidates for the position of a member of the Commission with one candidate each from the Constitutional Court, Staff of the Human Rights Defender, opposition

factions of the National Assembly, Public Council and Chamber of Advocate. The criteria and procedure for selection of the members of the Board are not established by law. The competition board practically has been established in violation of the time limits though. The members of the Board state that the competition for candidates has not been held, taking into consideration the fact that the functions of the Board were quite extensive and practically it was impossible to hold it within a period of 45 days. In addition, according to part 2 of Article 12 of the above-mentioned Law, the sitting of the Board shall have quorum where at least four members participate therein, and taking into consideration the fact that the time period of the activities of the Board has coincided with the processes of selection, the sittings have mostly had no quorum.

63. Within the context of the above-mentioned, this Strategy attaches importance to the undertaking of prompt steps for formation of the Commission for the Prevention of Corruption (hereinafter referred to as "the Commission").
64. In this regard, it is recommended to amend the procedure for formation of the Commission and the scope of functions thereof while maintaining the competitive method for formation of the Commission. At the same time, based on the objective necessity of prompt formation of the Commission, it is recommended to select the first composition from among the candidates representing different branches of the power, nominated in equal numbers, by applying other regulations.
65. From the point of view of ensuring functional effectiveness of the Commission, it is recommended to significantly extend the functions of the Commission, reserving — instead of existing 5 functions — 13 functions aimed at preventing corruption and ensuring anti-corruption education.

66. Thus, as a result of legislative amendments, it is necessary to reserve the following functions to the Commission for the Prevention of Corruption in addition to the functions reserved by law:

- 1) carrying out assessment of the anti-corruption regulatory impact of legal acts and drafts thereof;
- 2) conducting monitoring over implementation of anti-corruption programmes and actions developed thereby and submitting recommendations thereon to the competent bodies;
- 3) developing anti-corruption educational programmes and coordinating their implementation;
- 4) developing programmes for raising public awareness in the anti-corruption field, and co-ordinating their implementation;
- 5) prescribing the rules of conduct — deriving from the principles of conduct prescribed by law — of persons holding state positions (except for Deputies, judges, members of the Supreme Judicial Council, prosecutors, investigators), heads and deputy heads of communities having a population of 15 000 and more, heads and deputy heads of administrative districts of the community of Yerevan;
- 6) ensuring the uniformity of observance of the rules of receiving gifts conditioned by the official duties of persons holding state positions, heads and deputy heads of communities having a population of 15 000 and more, heads and deputy heads of administrative districts of the community of Yerevan, including through maintaining a uniform public register of gifts;
- 7) submitting advisory opinions, based on the studies with regard to the integrity of persons subject to appointment to state positions in cases and as prescribed by the Law "On public service", of judges and candidates for

judges in cases and as prescribed by the Constitutional Law "Judicial Code of the Republic of Armenia", of prosecutors, candidates for prosecutors and investigators in cases and as prescribed by the Law "On prosecutor's office";

8) co-ordinating the activities of organisers of integrity matters.

67. For full-fledged performance of its functions the Commission for the Prevention of Corruption will have the following subdivisions:

- 1) Department for analysis of declarations;
- 2) Department for proceedings and legal support;
- 3) Department for incompatibility requirements and other limitations, rules of ethics, integrity and conflict of interests;
- 4) Department for educational, public awareness-raising programmes and monitoring;
- 5) Department for methodological support;
- 6) Department for conducting integrity studies.

68. In addition, the Department for analysis of declarations and Department for proceedings and legal support will operate starting from the moment of the formation of the Commission. The other professional subdivisions — Department for incompatibility requirements and other limitations, rules of ethics, integrity and conflict of interests, Department for educational, public awareness-raising programmes and monitoring, Department for methodological support and Department for conducting integrity studies — will operate starting from 2020. At the same time, from the point of view of providing a toolkit to the Commission for the Prevention of Corruption to effectively carry out the activities, importance is attached to the issue of ensuring access thereof to the data containing bank secrecy.

69. The second important component element of the developed institutional system of the fight against corruption is the existence of a specialised body vested with the function of disclosure of corruption-related crimes and provided with independence guarantees.
70. Currently, in the Republic of Armenia, preliminary investigation in criminal cases is conducted by investigators of the Investigative Committee of the Republic of Armenia, the Special Investigation Service of the Republic of Armenia, as well as those of National Security Service of the Republic of Armenia, tax and customs authorities. It follows from the above stated that investigation of corruption-related crimes is not conducted by a single body, whereas the effectiveness of investigation of corruption-related crimes may be guaranteed only in the case where this function [of investigation] is reserved to a single body, thus ensuring the organisation of investigation by uniform standards. International partner organisations have, in their turn, repeatedly raised this issue, by claiming that the decentralisation of investigation of corruption-related crimes is one of the main challenges for effective investigation of corruption-related crimes in Armenia. In this regard, a specialised anti-corruption body provided with independence guarantees will be established within the reporting period prescribed by the Strategy which will conduct examinations and will be vested with the toolkit necessary for disclosing corruption-related crimes.
71. From the point of view of ensuring the implementation of the above stated, it is recommended to establish a specialised anti-corruption body named "Anti-Corruption Committee" under the following model:
- 1) to re-organise the Department for Investigation of Corruption-Related Crimes, Crimes against Property and Cybercrimes of the Investigative Committee, by transferring the positions and toolkit of investigators engaged in the investigation of corruption-related crimes to the Anti-Corruption Committee;

- 2) to re-organise the General Department for Combating Organised Crime of Police by transferring the positions and toolkit envisaged for implementing operational intelligence activities for the purpose of disclosing corruption-related crimes to the Anti-Corruption Committee;
- 3) [to transfer] the positions of the State Revenue Committee investigators envisaged for investigation of crimes to the Investigative Committee;
- 4) to re-organise the Department for Investigation of Corruption-Related Crimes, Organised and Official Crimes of the Special Investigation Service by transferring the positions and toolkit of investigators engaged in the investigation of corruption-related crimes to the Anti-Corruption Committee;
- 5) to transfer the functions of a investigative body of the National Security Service and operational intelligence functions to the Special Investigation Service and Anti-Corruption Committee proportionately, while maintaining in the NSS only the positions and toolkit necessary for intelligence, counter-intelligence, military counter-intelligence activities and protection of the state border;
- 6) to prescribe that the preliminary investigation of cases with regard to crimes committed in complicity by officers of the Anti-Corruption Committee in their official capacity or committed thereby shall be conducted by the Special Investigation Service;
- 7) The investigation of crimes committed by the officers of the Anti-Corruption Committee and not relating to their official powers is reserved to the Investigative Committee.
- 8) The investigation of corruption-related crimes committed by the officers of the Specials Investigation Service shall be reserved to the Anti-Corruption Committee, and investigation of other crimes — to the Investigative Committee.

72. The main guarantee of success of the institutional system is, from the beginning, the establishment of efficient mechanisms of cooperation between the Commission for the Prevention of Corruption and Anti-Corruption Committee. The Commission must have access to the data operatively acquired by the Committee and vice versa. For the purpose of the above-mentioned, uniform electronic database will be established.
73. Within the context of international standards for the formation of anti-corruption bodies, it is necessary to review the procedure for election or appointment of the executive staff of the Anti-Corruption Committee, by prescribing regulations essentially raising the level of the institutional and functional independence of the given body.
74. It is recommended to ensure the gradual establishment of territorial bodies of the Anti-Corruption Committee through undertaking ongoing practical steps.
75. For the purpose of producing the recommended model it is necessary to develop a legislative basis required for the formation and operation thereof.
76. In terms of ensuring the effectiveness of the activities of the recommended body, the imperative of providing the Anti-Corruption Committee with necessary independence guarantees is undeniable.
77. At the same time, with a view to ensuring the accountability and transparency of the activities of the Anti-Corruption Committee, the Committee must publish on its official website the semi-annual and annual reports, including statistical reports. The Head of the Committee must submit to the Government an annual written report on the previous year activities of the Committee.
78. In this regard, in contrast to other investigative bodies operating in the Republic of Armenia, candidates for the Head of the Anti-Corruption Committee will be elected by the competitive board, following an open competition. For ensuring a balanced representation, the competitive board will be composed of three

members each nominated by the National Assembly (ruling and opposition factions), the Government and the Supreme Judicial Council. At the same time, the sittings of the competitive board will be open to the mass media and representatives of the civil society and will be video-recorded. One of two or three candidates nominated by the competitive board will be appointed by the Prime Minister as the Head of the Anti-Corruption Committee. The competitive board, *inter alia*, will be competent to examine the integrity of the candidates and their involvement in corruption-related transactions.

79. The officers of the Anti-Corruption Committee will also be elected through a competition-based procedure and, with a view to raising the effectiveness of their functions, mechanisms motivating the activities thereof will be prescribed by law.
80. At the same time, it is necessary to organise the professional training of the officers of the Anti-Corruption Committee and conduct training courses with special training programmes.
81. Concurrently, all officers of the Anti-Corruption Committee shall, on a regular basis, undergo training courses at the Academy of Justice of the Republic of Armenia.
82. Personal security and social security guarantees shall be prescribed by legislation for the Head, officers and the staff of the Anti-Corruption Committee.
83. The professional composition of the Anti-Corruption Committee will be completed by recruitment of new personnel having undergone relevant professional training and transfer of professionals from other bodies, who shall undergo additional trainings.
84. The specialisation of prosecutors needs to develop for the purpose of outlining the comprehensive picture of the effectiveness of the institutional anti-corruption system. In this regard, it is recommended to establish, within the Prosecutor

General's office of the Republic of Armenia, a department for exercising control over investigation of corruption-related crimes, concurrently ensuring and increasing the specialisation of the prosecutors of the given department, as well as of relevant prosecutors of marzes and the city of Yerevan.

85. At the same time, it is recommended to establish, within the Department for State Interests Protection of the Prosecutor General's Office of the Republic of Armenia, a competent specialised subdivision for illegal asset forfeiture, with the vision of reserving the mentioned function to an independent specialised body within 3 years.
86. From the perspective of formation and ongoing development of the advanced institutional system specialised in the fight against corruption, importance is attached also to the establishment of a specialised anti-corruption court which must be provided with sufficient human, administrative and material resources, and it will lead to more quality, comprehensive and effective disposition of cases by specialised judges. It is obvious that the specialised investigation of corruption-related cases may raise the level of effectiveness of fight against corruption, by boosting its development. Having regard to the urgency of the matter, the court examination of corruption cases and judicial oversight over the pre-trial proceedings with regard to these cases will, as an interim action, be conducted by specialised anti-corruption judges during 2020-2021, before the establishment of a specialised anti-corruption court.
87. The Anti-Corruption Committee, The Anti-Corruption Subdivision of the Prosecutor General's Office of the Republic of Armenia and the Anti-Corruption Court will simultaneously be established in order to ensure proper and effective examination of corruption cases.
88. The Committee for Fight Against Corruption has, for the purpose of developing the policy of fight against corruption and raising its effectiveness in the Republic

of Armenia, been reorganised into the Anti-Corruption Policy Council with relevant toolkit.

89. The Anti-Corruption Policy Council shall consider the anti-corruption strategies and related legal acts, sectoral anti-corruption programmes, processes of implementation of measures deriving from the anti-corruption strategies and international commitments, performance and monitoring results of anti-corruption strategies and programmes, results of cooperation with institutions interested in the fight against corruption, the course of cooperation with international organisations.

CHAPTER 4.

ANTI-CORRUPTION STRATEGIC DIRECTIONS

90. This Strategy defines the baseline and fundamental directions that must be decisive for the implementation of the 2019-2022 anti-corruption policy of the Republic of Armenia, as well as for the fight against corruption and, as a result — for the gradual reduction and overcoming of corruption. The three main directions in the fight against corruption are as follows:

- 1) Prevention of corruption;
- 2) Disclosure of corruption-related crimes;
- 3) Anti-corruption education and awareness-raising.

5.1. Prevention of corruption

91. From the perspective of succeeding in the fight against corruption, importance is attached to reviewing the legislative framework aimed at the prevention of corruption, bringing it into compliance with the current challenges and international standards, introducing effective mechanisms for the elimination of corruption risks and ensuring their practical use.
92. In this regard, the Strategy will carry out the prevention of corruption in the following subdirections:
 - 1) Overcoming administrative corruption;
 - 2) Strengthening integrity within the public administration system;
 - 3) Declaring;
 - 4) Assessing the anti-corruption regulatory impact and increasing transparency in the private sector.

❖ Overcoming administrative corruption

93. The existence of complicated infrastructures, complex and intricate processes and bureaucratic hurdles occurring within the public administration system in separate cases takes a substantial place among the factors contributing to the emergence of corrupt practices.
94. Intending to overcome administrative corruption to the extent possible, it is recommended to manage corruption risks in the bodies constituting the public administration system, including in the local self-government bodies, through comprehensive study and identification of corruption risks. From this perspective, importance is attached to the development, based on the self-assessment results, of an internal anti-corruption and integrity action plan by each body, on the implementation whereof regular reports shall be submitted to

the Prime Minister of the Republic of Armenia and to the public. In this context, importance is attached to revealing the public administration sectors (issues) wherein unlimited discretion is reserved to officials. It is a proved conviction that the legislation should, to the extent possible, be void of solutions implying such a regulation. At the same time, the actions for state revenue collection, provision of services to citizens by the Police and those of the healthcare and education systems, provided for by Annexes 3-6 of Decision of the Government of the Republic of Armenia No 1141-N of 25 September 2015, which were not performed within the prescribed time limits, are envisaged as priorities in the action plans of the given bodies.

95. For the purpose of ensuring the transparency and accountability of public administration and overcoming administrative corruption, it is necessary to establish mechanisms which will automatically be directed at elimination of corruption risks, including through restriction to the extent possible of the state-citizen communication. Within the context of the above-mentioned, it is envisaged to develop and introduce e-democracy tools and systems, raise public awareness thereon, which will contribute to ensuring the transparency and accountability of activities of state bodies, non-changeability, uniformity and automation of data (electronic tools will include also important systems of anti-corruption significance, such as the Unified platform for proactive disclosure of information, the Unified system of electronic justice and so on).
96. Essential importance is also attached to the continuous improvement and development of the whistle-blowing system, taking into account the best international practice. In this respect, it is obvious that the electronic platform for whistle-blowing should also simultaneously be subjected to effective monitoring with the imperative to seek urgent solutions to arising technical and substantive issues.

❖ **Strengthening integrity within the public administration system**

97. Creating a public image of a public servant complying with the norms of integrity, establishing and operating relevant mechanisms for supervision in practice are of key significance in the prevention of corruption.
98. The integrity system was introduced by Law "On public service" HO-206-N of 23 March 2018, which includes the principles of conduct of persons holding public positions and of public servants and the rules of conduct deriving therefrom (including on the prohibition on accepting gifts), incompatibility requirements, other restrictions and conflict-of-interest regulations.
99. Despite the availability of the norms, the practical application thereof has almost been impossible, taking into account the fact that, according to the mentioned law, the application of the given provisions was actually conditioned by the establishment of the Commission for the Prevention of Corruption. Thus, in terms of formation of the integrity system, importance is also attached to the immediate establishment of the Commission for the Prevention of Corruption.
100. Adopting the rules of conduct for officials, conducting trainings on that rules and exercising continuous supervision over the observance thereof are among the important component elements of ensuring integrity. In terms of integrity, importance is attached to establishing minimum standards for publicity of the activities of political decision-makers (this action was prescribed also by the previous strategy but it has not been implemented in practice).
101. As stated above, the Commission for the Prevention of Corruption will, among other functions, be vested with the function to submit advisory opinions, based on the studies with regard to the integrity of persons subject to appointment to state positions in cases and as prescribed by the Law "On public service", of judges and candidates for judges in cases and as prescribed by the Constitutional Law "Judicial Code of the Republic of Armenia", of prosecutors,

candidates for prosecutors and investigators in cases and as prescribed by the Law "On prosecutor's office".

102. Establishing the Commission for the Prevention of Corruption and vesting it with the above-mentioned functions will contribute to the complete and effective operation of the system of integrity of public servants and persons holding public positions, creation of the picture of an honest, conscientious and skilful person holding a public position and of a servant, increasing of public confidence towards the public service system.
103. The next important guarantee for ensuring integrity is the formation of the institution of commissions on ethics of public servants and integrity affairs organisers, provided for by Law "On public service" HO-206-N of 23 March 2018. In co-operation with integrity affairs organisers, the ethics commissions must observe the compliance with the integrity requirements by public servants.

❖ **Declaring**

104. The system of declaration is the logical continuation of the integrity system. In the process of prevention of corruption, great importance is attached to the establishment of transparency and accountability mechanisms adequate for exercising actual public supervision over the activities and property of persons engaged in public service and of family members thereof.
105. In this regard, importance is attached to improving the system of declaration, including expanding the scope of declarants and the list of data subject to publication, reviewing the content of the declaration, establishing and operating a unified system of declaration of property, income, expenses and interests in practice. Moreover, within the scope of reviewing the content of the declaration, the value threshold of valuable property subject to declaration, i.e. at the value of AMD 8 million, will be lowered, the types of loans and incomes will be clarified

and a system for declaration of expenses will be introduced. In order to exclude the involvement of officials in corruption, it is recommended to introduce a new system, according to which persons seeking to hold a state position of the Republic of Armenia and those holding such positions shall, through a notarial procedure, authorise the relevant authorised body to search for and obtain on their behalf information — in any bank and financial organisation in the world, in the territory of any country — on the existence of accounts in their names, movement and balance thereof from the day of their creation, as well as on the existence of movable and immovable property, securities in their names.

❖ **Assessing the anti-corruption regulatory impact and increasing transparency in the private sector**

106. The practice has shown that the existence of dual approaches in legislative regulations very often gives rise to broad interpretation, thus jeopardising the effective application of norms.
107. At the same time, the current system of regulatory impact assessment does not allow for identifying the current and potential corruption risks of legal acts, and it concurrently leads to having concerns on the mechanisms.
108. In this regard, the Strategy envisages review of the legislative framework relating to the anti-corruption regulatory impact, establishment of definite standards, as well as regular assessment of both draft legal acts and legal acts having already been adopted. It is recommended to reserve the function of assessing the anti-corruption regulatory impact to the Commission for the Prevention of Corruption, by ensuring the development of required capabilities and specialisation of relevant employees.
109. One of the important tools for increasing transparency in the private sector is revealing real owners of the legal persons having received state registration and

introducing a general and publicly accessible platform for information thereon, thus ensuring publicity of the data on real owners.

110. For the purpose of introducing effective mechanisms for revealing real owners of legal persons, a road map will be developed, whereby the primary sectors and relevant time limits for revealing real owners will be predetermined. Relevant software aimed at creating a register of real owners within the framework of the state register of legal persons will be developed and introduced, provisions aimed at revealing real owners will gradually be prescribed by the sectoral laws in accordance with the Road map.
111. The public information on real owners of legal persons available on the electronic platform will be used by the competent state bodies and civil society as an instrument for supervision, for the purpose of excluding implementation of entrepreneurial activities by persons having political influence and ensuring transparency of the state procurement process.
112. From the perspective of introducing anti-corruption mechanisms in the private sector, importance is attached to guaranteeing free economic competition, freedom of economic activities, ensuring an appropriate environment for fair competition.
113. In this respect, it is necessary to introduce mechanisms on the anti-corruption compliance of organisations, continue the activities aimed at improving the sector of protection of economic competition, thus improving the present mechanisms and institutional toolkit.

4.2. Disclosure of corruption-related crimes

114. Disclosure of corruption-related crimes is also one of the most important components of the fight against corruption.

115. In this regard, in terms of effectiveness of disclosure, importance is attached, firstly, to the clarification of types of corruption-related crimes and prescribing their scope by law. Thus, the Criminal Code of the Republic of Armenia shall be amended, providing the orienting list of corruption-related crimes. In particular, the list of corruption-related crimes approved by the Prosecutor General incorporates a rather wide range of crimes. Whereas, from the perspective of specialisation of relevant law enforcement bodies, as well as development of statistics, it is more appropriate to restrict the list to crimes of exclusively corruption-related nature, based also on the list of crimes presented by the OECD Fourth Evaluation Round Report of Armenia.
116. In terms of disclosure of corruption-related cases and prevention of corruption risks in the private sector, particular importance is attached to the stipulation of criminal liability for legal persons and establishment of mechanisms for its application. In this regard, the Criminal Code of the Republic of Armenia and the Criminal Procedure Code of the Republic of Armenia will be amended, envisaging relevant mechanisms.
117. At the same time, the effectiveness of investigation into corruption-related crimes is envisaged also through development and adoption of a methodology for investigation into the corruption-related cases and, thus, increasing the professionalism of bodies conducting criminal prosecution.
118. Establishing and introducing effective mechanisms for illegal asset forfeiture and ensuring their compliance with the international standards will be among the priorities of the Strategy. In this regard, importance is attached to the introduction of non-conviction based asset forfeiture mechanism. To that effect, a relevant legislation will be drafted, steps will be taken for introducing an institutional system, the international co-operation will be strengthened. It is envisaged to carry out the recovery of assets through the application of the *in rem* principle.

4.3. Anti-corruption education and awareness-raising

119. Although various anti-corruption education and awareness-raising programmes are currently being implemented in the Republic of Armenia, these programmes are not large-scale and coordinated; moreover, they do not ensure the required effectiveness either. The results of situational analysis show that citizens are very often unaware of the reforms implemented and, therefore, they do not benefit therefrom, which, in its turn, results in that the steps taken become an end in themselves and inefficient.
120. Despite the fact that more importance than ever is attached to the role of the society in affecting the decision-making process at this stage, a striking example of which is also ensuring the involvement of the society in the process of drafting legal acts, however, the results of surveys conducted in 2017-2018 show that Armenia ranks last in the world as regards the participation, assistance of citizens in the fight against corruption, willingness to whistle-blow about corruption cases. The above-mentioned itself witnesses to the low level of anti-corruption education and anti-corruption legal consciousness which gives case for reflection at the national level and taking active steps.
121. In this regard, it is recommended to take ongoing steps in providing systematic and regular anti-corruption education to public servants, including persons holding political positions. Moreover, for the purpose of resolving the structural issues, it is recommended to reserve the function of providing anti-corruption education to the Commission for the Prevention of Corruption, prescribing for the latter an obligation of drawing up and publishing educational programmes, guidelines, regular consultation reports.
122. Moreover, for the purpose of increasing the effectiveness of the mentioned trainings and excluding the possibility of becoming an end in themselves, it is recommended to introduce a system of regular evaluation of knowledge and skills of public servants in the fight against corruption.

123. At the same time, attaching importance to instilling anti-corruption education starting from the school years, as well as taking into account the fact that currently, within the scope of the “Sociology” subject, topics on the fight against corruption are taught, which are not only, in essence, outmoded and do not again reflect the approaches adopted by the Government in the fight against corruption, but are not a necessary and sufficient means for forming absolute intolerance towards corruption and for achieving the aim of teaching anti-corruption conduct, it is recommended to carry out studies with regard to the sections relating to corruption in the textbooks of the subject of “Sociology” being instructed at high schools and to review the content thereof.
124. Steps should also be taken for including the anti-corruption education as a compulsory subject in higher educational institutions.
125. Attaching importance to the role of the society in the fight against corruption and realising the necessity of capacity building of non-governmental organisations, ongoing anti-corruption trainings should be organised for them.
126. At the same time it is envisaged to raise the level of awareness of the public and public servants about the implementation of anti-corruption measures by the State, the reforms implemented in the service sector, the mechanisms for whistle-blowing and appeal, increase of the level of public awareness on the rights of persons when communicating with state bodies, the specifics of the whistle-blowing system, the guarantees of freedom of information and the rules of ethics of public servants. It is recommended to develop and approve annual programmes for conducting public awareness-raising campaigns for the goal mentioned.

CHAPTER 5.

COORDINATION, MONITORING, CONTROL AND PUBLIC COMMUNICATION WITH REGARD TO THE IMPLEMENTATION OF THE REPUBLIC OF ARMENIA ANTI-CORRUPTION STRATEGY AND ITS IMPLEMENTATION ACTION PLAN FOR 2019-2022

127. The effectiveness of implementation of the Anti-Corruption Strategy and the sector-specific programmes will be ensured through the introduction of an effective system of monitoring and assessment.
128. The Government of the Republic of Armenia attaches importance to the introduction of a public, transparent and innovative monitoring and assessment system that will be based on the active participation of the society.
129. The functions of monitoring and assessing the course of the Strategy and the Action Plan are performed by the Ministry of Justice of the Republic of Armenia.
130. The responsible bodies shall, for the purpose of ensuring the implementation of the Strategy and the Action Plan, submit reports to the Ministry of Justice of the Republic of Armenia within 5 working days after the end of each semester. The Ministry shall post the package of reports on the web-sites of the Ministry of Justice of the Republic of Armenia and of the Council within 2 working days.
131. For the purpose of having a more comprehensive and thorough assessment, organisations of the civil society may carry out, on semi-annual basis, an individual monitoring and assessment and submit the results thereof to the Ministry of Justice of the Republic of Armenia.
132. The Ministry of Justice of the Republic of Armenia shall, at the end of each year, submit the results of the monitoring and assessment for consideration by the Anti-Corruption Policy Council (hereinafter referred to as “the Council”)

established by Decision of the Prime Minister of the Republic of Armenia No 808-N of 24 June 2019.

133. The Council may, after receiving and analysing the brief annual report, review the Strategy and the Action Plan by involvement of relevant responsible bodies and make relevant amendments based on the results and recommendations of the monitoring at the end of each year. The activities regarding amendments are coordinated by the Ministry of Justice.
134. For the purpose of assessing the impact of the Strategy and the Action Plan, the Ministry of Justice of the Republic of Armenia may initiate inquiries of the public opinion among different target groups in the mid-term and long-term stages, on the basis whereof the impact and influence of the reforms on the society are measured. After submission to the Council of the results of assessment and analysis of the results of the inquiries carried out in the mid-term stage, the Council may initiate a new cycle for reviewing and amending the Strategy and the Action Plan, as well as the methods and mechanisms for the implementation thereof.
135. The Strategy and the Action Plan shall be posted, in the form of separate sections, on the official web-sites of the Ministry of Justice of the Republic of Armenia, the Commission for the Prevention of Corruption and the Council in order to ensure more transparency in respect of the process. Semi-annual and annual reports of the Council shall also be posted on the web-sites
136. For the purpose of making the transfer of information to the society and professional circles, on the mid-term and long-term objectives of the Strategy and the Action Plan more targeted and effective, the Communication Strategy/Action Plan is being drawn up, on the implementation whereof reports are submitted to the Council by the relevant responsible bodies on semi-annual basis.

CHAPTER 6.

ANALYSIS OF EXPENSES CONDITIONED BY THE ANTI-CORRUPTION STRATEGY AND ITS IMPLEMENTATION ACTION PLAN FOR 2019-2022 AND THE FINANCIAL ASSESSMENT

6.1. Methodical considerations

137. The elaboration of the analysis of expenses conditioned by the Anti-Corruption Strategy and its Implementation Action Plan for 2019-2022 and financial assessment was based on the methodology being presented below:
138. In case of many actions, assessments and studies should be carried out in the first stage, on the basis whereof the further more precise action plans will be developed, and only then the exact volumes, tariffs and rates will be clear. Thus, we took the approximate preliminary assessments and average standard rates and tariffs as a basis.
139. When making calculations, the tool of average or standard expenditure modules was used. For example, average standard local or international official business trip, course or average standard project for the work of a designer/editor.
140. The benchmark approach or level of average standard expenses was used for assessment of certain expenses. For example, the standard level of expenses for an office with an area of 500 square metres.
141. The calculations were developed on the basis of the MS Excel software. The basic rates and tariffs are presented on a separate page, to which a reference is made. In case of necessity to provide more detailed data, separate rates and tariffs have been presented on separated pages. One separate page is provided for each action. Expenses necessary for the implementation of an action are summarised in a uniform template and calculation details are presented below that template. All the results are summarised on a uniform summary paper.

❖ **Notes and explanations on the common tariffs and rates**

142. Based on the information provided for each action, as well as on the assessments on the human and material resources necessary for the implementation of an action planned, the volumes of the resources necessary for each action were predetermined.
143. In the course of the calculations, the schedule predetermined in the 2019-2022 Action Plan for the implementation of the Anti-Corruption Strategy and the time limits for performance of verifiable indicators served as a basis for envisaging time limits.
144. Two types of employees are included: experts being involved and permanent employees of the state system (the second type – only for the actions 1-4). All the salaries are indicated as gross salaries.
145. There is a differentiation between local and international experts. The daily gross rates were taken as a basis for calculation of the rate of remuneration for local and international experts, which is based on the rates assessed for similar plans in the sector. Moreover, local experts are involved by both public administration bodies and international organisations. Taking into account the fact that in the two mentioned cases, the rates essentially differ, the average measured rate was taken as a basis for calculations. Each year, certain increase of the base salary is supposed for state system employees.
146. 4.3% was taken as an annual level of the expected inflation, which is based on the projections of the Central Bank. It has been assumed that certain tariffs and rates will undergo changes to such an extent during years.
147. Involvement of international experts also implies the need for organising translations and visits of experts. This type of expenses will hereinafter be referred to in the text also as expenses related to the involvement of international experts.

148. As an approach, a principle is recommended, according to which an international expert elaborates the methodical basis, trains the local specialists and, during the further years, he or she assists in effective implementation of the action and introduction of the monitoring system. This approach, as a rule, means a more intensive involvement of international experts in the first years of implementation of actions.
149. It is envisaged that the same expert will work with each domain of the actions included in the Action Plan, due to which it is possible to reduce the number of visits of experts to the minimum, as during each visit, he or she will be able to perform the necessary functions related to different actions of the same domain. For example, where an action would require 3-4 visits, only one visit is envisaged under this principle, and the expenses of the other visits are included in the calculation of expenses for other actions.
150. Three types of trainings are envisaged. The first type is the training in abroad. Certain participation or membership fee is envisaged for participating in these trainings, which, however, does not fully cover the participation fee, but it is provided as a tool for ensuring a certain part of co-funding or participation. As a principle, it is assumed that the specialists trained abroad or by international experts will thereafter continuously train or assist the local specialists. The local trainings are, in their turn, differentiated between organised and outsourced courses.
151. The norms of official business trips in the main directions underlie the calculations for abroad official business trips. Official business trips in other directions are, as a rule, financed by the inviting party.
152. In certain actions, planning of certain additional resources is recommended (for example, for elaboration and publication of materials and manuals or for official business trips, where it is necessary to study the international practice).

153. Four types of public events have been envisaged for meetings organised for public awareness-raising, public discussions or other purposes:

- Event with an assumed number of about 100-200 participants, which does not have an emphasised representative nature and has an average value of AMD 50.000.
- Public event of a certain representative nature, with an assumed number of about 50-100 participants and an average value of AMD 200.000.
- Public event of a representative nature, with an assumed number of about 100-200 participants and an average value of around AMD 1.5 million.
- Open public events with an average value of around AMD 5 million.

154. The average calculation exchange rate of the Central Bank of the Republic of Armenia as of January-July 2019 was taken as an exchange rate of Euro and American dollar.

155. Outsourcing is assumed for the implementation of projects of development and modernisation of outsourced electronic resources and of the programme solutions.

156. The tariffs and rates being recommended and used in the calculations are presented in Annex 3.

❖ **Analysis, predictions and modelling of the budget calculation in separate domains; Substantiations and interpretations of the expenditures planned**

- ✓ *Forming the Commission for the Prevention of Corruption and ensuring the regular operation thereof*

157. The Commission for the Prevention of Corruption (hereinafter referred to as "the Commission") has a key role in the anti-corruption institutional system of the Republic.
158. As already stated above, it is prescribed by Decision of the Prime Minister of the Republic of Armenia No 706-A of 11 June 2018 that, for the uninterrupted activities of the Commission, the number of staff positions of the Commission for the Prevention of Corruption shall be 40. At the same time, based on the necessity of effectiveness of the activities of the Commission, the number of staff positions will progressively increase each year within the period of the Strategy implementation.
159. For the full-fledged performance of its functions, the Commission for the Prevention of Corruption will have the following professional subdivisions:
- 1) Department for analysis of declarations;
 - 2) Department for proceedings and legal support;
 - 3) Department for incompatibility requirements and other limitations, rules of ethics, integrity and conflict of interests;
 - 4) Department for educational, public awareness-raising programmes and monitoring;
 - 5) Department for methodological support;
 - 6) Department for conducting integrity studies.
160. In addition, the Department for analysis of declarations and the Department for proceedings and legal support will operate starting from the moment of the formation of the Commission. The other professional subdivisions – Department for incompatibility requirements and other limitations, rules of ethics, integrity and conflict of interests, Department for educational, public awareness-raising programmes and monitoring, Department for methodological support and Department for conducting integrity studies, will operate starting from 2020.

161. The expenses of the new building planned for 2022 are distributed between the expenses being planned with regard to the Commission for the Prevention of Corruption and the Committee for Corruption, with the 60/40 ratio.
162. The building will be provided with electricity, gas, water supply; for the purpose of ensuring the effective operation thereof, it is envisaged also to co-operate with the international organisation "Bureau van Dijk".
163. The payroll calculations have been made based on the information contained in the Strategy and Action Plan. Besides, the provisions of the Law of the Republic of Armenia "On remuneration for persons holding state positions and state service positions" have been taken into consideration. The base salary has also been assumed to increase.
164. In order to assess the amount of the computer equipment needed, computers for both the employees and additional general purposes, and in the next years — also for updating them, have been envisaged for the first years.
165. Public events have been envisaged in order to reveal the public opinion and raise public awareness.
166. Engagement of an international expert is envisaged for the third and fourth years of the action with the view to supporting the development of recommendations with regard to enhancement of the functions of the Commission.
167. A benchmark approach has been applied for assessment of administrative expenses.
- ✓ *Formation of an anti-corruption law enforcement body vested with the functions of revealing and investigating corruption crimes and having sufficient guarantees of independence*
168. Where the main mission of the Commission is restricted within the scope of prevention, another state body should be called upon to undertake the task of

disclosure of corruption crimes. The newly established Anti-Corruption Committee (hereinafter referred to as "the Committee") is going to be such a specialised body. It will embody the application of an integrated model of interconnected functions tending to thereby enhance the efficiency of pre-trial investigations in criminal cases. Generally speaking, the Investigative Committee, Police, State Revenue Committee, Special Investigation Service, and the National Security Service of the Republic of Armenia will, in terms of the structure and resource transfer, make their contribution to the creation and establishment of the new body.

169. Close co-operation between the Commission and the Committee will have a priority importance for long-term success of the anti-corruption activity. The availability of a uniform electronic platform must be emphasised. In terms of efficiency, the training function will be considered an equally decisive factor, which, in case of the best scenery, must subsequently involve the whole staff of the Committee. Particular attention is paid to the issue of guaranteeing the full independence of the activities of the Committee. The competition procedure for the election of candidates for the position of the Head of the Committee is assumed to contribute to it.
170. Generally, the approaches are the same as in case of assessing the costs for setting up the Commission for the Prevention of Corruption and for ensuring its normal functioning.
171. Predetermination of the structure of the Commission is crucial for the latter's financial calculation. In this regard, it should be noted that the Committee will comprise of the following subdivisions:
 - a. Department for Operational Intelligence Activities;
 - b. Investigation Department;
 - c. Department for Internal Security;

- d. Division for International Co-operation;
- e. Division for Staff Management;
- f. Division for Training Provision;
- g. IT Division.

172. According to the statistical data on corruption crimes, around 1500 cases were examined in Armenia in 2018, pursuant to the proposed list of corruption crimes.

173. By combining the statistical data, as well as having the aim to ensure the efficient operation of the Committee, the number of investigators of the Anti-Corruption Committee will be 30 and the number of persons carrying out operational intelligence activities — 60 in the initial phase.

174. In order to ensure the financial independence of the Anti-Corruption Committee, the salary for the investigator is expected to be set AMD 1 million, and for the person carrying out operational intelligence activities - AMD 600,000.

At the same time, the staff of the Anti-Corruption Committee will consist of civil servants.

175. The IT department will have 5 specialists, including 2 IT specialists and 3 computer service specialists, who will ensure the effective activity of the body. The salary for an IT specialist should be set AMD 2 million, and for a computer service specialist — AMD 500,000.

176. The Anti-Corruption Committee will be also provided with adequate facilities. It will be located in a new, technically equipped building.

177. For a three-year vision, the Commission for the Prevention of Corruption and the Anti-Corruption Committee shall move to a completely renovated new building.

178. By the end of 2020, the staff of the Anti-Corruption Committee will undergo an 8-month training course at the Academy of Justice of the Republic of Armenia.
179. It should be noted that the Academy of Justice of the Republic of Armenia currently has 32 SIS investigators undergoing a training on a three-year basis with the average cost of the training of one trainee, including VAT, constituting AMD 62590, as well as 650 investigators of the Investigative Committee on a two-year basis, with the average cost of the training of one trainee, including VAT, constituting AMD 23416.
180. One third of the staff of the Anti-Corruption Committee is being provided with lawyers having received higher professional education in the field of law during the last year, who, immediately after education, have completed a study at the Academy of Justice of the Republic of Armenia.
181. A particular attention should be paid to the provision of a certain number of vehicles and local official business trips, which, given the Committee's functions, is an indispensable resource.

✓ *Establishment of specialised anti-corruption courts*

182. Referring to the establishment of a specialized anti-corruption court, it should be noted that the latter will be distinguished by human, administrative and material resources being under its disposition. Establishment of the institution of the specialized court can be seen as a step adding extra stability and integrity to the system within the whole anti-corruption context. The Anti-Corruption court will include 25 judges, 5 of whom will have civil specialisation and 20 — criminal.
183. The number of judges of the Court of Appeal and the Court of Cassation of the Republic of Armenia should also be accordingly increased concurrently with the establishment of the Anti-Corruption Court.
184. The principal approaches of the two previous Actions have also been applied when assessing the costs of this Action. One public event is planned to organise

in 2021, i.e. the opening of the Court, the media coverage whereof will not require additional funding.

185. The information provided by the "Academy of Justice" State Non-Commercial Organization has served as a basis for calculating the costs of training for judges.

- ✓ *Establishment, within the General Prosecutor's Office of the Republic of Armenia, of a department carrying out oversight of the investigation of corruption crimes*

186. The prosecutorial oversight of the investigative activities of the Committee will be carried out by the relevant subdivision of the General Prosecutor's Office of the Republic of Armenia. The Strategy and the Action Plan in particular, address this issue by defining specific functions, which will be aimed, on the one hand, at the establishment of a subdivision specialised in corruption cases and, on the other, at the ongoing training of the staff members of the relevant administrative units. In this context, it would not be pointless to emphasise the importance of impartial and apolitical control over the activity of the Committee once again.

187. The calculations are based on the Action Plan, Strategy, as well as the benchmark approach.

- ✓ *Building capacities of the bodies and non-governmental organisations responsible for drafting of Anti-Corruption Policy*

188. An international expert is engaged with the view to creating the methodological basis for capacity assessment. The international expert also trains local experts who are later engaged in the organisation of trainings.

189. On the basis of the applied methodology and assumptions, summarised information, calculations, recommendations and predictions made, the total amount of funding for the activities of this domain is estimated at AMD 12,543,862. Calculations of the mentioned amounts are provided in Annex 3.

❖ **PREVENTION OF CORRUPTION:** Substantiations and interpretation of the expenditures planned

- ✓ Identifying corruption risks in local self-government bodies with population of 15 000 and more, developing and implementing plans

190. International experts will be engaged in the activities of development of the assessment methodology, the improvement of the developed measures and the introduction of a monitoring system. Local official business trips are planned.

- ✓ *Developing and implementing anti-corruption, including internal integrity action plans within state bodies, based on the results of risk assessments*

191. International experts will be actively engaged in activities of development of risk assessment methodology and sector-specific anti-corruption, including internal integrity action plans within the state administration bodies and later, to some extent, in the co-ordination of implementation of the actions. Local experts will be actively engaged in all stages. Associated costs related to the engagement of international experts (translation of materials, organization of visits) are envisaged. A number of public events are also planned to be organised.

- ✓ *Formation of mechanisms for carrying out control over observance of the integrity rules.*

192. International experts will be actively engaged in the study of international experience on observance of integrity rules and submission of relevant recommendations, as well as in the review of the draft law "On making amendments and supplements to the Law "On Commission for the Prevention of Corruption"". International experts will also be engaged in the next stages of the activities. Associated costs related to the engagement of international experts are envisaged. The local experts are particularly intensively engaged in the initial

stages of the action to introduce systematic procedures. Official business trips are planned to abroad in order to study the international experience on the spot. Public events are envisaged.

- ✓ *Formation and launch of the institution of ethics commissions and integrity affairs organisers in compliance with the Law "On public service"*

193. Engagement of local experts is envisaged particularly in the initial phase of the action. It is assumed that the specialist will be trained abroad and then will conduct on-site courses. Design and printing of materials developed for publication of activity guides for ethics commissions and integrity affairs organisers are planned. Organisation of meetings for experience exchange is envisaged.

- ✓ *Improvement of the remuneration system of persons holding state positions and public service positions*

194. Engagement of international and local experts is envisaged. The first years of the actions are considered to be more decisive. Discussion events are planned.

- ✓ *Increasing the effectiveness of the system of impact assessment of anti-corruption regulation*

195. Engagement of a local expert is envisaged for performance of actions.

- ✓ *Improving the system of declaration of property, incomes and interests*

196. Engagement of experts (local and international) is envisaged. An official business trip is suggested to study the international experience on the spot. Organisation of public events is supposed. It is supposed that improvement services of the electronic system for declaration of property, income, expenses and interests will be outsourced.

- ✓ *Improvement of the institution of gifts in connection with the exercise of official duties of public servants and persons holding public positions; establishment of a register of gifts*

197. Engagement of local and international experts is envisaged in 2019-2020. Visit of an international expert and costs for translation of materials are planned. Public events, including debates, presentations, are envisaged. It is supposed that the works for the establishment of an electronic system for register of gifts will be outsourced.

- ✓ *Stipulating the legislative regulation of lobbying*

198. Engagement of local and international experts in the action is envisaged. Official business trip costs are envisaged to study the international experience on the spot. Costs for translation of materials and visit of an expert are planned. Costs for organisation of public debates on draft legal acts are envisaged.

- ✓ *Clarification of the legal status of organisations of public significance and introduction of a toolkit for reduction of corruption risks therein, including revealing the existing corruption risks and introduction of mechanisms for overcoming them*

199. Engagement of a local expert is planned. An official business trip is supposed with the view to studying the international practice. It is recommended to publish a summary manual for the heads of organisations of public significance, as well as special printed materials to inform visitors of that organization. It is planned to organise intensive events, including workshops, presentations with heads of organisations of public significance and the staff. The use of social networking and Internet resources is recommended with the view to promoting public awareness and relevant opinions.

- ✓ *Promoting the adoption of anti-corruption compliance requirements in the business sector*

200. An official business trip is supposed to study the international practice. Meetings are envisaged with representatives of the business sector, as well as intensive events, including workshops, presentations, etc. It is recommended to publish a summary manual for the heads of the business sector, as well as special printed materials to organise awareness-raising activities within cooperating companies. Active engagement of a local expert throughout the function, and a more active engagement of an international expert are envisaged particularly in the first part of the action. Costs related to the translation of materials and visit of an expert are expected. The use of social networking and Internet resources is recommended with the view to promoting public awareness and relevant opinions.

✓ *Introduction of the institution of real owners of legal persons*

201. Local and international experts will be actively engaged especially in the development of the roadmap. Official business trips are expected to study the international practice. Public debates on measures and draft legal acts are envisaged. It is assumed that the software development for the register of actual owners will be outsourced.

✓ *Introduction of a unified platform for the hotline of applications, complaints, requests of citizens*

202. A local expert will be engaged who will coordinate public awareness-raising activities. Two public presentation events are envisaged for raising public awareness.

✓ *Raising the effectiveness of ensuring public participation in the legal acts drafting process*

203. TV and social media channels will be actively used for public awareness and printed materials will be distributed to participants during public events. A number of public events are planned to be organised.

- ✓ *Introduction of a toolkit for receiving accessible information on the services being provided by state and local self-government bodies to citizens the most, including elaboration of sample forms of filling in applications*

204. A public awareness campaign will be organised. A local expert is envisaged to be engaged in the activities.

- ✓ *Modernising the “www.sso.am” unified electronic system of operators and introducing the “www.mygov.am” electronic platform on the basis of the mentioned system*

205. Outsourcing of services is envisaged.

- ✓ *Establishment of a unified platform of proactive publication of information required within the scope of the Law of the Republic of Armenia "On freedom of information"*

206. Intensive activities with the international expert are supposed during all stages of the action. Costs related to the translation of materials and visits of an expert are envisaged. Local experts will also be engaged.

207. On the basis of the applied methodology and assumptions, summarised information, calculations, recommendations and predictions made, the total amount of funding for the activities of this domain is estimated at AMD 2,205,205 thousand. Calculations of the mentioned amounts are provided in Annex 3.

❖ **INVESTIGATION INTO CORRUPTION CASES:** substantiations and interpretation of the expenditures planned

- ✓ *Developing a methodology for investigation of individual corruption crimes, including illicit enrichment, training of criminal prosecution bodies on the basis of the developed methodology*

208. The data on the costs of the courses have been provided by the Academy of Justice. Local and international experts will be engaged. Costs for the translation of materials and visit of an international expert are planned.

- ✓ *Ensuring the access of criminal prosecution bodies to the electronic databases of state bodies through electronic enquiry, establishing a centralised register of bank accounts*

209. Outsourcing of services is envisaged.

210. On the basis of the applied methodology and assumptions, summarised information, calculations, recommendations and predictions made, the total amount of funding for the activities of this domain is estimated at AMD 2,020,568 thousand. Calculations of the mentioned amounts are provided in Annex 3.

❖ **PUBLIC AWARENESS AND ANTI-CORRUPTION EDUCATION** Substantiations and interpretation of the expenditures planned

- ✓ *Developing, approving and implementing the programme of an annual public awareness campaign*

211. The awareness campaign is supposed to include creation of video and audio clips and their distribution via television, social media, radio, and official websites of various state bodies. It is also envisaged to disseminate information in the Yerevan Subway, through outdoor advertising, as well as during public events.

During the public events, printed materials will also be distributed. It will be effective to participate in various TV programmes which will not require additional funding. Shooting and use of a special video is also recommended. However, the costs do not cover the funds required for it. Both local and international experts will be engaged in all stages of the activities. Visit of an international expert and translation of materials are also planned.

- ✓ *Including the subject of “Fundamentals of the anti-corruption policy” in the teaching modules of all higher education institutions.*

212. It is planned to engage local and international experts in the phase of the course development. During the visit(s) of the international expert, it is recommended to organise a course for the instructors as well as watch lectures to provide feedback. It is recommended to prepare printed materials, i.e. training manual, for lecturers and for individual students. The development of the mentioned manuals is recommended to carry out through the engagement of a local expert with feedback provided by an international expert. Events will be organised at universities to introduce the program to the students and increase their participation.

- ✓ *Providing anti-corruption education in high schools*

213. It is recommended to organise guiding measures for teachers, as well as to develop and publish a guiding methodology manual for teachers. This will help teachers during the teaching of the topic, allow them to effectively apply the predetermined methodology, and thereby increase teaching effectiveness. Local official business trips are planned to study and monitor the teaching process.

- ✓ *Public awareness-raising on the reforms being implemented in the civil service system, conducting trainings, including on prevention of corruption, integrity, and human rights*

214. A local expert will be engaged in the development of guidelines for raising awareness of the training programmes. Costs for training courses are envisaged. Relevant costs have been planned for editing, designing and printing awareness-raising guidelines. Organisation of workshops and discussions on the issue are also suggested.

✓ *Developing distance learning modules for civil servants*

215. The activities of introduction of the model of distance learning undertaken by the state within the framework of the reform of the entire civil service system of the Republic of Armenia is underway. They are coordinated by the Bureau of Civil Service of the Office of the Prime Minister of the Republic of Armenia. It is assumed that the modules developed within the framework of the given function of the Strategy and Action Plan will use the distance learning platforms having already been operated. Thus, there will be no need for elaboration of an additional technical task and further planning and maintenance activities, which will not, in its turn, require funding in that regard.

✓ *On-line broadcasting of the testing process of the competitions for filling the vacant positions*

216. A local expert will be engaged in the implementation of the action. It will be necessary to acquire appropriate equipment for organisation of the broadcasting. Outsourced services will be involved to integrate the on-line broadcasting system of the testing phase of the competitions for filling the vacant positions and the information system of the civil service.

217. On the basis of the applied methodology and assumptions, summarised information, calculations, recommendations and forecasts made, the total amount of funding for the activities of this domain is estimated at AMD 269,738 thousand. Calculations of the mentioned amounts are provided in Annex 3.

- ✓ *Conducting regular surveys among public general related to corruption, public confidence and impact of anti-corruption measures, publishing the results of surveys*

218. An international expert will be engaged in the development of a methodology for conducting regular surveys on corruption, public confidence and impact of anti-corruption measures. Local experts will be actively engaged in the organisation and implementation of the surveys. The presumable sampling for each survey will be approximately 300 citizens. Costs for printing the questionnaires are envisaged, although depending on the choice of measures to be used during the development of the methodology (e.g. electronically), these costs may be saved. It is recommended to organise courses for the team engaged in the survey, which will help avoid deviating from the predetermined methodology. It is assumed that the effective conduct of surveys will require provision of a technical base, i.e. equipment and software.
219. On the basis of the applied methodology and assumptions, summarised information, calculations, recommendations and forecasts made, the total amount of funding for the activities of this domain is estimated at AMD 34,997 thousand. Calculations of the mentioned amounts are provided in Annex 1, Annex 2 and Annex 3.

6.2. Participation and Support of Donor Institutions

220. International donor institutions represented in the Republic of Armenia have always supported reforms and national programmes adopted by the state bodies in the Republic and having strategic importance for the development.
221. The table below attempts to summarise and present the interest of the relevant international donor institutions available and to be circulated as of the date of submitting the report, their willingness to provide financial support, and the level of available and anticipated engagement within the scope of the Strategy and individual domains of the Action Plan.

Table 1. Participation and support of international donor institutions in accordance with the purpose of the actions or the domains of the Strategy

Purpose of the action or domain/activity of the Strategy	Donor institution	Engagement and funding status
Adoption of the Strategy and the Action plan	EU	Completed*
	USA Bureau of International Narcotics and Law Enforcement Affairs (INL)	Completed
	EU/COE Partnership for Good Governance (PGG II)	Current**
Development of an institutional anti-corruption system / Formation of the Commission for the Prevention of Corruption and ensuring of the regular operation thereof	EU Twinning	Upcoming/approved***
Development of the institutional anti-corruption system / Formation of an anti-corruption law enforcement body vested with the functions of revealing and investigating corruption crimes and having sufficient guarantees of independence	Organization for Security and Cooperation in Europe (OSCE)	Upcoming/approved
	EU Twinning	Upcoming/approved
	INL	Upcoming/preliminary****
	EU/COE PGG II	Upcoming/approved
Development of an institutional anti-corruption system / Establishment of specialised anti-corruption courts	UN Development Programme (UNDP)	Upcoming/preliminary
	INL	Upcoming/preliminary
	EU/COE PGG II	Upcoming/approved

Purpose of the action or domain/activity of the Strategy	Donor institution	Engagement and funding status
Prevention of Corruption / Improving the system of declaration of property, incomes and interests	World Bank	Upcoming/approved
	EU/COE PGG II	Upcoming/approved
Investigation into corruption cases / Establishing mechanisms for illegal asset forfeiture*****	EU/COE PGG II INL	Upcoming/preliminary

- * "Completed" refers to the cases when individual actions or activities within the scope of the relevant domain have been completed due to financial support and their completion has been recorded.
- ** "Current" refers to the cases when individual actions or activities within the scope of the relevant domain are still in the process of implementation due to financial support and the record of their completion is yet to come.
- *** "Upcoming/approved" refers to the cases when in the course of negotiations with the donor institution on individual actions or activities within the scope of the relevant domain, it has been recorded that the latter clearly intends to be engaged and support. The formats, funding instalments, timetables and other related circumstances are subject to approval.
- **** "Upcoming/preliminary" refers to the cases when in the course of negotiations with the donor institution on individual actions or activities within the scope of the relevant domain, it has been recorded that the latter has only a prior interest in engagement. It is necessary to clarify the sectoral directions of expected engagement and support through additional negotiations, to discuss and approve appropriateness, as well as to coordinate them with other donor institutions within the scope of the agreements reached.
- ***** Though, on the one hand, it has been proposed to include this action in Table 1, on the other, the Action Plan qualifies it as an action not requiring funding. In a sense, it is not excluded that, in the result, it may require donor funding. However, there is a need for clarification here.

Notes

- Table 1 illustrates the short-term and most urgent needs of the Action Plan. The need for medium-term and long-term donor support has not yet been assessed. Therefore, it is still early and inappropriate to make predictions about the possible participation of the donor institutions. In the case of a number of donor institutions, an attempt has been made to directly contact with the responsible persons and offices to obtain the latest information available. However, apart from the information summarised in Table 1, no qualitatively new data have been obtained.
- The initial version of Table 1 also included a column reflecting the funding instalments, but it has been found appropriate to exclude it from the present draft report, as the preliminary data are available on only one or two directions and activities. In addition, the vast majority of the donor institutions have adopted an approach whereby the issues of the most substantial discussions of upcoming financial support instalments and the subsequent agreements are placed on the agenda only when there is a breakdown of assessment of the relevant costs approved by the Government of the Republic of Armenia for the strategy having gained state legal force and its relevant action plan or measures. Moreover, in case of some donor institutions, with regard to the support offered within the scope of each domain of upcoming actions, firstly the program goal, targets, and expected results must be developed, approved by the managing staff, only after which the substantial negotiations on the funding amounts become possible. Thus, the issue of financial participation of donor organizations with respect to current Strategy and the individual actions of the Actions Plan is still in the embryonic phase.
- Table 1 does not include a timetable because it is not yet clarified for the majority of the given directions. Donor institutions are expected to express their positions following a donor coordination working meeting scheduled for 15 August 2019.

The same meeting will be aimed at addressing the issue of summarising and publishing data on completed (or current) actions (including with regard to allocated funding) within the scope of the Action Plan. Therefore, the present table may be revised when the relevant data become available.