Appendix No 1

to the Decision of the Government of the Republic of Armenia

No -L

…2023

****

**MINISTRY OF JUSTICE OF THE REPUBLIC OF ARMENIA**

**ANTI-CORRUPTION STRATEGY FOR 2023-2026**

**YEREVAN – 2023**

**TABLE OF CONTENTS**

[**SECTION I. THE CURRENT STATE OF ANTI-CORRUPTION POLICY** 3](#_Toc155602300)

[**1. THE FIGHT AGAINST CORRUPTION IN THE REPUBLIC OF ARMENIA IN 2019-2022 AND CURRENT CHALLENGES** 3](#_Toc155602301)

[**2. CORRUPTION PERCEPTION AND GENERAL ASSESSMENT OF THE STATE OF CORRUPTION IN ARMENIA** 8](#_Toc155602302)

[**3. ASSESSMENT OF THE INTERNATIONAL ANTI-CORRUPTION COMMITMENTS BY THE REPUBLIC OF ARMENIA** 10](#_Toc155602303)

[**SECTION II: ANTI-CORRUPTION POLICY FOR 2023-2026: GOALS AND DIRECTIONS OF THE ANTI-CORRUPTION STRATEGY** 15](#_Toc155602304)

[**GOAL 1: PREVENTING CORRUPTION AND STRENGTHENING INTEGRITY SYSTEMS** 15](#_Toc155602305)

[**GOAL 2: IMPROVING LEGAL AND INSTITUTIONAL SYSTEMS FOR COMBATING CORRUPTION** 25](#_Toc155602306)

[**GOAL 3: ANTI-CORRUPTION EDUCATION AND IMPROVING PUBLIC AWARENESS MECHANISMS** 33](#_Toc155602307)

[**GOAL 4: BUSINESS INTEGRITY, PROTECTING BUSINESS RIGHTS AND FACILITATING STATE-BUSINESS ADMINISTRATION** 37](#_Toc155602308)

[**GOAL 5: ENHANCING ANTI-CORRUPTION MONITORING AND EVALUATION SYSTEM** 45](#_Toc155602309)

[**SECTION III: COORDINATION OF IMPLEMENTATION, MONITORING AND EVALUATION OF ANTI-CORRUPTION STRATEGY AND ACTION PLAN FOR 2023-2026** 50](#_Toc155602310)

[**SECTION IV: COST ESTIMATION OF THE ANTI-CORRUPTION STRATEGY AND ITS IMPLEMENTATION ACTION PLAN FOR 2023-2026** 53](#_Toc155602311)

# **SECTION I. THE CURRENT STATE OF ANTI-CORRUPTION POLICY**

Strengthening public intolerance towards corruption and ensuring that the country upholds the rule of law and human rights protection requires a clear and determined will in announcing the fight against corruption as a priority.

Based on the aforementioned considerations, on October 3, 2019, the Government of the Republic of Armenia (RA) approved the RA Anti-Corruption Strategy and its Action Plan for 2019-2022, aiming to ensure the consistent implementation of the conceptual provisions and principles declared by the RA Government in the anti-corruption area.

Standing by its commitment to implement these goals, the RA government is determined to launch an uncompromising fight against corruption involving all stakeholders under its program for 2021-2026, aiming to finally eliminate all forms of corruption.[[1]](#footnote-1) Accordingly, the ultimate goal of this strategy is to ensure continuity of anticorruption reforms and fulfill the country’s obligations and recommendations under the international conventions.

To achieve this aim, the strategy defines five specific goals:

i) preventing corruption and strengthening integrity systems,

ii) improving legal and institutional systems for combating corruption,

iii) enhancing anti-corruption education and public awareness mechanisms,

iv) strengthening integrity in the business sector and state-business relations,

v) improving anti-corruption monitoring and evaluation system.

## **1. THE FIGHT AGAINST CORRUPTION IN THE REPUBLIC OF ARMENIA IN 2019-2022 AND CURRENT CHALLENGES**

In order to outline the priorities and issues for the new anti-corruption strategy of the Republic of Armenia, to further improve the institutional system of the established and functioning anti-corruption bodies of the Republic of Armenia, as well as to implement the goals of Armenia’s anti-corruption policy, it is essential to assess the results of the Anti-Corruption Strategy of the Republic of Armenia and its Action Plan for 2019-2022, approved by the Decision No.1332-N of the Government of the Republic of Armenia on October 3, 2019.

In 2019-2022, the anti-corruption policy was implemented in the following directions defined in the Anti-Corruption Strategy of the Republic of Armenia and its Action Plan for 2019-2022 (hereinafter: Anti-Corruption Strategy for 2019-2022):

* Development of the anti-corruption institutional system,
* Corruption prevention,
* Detection of corruption crimes,
* Anti-corruption education and public awareness,
* Monitoring and evaluation.

It is important to highlight several achievements made on the national and strategic level after the adoption of the Anti-Corruption Strategy for 2019-2022 in 2019. These achievements reflect the actual results of anti-corruption reforms, monitoring and evaluation findings, statistical data, activities implemented by sectoral civil society organizations, and the assessments of the Republic of Armenia by relevant international organizations, and include the following:

* In November 2019, the Corruption Prevention Commission (CPC) was established as a specialized autonomous corruption prevention body with relevant independence safeguards. Legislative amendments adopted in 2019-2022 significantly expanded the scope of CPC’s powers and tools. Due to the increased scope of powers, the Corruption Prevention Commission has been designated to conduct integrity checks in cases outlined by law, monitor the current financial activities of political parties, as well as analyze and verify their annual property reports and declarations submitted by parties’ governance body members, and analyze declarations during investigations related to the confiscation of property of illicit origin. Due to the expansion of its toolkit, the Corruption Prevention Commission has been granted legal access to state databases and financial information, including confidential bank records, security transactions, insurance data, and credit information.
* The establishment of the Corruption Prevention Commission and its activities of over three years prove that the anti-corruption efforts based on political will are justified. This is also supported by the positive reactions at the international level, such as those outlined in the report of the Parliamentary Assembly of the Council of Europe on the assessment of democratic institutions in Armenia.
* In October 2021, the Anti-Corruption Committee was established as an investigative body specializing in proceeding of corruption offenses and having independence safeguards. This body organizes and carries out pre-trial criminal proceedings related to corruption offenses, as well as conducts operational intelligence activities within its jurisdiction. The Committee was provided with a separate residential area, autonomous funding from the budget, and necessary tools to carry out its functions. Recruitment of the main personnel of the Committee is completed, while the recruitment for remaining vacancies and improvement of the legal framework for the Committee's activities are in process.

The Anti-Corruption Committee conducts its activities following the principle of independence, maintaining political neutrality, transparency, and public accountability. Since its establishment, the Committee has carried out quite extensive and effective activities in a short period of time, earning the trust of the general public. Since the Committee's inception, there has been comprehensive coverage and awareness raising of its current activities and main functions prescribed by law. The Committee has launched its official trilingual website www.anticorruption.am (in Armenian, Russian, and English) that provides news updates about the status of criminal proceedings. information on the Committee's activities, legislation, international cooperation, personnel, and tender procedures.

The Anti-Corruption Committee collaborates with various government agencies and state administration institutions, fully executing the designated tasks. During the 18 months of its activity (as of May 25, 2023) the Committee received 4,467 applications and reports, prepared 706 case materials, and investigated 1,792 corruption-related crime cases. Of those, 1,138 cases have completed the preliminary investigation process, and 169 criminal proceedings against 343 persons were sent to court with an indictment conclusion.

* On November 22, 2021, the Department for the Control over the Legality of Pre-Trial Proceedings in the RA Anti-Corruption Committee was established under the Prosecutor General's Office. The department staff underwent an integrity check.
* In July 2022, the Anti-Corruption Court was established; further, judges were appointed in the Criminal and Civil Courts of Appeal, to examine the appealed court decisions regarding corruption offenses and anti-corruption civil cases, and the Anti-Corruption Chamber was established within the Court of Cassation. On June 15, 2023, the Anti-Corruption Court of Appeal was established to handle the examination of these cases within the procedure of appeal. The integrity of the judges in question was checked in accordance with the law.
* Aiming to increase the effectiveness of corruption crime detection and to improve anti-corruption measures, the corpus delicti for corruption offenses were revised in the new Criminal Code that was adopted on May 5, 2021. The new Criminal Code also introduced the concept of criminal liability for legal entities.[[2]](#footnote-2)
* The amendments to the Law on Public Service and related laws adopted in 2022 led to the improvements in the legislative regulations of conflict of interest and incompatibility requirements. Additionally, the issues related to the receipt of gifts by public officials and public servants during the performance of their official duties and the oversight tools for gift registration have been regulated by the law. The value of a permissible gift is set at sixty thousand AMD.
* To provide independence safeguards at the state procurement appeal stage, the unit under the Ministry of Finance examining procurement-related appeals was dismissed, and the examination of procurement-related appeals was assigned to the court of general jurisdiction, along with establishing mechanisms for case examination under special proceedings.
* To increase transparency in the private sector, legislative acts mandating widespread disclosure of beneficial owners of legal entities and establishing regulations for an open and publicly accessible register of beneficial owners were adopted. From January 2023, all legal entities are obliged to declare their beneficial owners. Criminal and administrative liability measures are set in case of failing to implement or properly fulfill the declaration requirement. At the same time, the electronic register of beneficial owners of legal entities was launched.
* Legislation on economic competition was amended, which among other things allowed to improve the process and define specific features of administrative proceedings by the Commission for Protection of Economic Competition (CPEC), set the rights and responsibilities of the participants in the proceedings, and plan the mechanisms of cooperation with operational intelligence bodies and provision of operative data concerning economic competition by these bodies to CPEC.
* The legal mechanisms for the whistleblowing system have been enhanced, and whistleblowing types have been expanded to include a new type of whistleblowing called "whistleblowing to the public”. Currently the electronic whistleblowing platform (azdararir.am) provides a possibility to report conflicts of interest, violations related to the code of conduct, incompatibility requirements, and other restrictions, as well as violations of declaration requirements. The scope of whistleblowing has been expanded to include the private sector and community institutions. Furthermore, whistleblower protection mechanisms have been elaborated. Additionally, the Human Rights Defender (HRD) was designated to collect the relevant statistics from the state bodies with subsequent publication of this data. In addition, HRD has been assigned the responsibility for monitoring the enforcement of whistleblower protection, collecting data on whistleblower protection, and other duties.
* The legislative amendments of 2019-2022 aimed at improving CPC’s legal tools have resulted in the following reforms:
* A requirement was set to conduct integrity checks for the candidates of judges, including the members of the Constitutional Court and the Supreme Judicial Council, candidates for prosecutors (including the chief prosecutor and his/her deputies), candidates for autonomous positions within the Anti-Corruption Committee, judges and prosecutors seeking inclusion in the promotion lists, as well as candidates of the offices in the operational intelligence unit of the Anti-Corruption Committee. Relevant mechanisms were introduced, while the responsibility for integrity checks was assigned to CPC;
* In accordance with the terms and procedures established by law, the Corruption Prevention Commission conducted property status checks for the members of the Supreme Judicial Council, judges of the Constitutional Court, and other judges;
* The declaration system was revised. A new concept of expense declaration has been introduced. In this regard, the declarant official is obligated to disclose any recreation-related travel expenses (airfare, train, bus, and ship tickets), accommodation costs, rental payments for movable or immovable property, fees for education or training courses, expenses stemming from agricultural activities, loan payments, expenses related to the renovation of immovable property, and any other expenses, including donated property with the lump sum value exceeding two million AMD or its equivalent in foreign currency during the reporting period. As a result of these regulations, the CPC can now obtain full information about the financial situation of the declarant official, which will help to detect potential violations;
* As a result of legislative amendments, the annual declarations for 2021 that were submitted in 2022 now include information on real estate (properties) that the declarant de-facto disposed for 90 or more days during the reporting year, as well as information on the property owned by a third party but acquired in the name, for the benefit, or at the expense of the declarant, and the property that the declarant manages or actually benefits from;
* The monetary threshold of the valuable property subject to declaration was reduced from eight million to four million AMD or its equivalent in other currencies;
* A requirement to submit a situational declaration of property and income was introduced;
* The group of officials who must provide declarations has been expanded, resulting in a declaration obligation for those susceptible to corruption;[[3]](#footnote-3)
* Starting January 1, 2024, the heads of the state and municipal non-profit organizations, foundations established by the state, as well as heads of companies with over 50% ownership by the Republic of Armenia or municipalities must submit a situational declaration upon the Corruption Prevention Commission’s request;
* Starting February 1, 2023, the Corruption Prevention Commission launched a new electronic system for submitting declarations. Thus, declarants (officials and their family members) who are required to submit annual declarations for 2022 will do that via the new enhanced system.

Regarding the implementation of Anti-Corruption Strategy for 2019-2022, the assessment showed completion at 80.2%, with the following results provided:[[4]](#footnote-4)

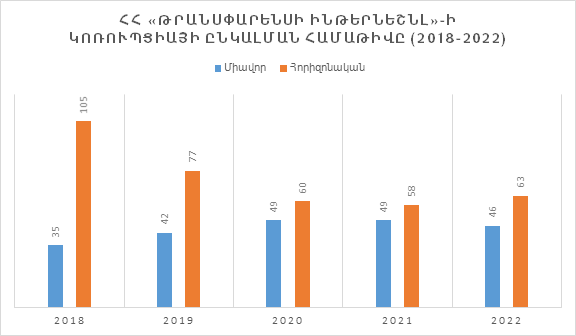
* Specialized anti-corruption structures have been formed to establish the anti-corruption institutional system of the Republic of Armenia;
* Integrity checks were carried out on candidates and/or aspiring candidates for positions of judges, Constitutional Court judges, members of the Supreme Judicial Council, prosecutors (including the chief prosecutor and his/her deputies), autonomous positions within the Anti-Corruption Committee, as well as judges and prosecutors seeking inclusion in the promotion lists, and candidates for the positions in the operational intelligence unit of the Anti-Corruption Committee;
* The scope of declarant public officials and servants has been expanded, the declaration of expenses and de-facto owned property was introduced, the concept of situational declaration has been established, and public access to the declarations has been provided;[[5]](#footnote-5)
* The new RA Criminal and Criminal Procedure Codes have defined the scope of corruption crimes, including setting the liability of legal entities engaged in corruption offenses;
* The legislation on procurement and protection of economic competition has improved;
* Mechanisms have been introduced for returning the property of illicit origin.

However, despite the progress made, there still remain a number of challenges in implementation of anti-corruption reforms. In particular:

* While the action "Forming the Corruption Prevention Commission and ensuring its regular operation" has been fully implemented, taking into account the large scope of CPC functions, the possibility of expanding its resources shall be considered, including enhancing its toolkit through the operation of electronic systems;
* Ongoing training for judges of specialized anti-corruption courts is necessary for the establishment and development of these courts;
* Continuous capacity building is needed to strengthen the capacities of the state institutions and non-governmental organizations responsible for anti-corruption policy;
* Improving regular meeting mechanisms and compiling comprehensive information on donor support is essential to ensure the regular functioning of the donor coordination mechanism;
* To develop an action plan with specific measures based on the corruption risk assessment, a methodology for corruption risk assessment and management shall be designed;
* To fully complete the action "Define codes of conduct for parliament members and investigators, revise the code of conduct for prosecutors and judges", it is necessary to develop the code of conduct for parliament members based on international experience, review the code of conduct for prosecutors and judges, and conduct at least two trainings on the code of conduct for investigators and parliament members;
* To adopt and promote anti-corruption compliance requirements in the business sector, at least one state support program for the business sector shall identify anti-corruption compliance as an advantage through relevant legal acts;
* Implement continuous awareness raising campaigns to improve the effectiveness of public participation in drafting legislation;
* Digitize the data available in multiple government repositories, including archived materials, which will facilitate the prompt receipt or electronic transmission of e-request responses;
* Adopt the Law on Legal Assistance in Criminal Cases and improve international cooperation mechanisms of investigation and detection of corruption offenses for strengthening international cooperation for investigation and detection of corruption offenses;
* Develop user-friendly educational materials on anti-corruption topics and ensure their display in higher education and secondary professional education institutions and schools;
* Set mechanisms for conducting regular public surveys on corruption, public trust and impact of anti-corruption measures with subsequent publication of survey results;
* Discuss the issues of establishing an authorized body and mechanisms for anti-corruption impact assessment or anticorruption review with an aim to improve the effectiveness of anti-corruption review.

## **2. CORRUPTION PERCEPTION AND GENERAL ASSESSMENT OF THE STATE OF CORRUPTION IN ARMENIA**

With regard to corruption perception, first of all, it is necessary to analyze the dynamics of Transparency International’s Corruption Perception Index for Armenia in the reporting period. The 2019-2020 Corruption Perceptions Index indicates that Armenia has significantly improved its position with 14-point increase. In 2020, Armenia ranked 60th with its 49 points (compared to 77th in 2019 and 105th in 2018). The same 49-point score was reported in 2021. However, Transparency International's Corruption Perception Index 2022 revealed a three-points drop in the score from 49 to 46.



score

**TRANSPARENCY INTERNATIONAL’S**

**CORRUPTION PERCEPTION INDEX (2018-2022)**

rank

Considering that the 2018 score – 35 points – served as a baseline indicator for the Anti-Corruption Strategy, the Corruption Perception Index improved by 31.4% in 2022 instead of the expected 42.8%. Nevertheless, compared to 2018, some progress is visible. Thus, the implementation of the Anti-Corruption Strategy for 2019-2022 and the resulting reforms have had positive impact on public perception.

The analysis of factors that caused a decrease in Transparency International's Corruption Perception Index 2022 identified a significant decline in the World Economic Forum's annual CEO survey (down by 13 points from 2021) and the Varieties of Democracy (V-Dem) scores (down by four points from 2021), both of which are integral components of Transparency International's Corruption Perceptions Index. In the light of the above, it should be noted that the Executive Opinion Survey by the World Economic Forum reflects upon unreported extra payments or bribes paid by companies for imports, exports, utility services, taxes, government contracts and licenses, and favorable court decisions, as well as the allocation of public funds to companies, individuals or certain groups as a consequence of ordinary corruption. At the same time, the V-Dem (Varieties of Democracy) project analyzes political corruption, including corrupt practices in the executive, legislative and judicial branches, as well as petty and grand corruption in various political spheres. These reports are primarily based on the perceptions of the public and business sector and input from field experts. This suggests that corruption in the state-business relations along with political corruption are the main reasons behind the regress.

The reports assessing compliance with international commitments indicate the following findings regarding monitoring and evaluation.

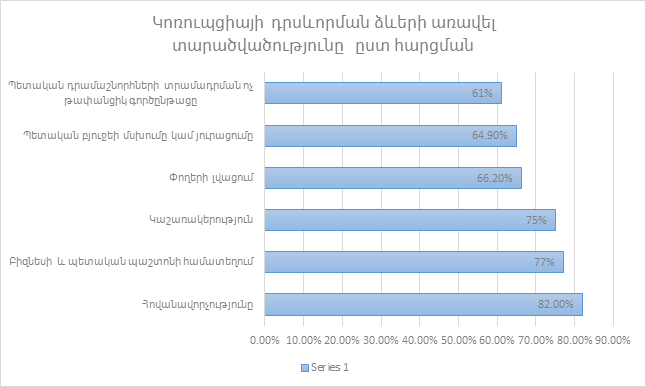
* The 2021 UN Review[[6]](#footnote-6) mentioned that efforts shall be taken towards the establishment of regular monitoring and evaluation mechanisms for anti-corruption legal instruments and administrative measures. This will include developing an anti-corruption strategy and action plan, creating a relevant methodology and a monitoring and evaluation system to accomplish the strategic goals and assess the progress (as per Article 5, paragraph 3 of the Convention). In this context, it is important to ensure that the anti-corruption monitoring and evaluation body has adequate resources and institutional capacities.
* The OECD Pilot 5th Round of Monitoring in 2021 has revealed the following findings:
* The monitoring and evaluation body must have adequate resources and institutional capacity to effectively implement its functions;
* Electronic tools are not utilized for monitoring;
* The staff of the government bodies appointed as responsible for anti-corruption strategy issues do not have sufficient knowledge about their powers. Further, there is a lack of effective coordination for implementation of anti-corruption strategy and other programs within the bodies.

For a thorough analysis of the situation, it is necessary to explore citizens’ perception of corruption. Several studies have examined this issue in their findings.

In January-March 2023. the International Republican Institute conducted a survey that reflected on the public opinion on corruption among other questions.[[7]](#footnote-7) Specifically, 9% of respondents were completely satisfied with the work of the CPC, while 36% were not satisfied at all. Eight percent of respondents either did not answer this question or were not aware of the CPC’s activities. According to the survey results, 41% of respondents considered corruption to be a very large problem for Armenia.

A public opinion survey conducted in Armenia with the support of USAID revealed that in terms of awareness on the anti-corruption activities of state bodies and non-governmental organizations, 44.1% of the respondents did not know any state body or non-governmental organization engaged in anti-corruption activities. At the same time, about 20% increase was reported in the number of people willing to get information about corruption. Respondents were mostly interested to learn more about their rights and responsibilities in relation to corruption, information about institutions to contact in case of corrupt behavior of officials, hotlines operated by state agencies, anti-corruption educational programs, and relevant legislation and policies.

Regarding the most prevalent forms of corruption, the responses are as follows: [[8]](#footnote-8)



Most common manifestations of corruption according to the survey

Non-transparent allocation of state grants

Embezzlement or misappropriation of the state budget

Money laundering

Bribery

Combining business activity with public office

Patronage

## **3. ASSESSMENT OF THE INTERNATIONAL ANTI-CORRUPTION COMMITMENTS BY THE REPUBLIC OF ARMENIA**

The Republic of Armenia is a member state of the Anti-Corruption Network for Eastern Europe and Central Asia of the Organization for Economic Cooperation and Development (OECD), and the Group of States Against Corruption (GRECO), has ratified the UN Convention against Corruption and the European Union-Armenia Comprehensive and Enhanced Partnership Agreement, and is also a member of the Open Government Partnership (OGP) initiative. As a result, Armenia has undertaken a number of international anti-corruption commitments. Armenia's anti-corruption obligations have continuously expanded, and the respective state policy has been aligned and coordinated with the government development programs and other areas of public administration.

The Anti-Corruption Strategy for 2019-2022 called for utilizing international toolkits to combat corruption, including the fulfilment of requirements identified in the evaluation reports, commitments, assessments, and recommendations from the OECD Anti-Corruption Network for Eastern Europe and Central Asia in the framework of Istanbul Anti-Corruption Action Plan, the UN Convention against Corruption, and the Council of Europe's Group of States against Corruption (GRECO).

In 2020-2021, the OECD Anti-Corruption Network for Eastern Europe and Central Asia conducted the Pilot Fifth Round Monitoring under the Istanbul Anti-Corruption Action Plan (hereafter: OECD assessment) in order to identify the problems in the area and give the countries an opportunity to correct their performance. The results of the pilot monitoring were summarized in the report “Anti-Corruption Reforms in Armenia”, published in May 2022.[[9]](#footnote-9) In December 2022, the fifth round of OECD monitoring was launched.

Based on performance fields, the OECD assessment evaluated the benchmarks for anti-corruption policy development and implementation, as well as a number of benchmarks related to the following items: the expansion of the declaration system and the scope of declarants; the standards set for judges, the regulations on their appointment, promotion, and termination of powers; the composition and functions of the Supreme Judicial Council; mechanisms of judge selection by the Supreme Judicial Council; transparency of the Supreme Judicial Council’s activities; procurement reforms; the confiscation of property of illicit origin; enhancement of the corpus delicti of corruption offenses; and establishment of criminal responsibility for legal entities.

Further, the OECD assessment identified several problematic regulations and law enforcement practices in analyzed performance areas. In this context, the report reflected on anti-corruption institutional system and assessed the fight against corruption in the judicial, prosecution and investigative institutions.

The following key issues have been highlighted in the OECD reports:

* The CPC needs adequate human resources to effectively implement its expanded powers;
* Law enforcement agencies do not have a separate unit that will investigate corruption offenses by high-ranking officials;
* Adequate number of prosecutors is necessary to ensure prosecutorial control over the investigation of corruption offenses;
* There is a lack of detailed statistics at least in the annual reports on the work of investigators and prosecutors who specialize in the investigation of corruption crimes. Separate statistics are necessary for high-level corruption offenses, the cases that have been detected and sent to the court, cases where sanctions were applied, dismissed proceedings, and more;
* The remuneration of judicial staff and judge assistants is inadequate;
* The grounds for initiating disciplinary proceedings against prosecutors are ambiguous and have caused misunderstandings. However, they should be defined by law and relevant regulations providing appropriate mechanisms such as opportunity to be heard, ensuring the rights of prosecutors, and so forth.

Starting 2004, Armenia is a member of the Group of States against Corruption (GRECO) and undergoes regular evaluations assessing the compliance of the country's anti-corruption policy and its implementation with GRECO's anti-corruption standards. Currently, Armenia is undergoing the fourth evaluation round, which specifically analyzes prevention of corruption among the members of parliament, judges and prosecutors. Eighteen recommendations were issued for Armenia, with four addressing members of parliament, seven – judges, four – prosecutors, while the remaining three recommendations focus on the regulations on ethics, integrity, conflicts of interest, and acceptance of gifts among these three groups. Based on the fourth evaluation round report "Corruption Prevention in Respect of Members of Parliament, Judges and Prosecutors" adopted by GRECO in October 2015,[[10]](#footnote-10) due to the low level of implementation of GRECO's recommendations, Armenia's performance was assessed as "globally unsatisfactory" since 2019 (with 11 out of 18 total recommendations still not fulfilled).

Due to the large-scale anti-corruption and judicial reforms, in 2022, two additional recommendations have been assessed as implemented. Specifically, due to the establishment of a special commission providing confidential counselling to prosecutors, all the recommendations related to the prosecutor's office have been assessed as implemented. The recommendations related to the Corruption Prevention Commission were also deemed to be implemented. Therefore, Armenia has been removed from the list of non-compliant members in the GRECO evaluation, and is no longer considered a country with "globally unsatisfactory" performance (https://rm.coe.int/grecorc4-2023-6-final-eng-2nd-interim-armenia-conf /1680aac534).

In 2022, Armenia received a questionnaire to prepare for GRECO's 5th evaluation round report "Preventing Corruption and Promoting Integrity in Central Governments (top executive functions) and Law Enforcement Agencies".

In 2018, the review of Armenia’s implementation of Chapters II and V of the UN Convention against Corruption was launched, and based on the preliminary results, the Executive Summary of Review of Armenia’s implementation of Chapters II and V of the UN Convention against Corruption was published on 14 June 2021.[[11]](#footnote-11) In this document, with regards to the institutional system, Armenia was recommended to grant independence to its preventive bodies in operational, financial and decision-making matters.

The compliance with the UN Convention against Corruption (hereinafter: the Convention) in terms of corruption prevention was reviewed by the UN, highlighting the following successes and good practices:

* Armenia’s reforms to establish a system for declaration of interests aimed at preventing and resolving conflicts of interest were commended (article 8, paragraph 5 of the Convention);
* The mandatory publication of draft laws on the e-draft platform to ensure transparency and public participation of society was commended (article 13, paragraph 1 of the Convention);
* The reforms of the declaration system, as well as the publicity of declarations (article 52, paragraph 5 of the Convention) were commended.

At the same time, the review identified several challenges and presented the following recommendations for Armenia to fulfill its obligations:

* Grant the preventive body the necessary independence (article 6, paragraph 2 of the Convention);
* Endeavour to adopt and strengthen systems for the recruitment, hiring, retention, promotion and retirement of public officials that are not civil servants (article 7, paragraph 1 of the Convention);
* Endeavour to identify public positions considered especially vulnerable to corruption, and to adopt adequate procedures for the selection, training and rotation, where appropriate, of holders of such positions (article 7, paragraph 1 (b) of the Convention);
* Endeavour to enhance the existing restrictions on the professional activities of former public officials and on the employment of public officials by the private sector after their resignation or retirement (article 7, paragraph 4, and article 12, paragraph 2 of the Convention);
* Promote integrity, honesty and responsibility among public officials by applying codes or standards of conduct developed in accordance with relevant initiatives of regional, interregional and multilateral organizations, and by conducting training (article 8, paragraphs 1–3 of the Convention);
* Consider taking disciplinary or other measures against public officials, including persons holding political positions, who violate the codes or standards of conduct (article 8, paragraph 6) of the Convention);
* Endeavour to take measures to regulate matters regarding procurement personnel, such as requiring a declaration of interest in particular public procurements (e.g. non-competitive procurement) (article 9, paragraph 1 of the Convention);
* Take appropriate measures in the management of public finances, such as effective and efficient systems of risk management and internal control, which could include unified legislation and systems (article 9, paragraph 2 of the Convention);
* Take measures to enhance transparency in the public administration, which may include publishing periodic reports on the risks of corruption or providing an online record of submitted applications, requests and complaints, allowing for the generation of statistics to further improve the provision of information to the public (article 10 (c) of the Convention);
* Provide toolkit for confidential ethics counselling to judges and prosecutors (article 11 of the Convention).

Referring to preventing corruption in the private sector, the UN review recommends:

* Take measures to prevent corruption involving the private sector, enhance private sector accounting and auditing standards, in particular through compliance oversight for accounting and establishing certification and by enhancing the transparency of legal persons and, where appropriate, provide effective sanctions for non-compliance (article 12, paragraphs 1 and 2 of the Convention);
* Take measures to prohibit acts specified in article 12, paragraph 3, of the Convention;[[12]](#footnote-12)
* Disallow the tax deductibility of expenses that constitute bribes, which are considered to as an element of offenses recognized as such under Articles 15 and 16 of the Convention, and where appropriate, other expenses incurred in furtherance of corrupt conduct (article 12, paragraph 4 of the Convention).

Armenia joined the Summit for Democracy, an international initiative organized by the USA, which is a multi-stakeholder platform aimed to find ways to overcome threats to democracy through joint efforts in shaping the agenda for democracy restoration. During the first Summit convened in December 2021, states made their commitments based on the speeches of their leaders and the scope of reforms declared.

In the framework of the Summit, the Republic of Armenia committed to the following goals stated in the speech of the Prime Minister of Armenia:

* + - 1. Make continuous improvements in comparative indices by 2026, in particular reaching an increase in the World Bank's Worldwide Governance Index from 50 to 60 points;
      2. Make continuous improvements in comparative indices by 2026, in particular reaching an increase in Transparency International's Corruption Perception Index from 49 to 60 points;
      3. Combating climate change as a pillar of democratic governance and developing a low-emission energy sector as well as a thriving green economy.

Within the framework of the Summit, thematic groups have formed and operated, engaging institutions of the member states that are responsible for the commitments undertaken during the Summit, as well as sectoral non-governmental organizations.

The Republic of Armenia takes part in the following thematic groups of the Summit:

* + - 1. The Financial Transparency and Integrity thematic group led by the USA,
      2. Anti-Corruption thematic group led by Moldova,
      3. Thematic group on Civic Space led by Norway, the Czech Republic and the International Center for Not-for-Profit Law (ICNL),
      4. Thematic group on the Rule of Law and People-Centered Justice, co-chaired by the Republic of Kosovo and the Dominican Republic.

Since 2012, Armenia is a member of the Open Government Partnership (OGP). OGP was called upon to “bring together representatives of governments and civil societies to work together and design the agenda for inclusive development of the government, as well as to make the system of governance transparent, accountable, innovative and participatory". Under the OGP initiative, Armenia adopted five action plans for 2012-2014, 2014-2016, 2016-2018, 2018-2020, and 2022-2024. All action plans included anti-corruption commitments. Specifically, the latest action plan for 2018-2020 includes 11 commitments, two of which relate to anti-corruption. These commitments are “Open Data in official declarations: improving the electronic system of declarations on property and income of high-ranking officials and their affiliated persons” ("partially completed") and “Introduction of an open and publicly accessible register of beneficial owners” ("completed").[[13]](#footnote-13) The OGP Independent Reporting Mechanism assessed the completion of these commitments as "substantial".[[14]](#footnote-14)

The OGP Armenia Action Plan for 2022-2024 includes 10 commitments, which are grouped according to the priorities defined by the Government of Armenia. The “Fight Against Corruption: Measures Aimed at the Prevention of Corruption" component under the priority "Law and Justice" includes the following commitments: a register of gifts related to the exercise of official duties by persons holding public positions and public servants, and comprehensive system of electronic procurement: improving the institute of real beneficiaries.[[15]](#footnote-15)

Furthermore, after the completion of Armenia’s initial Validation, on July 9, 2020, EITI Board commended Armenia, acknowledging that Armenia had made satisfactory progress in implementing the 2016 EITI Standard. Thus, as of July 9, 2020 Armenia was the 9th of the 53 of EITI member countries that was granted the status of a country with satisfactory progress (<https://www.eiti.am/hy/%D5%8A%D5%A1%D5%BF%D5%B4%D5%B8%D6%82%D5%A9%D5%B5%D5%B8%D6%82%D5%B6%D5%A8/>).

It is also noteworthy that Armenia ranked first in the fight against corruption in the Eastern Partnership Index 2020-2021 (https://eap-csf.eu/eastern-partnership-index/#section-fillup-1).

# **SECTION II: ANTI-CORRUPTION POLICY FOR 2023-2026: GOALS AND DIRECTIONS OF THE ANTI-CORRUPTION STRATEGY**

## **GOAL 1: PREVENTING CORRUPTION AND STRENGTHENING INTEGRITY SYSTEMS**

A critical element of any anti-corruption strategy is determining the anti-corruption institutional models and policies and the capacity-building efforts that will enable these institutions to effectively fulfill their role. In this regard, it should be noted that corruption prevention in Armenia, as a political will and commitment, was manifested in the RA Anti-Corruption Strategy and its Implementation Action Plan for 2019-2022, which outlined the main directions and expected results of the genuine fight against corruption, while the unprecedented political will and determination demonstrated by the RA government served as the main safeguard of the strategy's implementation. The strategy emphasized the elimination of the causes and enabling conditions of corruption through creating and improving effective and feasible mechanisms of integrity, transparency, and participation in the public administration system, setting standardized rules for preventing corruption in the state administration, and introducing an institutional model for combating corruption.

The continuous strengthening of the corruption prevention institution, together with the ongoing development and modernization of preventive measures, plays a key role in combating corruption. Among the most important aspects of corruption prevention, the strategy considers developing the institutional system for preventing corruption, conducting anti-corruption review of legal acts and their drafts, enhancing mechanisms for preventing corruption and strengthening integrity in the public sector, and continuously improving the integrity system.

**STRATEGIC DIRECTIONS**

**DEVELOPING THE INSTITUTIONAL SYSTEM FOR PREVENTING CORRUPTION**

Since 2019 the Republic of Armenia has implemented a number of reforms, which resulted in the formation of specialized anti-corruption structures. In particular, the Corruption Prevention Commission, an autonomous state body established by the Law on the Corruption Prevention Commission, started its activities in 2019 as a specialized agency for corruption prevention, with adequate safeguards for its independence. As a result of legislative amendments adopted between 2019 and 2022, the scope of powers and tools of the Corruption Prevention Commission have been significantly expanded.

In parallel, the Action Plan deriving from the 2022-2026 Strategy of Judicial and Legal Reforms of the Republic of Armenia aims to introduce mechanisms for ongoing integrity check of judges, prosecutors and investigators, as well as integrity check of candidates for investigators. Furthermore, to complete the activities stemming from the Anti-Corruption Strategy for 2019-2022, mechanisms of integrity check will be introduced for the heads of independent and autonomous bodies and the members of collegial bodies.

Thus, due to the continuous expansion of its functions, the CPC plays a key role in the fight against corruption. Additional resources must be allocated to the CPC for the effective implementation of these measures.

Additionally, Article 6 of the UN Convention against Corruption and the accompanying legal guidance highlight the importance of the strengthening institutional setup and ongoing capacity development of the prevention body.

Therefore, to effectively execute both international obligations and the CPC’s powers defined by the law, it is first of all necessary to assess the needs and build the capacities of the CPC. The implementation of these measures will be provided in the framework of the Public Administration Reform (PAR) strategy.

Regarding corruption prevention, the CPC’s authority to conduct certain types of proceedings is also of key importance. The Commission is authorized to initiate proceedings on administrative offenses, violations of the incompatibility requirements and other restrictions, violations of rules of conduct, and situational conflict of interests defined by the Law on Public Service. The CPC can also initiate disciplinary proceedings as per the Constitutional Law "Judicial Code of the Republic of Armenia". In addition, the CPC performs various functions with administrative components, which are sometimes interpreted as administrative proceedings, thus necessitating clarity in legislative regulations. Despite the significant differences between these proceedings and the CPC functions, the implementation details of the former are not defined by law, and steps to improve them are not implemented. Further, the provisions of the Law on the Corruption Prevention Commission lack clarity regarding the terms of verification and analysis of declarations, while the details of the verification process, such as the concept of verification, its grounds, timelines, procedure and conditions, are not provided, resulting in the uncertainty of the process. The legal regulations do not provide mechanisms for public notices. Therefore, it is necessary to enhance the procedures and define the specific characteristics of the proceedings conducted by the Corruption Prevention Commission, to clarify the functions and powers of CPC in the context of legal certainty, and to define specific mechanisms that will ensure smooth functioning of the CPC as an administrative entity.

In the context of the institutional prevention mechanisms, the ethics commissions should be discussed. According to the Law on Public Service, the authority for overseeing civil servants' compliance with the integrity requirements is assigned to the ethics commissions that are established by the legislation on community service and specific types of public services. However, the analysis of the legal regulations on the establishment of ethics commissions in public service and the practical situation of their formation[[16]](#footnote-16) reveals insufficient fulfilment of the establishment and operation of ethics commissions stipulated by the legislation on community service and specific types of state services. Specifically, there are no permanent ethics commissions for specific types of state services and community service. Further, there is a lack of a consistent approach to their functioning, as well as guidelines and methodological manuals for their effective operation in entities where these commissions are operational. Training of ethics commissions is also important for developing their capacity and will be provided within the framework of the Public Administration Reform (PAR) strategy.

At the same time, in the context of preventive institutional structures, the integrity officers’ status needs addressing. All integrity officers hold positions within subgroup M2 defined by the Law on Civil Service, and their position passports state that these specialists are direct subordinates of and accountable to the department head.

Furthermore, according to the law, an integrity officer holds a number of key functions, such as, for example, providing professional guidance on the incompatibility requirements, other restrictions, and rules of conduct for public servants; making recommendations on resolving the conflict of interest situation; assessing training needs in regard to ethics issues and implementing training programs; designing additional programs aimed at ensuring compliance with the integrity requirements; maintaining statistics of violations of incompatibility requirements, other restrictions, the rules of conduct, and conflicts of interest by public servants; providing information to the Corruption Prevention Commission about the cases of violations of gift acceptance restrictions in accordance with the established procedures; and other functions.

However, despite the important role of this institution, in practice, it is not effectively operational in some agencies, as either the integrity officer position is vacant, or the respective responsibilities are temporarily assigned to another employee or official. For instance, the duties of the integrity officer in municipalities are often entrusted to the staff secretary or other employees. Thus, this institution has not been fully established yet, and there are various issues regarding the independence, guarantees and powers of the integrity officers.

Therefore, it is necessary to take legislative and practical measures to ensure a continuous improvement of ethics commissions and integrity officers’ institution.

Accountability for corruption prevention should also be considered in the Strategy. According to the Law on the Corruption Prevention Commission, the CPC shall maintain and publish statistics on violations of incompatibility requirements, other restrictions, and the rules of conduct, conflicts of interest cases, as well as the account, discuss, take actions, and maintain statistics for each whistleblowing report under its jurisdiction. However, a methodological framework for maintaining statistics is not defined. In practice, the statistical data on these issues are reflected only in the CPC annual reports, which do not always enable comparisons or display the dynamics in a specific area. The lack of machine-readable format of public documents also poses a challenge and hinders an effective use of search tools.

No statistical data collection mechanisms exist regarding the activities of ethics commissions and integrity officers.

As a result, analyzing developments, comparing monitoring indicators, identifying progress, and other activities in the framework of anti-corruption monitoring and evaluation become significantly complicated. In addition, international anti-corruption obligations require collecting annual statistical data on corruption prevention. The availability of the data is often sufficient to mark the obligations fulfilled.

Therefore, it is necessary to set mechanisms to maintain statistics and collect clear and effective statistical data to ensure accountability of corruption prevention.

For the proper implementation of corruption prevention functions and ensuring transparency, digitizing preventive mechanisms is crucial, as it will allow to use "digital smart" tools, introduce "red flags" and interoperable platforms. These measures, on the one hand, will increase the effectiveness of the CPC functions, including cooperation with other bodies, and on the other hand, will facilitate the fulfillment of corruption prevention-related responsibilities by persons who fill out declarations and integrity questionnaires.

Thus, it is necessary to enhance the present electronic platforms, integrating various corruption prevention tools into these platforms, and provide integration and interoperability between the CPC and other state entities. Steps toward digitization will be taken in synchrony with similar measures planned in Public Administration Reform (PAR) and Digitalization Strategies.

**PROVIDING ANTI-CORRUPTION REVIEW OF LEGAL ACTS AND THEIR DRAFTS**

The international obligations undertaken by the Republic of Armenia highlight the role of anti-corruption assessment of normative legal acts as an important tool for preventing corruption. In particular, Article 5 of the UN Convention against Corruption (hereinafter referred to as the Convention) states that each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption.

It is worth mentioning that legal mechanisms for anti-corruption review of legal acts were introduced in Armenia in 2009. The anti-corruption review was carried out in accordance with the procedure established by the RA Government's Decision No. 1205-N of October 22, 2009 (hereinafter: the Decision) "On approving the procedure of implementing anti-corruption impact assessment of draft normative legal acts." This procedure included definition of indicators for conducting anti-corruption assessment, the procedure of presenting conclusions, and other relevant items. Despite the above, these regulations have significant shortcomings, as they do not provide an opportunity to conduct a quality anti-corruption impact assessment of legal acts from a substantive perspective.

Considering these challenges, the Strategy emphasizes the need for effective reboot and expansion of the anti-corruption review of legal acts as a preventive anti-corruption tool. The review helps to identify and reduce corruption risks in legal drafts, relevant effective legal acts and regulations. This tool contributes to improving transparency in public administration bodies and state organizations that deliver public services. Thus, it is necessary to ensure the anti-corruption assessment of legal acts, including the drafts in development stage (ex ante) and the underlying or related legal acts (ex post) as needed.

In the light of the above, it is necessary to select an applicable model for assessing legal drafts based on international experience.

Upon implementation of relevant research and selection of the applicable model, defining the responsible authority and methodology development are important to ensure professional assessment.

**IMPROVING MECHANISMS TO PREVENT CORRUPTION AND STRENGTHEN INTEGRITY IN THE PUBLIC SECTOR**

The analysis of the legislation related to public service and public office shows that there is a lack of a uniform legislative act addressing the integrity of the public officers and public servants in a comprehensive manner. Instead, these issues are covered in the Law on Public Service and in legal acts on specific sectors of public service, while the authorities responsible for interpreting and enforcing these legal norms are diverse. In such conditions, a harmonized approach to regulations is often not ensured. Besides, different approaches are often used at the level of interpretation and enforcement of legal norms. Therefore, it is necessary to unify the corruption prevention-related laws by adopting a standalone legislative act "On Preventing Corruption", which should encompass all the aspects of the integrity system, including aligning the application and regulation of the provisions on conflict of interest, limitations on gift acceptance, rules of conduct, incompatibility requirements and other restrictions, as well as other mechanisms related to the prevention of corruption.

Corruption is not an independent phenomenon, but rather a manifestation of underlying systemic issues in public policy and administration, public service, and civic awareness and behavior. It should be viewed in the broader context of the quality and effectiveness of the public administration system, and requires a thorough analysis resulting in a proper evaluation. It is not possible to combat corruption exclusively relying on anti-corruption measures: instead, it requires a participatory management process. Therefore, managerial changes in public administration are necessary to address this issue. In this context, to overcome administrative corruption, increase transparency, publicity, accountability in public administration institutions and sectors, neutralize corruption risks and risk-generating factors for sustaining legitimacy, a corruption risk assessment and management system should be introduced in national and local government bodies, as well as staff of the municipal government. This system should be based on internationally acceptable standards and mechanisms, as well as recommendations from international anti-corruption organizations.

The corruption risks assessment and its high importance is also referred to in the RA Government Program for 2021-2026, approved by government decision No 1902-L of November 18, 2021. The Corruption Prevention Commission is mentioned as a co-implementer of the relevant program activity. The Action Plan of the RA Anti-Corruption Strategy for 2019-2022, approved by the government decision N 1332 of October 3, 2019, was amended by the government decision No 1351 of August 24, 2022. Based on the amendment, the Commission was entrusted with the development of the methodology of assessing corruption risks in the RA state administration system and local self-government bodies. To establish the corruption risk assessment system, several activities were implemented according the measure planned by the previous strategy.

Further, the results of a survey supported by the World Bank and conducted by the Commission among public servants identified the areas that are most vulnerable to corruption.

Considering the past activities and results achieved in the framework of the previous strategy, the establishment of the Corruption Risk Management System will aim to set a unified policy for developing anti-corruption sector, identifying, analyzing, and managing corruption risks, as well as to apply mechanisms to manage emerging corruption risks and create an integrity environment within the entire public administration system. Therefore, the strategy prioritizes establishing this system, implementing the aforementioned processes and improving the system continuously, which will allow to decrease or minimize the corruption schemes’ effectiveness. The introduction of the corruption risk management system will primarily target the manifestations of systemic corruption.

The most widespread and universal tool for preventing corruption is the *declaration of assets, income, interests and expenses*. In recent years, as a result of legislative changes, the system of officials’ declaration has significantly improved. However, currently the scope of reporting officials includes state and community officers, as a result of which the accountability and transparency of the persons holding leadership positions in organizations with state and community participation is not ensured. In this context, new regulations will enter into force from 2024, according to which the heads of the state and municipal non-profit organizations, state-founded foundations, as well as heads of companies (members of the collegial executive body) with over 50% of shares owned by the Republic of Armenia or municipalities will be required to submit a situational declaration of property, income, interests and expenses at the request of the Corruption Prevention Commission on grounds defined by the legislation; however, it is necessary to consider defining the obligation to submit annual declarations, as well as a declarations upon assumption and termination of their office. At the same time, the Law on Public Service does not specify the obligation to submit a declaration of interests for some declarant positions, and setting such an obligation is also important for all declarant officials from the point of view of disclosing the declarant and their affiliates as beneficial owners of specific entities and identifying possible situations of conflicts of interest.

It is also noteworthy that starting 2023, a new electronic system of declarations has been introduced, which automatically loads data from the previous year's declaration and other state databases, while providing automated data matching. However, the new operational system’s functionality fails to guarantee interoperability with all state databases (since certain data in the databases do not meet the system’s quality requirements). Furthermore, internal and external accountability, sample search of published data, and automatic export of machine-readable data are not ensured. In addition, developing the analytical interface of the electronic system is essential to further simplify the declaration verification process. Thus, the electronic declaration system should be further improved to address the current issues.

Furthermore, as part of the declaration system improvement, it is also necessary to enhance the capabilities of the Commission for disclosing property and assets in foreign countries.

Taking into account the above, the improvement of the declaration system is also one of the strategy objectives.

The prevention of corruption enables shaping the image of an honest, honorable and zealous public servant and official and increases public trust in the public service system. From this perspective, the anti-corruption policy for 2019-2022 was aimed at the introduction of a new integrity check tool to evaluate the conduct of persons seeking public office in the Republic of Armenia. Accordingly, in 2020, the Law on the Corruption Prevention Commission assigned the CPC with the responsibility conducting integrity checks on persons seeking public office to but only for specific public positions.

In this regard, there is no legal mandate for performing integrity checks on individuals in public positions with expansive powers and the autonomy to make decisions (such as persons in political roles). This issue is emphasized in international organizations’ assessments, such as GRECO’s 5th Evaluation Round, and in the context of high-risk positions and processes identified in the national social surveys. This issue is caused by the absence of relevant legal and practical mechanisms. In addition, there is no differentiation between the integrity check conducted at the appointment or promotion in public office and the ongoing integrity check (framework, mechanisms). Furthermore, the lack of publicity of the integrity check results hinders strengthening the integrity system through public control mechanisms. However, it is important to take into account that integrity checks examine confidential information defined by law, personal data, information concerning third parties and private life, and information obtained through operational intelligence means. Additionally, the precedent decisions of the ECHR and the experience of foreign countries with regards to publicity shall be considered. The necessity of defining a requirement for publicity must be examined in the view of these considerations.

Furthermore, there are obstacles and circumstances that reduce the effectiveness of the integrity check system, such as, for example, the short deadlines for the integrity review, the appointment or promotion of the candidate to the relevant position without a justification given the negative conclusion on integrity by the CPC, not publishing the final part of the CPC conclusion, the absence of a separate electronic platform for the integrity review, the electronic format of integrity questionnaires, etc.

All of the above shows the need to improve the integrity check system.

One of the important guarantees for preventing and neutralizing political corruption is the transparency of the financial activities of political parties. The extensive amendments made to the Constitutional Law on Parties and a number of related laws, adopted on December 29, 2020, reviewed the mechanisms for party financing and its oversight. In particular, the mandate of supervising the financial activities of political parties was transferred from the Oversight and Audit Service of the Central Electoral Commission to the Corruption Prevention Commission.

To fulfil this function, the CPC adopted a number of sub-legislative acts, carried out review and analysis of the of the declarant political party officials’ declarations, organized and conducted audits, verified the annual reports of the parties, etc. However, there is a lack of mechanisms (ongoing review methods, cooperation with other bodies) and the potential necessary for full exercise of financial control over parties. Among other problems, it is reported that political parties lack sufficient information regarding their financial accountability and oversight. Additionally, the receipt of state funding of political parties is not contingent by law upon the results of annual report reviews and audits. Other related issues also exist.

At the same time, Oversight and Audit Service of the Central Electoral Commission is considered to maintain its jurisdiction of the oversight over the contributions, expenses and their accounting in the electoral campaign funds. Thus, further legislative reforms are necessary to separate control over the financial activities of political associations between the two public authority bodies. Accordingly, Corruption Prevention Commission will be responsible for controlling the daily financial activities of the parties, while the Oversight and Audit Service will take the control over contributions, expenses and their accounting in the electoral campaign funds.

In this regard, the effectiveness of oversight mechanisms for parties' financial activity needs to be enhanced and improved.

Considering the aforementioned, it is also necessary to digitize all preventive tools and establish a digital platform for managing relevant cases between all tools, which will allow to transfer all the CPC functions to the digital space. Consequently, this will enable artificial intelligence tools to analyze the trends identified through CPC’s activities, analyze and connect the substantial amount of information collected and stored within the CPC as a result of various processes, ultimately resulting in a digital corruption prevention tool. This tool will not only provide complete, real-time updated statistics on anti-corruption, but also perform real-time analytics, compare the individual behavior of officials and public servants with the results of the corruption risk assessment in state and local self-government bodies, and find out the top high-risk functions within the state in the anti-corruption context, both in terms of processes and individuals. Such platform will also make it possible to ensure the organization of non-standardized but tailored trainings of public officials and civil servants, based on the personal conduct in the given period, as well as the corruption risks identified in the given body.

**CONTINUOUS IMPROVEMENT OF THE INTEGRITY SYSTEM**

The continuous improvement and modernization of the integrity system mechanisms, including principles of conduct of public officials and public servants and the rules of conduct derived from them (including limitations on accepting gifts in connection with the performance of official duties), incompatibility requirements, other restrictions, and conflicts of interest are of key importance for preventing corruption.

The key components of ensuring integrity of public officials and public servants include the adoption of *codes of conduct*, training programs aimed at meeting the respective requirements, and continuous monitoring. Measures were taken towards this direction in the past four years, resulting in the approval of standard rules of conduct for public servants and leading to the development of the subsequent code of conduct for civil servants and delivery of a number of trainings. Concurrently, revisions were made in the rules of conduct for investigators. The rules of conduct for judges and prosecutors were already in place before the adoption of standard rules.

Nevertheless, a study of international experience is necessary, along with considering revision in the rules of conduct for investigators, prosecutors and judges in order to align them with the integrity system.

The examination of the code of conduct system within state administration and municipal positions revealed that the rules of parliamentary ethics outlined in Article 3 of the Law on Guarantees of the Activities of a Deputy of the National Assembly do not fully reflect the conduct standards of officials specified in the Law on Public Service. At the same time, there is no provision defining the authority responsible for adopting the rules of conduct for parliamentarians, thus there are no official codes of conduct for the members of parliament. Therefore, there is a need to establish permanent institutional mechanisms for monitoring the rules of conduct for the members of parliament.

The study also found out that the rules of conduct established in the Law on Public Service only partly apply to municipal positions, as they cover exclusively community heads and their deputies, as well as Yerevan administrative district heads and their deputies. Furthermore, there is no legal regulation for the adoption of a code of conduct for community council members, administrative heads of a multi-residential communities, and persons serving in discretionary positions (such as community head’s advisor, press secretary, assistant of the head and deputy head of the community, experts of the community council factions), and these persons are exempt from the general code of conduct system.

To summarize, at present, the rules of conduct for some state administration and community positions are lacking, the existing rules of conduct are not unified, and in addition there is a lack of mechanisms for proper control over the established rules. Therefore, it is necessary to provide a unified framework for the code of conduct development, enforcement, and exercise of control mechanisms in state administration and local self-government bodies and municipal administration staff.

Further, the continuous improvement of the integrity system requires enhancing effective implementation and control mechanisms for conflicts of interest, incompatibility requirements, limitations on accepting gifts, and other restrictions. The Government has continuously worked towards this direction in recent years, showing a significant progress in the legislative regulations on conflict of interest, incompatibility requirements and other restrictions, and limitations on accepting gifts;[[17]](#footnote-17) however, there are still some problems and gaps. In particular, the structures for applying *restrictions on accepting gifts* by public officials and civil servants during the performance of their official duties require further strengthening, the mechanisms for gift registration remain incomplete, and the gift registry has not been established yet. The regulations on managing gifts owned by the state and the community are not defined, while the sole authority to manage state-owned gifts rests with the State Property Management Committee. This presents problems and may bring challenges in terms of law enforcement practice. In this context, it is necessary to define the methods and procedures for disposing gifts that become the property of the state and community. Additionally, maintenance requirements should be set for different types of gifts, including ceremonial gifts with cultural significance, perishable gifts, gifts with high maintenance costs, non-permissible gifts, and gifts given as awards. Further, an authorized body should be provided by law with the responsibility for accounting ceremonial gifts and submitting a conclusion on their maintenance methods.

In addition to the above, the tools for identifying *incompatibility requirements* and their application possibilities need further improvement. The application of other restrictions set for public officials and public servants lacks a unified approach, while the respective mechanisms and identification tools, as well as possibilities of their application are incomplete.

It is important to note that the Law on Public Service sets disciplinary liability for violating post-employment restrictions. However, the application of this liability is not feasible in practice. Therefore, it is necessary to study the international practices related to these restrictions and create effective and targeted mechanisms.

At the same time, a well-developed integrity system requires establishing and developing such system in the non-profit organizations with participation of the state and community. Thus, managers and persons/employees in high-risk positions who work for non-profit organizations with state participation are not subject to the code of conduct, and the regulations on conflicts of interest, incompatibility requirements, and other restrictions either do not apply or only partially apply to them. Therefore, it is also necessary to consider the introduction of the integrity system in non-profit organizations with state participation.

Further, the responsibility for compliance with the integrity requirements needs to be addressed. Currently, there is no unified system of sanctions for violating the integrity system components. While the standard rules of conduct are outlined, unified norms of responsibility for violations thereof are not defined; hence, each body retains discretion to set a liability measure for a particular violation. Thus, in practice, a situation is formed when various bodies can apply different sanctions for the same violation.

Furthermore, the disciplinary liability established by law for violating the rules of conduct, other restrictions and conflict of interest rules is not applicable to persons holding political offices, thus violations by these officials do not result in any legal consequences. Therefore, there are no stimuli for persons to refrain from similar violations, and in the absence of accountability, such cases are not prevented. Moreover, there is no mandate set for applying liability measures towards some public officials, as well as in specific sectoral laws of public service (covering community, diplomatic, police, military, and national security services).

It is important that individual types of public service regulated by specific laws have their own rules of conduct or procedures for adopting these rules, as well as a procedure to enforce liability for violations. The laws on certain types of service have set out rules of conduct or options for adopting them and defined the application of liability from the outset. These laws are still in effect and are often not aligned with the standardization concept that underlies the Law on Public Service. Consequently, there are no uniform standards and mechanisms for imposing disciplinary sanctions not only for breaching the rules of conduct, but also for violating conflict of interest, incompatibility requirements, and other restrictions. In addition, the sanctions issued by the head of respective authority or ethics commissions are not harmonized.

Therefore, enhancing the liability mechanisms for upholding compliance with the integrity requirements is imperative.

In addition, following the relevant international commitments, it is necessary to consider introducing regulations on the transparency of public contacts of public officials with a broad scope of powers and the authority to make independent decisions within the legislative and executive bodies, as well as lobbyist organizations and individuals.

## **GOAL 2: IMPROVING LEGAL AND INSTITUTIONAL SYSTEMS FOR COMBATING CORRUPTION**

As a result of implementing the Anti-Corruption Strategy for 2019-2022, the following bodies were established for combating corruption: the Department for the Confiscation of Property of Illicit Origin at the RA Prosecutor General's Office in 2020 and the Anti-Corruption Committee in 2021. In 2021, the legislation on anti-corruption court formation came into effect and the process of establishing anti-corruption courts began. In addition, the Department for the Control over the Legality of Pre-Trial Proceedings was established in the RA Anti-Corruption Committee of the RA Prosecutor General's Office.

At the same time, the scope of corruption crimes was expanded and the corpus delicti of criminal offenses were enhanced under the new Criminal Code. Mechanisms for maintaining and analyzing statistics on pre-trial criminal proceedings for corruption crimes were improved, and a methodological document for investigating corruption crimes was developed.

However, as the formation of specialized anti-corruption institutional bodies is underway, the tools and capabilities of these bodies are not yet fully provided. The Anti-Corruption Committee, specialized anti-corruption courts, the Department for the Control over the Legality of Pre-Trial Proceedings and the Department for the Confiscation of Property of Illicit Origin in the Anti-Corruption Committee of RA Prosecutor General's Office need additional human resources, capacity building, introducing tools and mechanisms to implement the powers granted by law, and improving existing mechanisms.

In accordance with Article 13(2) of the Convention against Corruption, each State Party shall take appropriate measures to ensure that the relevant anti-corruption bodies referred to in this Convention are known to the public and shall provide access to such bodies, where appropriate, for the reporting, including anonymously, of any incidents that may be considered to constitute an offense established in accordance with this Convention.

In this regard, it should be noted that an important component of the state’s fight against corruption is the *whistleblowing institute*, the establishment of which was laid with the adoption of the Law on the Whistleblowing System on June 9, 2017.

In order to ensure the continuous development of the whistleblowing system and address some of the shortcomings in the current legislation, including the gaps highlighted in the OECD report (2022) “Anti-Corruption Reforms in Armenia: Pilot 5th Round of Monitoring Under the Istanbul Anti-Corruption Action Plan” (Benchmarks 4.1.1-4.3.2), legislative amendments were initiated by the RA Government. These amendments addressed the following issues:

1. Expanding the whistleblowing concept, establishing the mechanism of whistleblowing to the public,
2. Including private legal entities or entities without public status in the scope of whistleblowing,
3. Maintaining statistics on whistleblowing reports,
4. Refining measures for protecting whistleblowers and their definition in the law, etc.[[18]](#footnote-18)

In the light of this, legislative reforms were implemented in 2022 to improve the whistleblowing procedure, provide regulations for whistleblowing on non-criminal corruption offenses through the unified electronic whistleblowing platform as well as regulations on processing these cases (for example, cases of conflict of interest or incompatibility, etc.), enhance the whistleblowers’ protection tools, and define the scope of the role of the Human Rights Defender in this context. In addition, a new type of whistleblowing. known as whistleblowing to the public, has been added to enable follow-up of the whistleblowing case investigation through the mass media. The whistleblowing statistics systems have been improved. Despite the reforms undertaken to ensure the effective functioning of the whistleblowing system, it should be noted that the successful realization of the main objectives underlying the establishment of this institution, as well as the application of the aforementioned legal regulations in practice, remains to be seen.

**STRATEGIC DIRECTIONS**

**INSTITUTIONAL STRENGTHENING OF ANTI-CORRUPTION LAW ENFORCEMENT BODIES**

In order to ensure successful detection and investigation of corruption crimes, the Anti-Corruption Committee of the Republic of Armenia was established in 2021. The Law on the Anti-Corruption Committee has defined the procedure of the Committee's activities and its transparency and accountability mechanisms.[[19]](#footnote-19) At present, although the preconditions for ensuring Anti-Corruption Committee’s regular functioning have been established, its institutional strengthening is necessary to improve the efficiency of its functions. Thus, continuous efforts towards building Committee’s capacities, strengthening its independence, transparency and accountability are essential. At the same time, to ensure the independence of the Anti-Corruption Committee, it is important to revise its formation procedure, specifically reducing possible risks in the appointment of the Chairperson of the Committee and his/her deputies. Furthermore, although the Law on the Anti-Corruption Committee sets certain provisions on the accountability and transparency of the Committee's activities, these provisions also need improvement, considering the need to define the scope of accountability by law.

The next important component of the anti-corruption institutional system is the creation and regular operation of a specialized department in the RA Prosecutor General's Office aimed at independent and impartial control over the activities of the Committee. The majority of the Department's staff has been recruited, the appointment to the relevant positions has been made on the basis of the integrity check results, and most of the prosecutors have passed the necessary training. However, further steps are needed to strengthen the control over the investigation of corruption crimes, including through the ongoing capacity building of the prosecutors who oversee the legality of pre-trial criminal proceedings conducted by the Anti-Corruption Committee.

Additionally, institutional strengthening of anti-corruption law enforcement bodies requires professional anti-corruption courses and trainings for investigators of the Committee, prosecutors of the Department for Control over the Legality of Pre-Trial Proceedings and the Department for the Confiscation of Property of Illicit Origin in the Anti-Corruption Committee of the RA Prosecutor General's Office, covering materials on the detection and investigation of corruption crimes. Mechanisms for continuity and comprehensiveness of these trainings should also be introduced.

As a result of implementing the Anti-Corruption Strategy for 2019-2022, the scope of corruption crimes has been clarified. Nevertheless, recently a number of questions have been raised regarding the list of corruption crimes and their investigation jurisdiction. In particular, the criteria for classifying certain crimes as corruption or non-corruption crimes are not clear. In addition, studies have questioned whether the list of corruption crimes is exhaustive. Therefore, it is necessary to conduct a study on the scope of corruption crimes and revise this scope and the regulations on their investigation jurisdiction as needed.

To ensure successful detection and investigation of corruption crimes, it is necessary to consider developing a comprehensive methodology and guidelines for the detection and investigation of corruption crimes starting from the pre-trial stage up to the stage of judicial examination.

At the same time, considering the unique field of activities of anti-corruption law enforcement agencies and the financial component of cases in their focus, it is necessary to establish a mechanism for engaging experts with economic/financial and other expertise as needed in their work. This mechanism shall be part both of the Public Administration Reform (PAR) Strategy and international technical assistance programs.

**INSTITUTIONAL STRENGTHENING OF ANTI-CORRUPTION COURTS**

The establishment of specialized courts was planned in the framework of the Anti-Corruption Strategy for 2019-2022. Based on the that, the Anti-Corruption Court was formed in 2022, the cases under the Court of Appeal began to be examined by specialized courts, and the Anti-Corruption Chamber was formed in the Court of Cassation. At the same time, on June 15, 2023, the Anti-Corruption Court of Appeal started to operate. Despite the fact that all these courts are new, in the context of international anti-corruption commitments and the strengthening of anti-corruption institutions, it is important to ensure the continuous institutional development of anti-corruption courts by providing high-level professional training for judges examining relevant cases, conducting regular ongoing training focused on the specifics of corruption cases, including the current international standards, and by other means.

In addition, it is necessary to develop methodological guidelines on the specifics of cases on confiscating property of illicit origin and investigating corruption crimes examined by specialized anti-corruption courts and judges, which will take into account the special nature of these cases.

At the same time, it should be noted that the majority of cases investigated by specialized anti-corruption bodies are related to the illegal transfer of funds, their conversion and legalization. In these circumstances, economy experts have been involved in the special department investigating cases on confiscation of property of illicit origin, which operates under the Prosecutor General's Office of RA. However, the judges investigating corruption cases also need such continuous professional support. Therefore, it is necessary to introduce a mechanism for involving experts with expertise in financial, economic and other related areas in the work of specialized anti-corruption courts, both within the framework of the Public Administration Reform (PAR) Strategy and international technical assistance programs.

The low rating of the Republic of Armenia on a significant part of international obligations can be attributed to the lack of statistical data. Moreover, the lack of data makes it impossible to analyze the effectiveness of the reforms implemented in a number of areas, to assess the current state of corruption crimes, to get a complete picture of the entire chain of the investigation of cases, etc. It should be noted that the absence of separate statistical data on corruption under international anti-corruption obligations leads to the assessment of the obligation as not fulfilled. In this regard, it is particularly problematic that the statistical data related to the judicial examination stage is incomplete and incomparable with the statistical data collected at the stage of pre-trial criminal proceedings. This strategy put special importance to establishing a comprehensive system of collecting and analyzing data on the investigation, detection, and conviction of corruption crimes, as well as on the recovery and management of illicit assets. An effective and complementary statistical system will enhance the accountability of anti-corruption institutions and improve public trust towards the effectiveness of the fight against corruption. In this regard, a unified corruption crime statistics system and improvement of the existing mechanisms is essential.

**ANTI-CORRUPTION MEASURES IN THE JUDICIAL SYSTEM**

The fight against corruption in the judicial system requires the implementation of continuous approach. In recent years, the RA government has implemented significant reforms in the judiciary, including the improvement of the mechanisms for qualifying candidates for judges, undertaking disciplinary actions against judges, and ensuring administration of fair justice within a reasonable period of time. For the advancement of the anti-corruption toolkit in the judicial system, implementation of the measures outlined below is necessary. These measures are also important in the context of international anti-corruption obligations.

Competitive salaries of *the staff of anti-corruption courts* *and judges* are undoubtedly crucial for attracting high-level professionals to the judiciary and ensuring their independence. Presently, the compensation offered to the court and judge staff is not commensurate with their workload, which apart from increasing the corruption risks also detract from the engagement in the judiciary system. Insufficient wages were also highlighted in the OECD report. Although the salary of a judicial assistant has slightly increased in recent years, the remuneration for court secretaries or other court clerks remains low. Therefore, it is necessary to revise the remuneration system for the members of the court and judge staff in order to reduce corruption risks, enhance the attractiveness of the judicial service, and ensure the involvement of qualified professionals. According to the adopted approach, the process of increasing salaries of the staff of courts and judges will commence starting from the first-instance courts. The implementation of these measures will be ensured in the framework of Strategic Objective 4 of the Public Administration Reform (PAR) Strategy, aimed at increasing the competitiveness of the public service.

**IMPROVING MECHANISMS FOR THE RECOVERY AND MANAGEMENT OF CORRUPTION PROCEEDS AND PROPERTY OF ILLICIT ORIGIN**

The mechanisms for confiscation of property of illicit origin were established in 2020 and upgraded in 2021. In particular, on April 16, 2020, the National Assembly adopted legislative amendments to the Law on Confiscation of Property of Illicit Origin and related laws, followed by the by-laws and other relevant legal acts to ensure the implementation of those laws.

On September 1, 2020, by the order of the RA Prosecutor General, the Prosecutor General’s Deputy who coordinated the field of confiscation of property of illicit origin was appointed, and on September 3, 2020, a dedicated department, the Department for the Confiscation of Property of Illicit Origin, was established under the RA Prosecutor General's Office. In addition, the toolkit for confiscation of the property of illicit origin was enhanced through the adoption of the Law on Amendments and Additions to the Law on Confiscation of Property of Illicit Origin in 2022.

In 2020-2021, the Department for the Confiscation of Property of Illicit Origin of the RA Prosecutor General's Office carried out 279 investigations (214 decisions on launching investigation were made in 2020, and 65 decisions were made in 2021).

In 2022, the Department for the Confiscation of Property of Illicit Origin of the RA Prosecutor General's Office received 50 materials on criminal cases and 25 materials on the data found through operational intelligence regarding the property of possibly illegal origin owned by 84 persons. Based on the results of checking the evidence necessary to launch investigation with the mentioned materials, 77 decisions on launching an investigation were made (including nine decisions based on the materials received at the end of 2021), and 18 decisions were made not to start an investigation for 18 persons. Two investigations were initiated based on the data obtained in the framework of the proceedings on the confiscation of property of illicit origin.

Within the framework of the initiated investigations, 134 requests were submitted to access confidential information related to banking, credit, insurance, commercial and (or) notary secrets. Of those requests, 127 were submitted to the first instance court of general jurisdiction in the city of Yerevan and seven – to the RA Anti-Corruption Court. Nineteen of the submitted requests were rejected, though as a result of the of four appeals, the Civil Court of Appeal of RA rendered a decision to fully satisfy these appeals. In case of one appeal, a judicial act has not yet been issued.

With regards to the confiscation of property of illicit origin, 11 lawsuits were submitted to the first-instance court in the city of Yerevan, and 10 lawsuits were submitted to the RA Anti-Corruption Court and further accepted for proceedings. All of the submitted lawsuits are currently under examination by the RA Anti-Corruption Court. As a result of 21 lawsuits filed in 2022 (29 lawsuits as of February 2023), about 52 billion AMD and 296 properties are subject to confiscation (based on the average market values for the most of these properties, their total value is estimated to be about 34 billion AMD, while the values of legal entities are not estimated).

Since November 2020, the RA Prosecutor General's Office became a member of CARIN.NETWORK (Camden Asset Recovery Inter-Agency Network) international informal network, aiming to facilitate cooperation with international structures and other countries. In the framework of the network, seven requests, including two to Russia, and one each to the Czech Republic, Slovakia, France, Greece and Cyprus were sent, and six responses were received. Meanwhile, several international requests were received from the relevant authorities of other countries, including Romania, Ukraine, Belgium, and Moldova.

Specialization is also ensured during the stage of judicial examination of cases on the confiscation of property of illicit origin through the three levels of anti-corruption courts.

Acknowledging all the reforms implemented by the Republic of Armenia, OECD report (2022) “Anti-Corruption Reforms in Armenia: Pilot 5th Round of Monitoring Under the Istanbul Anti-Corruption Action Plan” focuses on the transparency and regular auditing of the management of the assets that have been secured or confiscated in the framework of the proceedings related to the confiscation of the assets in corruption cases and of property of illicit origin (Benchmark 11.5.1). In this context, introducing and improving relevant mechanisms is important.

In these circumstances, it is critical to enhance the mechanisms of managing the property that was confiscated as a result of levying an attachment and (or) seizing assets of corruption crimes and through the proceedings on the confiscation of the property of illicit origin.

Though the national legislation has introduced the institution of confiscation of property of illicit origin, it is still crucial to ensure continuous enhancement and modernization of the existing mechanisms.

In order to ensure the effectiveness and efficiency of procedures for the confiscation of property of illicit origin, it is planned to launch an integrated platform, which will enable active and secure exchange of information among asset recovery specialists, intelligence units, investigative and prosecutorial bodies. In addition, it is planned to provide access to the databases of other state bodies. Accordingly, the implementation of these and other measures is expected to ensure the continuous improvement and modernization of the institution of confiscation of property of illicit origin.

Taking into account the transnational nature of issues concerning the return of illicitly obtained property, as well as recovery of corruption proceeds, and acknowledging the importance of mutual legal assistance on international level in this context, adoption of the Law on Mutual Legal Assistance on International Level is essential.

At the same time, in light of the aforementioned issues, it is crucial to consider the potential risks of the refusal of property return claims due to the lack of regulatory harmonization across countries and specific country requirements for cases of returning property obtained as a result of corruption or illicit activities. Therefore, the legislation of other countries needs to be studied. Furthermore, it is necessary to investigate the existing cooperation formats within international organizations in regard to these issues, and establish mechanisms to ensure harmonization and streamline the process of property return.

Thus, it is necessary to expand and modernize the mechanisms for combating corruption in the international and transnational sphere with the participation of the Republic of Armenia, and improve the mechanisms of mutual international assistance.

**IMPROVEMENT AND MODERNIZATION OF THE WHISTLEBLOWING SYSTEM**

Legislative reforms were implemented in 2022 to improve the whistleblowing system. These reforms were aimed at the improvement of whistleblowing procedure, establishment of regulations to proceed with non-criminal corruption cases, enhancement of whistleblower protection tools, and set-up of whistleblowing statistics system.

In addition, the Law on the Whistleblowing System outlines distinct categories of whistleblowing: internal whistleblowing, external whistleblowing, and whistleblowing to the public. However, there is a lack of ensuring their effective application in practice. This is particularly apparent in cases of internal and external whistleblowing, confirmed by the statistics collected since the launch of the whistleblowing system.

According to the data by the state bodies, since the launch of the whistleblowing system, 13 cases of internal whistleblowing and 73 cases of external whistleblowing reports were registered (66 external and 10 internal reports in the Ministry of Defense, one external and three internal reports in the Ministry of Foreign Affairs, one external report in the Education Inspection Body, one external report in the Ministry of Territorial Administration and Infrastructure, and four external reports in the Food Safety Inspection Body).

Law enforcement agencies initiated criminal proceedings in 11 cases of external reporting. According to the information provided by the Food Safety Inspection body, the positions of 10 persons were temporarily suspended due to the criminal proceedings, and six of these persons were subsequently dismissed from their positions.

Furthermore, the Ministry of Foreign Affairs informed that official investigations or audits were carried out based on the whistleblowing reports, and one external whistleblowing report related to labor relations was resolved in the court (by the decision of the Court of Cassation).

In addition, the existing legal regulations on whistleblowing to the public need revision to align with international standards, specifically OECD standards. In particular, a possibility of reporting to the public without going through the internal and/or external reporting channels should be provided in cases where illegal corrupt activities pose an immediate or obvious threat to the public, or when a risk of retaliation (harmful actions) exists, or the likelihood of addressing the violation is low in case of using other types of whistleblowing reports.

Further challenges linked with the whistleblowing system are the lack of mechanism to encourage whistleblowing and the ineffectiveness of whistleblower protection mechanisms. Other issues include the broad discretion in appointing responsible persons dealing with whistleblowing reports, the lack of bodies responsible for training and professional development of these persons.

In addition, despite the recent amendments in the Law on the Whistleblowing System, the roles of the competent bodies, distribution of their responsibilities, the specific aspects of submitting reports on private organizations and processing such reports remain unclear. From this perspective, it is important to review and enhance the organizational structures and tools of the Human Rights Defender that are aimed at the protection of whistleblowers and their rights.

It should be noted that the Law on the Whistleblowing System does not specify the legal nature of the whistleblowing proceeding and does not set main requirements for the decisions resulting from the procedures initiated on the basis of the whistleblowing report. This may negatively affect the proper justification and rationale of these decisions; moreover, there are no mechanisms for appealing these decisions.

Another issue related to the whistleblowing system is the lack of standard rules for maintaining statistics on these matters, the limited data included in these statistics, and the low number of entities keeping the statistics.

In regard to the whistleblowing system, representatives of the civil society have noted that citizens do not have clear and accessible understanding of the importance, usefulness, and usage mechanisms of the whistleblowing platform. Therefore, it is vital to increase the level of public trust, as the ultimate goal of the system is not just to receive anonymous report, but rather ensure the trust of citizens.[[20]](#footnote-20)

To address the aforementioned issues, it is vital to amend the current model of the whistleblowing system with considering the need to ensure the effective application of the various whistleblowing types and increase the usage of whistleblowing to the public via mass media. It is also necessary to implement whistleblowing promotion measures and enhance the effectiveness of protection guarantees, including the measures of safeguarding and restoring the violated rights of whistleblowers by the Human Rights Defender.

The revised model of the whistleblowing system should also ensure that the responsible persons dealing with whistleblowing are selected and appointed through professional and merit-based principles and procedures. Additionally, coordination of their activities and organization of their training should be provided. Further, it is important to clarify the responsibilities of the bodies dealing with whistleblowing, the procedures of submitting and processing whistleblowing reports on private entities and the potential scope of these entities.

Finally, it is necessary to clarify the legal status of the whistleblowing proceeding, determine the main requirements for the decisions resulting from the proceedings initiated on the basis of the whistleblowing report, thus ensuring their proper justification and rationale, provide the possibility to appeal these decisions, enhance the whistleblowing statistics system, and improve the electronic platform for whistleblowing with providing appropriate security measures.

**IMPROVING THE INSTITUTE OF CRIMINAL LIABILITY OF LEGAL PERSONS**

The new Criminal Code, effective since July 1, 2022, introduced the institution of criminal liability for legal persons (Chapters 20-21). Although this institute is recently established, experts have raised several concerns. The business community has also expressed concerns in this regard. To assess the effectiveness of this institution, it is necessary to conduct an impact study and identify the challenges. This is particularly important considering the already known problems. In particular, the criminal liability of legal entities implies that the crime is committed by a person possessing the power to influence the operations or decisions of a legal entity, or by a legal entity representative with the permission or instigation of this person.

Thus, the regulation does not cover the cases where the crime was committed by the persons exercising de-facto control over the legal entity. This issue was also highlighted in the OECD report (2022) “Anti-Corruption Reforms in Armenia: Pilot 5th Round of Monitoring Under the Istanbul Anti-Corruption Action Plan” (Benchmark 10.1.2).[[21]](#footnote-21)

The finding of the report also suggest that it is necessary to assess the current situation regarding the application of proportionality principle while imposing sanctions on legal entities and to implement relevant reforms as necessary.

Further, it is recommended to conduct research on anti-corruption incentive mechanisms in the context of the criminal liability of legal entities and make necessary legislative amendments.

To ensure the effective utilization of this institution, it is also necessary to study the scope of corruption crimes within the framework of criminal liability of legal entities and make revisions as necessary.

## **GOAL 3: ANTI-CORRUPTION EDUCATION AND IMPROVING PUBLIC AWARENESS MECHANISMS**

The development and implementation of a policy on targeted anti-corruption education and awareness-raising is crucial for effectively combating corruption. This policy must be aimed at increasing public involvement and boosting public support in anti-corruption reforms, laying a stable foundation for the culture of intolerance towards corruption.

The government’s efforts towards anti-corruption education and awareness raising should aim to ensure that all members of society directly or indirectly contribute to upholding the rule of law. To this end, it is important to increase public confidence in anti-corruption reforms, which, in turn, can encourage citizens to become more actively involved in the fight against corruption.

It is noteworthy that the survey results[[22]](#footnote-22) demonstrate a direct link between citizens’ education and awareness level and their ability to discern between corruption and non-corruption, as well as their self-confidence and the sense of responsibility to combat corruption.

Another study showed that individuals with higher levels of education exhibit less tolerance towards corruption.[[23]](#footnote-23) Thus, higher level of education not only results in the increased recognition of the importance of fighting corruption and a greater sense of responsibility, but also increases the likelihood of engaging in anti-corruption behavior.

**STRATEGIC DIRECTIONS**

**ESTABLISHING AND IMPROVING ANTI-CORRUPTION EDUCATION MECHANISMS**

Anti-corruption education is essential for building and advancing a healthy society and unlocking the full development potential of its diverse sectors.

To ensure its long-term success, anti-corruption education must extend to the wider society across the country. To maximize its impact, despite resource limitations, priority should be given to areas where corruption is more prevalent or its consequences are more harmful.

Based on the study of the activities conducted within the Anti-Corruption Strategy for 2019-2022, it is evident that educational institutions in Armenia, including schools, vocational schools and colleges, and higher education institutions, as well as training programs for individuals the state and public service provide certain knowledge about corruption.

Specifically, schools provide knowledge about corruption within the curriculum of Social Studies. Starting from the academic year 2021-2022, Basics of Anti-Corruption Policy was introduced as a subject in Armenian universities. However, it is only taught in some faculties, the presented topics significantly vary from one university to another, and there is a shortage of educational guidelines and didactic materials. [[24]](#footnote-24)

Furthermore, the subject Fundamentals of Law of vocational education institutions covers the following topics in the 2nd-4th grades: "Legal Characteristics of Corruption", "Anti-Corruption Policy", "The Concept of Anti-corruption", "The Causes and Consequences of Corruption in the RA". Additionally, the topics "Causes and Consequences of Corruption", "Corruption Manifestations and Levels" are explored, among others, under the same subject in the 1st-3rd grades.[[25]](#footnote-25)

However, a key issue is the lack of a comprehensive state policy on the organization of anti-corruption education, including the methodology for such education.

Further, to strengthen the integrity system, it is important to introduce integrity check system in educational institutions, which would help to ensure that students, as future public office holders, embody and uphold integrity values.

In addition, to foster public intolerance towards corruption, educating the public is essential. This entails regularly informing them about implemented reforms, while also utilizing various channels to provide information on the nature of corruption, its manifestations, negative consequences, and the measures that society members can undertake to prevent corruption and assist the state in its detection.

The RA Government, acknowledging the necessity of engaging the public in combating corruption, determined that intolerance towards and the fight against corruption should be integrated in the value system of the society and result in citizens’ personal behavioral practices of rejecting corruption.[[26]](#footnote-26) From this perspective, it is important to deeply instill in each person the recognition that corruption weakens the state and deteriorates the social conditions of people, while every citizen must have an important role and take personal responsibility in the process of fighting against corruption.

The primary challenges of anti-corruption education include establishing effective mechanisms for conducting a systematic and consistent policy for anti-corruption education, as well as enhancing the quality and effectiveness of anti-corruption education across all levels of the educational system.

The organization of non-formal education programs has largely been assumed by the civil society; however, the scope of these programs is not sufficient to achieve the desired results. In this regard, the Strategy highlights the need for the Corruption Prevention Commission and civil society actors to play a more active role of in organizing informal education.

In the context of education activities aimed at the prevention of corruption, educating larger population and including topics on corruption and anti-corruption measures in state educational curricula is a priority.

Among the current challenges in anti-corruption education is that the materials, textbooks, and other publications on various aspects of corruption contain complex professional terminology, which makes it difficult for the general public to acquire the knowledge and skills necessary to recognize corruption as a negative phenomenon.

In line with these findings, it is necessary to take the following measures: establish a unified methodology for continuous anti-corruption education that spans from the preschool up to post-university educational system; enact the legal regulations on anti-corruption education in a single document; clearly define the desired outcomes of anti-corruption education for specific target groups, as well as criteria and mechanisms for assessing these outcomes; provide methodological and didactic materials for anti-corruption education and ensure their implementation across all educational level; improve current subject curricula; build the capacities of civil society representatives; create anti-corruption laboratories and a network of thematic anti-corruption centers in communities; support the formation, development and viability of informal anti-corruption education networks in cooperation with civil with society, media, anti-corruption bodies, international organizations and other stakeholders who play an important role in the reform process; create a platform of anti-corruption literature sources; and continuously enhance the capacity of civil society. These measures, in conjunction with other actions, will also contribute to changing public perception of corruption and enrooting intolerant behavior towards this detrimental phenomenon.

**IMPROVING PUBLIC AWARENESS RAISING MECHANISMS**

Although the Anti-Corruption Strategy of the Republic of Armenia for 2019-2022 included public awareness measures, these measures did not fully address all the problems in this area.

This was due to the fact that public awareness campaigns were insufficient, which prevented dissemination of information about the effectiveness of the anti-corruption measures implemented by the government, service provision reforms, whistleblowing and appeal mechanisms, and citizens’ rights when interacting with state agencies. Changing public attitudes and behavior was not set as a priority.[[27]](#footnote-27)

The key stakeholders of the 2019-2022 strategy lack a widespread perception that anti-corruption policy documents are adequately implemented.[[28]](#footnote-28)

Acknowledging the need to increase public awareness, the RA Prime Minister's Decision 820-L of 2022 approved the Anti-Corruption Communication Action Plan,[[29]](#footnote-29) which outlines the scope of activities, methods and channels, and the expected results of communication.[[30]](#footnote-30)

As part of the communication action plan, campaigns were conducted to raise awareness on the implementation of the Anti-Corruption Strategy activities and resulting reforms. These campaigns included broadcasting promotional videos on TV channels, social networks, and official websites, as well as publication of informational materials on social networks, official websites, and the mass media.

Furthermore, information campaigns were conducted on the activities of anti-corruption bodies, trainings and seminars were held on combating corruption in business, and anti-corruption trainings were delivered to journalists, press secretaries, and public relations specialists of state agencies. Information materials on the whistleblowing system and whistleblowing mechanisms were published. Additionally, public awareness about the unified website for publication of draft legal acts, www.e-draft.am, and its usage rules was increased.

It is necessary to make the public awareness campaigns more targeted and to encompass all segments of society, which will help to reach the final goal of comprehensively informing the public about the effectiveness of the government’s anti-corruption activities, service provision reforms, whistleblowing and appeal mechanisms, and citizens’ rights when interacting with state agencies.

According to the public opinion survey on corruption, which was conducted in Armenia,[[31]](#footnote-31) 44% of the respondents were unaware of any state body or non-governmental organization engaged in anti-corruption activities. There is a lack of widespread public perception that whistleblowing channels are reliable and effective. More than half of the respondents (51.1%) indicated that they would not report the relevant authorities if they themselves were personally involved in corruption. Most respondents fear criticism or negative consequences if they report corruption cases. The statement of 47.5% of respondents that "ordinary people cannot do anything to reduce corruption" is also worrying. Furthermore, 63% of citizens believe that corruption cannot be fully reduced or can only be partially reduced, which sparks further concerns.

The public opinion survey on corruption carried out in 2021 also yields disturbing results. According to the survey data, 65% of Armenian citizens are not aware of the state bodies and NGOs involved in anti-corruption activities. About 70% of citizens indicated a need for informational support to understand their rights and responsibilities regarding corruption, to know the bodies can apply to report corrupt behavior by officials as well as the government hotlines.[[32]](#footnote-32)

The report “Monitoring of the Actions of the Republic of Armenia Anti-Corruption Strategy and Its Implementation Action Plan for 2019-2022 to be performed in 2021” reveals that the information is primarily disseminated through press releases on the completed works. However, there are no public campaigns to inform citizens about the implemented activities, service provision reforms, whistleblowing and appeal mechanisms, and citizens’ rights in interacting with state agencies in a publicly accessible manner. The successful implementation of awareness-raising activities also depends on proper government coordination and expert involvement. Thus, it is important that the government takes determined steps towards this end.

The effectiveness of anti-corruption awareness activities may be also hindered by the inadequate coverage channels that fail to involve, inform and raise awareness across broad segments of society. To address these issues, it is crucial to align the public communication strategies of all anti-corruption structures, adequately cover the activities of anti-corruption institutions, and design, approve and consistently execute an effective anti-corruption public communication and awareness raising action plan.

To effectively carry out awareness campaigns, it is also important to involve social anthropologists, social scientists, ethnographers and psychologists, as well as organize and implement anti-corruption public awareness campaigns jointly with civil society representatives.

Further, it is necessary to improve awareness mechanisms to make them more targeted, customize awareness raising and training for various target groups, design and implement tailored social advertisement campaigns.

During the public awareness campaigns, close cooperation with public broadcasters is crucial for conveying the information to broad segments of society, as public broadcasters are mandated to provide viewers with programs aimed at increasing the population's legal awareness and social responsibility.

In addition, it is necessary to conduct regular public opinion polls on corruption and establish a system for regular evaluation of the results of public awareness programs through these polls.

## **GOAL 4: BUSINESS INTEGRITY, PROTECTING BUSINESS RIGHTS AND FACILITATING STATE-BUSINESS ADMINISTRATION**

A comprehensive and multifaceted anti-corruption effort is not feasible without the involvement of the private (business) sector. Systemic changes cannot be implemented by governments alone, while the private sector has a vested interest in promoting transparency in the country and reducing inefficiencies caused by corruption.[[33]](#footnote-33)

It is practically impossible to have a comprehensive and effective fight against corruption without tackling corruption in the private sector. It is not a coincidence that in countries ranking high in the Corruption Perception Index,[[34]](#footnote-34) the fight against corruption in the private sector is carried out on a larger scale and getting a stronger push.

In addition, the UN Convention against Corruption highlights the importance of introducing anti-corruption structures and mechanisms within the private sector.

Thus, according to Article 12 of the Convention, "Each State Party shall take measures, in accordance with the fundamental principles of its domestic law, to prevent corruption involving the private sector, enhance accounting and auditing standards in the private sector and, where appropriate, provide effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to comply with such measures." The Convention further clarifies the means to achieve these ends, which may include, inter alia:

1. Promoting cooperation between law enforcement agencies and relevant private entities;
2. Promoting the development of standards and procedures designed to safeguard the integrity of relevant private entities;
3. Promoting transparency among private entities;
4. Preventing the misuse of procedures regulating private entities;
5. Preventing conflicts of interest;
6. Ensuring that private enterprises, taking into account their structure and size, have sufficient internal auditing controls.

Additionally, the UN Convention against Corruption implementation review for Armenia recommended to take measures to prevent corruption, introduce and enhance anti-corruption mechanisms in the private sector.[[35]](#footnote-35)

Article 9 of the same Convention obliges states that have ratified the Convention to establish appropriate systems of public procurement based on transparency, competition and objective criteria in decision-making, and take appropriate measures to promote transparency and accountability in the management of public finances.

The OECD's Pilot 5th Round Monitoring report[[36]](#footnote-36) also reflects upon strengthening and improving anti-corruption mechanisms in the private sector. In particular, the report states that business integrity is not yet fully included in the anti-corruption agenda of the Armenian government, while the Corporate Governance Code is outdated, which hinders the advancement of a more comprehensive corporate governance culture. Further, there is a lack of incentives to improve integrity in the private sector, while the existing institutional mechanisms do not fully and effectively protect the interests of the business sector.

In general, the involvement of businesses in the fight against corruption and the implementation of anti-corruption measures within the private sector represent important directions of the anti-corruption policy.

In this regard, the Anti-Corruption Strategy and its Action Plan for 2019-2022 included several measures to establish anti-corruption structures and mechanisms in the private sector, specifically related to encouraging adoption of anti-corruption compliance requirements among businesses, improving the procurement sector, introducing beneficial ownership disclosure for legal entities, and improving the legislation on protecting economic competition.

Based on the monitoring and evaluation results of the previous Strategy,[[37]](#footnote-37) sufficient progress has been achieved in the following domains:

1. Improving the legislation on procurement: on January 21, 2022, the RA National Assembly adopted legislation to improve procurement regulations. The new legal acts specifically aimed at restructuring the procurement appeals system taking into account Armenia’s commitments under the World Trade Organization's Agreement on Government Procurement and RA-EU CEPA agreement.
2. Introducing beneficial ownership institute for legal entities and setting mandatory requirement for all legal entities operating in the Republic of Armenia to disclose their beneficial owners.
3. Enhancing the legislation on the protection of economic competition: amendments to the Law on the Protection of Economic Competition and related laws adopted in 2021, among other outcomes, have led to improving procedures, granting the Commission for the Protection of Competition with the function to identify anti-competitive agreements and anti-competitive activities of officials/state bodies. In addition, the new Criminal Code now covers crimes related to economic competition, including corruption crimes.
4. Launching Business Integrity Club,[[38]](#footnote-38) which established anti-corruption compliance mechanisms in around 22 companies.

Partial or insufficient progress has been achieved in the following domains:

1) Encouraging the adoption of anti-corruption compliance requirements in the business sector: the draft Corporate Governance Code has not yet been approved, and the draft law aimed at considering anti-corruption compliance as an advantage in state support program criteria was not adopted. Thus, the anti-corruption measures in the private sector are incomplete and effective anti-corruption mechanisms in this sector are still pending.

The assessment of fulfilling international obligations indicates that, according to the OECD’s pilot 5th round monitoring report, around 90% of Armenia’s commitments in Business Integrity have not been met.

Furthermore, the implementation review of the UN Convention against Corruption conducted in 2021 found that anti-corruption reforms in the business sector remain insufficient. The US State Department's annual statements on investment climate in Armenia[[39]](#footnote-39) indicate that corruption and the insufficient measures to combat it continue to have a detrimental effect on the business sector and the investment climate in Armenia.

The summary of the needs and issues collected through the development of the Anti-Corruption Strategy for 2023-2026 and the assessment of corruption risks and problems in the private sector, supported by the US Center for International Private Enterprise (CIPE),[[40]](#footnote-40) demonstrate the urgent necessity of introducing and improving the structures and mechanisms of fighting corruption in the business/private sector. These mandates targeted and complex measures involving combining and merging corruption prevention, counteraction, and anti-corruption education and awareness tools.

Declaring business integrity, protection of business rights, and facilitation of state-business administration as a strategic goal is a clear indication that the Government is committed to fulfilling its international obligations, places great importance on improving its performance in international reports, and prioritizes creating a favorable investment environment through taking effective steps towards the implementation of related anti-corruption reforms, as well as takes active measures to develop economic activities and eradicate hindering corrupt practices.

The measures aimed at decreasing bureaucracy will be implemented in coordination with the similar measures outlined in the Public Administration Reforms (PAR) strategy.

**STRATEGIC DIRECTIONS**

**STRENGTHENING INTEGRITY IN THE BUSINESS SECTOR**

A key way to prevent corruption in the business sector is to encourage introducing and implementing anti-corruption compliance programs and mechanisms.

Compliance is a broad concept that in the context of business refers to fulfilling various national and international laws, regulations, rules, and standards in a number of key areas, including anti-corruption.[[41]](#footnote-41)

Compliance goes beyond what is required by law because it is an expression of a company’s ethical culture – a set of shared attitudes, values, goals, and practices that encourage ethical behavior in pursuit of a company’s goals. Apart from ethical considerations, there are strong economic arguments against corruption applicable to all companies, and especially important in terms of attractiveness of medium-sized enterprises operating in developing and emerging markets for large companies seeking opportunities to expand their operations not only on a national but also on a global level. Anti-corruption measures typically lead to better governance as companies refuse to tolerate double standards, non-transparent business decisions, and risky employee behavior.

Some steps have been taken in the past three years towards the introduction of anti-corruption compliance, but they are insufficient. Thus, it is proposed to adopt the new Corporate Governance Code aligned with the OECD G20 anti-corruption requirements,[[42]](#footnote-42) define oversight mechanisms for its implementation, and take measures to encourage its adherence. The Code must feature monitoring, accountability, and transparency mechanisms. As a part of the Code implementation, the government should provide appropriate mechanisms to promote the Code across the private sector while setting oversight mechanisms.

Additionally, there is a need to mandate the establishment of anti-corruption compliance mechanisms in state and community commercial organizations and issuing companies listed in the stock exchange.[[43]](#footnote-43) To accomplish this, it is proposed to set a mandatory requirement for these entities to comply with the new Corporate Governance Code.

In parallel, it is proposed to conduct awareness campaigns, initiatives and training programs that promote application of anti-corruption compliance requirements and relevant collective efforts in the business sector. These initiatives can be conducted in cooperation with specialized CSOs (business support organizations and business membership organizations).

International organizations have consistently emphasized the need to establish corruption risk assessment and management systems in commercial organizations with state and community participation.[[44]](#footnote-44) From this perspective, both legislative and institutional frameworks must be established to achieve effective risk management and assessment process.

Further, it is recommended to continuously improve the transparent, merit-based appointment of directors and board members, the standards of board members’ independence, financial and non-financial accountability and transparency, internal control and risk management systems, and annual external audit and publication requirements for commercial organizations with state and community participation.

Establishment of corruption risk management and assessment systems in commercial organizations with state and community participation is particularly important. To accomplish this, the institutional frameworks need to be strengthened through assigning the CPC with the powers and tools to develop and approve the methodology for assessing corruption risks in these organizations and to provide relevant technical assistance.

**PROTECTING BUSINESS RIGHTS**

The need for effective mechanisms for protecting business rights in the private sector is identified in the OECD's Pilot 5th Round Monitoring report and frequently cited by the business community in various studies and surveys.

During a series of discussions with the participation of representatives from the business community and non-profit sector, institutional strengthening of the Office of the Human Rights Defender was discussed in the context of protecting business rights in relations between the private sector and state bodies. In this context, building capacities of a dedicated department in the HRD staff through training courses, study visits and experience exchanges was found important.

Various studies and reports from international organization indicate that the business community lacks sufficient awareness of effective means and mechanisms for safeguarding their rights.

The Private Sector Corruption Risks Assessment in the Field of Public Administration Services in the Republic of Armenia[[45]](#footnote-45) conducted in April 2023 revealed insufficient knowledge among the business community regarding the anti-corruption mechanisms and effective means for protecting their rights. In this context, the current mechanisms (such as e-draft platform, irregular public discussions) were assessed as not satisfactory. Therefore, the government should focus its efforts towards two directions: actively engaging with business associations and informing the private sector about the upcoming and implemented measures (including legislative reforms), including their rationale, objectives, and current status. In this context, it is proposed to organize and conduct awareness-raising activities for the business community about effective means for protecting their rights and implementing anti-corruption mechanisms.

A widespread international approach involves assigning corruption prevention bodies with the function of preventing corruption in the business sector through a dedicated department or team of specialists. In the framework of cooperation with the business sector, these bodies are also provided with tools to conduct confidential meetings[[46]](#footnote-46) aimed at assessing corruption risks and presenting proposals for reforms in the target sectors. In this context, it is proposed to continue strengthening the capacities of the CPC.

**IMPROVING THE INSTITUTE OF DISCLOSING BENEFICIAL OWNERS OF LEGAL ENTITIES**

Disclosing the ultimate beneficial owners (UBO) of legal entities is one of the most important tools in combating corruption, which aims to detect criminal activities and prevent money laundering, terrorism financing, tax evasion, and the use of corrupt schemes. Armenia introduced the institute of disclosing UBOs in 2008 through the Law on Combating Money Laundering and Terrorism Financing, in compliance with the recommendations of the Financial Action Task Force (FATF).

Since 2017, Armenia has made significant progress in ensuring transparency and establishing a centralized public registry of beneficial owners largely due to fulfilling commitments within the Open Government Partnership and the Extractive Industries Transparency Initiative.

Legal regulations adopted in 2019 require to present and publish UBO data of companies with subsoil use rights or applying for such rights in the metal mining industry of Armenia.

UBO declarations by these companies have been published on the online platform of the State Register of Legal Entities since 2020. The legislative amendments adopted in 2021 expanded the scope of entities submitting UBO declaration to include legal entities operating in the public service sector along with those that provide audiovisual and media services. Starting in 2023, all legal entities are required to submit UBO declarations.

In 2021, Armenia launched an electronic system for UBO declaration. The system is based on the Beneficial Ownership Data Standard (BODS), which was developed by Open Ownership, an international organization, and specifies the technical characteristics of data collection and publication.

The interoperability of the database with the electronic registers of legal entities and the population was ensured within the technical limitations. Since 2019, Armenia has engaged in the OGP Beneficial Ownership Leadership Group.

Despite the reforms undertaken in the beneficial ownership area, not all legislative and practical mechanisms necessary to ensure the efficient functioning of the UBO disclosure institution are in place. Specifically, there are no effective methods to verify the credibility of UBO data, nor is there a clear methodology for determining the risk level of legal entities responsible for UBO declaration. Technical regulations are also lacking.

One of the main problems is the lack of effective verification of UBO data credibility. In addition, it should be noted that the term "beneficial owner" is reflected in various ways across sector-specific legal acts. Therefore, it is necessary to take measures to align these differences as much as possible while taking into account the sector’s characteristics.

Furthermore, currently the electronic system of the State Register of Legal Entities lacks some of the essential technical capabilities such as data processing, analysis, search, automatic notifications, identification of legal entities based on risk criteria using red flags, performing data analytics, generating bulk open data, and introducing innovative tools.

Interoperability between the State Register’s electronic system and databases managed by other bodies (for example, the electronic systems of the CPC, shareholders’ registry, and the electronic system of public procurement) is not provided, preventing automatic acquisition of relevant data and identification of issues.

Possibilities for interoperability with foreign UBO registries in the framework of international cooperation are also absent.

Expanding the respective functions of the Agency for State Register of Legal Entities is crucial to establish an effective data verification system. In addition, the high number of legal entities submitting UBO declarations starting in 2023 (over 100,000 legal entities) has led to a significant increase in the workload of the Agency of the State Register of Legal Entities.

One of the main problems in the process of submitting declarations is the uncertainty around the range of persons who are considered beneficial owners due to the specifics of legal and organizational forms of legal entities. There are no guidelines identifying beneficial owners by legal and organizational form, which would be helpful both for legal entities and the authorized state bodies.

As of March 2023, only around 48 percent of over 100,000 legal entities in Armenia that are obligated to submit the declaration have fulfilled their legal duty. Along with this low level of compliance, the State Register was still overloaded, which can be attributed to the following:

1. Eighty percent of legal entities submit the declaration through an authorized person rather than the executive head. The State Register is responsible for inputting powers of attorney into the system;
2. Roughly 30% of the submitted power of attorneys contain substantial errors, necessitating to outreach the citizens with a request to rectify the deficiencies;
3. Most persons submitting a declaration prefer to consult with the State Register experts during each step of the process (even though official video guides and guidelines approved by the Minister of Justice have been made available on the website).

Taking into account that the State Register’s primary functions are the state registration of legal entities, state record-registration of state bodies, separate subdivisions, institutions of legal entities, and individual entrepreneurs, the overload caused by these factors can negatively affect the quality and timeliness of the work performed.

Considering the aforementioned, it is proposed to take steps to improve the institution of disclosing beneficial owners, ensure the efficient system operation, and establish a State Register department that will coordinate the UBO declaration process and conduct respective administrative proceedings. These measures will be implemented in the framework of the Strategic Objective 2 of the Public Administration Reform (PAR) Strategy, aimed at improving the quality of services provided to the public.

Further, it is crucial to introduce a uniform framework to verify the credibility of the UBO data and develop a verification methodology and technical regulations based on the international experience. The possibility of public oversight over data credibility, consistency of the legal content of the term "beneficial owner" across various legal acts, and practical implementation to the fullest possible extent shall be ensured.

In addition, the following measures are needed: modernize and improve the electronic systems of the State Register of Legal Entities and UBO declaration; develop common standards and user-friendly guidelines for identifying beneficial owners; design, organize and conduct training programs for specific target groups of legal entities obliged to declare UBOs, as well as for the state register and other state bodies engaged in the area of beneficial ownership; and ensure the institutional development of the Agency for the State Register of Legal Entities. These measures will be conducted in conjunction with corresponding measures outlined in the Public Administration Reform (PAR) and Digitization Strategies.

**IMPROVING ANTI-CORRUPTION MECHANISMS IN THE TAX AND CUSTOMS SECTOR**

In the context of reducing corruption risks in the tax and customs sector, it is important to continuously improve the existing electronic tools or introduce new "smart" tools. This will lead to a more efficient tax and customs administration and improved toolkit for combating the shadow economy, and will mitigate biased approach and corruption risks in business-administrative bodies relationships. Furthermore, it is essential to enhance the legislative and institutional frameworks.

**IMPROVING INTEGRITY, ACCOUNTABILITY AND TRANSPARENCY IN THE PUBLIC PROCUREMENT PROCESS**

Continuous improvement of anti-corruption mechanisms in public procurement is crucial for comprehensive and effective fight against corruption in the private sector.

Corruption risks in procurement are related to the lack of independent mechanisms to validate information about procurement participants and their beneficial owners and verify their declarations of absence of conflicts of interest.[[47]](#footnote-47)

To prevent corruption in the procurement processes, it is especially important to continuously enhance the mechanisms that regulate conflict of interest and integrity. As a first step, it is proposed to conduct a thorough study of the current situation and regulations that will help to exclude direct and indirect involvement of high-ranking state officials in public procurement processes and improve mechanisms relating to the conflict of interest. Based on the study findings, it is proposed to enhance the current legal framework and mechanisms.

Currently, e-procurement covers all stages of procurement, including the contract execution. Key data on procurement processes, including contract execution, are published and updated in the official procurement e-bulletin. However, it is necessary to further improve the transparency and publicity of public procurement processes through introducing novel and smart anti-corruption tools and interoperability systems. In this context, it is proposed to connect the RA Ministry of Finance's electronic system of public procurement (ARMEPS) with the CPC’s electronic declaration system in order to transfer e-procurement data, including declarations on the presence or absence of conflicts of interest, to the CPC.

To enhance the accountability of procurement processes, it is proposed to modernize and improve the procurement planning system, while ensuring uniform specifications for the main products purchased by customers.

Continuous improvement and enhancement of procurement systems is necessary to foster public and private sector confidence in the procurement process. In this context, it is proposed to carry out awareness campaigns both among the public and business sector and improve the search tools of the unified procurement system.

At the same time, it should be noted that according to the procurement legislation, bidders must include their beneficial ownership data in their applications through providing the corresponding link to the state register system. If the information is not submitted, the application will be rejected.

In parallel, it is necessary to constantly improve screening software that can detect competition violations in the public procurement, develop guidelines for using these tools, and strengthen the capacities of the Competition Protection Commission for the effective utilization of these tools.

**INCREASING THE EFFECTIVENESS OF DETECTING CORRUPTIVE ECONOMIC OFFENSES**

One of the most essential directions for effective fight against corruption in the business sector is the enhancement and development of institutional structures. To effectively combat corruption in the private sector, it is not only important to define and apply relevant legal norms, but also to develop the institutional system. In this context, it is necessary to continuously strengthen and improve the institutional capacity of anti-corruption bodies by equipping them with the required tools and skills.

It is also crucial to continuously build the capacities of officials responsible for managing public procurement, overseeing the process, and detecting economic offenses. The relevant institutions include the Prosecutor General's Office, the Anti-Corruption Committee, the Investigative Committee, the Audit Chamber, the State Supervision Service, and the Competition Protection Commission. Additionally, it is proposed to develop guidelines for identifying and categorizing economic corruption offenses/crimes.

To develop and enhance institutional structures, broader and deeper cooperation with civil society and non-profit organizations is essential. In this regard, it is proposed to establish and implement mechanisms to combat corruption in the private sector through cooperation with civil society.

## **GOAL 5: ENHANCING ANTI-CORRUPTION MONITORING AND EVALUATION SYSTEM**

**STRATEGIC DIRECTIONS**

**IMPROVING ANTI-CORRUPTION MONITORING AND EVALUATION MECHANISMS**

The Anti-Corruption Strategy of the Republic of Armenia for 2019-2022 specified that the effective implementation of the Anti-Corruption Strategy and sectoral programs will be ensured through an effective monitoring and evaluation system. At the same time, the document highlighted the introduction of a public, transparent, innovative, and participatory monitoring and evaluation system for the strategy implementation.

International organizations also attach high importance to effective anti-corruption monitoring and evaluation framework, as evidenced further.

The UN’s National Anti-Corruption Strategies: A Practical Guide for Development and Implementation[[48]](#footnote-48) highlights the implementation of regular monitoring and evaluation mechanisms as a key to the effective completion of anti-corruption strategies. According to the guide, monitoring and evaluation allow to track progress, identify gaps and challenges, and develop solutions. Throughout the process of monitoring and evaluation, it is also important to assess the impact of implemented measures, reveal any problems and gaps, and make necessary adjustment to the solutions.

The Kuala Lumpur Statement on Anti-Corruption Strategies[[49]](#footnote-49) also places great importance on the anti-corruption monitoring and evaluation system.[[50]](#footnote-50)

The Regional Anti-Corruption Initiative's (RAI) Guideline "Monitoring and Evaluation of the Implementation of National Anti-Corruption Strategies and Action Plans: Methodology" (hereinafter: the Guideline)[[51]](#footnote-51) emphasizes the need for effective and participatory monitoring and evaluation. The Guideline outlines the framework for monitoring and evaluation, stating that monitoring bodies must first of all gather detailed information from the bodies responsible for implementing the strategy, including specific details on the progress and self-assessment of their work. In addition, the Guideline suggests that monitoring bodies should cooperate with the civil society in order to get alternative views on the implementation of activities.

United Nations Development Program’s (UNDP) report "Anti-Corruption Strategies: Understanding What Works, What Doesn't and Why?''[[52]](#footnote-52) states that the most important part of monitoring and evaluation is collecting data that will allow assessing not only the process, but also the effectiveness of the work performed and its compliance with the expectations set by the strategy, in order to measure the progress.[[53]](#footnote-53)

U4 Anti-Corruption Resource Center operated by the Michelsen International Research Institute produced a manual “How to monitor and evaluate anti-corruption agencies: Guidelines for agencies, donors, and evaluators",[[54]](#footnote-54) which states that collection of comprehensive information from responsible parties is crucial in monitoring and evaluation. Following this, it is necessary to assess whether the performed works and their outcomes have addressed the issues identified by the anti-corruption policy document.

The World Bank's document "Monitoring and Evaluation of the Anti-Corruption Action Plans"[[55]](#footnote-55) emphasizes the importance of effective monitoring and evaluation framework in an Anti-Corruption Action Plan, which can be provided through defining indicators and procedures of performance evaluation and ensuring meaningful public participation in the monitoring and evaluation process.

Despite the reforms in the monitoring and evaluation system implemented within the Anti-Corruption Strategy for 2019-2022, it should be noted that the anti-corruption monitoring and evaluation system is not yet complete. Specifically, the following gaps need to be addressed:

* Planned evaluation indicators at the factor (direct outcomes) level are insufficiently developed. Data collection and/or calculation methodologies for indicators are missing, and some indicators lack clear description of situation.
* In some cases, there is no linkage between the expected action result and its assessment indicator.
* The annual evaluation marking the expected action results as "fully completed", "mostly completed", "partially completed", or "not completed" is provided in a discretionary manner and lacks any standard to measure the degree of completion.
* Non-governmental organizations working in anti-corruption area provide alternative assessments of the anti-corruption strategy and its implementation action plan using their own methodology and assessment categories. In these circumstances, alternative assessments cannot be considered in the evaluation conducted by the competent authority.
* To improve the monitoring and evaluation tools, it is necessary to accomplish the tasks focusing on utilizing digital tools. In addition, there is a need to establish mechanisms to improve the accountability of government bodies on performing anti-corruption programs and international obligations. This includes not only ongoing capacity building of persons responsible for reporting and implementing anti-corruption programs, but also consistent awareness raising about the significance of reporting and delivering tailored content.

To summarize, the 2023-2026 Strategy must provide all the prerequisites and mechanisms necessary for developing the monitoring and evaluation system. The anti-corruption monitoring system should provide an opportunity to assess the shift in the level of corruption, integrate a substantive performance monitoring system, and provide a quantifiable description of the present state. The monitoring system must incorporate indicators for strategic goals, activity outputs, and outcomes. There must be “as clear and measurable result indicators as possible at any level, with a possibility to present them in quantitative form, specifying a certain benchmark or period of time to ensure that implementation can be measured. It is impossible to understand and evaluate the achievement of any goal or progress towards the goal if it is not measurable."[[56]](#footnote-56) In addition, it is necessary to align the alternative evaluation frameworks.

The absence of a unified methodology of surveys in this area negatively affects the effectiveness of the monitoring and evaluation system, as it hinders the institutionalization of surveys, which is crucial for assessing the impact of anti-corruption reforms and providing feedback to society.

In this context, it is necessary to consider developing a standardized methodology for anti-corruption public polls and institutionalizing surveys.

* In addition, the overall framework of Anti-Corruption Policy Council's activities needs a review, as certain problems have been revealed such as gaps in the procedure of involving non-governmental organizations in the Council, the restricted number non-profit organizations in the Council, and insufficient transparency requirements for the Council’s operations. Furthermore, it is necessary to revise the scope of stakeholder state bodies in the Council with the aim to engage all anti-corruption institutions and key bodies responsible for the strategy implementation. Thus, the legal acts related to the Anti-Corruption Policy Council need amendments to address the existing gaps and clarify the regulations of the Council activities.
* Considering the significant support of donor organizations in implementing the Anti-Corruption Strategy, it is necessary to coordinate cooperation with them. The previous strategy outlined regular activities of the Donor Coordination Mechanism, and although several donor meetings were held with involvement of other stakeholders, joint meetings of donors and stakeholders did not take place regularly. Consequently, effective donor coordination was not ensured. Therefore, it is necessary to introduce effective mechanisms to institutionalize this coordination and ensure their efficient implementation with clear procedures.

**STRENGTHENING THE INSTITUTIONAL SYSTEM OF ANTI-CORRUPTION MONITORING AND EVALUATION**

Unlike the 2018 report, the Pilot 5th Round of Monitoring under the Istanbul Anti-Corruption Action Plan, conducted by the OECD Anti-Corruption Network for Eastern Europe and Central Asia, highlighted a number of implementation achievements. In particular, the OECD assigned the highest scores for anti-corruption policy development (including inter-agency cooperation) and monitoring indicators. Out of the nine areas assessed, only the anti-corruption policy was rated excellent.

According to the OECD’s 2018 recommendations, the Republic of Armenia should allocate adequate resources and employ permanent staff specialized in anti-corruption activities to actively support policy coordination, implementation and monitoring. [[57]](#footnote-57)

Considering that the Department of Anti-Corruption Programs and Monitoring under the RA Prime Minister's Office was dissolved, its powers were consolidated into one department, the Anti-Corruption Department under the RA Ministry of Justice, which was restructured and currently operates as the Department of Anti-Corruption Policy Development and Monitoring (hereinafter: the Department). The Department's workload has increased over time.

Currently, in addition to the previous responsibilities, the Department is responsible for the following key functions:

* Developing anti-corruption policy, including strategies, programs, and anti-corruption communication plan; developing and implementing anti-corruption measures outlined in the Government program and other strategic documents;
* Ongoing legislative changes based on the needs of four anti-corruption institutions;
* Developing legal acts for anti-corruption, review of drafts legal acts within the jurisdiction of the Ministry of Justice to identify vulnerability to corruption;
* Oversight, monitoring and evaluation of the implementation of anti-corruption strategies and programs and anti-corruption communication plan; preparation of subsequent reports;
* Starting 2023, coordinating the activities of anti-corruption officers (about 200 people), providing professional assistance, review of the documents submitted by them, and presenting comments;
* Supervising and coordinating activities related to international anti-corruption obligations, representing Armenia’s interests in relationships with international anti-corruption organizations, participating in their entities’ activities, completing questionnaires within the framework of international obligations’ assessments, preparing self-assessment reports, participating in specialized working groups of those international organizations, and assessing various countries’ compliance with conventions;
* Considering the large volumes of budgetary support and the large-scale donor funding, developing budget programs and performing calculations with the support of the financial department.

The current challenges include non-submission or incomplete submission of information by competent authorities within the specified period, as well as inconsistent data provided by different authorities on the same matter, which create significant problems in terms of anti-corruption monitoring and evaluation and coordination of international obligations by the Department. At the same time, there is a significant discrepancy between the Department's staffing and its functions (the Department has eight staff members). It is necessary to investigate possibility of supplementing the Department’s resources in the framework of this Strategy, as well as in the Strategic Objective 3 of the Public Administration Reform (PAR) strategy, aimed at increasing the institutional efficiency of executive bodies.

* As mandated by law, anti-corruption program officers have been appointed in the state government offices, state administration bodies, and municipalities, ensuring coordination and accountability of anti-corruption programs and international obligations on the level of agencies. However, it is necessary to train anti-corruption program officers and develop corresponding guidelines, taking into account the novelty of the institution and the resulting need for capacity building.
* The Anti-Corruption Policy Council was established in 2019, and a competition was held in December 2022-January 2023 to engage new non-governmental organizations in the Council and ensure rotation.[[58]](#footnote-58)
* Referring to alternative assessments and the role of non-governmental organizations in the fight against corruption, the following should be noted:
* The Armenian Association of Lawyers, together with CSO’s Anti-Corruption Coalition of Armenia, conducts semi-annual monitoring and evaluation of the Anti-Corruption Strategy implementation, presenting relevant recommendations;[[59]](#footnote-59)
* Transparency International Anticorruption Center regularly monitors the implementation of specific directions of the Anti-Corruption Strategy; [[60]](#footnote-60)
* The non-governmental organization Union of Informed Citizens regularly issues statements on the implementation of specific directions of the Anti-Corruption Strategy.

In this context, it is worth mentioning that the engagement of civil society organizations is also ensured through their participation in the Anti-Corruption Policy Council’s activities.[[61]](#footnote-61)

However, to increase the effectiveness of civil society’s role, continuous capacity building for CSOs is also necessary.

* At the same time, given the large scope of functions of the Anti-Corruption Policy Development and Monitoring under the Ministry of Justice and their importance for Armenia, it is necessary to explore the possibilities of adding positions in the Department and developing its institutional capacities. For this purpose, first of all, a needs assessment should be conducted.
* In parallel, mechanisms must be developed to address issues that complicate the process of anti-corruption monitoring and evaluation by the Department, as well as its coordination of international obligations. In particular, mechanisms are needed to ensure that complete information is obtained from competent authorities within the given timeframe, and to decrease the cases of inconsistent information presented by different authorities regarding the same matter.

# **SECTION III: COORDINATION OF IMPLEMENTATION, MONITORING AND EVALUATION OF ANTI-CORRUPTION STRATEGY AND ACTION PLAN FOR 2023-2026**

**Monitoring, evaluation and coordination of the Anti-Corruption Strategy and its Implementation Action Plan**

1. In order to ensure the effectiveness of the implementation of the Anti-Corruption Strategy of the Republic of Armenia and its Action Plan for 2023-2026 (hereinafter: the Action Plan), a public, transparent, innovative monitoring and evaluation system of the Anti-Corruption Strategy with active public participation will be further utilized and continuously improved.
2. The institutions for monitoring and evaluation include the Anti-Corruption Policy Council, the Ministry of Justice, and the Implementing Bodies of Action Plan represented by anti-corruption programs officers.
3. Anti-Corruption Policy Development, Monitoring, and Evaluation Department under the Ministry of Justice of the Republic of Armenia implements the monitoring and evaluation functions of the Strategy and Action Plan at the national level, serving as a body of the specialized institutional structure for anti-corruption policy development, monitoring and evaluation. The department provides the following key functions in monitoring, evaluation and coordination:

* Monitoring anti-corruption processes, international anti-corruption obligations, anti-corruption strategy and deriving activities, monitoring and evaluating the implementation of the strategy and its action plan, preparing relevant reports, and submitting recommendations on the action implementation to the relevant authorities;
* Providing methodological and professional assistance to the anti-corruption program officers of the national government, state administration and local self-government bodies, the staffs of the National Assembly, the President and the Prime Minister, as well as to their replacements; coordinating the activities of these persons within the framework of international anti-corruption obligations;
* Coordinating the anti-corruption strategy implementation process in cooperation with the anti-corruption program officers of the implementing bodies;
* Coordinating the anti-corruption actions and activities aimed at meeting international anti-corruption obligations and implemented within the jurisdiction of the Ministry of Justice;
* Ensuring National Coordination for assessment of international anti-corruption obligations, including developing questionnaires, preparing self-assessment reports, and undertaking other work as needed;
* Organizing the work of the Anti-Corruption Policy Council and carry out the functions of the Council Secretariat (excluding logistic work related to the meeting organization).

Thus, the functions of the Department basically encompass all anti-corruption monitoring and evaluation functions, ensuring the activities, coordination, and accountability within the framework of international obligations, providing methodological assistance to anti-corruption program officers and coordinating their work, and monitoring the implementation of anti-corruption programs.

1. Anti-corruption program officers are the persons/units outlined in Chapter 7.1 of the Law on Public Service under the bodies responsible for the Strategy and Action Plan implementation. They are responsible for intra-agency coordination of the anti-corruption actions implemented within the jurisdiction of the relevant state or local self-government bodies and the activities towards fulfilling international anti-corruption obligations by these bodies. This coordination includes the preparation of respective reports and self-assessments.
2. The Anti-Corruption Policy Council established in 2019 will continue to play a key role in the anti-corruption monitoring and evaluation process.

**2. Monitoring and evaluation procedure of the anti-corruption strategy and its implementation action plan; evaluation methodology**

1. The Department carries out monitoring and evaluation of the Strategy and Action Plan on the basis of the information submitted by the implementing bodies of the Strategy and Action Plan (hereinafter: Implementing Bodies) and Anti-Corruption Program Officers of these bodies. In addition, self-assessment reports, assessments of Armenia’s international anti-corruption obligations, alternative monitoring reports by civil society, and other information available to the Ministry are taken into consideration. The results of monitoring and evaluation are summarized in reports.
2. Monitoring is carried out on a semi-annual and annual basis. The semi-annual monitoring investigates the progress of Activities’ implementation and identifies the hindering factors of the implementation. Intermediate result monitoring, as well as factor monitoring and evaluation, are carried out on annual basis. The result monitoring is conducted on the basis of the result indicators addressing main issues set by the Strategy. The factor monitoring and evaluation reviews and evaluates the implementation of the Action Plan based on the factor indicators defined for each action.
3. Factor monitoring and evaluation is the key measure reflecting the outcome of the Strategy implementation. Factor monitoring and evaluation is carried out not only by the Ministry, but also by the Implementing Bodies.
4. Within the factor monitoring, the performance evaluation results for each action are presented through the following indicators:

(1) fully completed (91-100% of the action activities planned for the given period were completed),

(2) mostly completed (71-90% of the action activities planned for the given period were completed),

(3) partially completed (31-70% of the action activities planned for the given period were completed),

(4) not completed (the activities planned for the given period were not performed or only up to 30% of the planned activities were completed).

1. The overall performance indicator within factor monitoring and evaluation is determined through calculating the weighted average of the variation series.
2. Within 5 business days after the end of the first half of the year, Implementing Bodies submit a report to the Ministry in accordance with the established template, detailing the progress made under the Action Plan and specifying any circumstances (challenges) hindering (prolonging) the implementation of each action. Following the receipt of this information, the Ministry consolidates and summarizes all submitted reports, prepares a semi-annual monitoring report, and publishes the report on the Ministry's website and the Anti-Corruption Monitoring electronic platform by the 20th business day after the end of the first half of the year.
3. Within ten business days after the end of each year, Implementing Bodies provide the Ministry with an annual report on their activities that had to be performed within the action plan, including evaluation of their performance.
4. Upon receiving the information, the Department analyzes, compares, and summarizes the submitted reports and other data available to the Ministry, conducts an assessment, and prepares an annual monitoring and evaluation report.
5. The Ministry publishes the annual monitoring and evaluation report for the previous year on its website and the electronic platform of Anti-Corruption Monitoring by the second decade of March of the current year.
6. The annual monitoring and evaluation report contains the identified deficiencies and gaps, as well as recommendations for their resolution. Prior to the publication, the Ministry presents the draft annual monitoring and evaluation report to the sectoral non-governmental organizations to get their comments and incorporate them in the annual report.
7. To ensure as comprehensive and multifaceted evaluation as possible, civil society organizations can conduct independent monitoring and evaluation on an annual basis and submit the results to the Ministry in timely manner to allow their inclusion in the Ministry’s monitoring and evaluation report. However, only the alternative assessments carried out in accordance with the procedure and methodology established by this section will be considered comparable.
8. By April each year, the Ministry present the results of monitoring and evaluation of previous year's Actions to the Council’s discussion. Following the receipt and discussion of the annual monitoring and evaluation report, the Council, with the input from the relevant implementing bodies, can make recommendations for modifications in the Strategy and Action Plan. The Ministry coordinates the development of any modifications.
9. To assess the impact of the Strategy and Action Plan in the medium and long-term stages, the Ministry may initiate public opinion polls among diverse target groups, which will allow to measure the impact of the reforms and their effects on the public.
10. Upon completing the action plan, the Department drafts a final monitoring and evaluation report, aimed at assessing the progress made as a result of the actions implemented during the reporting years (2023-2026) and the effectiveness of works performed towards addressing problems and achieving goals set by the Strategy. In addition, the report identifies the existing problems, gaps, and challenges. The final monitoring and evaluation report is prepared in accordance with the procedures set forth in this chapter and incorporates the interim findings of the annual monitoring and evaluation reports, assessments and recommendations from international organizations, assessments, monitoring reports, and recommendations by non-governmental organizations, survey results, and international research reports and indices. The final monitoring and evaluation report assesses the end results based on the following key indicators: Transparency International's Corruption Perception Index (baseline: 2018 - 35 points, 2026 - 55 points) and "Anti-corruption Reforms in Armenia" report on 5th Round of Monitoring under the Istanbul Anti-Corruption Action Plan by Anti-Corruption Network for Eastern Europe and Central Asia of the Organization for Economic Cooperation and Development (OECD) (baseline: 2023 report, 2026 - at least a 20-point increase in each performance field).

# **SECTION IV: COST ESTIMATION OF THE ANTI-CORRUPTION STRATEGY AND ITS IMPLEMENTATION ACTION PLAN FOR 2023-2026**

***Table 1: Summary of budget estimation for the Anti-Corruption Strategy Implementation Action Plan for 2023-2026 by funding sources and years, thousand AMD***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **State Budget** | **Other sources not prohibited by legislation** | **Total** |
| ***2023*** | 0.0 | 15,312.5 | 15,312.5 |
| ***2024*** | 0.0 | 3,390,194.8 | 3,390,194.8 |
| ***2025*** | 0.0 | 173,501.7 | 173,501.7 |
| ***2026*** | 0.0 | 135,548.9 | 135,548.9 |
| ***Total*** | **0.0** | **3,714,557.9** | **3,714,557.9** |

***Table 2: Budget estimation of the Anti-Corruption Strategy Implementation Action Plan for 2023-2026 by funding sources and years***

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Goal/ Activity | Responsible state body | Funding source | Total funding needed, thousand AMD | 2023 | 2024 | 2024 | 2025 | 2026 |
| II | I | II |  |  |
|  | **1. PREVENTING CORRUPTION AND STRENGTHENING INTEGRITY SYSTEMS** | | | | | | | | |
| 1.1․ | Review the procedures for selection and liability of the Commission members. | MoJ | No additional funding required | - | - | - | - | - | - |
| 1.2. | Improve the regulations on the proceedings conducted by the Corruption Prevention Commission, define their features, and clarify the functions of the Corruption Prevention Commission as an administrative body. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.3. | Improve the institute of integrity officers. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.4. | Improve the functioning of ethics commissions. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.5. | Improve electronic systems for managing statistics in the field of corruption prevention. | CPC | Other sources not prohibited by legislation | 3,750.0 | - | 3,750.0 | - | - | - |
| 1.6. | Expand the tools for conducting integrity checks. | CPC | Other sources not prohibited by legislation | 3,750.0 | - | 3,750.0 | - | - | - |
| 1.7. | Provide the anti-corruption review of draft legal acts, including both the drafts in the development stage (ex-ante) and the underlying or related legal acts (ex-post) as needed. | CPC | Other sources not prohibited by legislation | 5,000.0 | - | 2,500.0 | 2,500.0 | - | - |
| 1.8. | Harmonize the legislation related to corruption prevention. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.9. | Take measures to establish corruption risk assessment and management systems in state and local self-government bodies. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.10. | Extend the scope of declarant public officials. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.11 | Develop the electronic platform for declarations. | CPC, MoJ | Other sources not prohibited by legislation | 3,200,000.0 | - | 1,600,000.0 | 1,600,000.0 | - | - |
| 1.12. | Expand the scope of officials required to undergo integrity checks | CPC | No additional funding required | - | - | - | - | - | - |
| 1.13. | Specify differences between the integrity check conducted at the appointment or promotion in public office and the ongoing integrity check (including the respective framework and mechanisms). | CPC | No additional funding required | - | - | - | - | - | - |
| 1.14. | Improve the accountability of the body responsible for appointing officials based on the CPC's integrity check conclusions. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.15. | Introduce a requirement on publishing the final part of the integrity check conclusion by the CPC. | CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.16. | Improve the effectiveness of the integrity check system. | CPC, MoJ | No additional funding required | - | - | - | - | - | - |
| 1.17. | Improve the effectiveness of mechanisms for control over the financial activities of political parties. | CPC | No additional funding required | - | - | - | - | - | - |
| 1.18. | Improve the codes of conduct and the mechanisms of their implementation in state and local self-government bodies, following the guidelines approved by the CPC. | CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.19. | Ensure the implementation of the new definition of conflict of interest. | CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.20. | Develop mechanisms for enforcing gift acceptance restrictions. | CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.21. | Enhance the tools for identifying and monitoring incompatibility requirements. | MoJ, CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.22. | Clarify the requirements for "other restrictions" in the legislation. | MoJ, CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.23. | Introduce regulations on lobbying activities (undue influence). | MoJ, CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.24. | Establish provisions to prevent public officials and public servants from using material-technical, financial, and information resources, as well as other state and (or) community property and operational information for non-official or personal purposes. | CPC, MoJ, CSB | No additional funding required | - | - | - | - | - | - |
| 1.25. | Introduce a unified system to enforce liability for violations of integrity system components. | CPC, CSB | No additional funding required | - | - | - | - | - | - |
| 1.26. | Establish a mandatory requirement for enforcing liability measures for persons occupying specific positions. | CPC, CSB | No additional funding required | - | - | - | - | - | - |
|  | **2. IMPROVING LEGAL AND INSTITUTIONAL SYSTEMS FOR COMBATING CORRUPTION** | | | | | | | | |
| 2.1. | Review the procedure for the Anti-Corruption Committee formation. | AC | No additional funding required | - | - | - | - | - | - |
| 2.2. | Ensure the institutional strengthening of the Anti-Corruption Committee. | AC | No additional funding required | - | - | - | - | - | - |
| 2.3. | Implement measures to digitize the activities of the Anti-Corruption Committee, as well as the Department for the Control over the Legality of Pre-Trial Proceedings and Department for the Confiscation of Property of Illicit Origin under the RA Anti-Corruption Committee of the RA Prosecutor General’s Office. | MoJ | Other sources not prohibited by legislation | 5,000.0 | 1,250.0 | 3,750.0 | - | - | - |
| 2.4. | Conduct professional anti-corruption educational courses and trainings for the investigators of the Anti-Corruption Committee, the prosecutors of the Department for the Control over the Legality of Pre-Trial Proceedings and Department for the Confiscation of Property of Illicit Origin under the RA Anti-Corruption Committee of the RA Prosecutor General’s Office. | MoJ | Other sources not prohibited by legislation | 1,008.0 | - | - | 504.0 | 504.0 | - |
| 2.5. | Review the scope of corruption-related crimes and the jurisdiction for their investigation. | MoJ | Other sources not prohibited by legislation | 1,875.0 | 625.0 | 1,250.0 | - | - | - |
| 2.6. | Develop a comprehensive methodology and guidelines for detecting and investigating corruption crimes. | MoJ | Other sources not prohibited by legislation | 3,565.0 | - | 3,125.0 | 220.0 | 220.0 | - |
| 2.7. | Involve experts in economics, finance, and other necessary fields in the operations of anti-corruption law enforcement bodies. | MoJ | Other sources not prohibited by legislation | 66,125.0 | - | - | 8,625.0 | 28,750.0 | 28,750.0 |
| 2.8. | Conduct trainings for judges of anti-corruption courts. | MoJ | No additional funding required | - | - | - | - | - | - |
| 2.9. | Develop methodological guidelines for specialized anti-corruption courts and judges to handle specific cases of confiscating illicit assets and investigating corruption crimes. | MoJ | Other sources not prohibited by legislation | 3,750.0 | - | 1,875.0 | 1,875.0 | - | - |
| 2.10. | Involve experts in economics and other required fields in the work of anti-corruption courts. | SJC | Other sources not prohibited by legislation | 14,375.0 | - | - | 2,875.0 | 5,750.0 | 5,750.0 |
| 2.11. | Establish a unified corruption crime statistics system and upgrade current mechanisms. | MoJ, SJC | Other sources not prohibited by legislation | 23,750.0 | - | - | 3,750.0 | 20,000.0 | - |
| 2.12. | Incorporate topics on preventing and combating corruption in the education and training programs for judges and judicial candidates. | MoJ, AoJ, CPC | No additional funding required | - | - | - | - | - | - |
| 2.13. | Improve and modernize the institute of confiscating property of illicit origin. | GPO | Other sources not prohibited by legislation | 15,000.0 | 2,500.0 | 6,250.0 | 6,250.0 | - | - |
| 2.14. | Enhance the mechanisms of managing the property that was confiscated as a result of levying an attachment and (or) seizing assets of corruption crimes and through the proceedings on the confiscation of the property of illicit origin. | GPO | Other sources not prohibited by legislation | 7,500.0 | - | 3,750.0 | 3,750.0 | - | - |
| 2.15. | Develop methodology and guidelines for the confiscation of property of illicit origin and conduct professional trainings. | GPO | Other sources not prohibited by legislation | 3,565.0 | 1,562.5 | 1,782.5 | 220.0 | - | - |
| 2.16. | Enhance and modernize the methods for combating corruption in the international and transnational platforms with the participation of the Republic of Armenia and improve the international cooperation mechanisms. | GPO | No additional funding required | - | - | - | - | - | - |
| 2.17. | Ensure the effectiveness of the whistleblowing system. | MoJ | Other sources not prohibited by legislation | 11,320.0 | 1,250.0 | 4,375.0 | 4,375.0 | 1,320.0 | - |
| 2.18. | Develop a system for tracking statistics on whistleblowing cases. | MoJ | Other sources not prohibited by legislation | 3,125.0 | 625.0 | 2,500.0 | - | - | - |
| 2.19. | Enhance the whistleblowing e-platform. | MoJ | Other sources not prohibited by legislation | 16,875.0 | - | - | 1,875.0 | 15,000.0 | - |
| 2.20. | Enhance the mechanisms for protecting whistleblowers' rights and discuss the expediency of whistleblowing promotion measures. | MoJ | No additional funding required | - | - | - | - | - | - |
| 2.21. | Conduct an impact assessment for introducing the institute of criminal liability of legal persons and revise the liability of persons exercising de-facto control, the proportionality of sanctions, and anti-corruption incentive mechanisms. | MoJ | No additional funding required | - | - | - | - | - | - |
|  | **3. ANTI-CORRUPTION EDUCATION AND IMPROVING PUBLIC AWARENESS MECHANISMS** | | | | | | | | |
| 3.1. | Develop and implement an educational program on ethics, integrity and anti-corruption for 5-6-year-old children in preschool educational institutions. | MESCS | Other sources not prohibited by legislation | 4,500.0 | - | - | 4,500.0 | - | - |
| 3.2. | Develop and implement a training program on ethics, integrity, and anti-corruption for teaching staff of preschool educational institutions. | MESCS | Other sources not prohibited by legislation | 25,300.0 | - | - | 2,200.0 | 12,980.0 | 10,120.0 |
| 3.3. | Enhance the curricula of the Social Studies included in general secondary education | MESCS | No additional funding required | - | - | - | - | - | - |
| 3.4. | Develop and implement a training program for teachers of Social Studies. | MESCS | Other sources not prohibited by legislation | 11,000.0 | - | - | 4,400.0 | 2,200.0 | 4,400.0 |
| 3.5. | Include ethics, integrity, and anti-corruption education programs in vocational schools and colleges and provide respective training for their teaching staff. | MESCS | Other sources not prohibited by legislation | 2,975.0 | - | 1,250.0 | 625.0 | 1,100.0 | - |
| 3.6. | Conduct scientific research in the area of anti-corruption by the post-graduate professional education institutions at the request of government agencies | MESCS | Other sources not prohibited by legislation | 100,000.0 | - | - | - | 50,000.0 | 50,000.0 |
| 3.7. | Create a platform integrating anti-corruption literature sources in the dedicated section of the Armenian Educational Portal. | MESCS, MoJ | No additional funding required | - | - | - | - | - | - |
| 3.8. | Develop and implement an education program or component on ethics, integrity, and anti-corruption for students upon the consent of the higher education institutions | MESCS | No additional funding required | - | - | - | - | - | - |
| 3.9. | Develop and implement training on ethics, integrity, and anti-corruption for the academic staff in higher education institutions. | MESCS | Other sources not prohibited by legislation | 4,625.0 | - | 1,250.0 | 625.0 | 1,500.0 | 1,250.0 |
| 3.10. | Develop and implement programs in higher education institutions to offer student internships in anti-corruption bodies; provide scholarship opportunities to study anti-corruption in foreign educational institutions. | MESCS | No additional funding required | - | - | - | - | - | - |
| 3.11. | Contribute to the non-formal anti-corruption education programs in educational institutions through establishing anti-corruption clubs in schools and anti-corruption laboratories (R&D) in universities to conduct anti-corruption studies, examine legal acts for corruption, and provide research and analytical support for anti-corruption programs. | MESCS | No additional funding required | - | - | - | - | - | - |
| 3.12. | Develop and implement an anti-corruption public communication and awareness program, incorporating a system for evaluating its effectiveness. | CPC | No additional funding required | 7,500.0 | 2,500.0 | 2,500.0 | 2,500.0 | - | - |
| 3.13. | Enhance the capacities of the Corruption Prevention Commission in the area of non-formal anti-corruption education and public awareness. | CPC | No additional funding required | - | - | - | - | - | - |
| 3.14. | Strengthen the capacities of CSOs and CSO networks to raise funds for non-formal anti-corruption education and public awareness programs. | CPC | No additional funding required | - | - | - | - | - | - |
| 3.15. | Adopt uniform legal regulations in the field of anti-corruption education. | CPC, MESCS | No additional funding required | - | - | - | - | - | - |
|  | **4. BUSINESS INTEGRITY, PROTECTING BUSINESS RIGHTS AND FACILITATING STATE-BUSINESS ADMINISTRATION** | | | | | | | | |
| 4.1. | Introduce anti-corruption compliance mechanisms in the business sector to develop a culture of corporate governance. | MoE | Other sources not prohibited by legislation | 8,385.0 | - | - | - | 3,144.4 | 5,240.6 |
| 4.2. | Establish anti-corruption compliance mechanisms in state and community commercial organizations; enhance accountability mechanisms. | MoJ | No additional funding required | - | - | - | - | - | - |
| 4.3. | Introduce corruption risk assessment and management systems in organizations with state and community participation. | CPC | No additional funding required | 1,760.0 | - | - | 1,760.0 | - | - |
| 4.4. | Strengthen the institutional capacities of the Office of the Human Rights Defender for protecting business rights in relations between the private sector and state bodies. | HRD | Other sources not prohibited by legislation | 45,389.9 | - | 7,565.0 | 7,565.0 | 15,130.0 | 15,130.0 |
| 4.5. | Raise the awareness of the business community about anti-corruption mechanisms and effective protection of their rights. | MoJ | Other sources not prohibited by legislation | 4,500.0 | - | - | 1,500.0 | 1,500.0 | 1,500.0 |
| 4.6. | Enhance the tools used by the CPC to combat corruption in the private sector. | MoJ | No additional funding required | - | - | - | - | - | - |
| 4.7. | Introduce mechanisms to ensure effective functioning of the institute of disclosing beneficial owners. | SRLE MoJ | Other sources not prohibited by legislation | 6,575.0 | - | 2,187.5 | 2,187.5 | - | 2,200.0 |
| 4.8. | Modernize and improve the electronic systems of the State Register of Legal Entities and beneficial ownership declaration, as well as the related regulations. | SRLE MoJ | No additional funding required | - | - | - | - | - | - |
| 4.9. | Increase the efficiency of the tax administration, improve the tools for combating the shadow economy, and reduce biased approach and corruption risks in relations between businesses and tax authorities. | SRC | No additional funding required | - | - | - | - | - | - |
| 4.10. | Improve mechanisms for conflict of interest and anti-corruption in public procurement. | MoF | No additional funding required | - | - | - | - | - | - |
| 4.11. | Improve screening software to detect violations in procurement competitions and develop guidelines for using these tools. | CPEC | Other sources not prohibited by legislation | 26,945.0 | 1,875.0 | 1,875.0 | 20,000.0 | 3,195.0 | - |
| 4.12. | Modernize and improve the procurement planning system | MoF | Other sources not prohibited by legislation | 10,000.0 | - | 5,000.0 | 5,000.0 | - | - |
| 4.13. | Continuously improve the systems of transparency and publicity of the public procurement process. | MoF | Other sources not prohibited by legislation | 6,250.0 | - | 3,125.0 | 3,125.0 | - | - |
| 4.14. | Enhance and improve public procurement accountability mechanisms to foster public and private sector confidence in the procurement process. | MoF | Other sources not prohibited by legislation | 11,500.0 | - | - | 3,833.3 | 3,833.3 | 3,833.3 |
| 4.15. | Continuously develop and enhance institutional structures and mechanisms to increase the effectiveness of detecting corruptive economic offenses. | MoJ | Other sources not prohibited by legislation | 3,890.0 | - | - | 2,130.0 | 880.0 | 880.0 |
|  | **5. ENHANCING ANTI-CORRUPTION MONITORING AND EVALUATION SYSTEM** | | | | | | | | |  |
| 5.1. | Launch an electronic platform for anti-corruption monitoring and evaluation. | MoJ | Other sources not prohibited by legislation | 18,750.0 | - | 3,750.0 | 15,000.0 | - | - |
| 5.2. | Improve the procedure of monitoring and evaluation. | MoJ | Other sources not prohibited by legislation | 4,375.0 | - | 4,375.0 | - | - | - |
| 5.3. | Review the regulations on the activities and inclusiveness of the Anti-Corruption Policy Council. | MoJ | No additional funding required | - | - | - | - | - | - |
| 5.4. | Establish mechanisms to conduct regular surveys on the fight against corruption, including the impact of anti-corruption actions, and ensure their implementation. | MoJ | Other sources not prohibited by legislation | 16,740.0 | - | 3,750.0 | - | 6,495.0 | 6,495.0 |
| 5.5. | Strengthen the capacity of anti-corruption program officers by conducting trainings and developing guidelines. | MoJ | Other sources not prohibited by legislation | 4,265.0 | 3,125.0 | 570.0 | 570.0 | - | - |
| 5.6. | Provide a mechanism to coordinate the regular activities of donors. | MoJ | No additional funding required | - | - | - | - | - | - |
|  |  |  | **Total** | **3,714,557.9** | **15,312.5** | **1,675,855.0** | **1,714,339.8** | **173,501.7** | **135,548.9** |

1. Program of the Government of the Republic of Armenia, 2021-2026, <https://www.gov.am/files/docs/4737.pdf> [↑](#footnote-ref-1)
2. Previously, only the given person was held criminally liable for certain actions in favor of a legal entity, while now not only the given person, but also the corresponding legal entity is held liable. For example, in case of tax avoidance of that legal entity, committed by an employee with the knowledge of the company director, the new regulations make liable the employee, the director and the legal entity. [↑](#footnote-ref-2)
3. Law on Public Service, Article 34, Part 1. [↑](#footnote-ref-3)
4. <https://moj.am/storage/files/pages/pg_7967694028641_AC_M-A_Report_final_2023-compressed_1_.pdf> [↑](#footnote-ref-4)
5. Eastern Partnership Index 2020-21, Eastern Partnership Civil Society Forum, <https://eap-csf.eu/wp-content/uploads/EaP-Index-2020-2021.pdf>. [↑](#footnote-ref-5)
6. <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-18June2021/CAC-COSP-IRG-II-3-1-ADD.3/V2102056_E.pdf> [↑](#footnote-ref-6)
7. [Armenia\_Final-Presentation\_08.05.2023\_Arm.pdf](about:blank) [↑](#footnote-ref-7)
8. <https://www.crrc.am/wp-content/uploads/2022/11/Corruption-in-Armenia_Research-report_Arm.pdf> [↑](#footnote-ref-8)
9. <https://www.oecd.org/countries/armenia/anti-corruption-reforms-in-armenia-e56cafa9-en.htm> [↑](#footnote-ref-9)
10. <https://www.coe.int/en/web/greco/evaluations/armenia> [↑](#footnote-ref-10)
11. <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-18June2021/CAC-COSP-IRG-II-3-1-ADD.3/V2102056_E.pdf> [↑](#footnote-ref-11)
12. Each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the maintenance of books and records, financial statement disclosures and accounting and auditing standards, to prohibit the following acts carried out for the purpose of committing any of the offenses established in accordance with this Convention:

    (a) The establishment of off-the-books accounts;

    (b) The making of off-the-books or inadequately identified transactions;

    (c) The recording of non-existent expenditure;

    (d) The entry of liabilities with incorrect identification of their objects;

    (e) The use of false documents; and

    (f) The intentional destruction of bookkeeping documents earlier than foreseen by the law.

    (<https://www.arlis.am/documentview.aspx?docID=48021>) [↑](#footnote-ref-12)
13. OGP-Armenia National Action Plan 2018-2020, <https://ogp.gov.am/en/previous-action-plans/action-plan-8>. [↑](#footnote-ref-13)
14. https://ogp.gov.am/files/action\_plans/1/162868513166.pdf. [↑](#footnote-ref-14)
15. <https://www.e-draft.am/projects/4581/about>. [↑](#footnote-ref-15)
16. The Institutional Integrity System in the Public Administration of Armenia, Transparency International Anticorruption Center, Yerevan 2021, <https://transparency.am/en/publication/pdf/244/1352>. [↑](#footnote-ref-16)
17. See the details in Part 1. [↑](#footnote-ref-17)
18. <http://parliament.am/draft_history.php?id=13534> [↑](#footnote-ref-18)
19. See the details in Section 1. [↑](#footnote-ref-19)
20. See: “Monitoring of the Actions of the Republic of Armenia Anti-Corruption Strategy and Its Implementation Action Plan for 2019-2022 to be performed in 2021”, CSOs’ Anti-Corruption Coalition of Armenia, Yerevan, 2022. [↑](#footnote-ref-20)
21. <https://www.oecd-ilibrary.org/governance/anti-corruption-reforms-in-armenia_e56cafa9-en>: [↑](#footnote-ref-21)
22. <https://www.crrc.am/research/armenia-integrity-project-public-perception-of-corruption/> [↑](#footnote-ref-22)
23. [https://www.cambridge.org/core/books/abs/quest-for-good-governance/understanding-control-of- corruption/8800D938FE8451FF1252AC0DA735D2F4](https://www.cambridge.org/core/books/abs/quest-for-good-governance/understanding-control-of-%20%20%20corruption/8800D938FE8451FF1252AC0DA735D2F4) [↑](#footnote-ref-23)
24. See: Corruption Prevention Commission’s 2021 Annual Report presented to the National Assembly, <http://cpcarmenia.am/files/legislation/657.pdf>. [↑](#footnote-ref-24)
25. See: “Monitoring of the Actions of the Republic of Armenia Anti-Corruption Strategy and Its Implementation Action Plan for 2019-2022 to be performed in 2021”, Armenian Lawyers’ Association and CSOs’ Anti-Corruption Coalition of Armenia. [↑](#footnote-ref-25)
26. See: Program of the Government of the Republic of Armenia, approved by the RA Government Decision No. 1363-A of 18 August 2021, available at: <https://www.gov.am/files/docs/4586.pdf>. [↑](#footnote-ref-26)
27. See: Armenian Lawyers’ Association, Report on Public Monitoring Results of the Actions of the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2019-2022, Yerevan 2022, <https://armla.am/wp-content/uploads/2022/06/%D5%80%D4%BF%D4%BF-%D5%B4%D5%B8%D5%B6%D5%AB%D5%A9%D5%B8%D6%80%D5%AB%D5%B6%D5%A3_%D5%A6%D5%A5%D5%AF%D5%B8%D6%82%D5%B5%D6%81_Final.pdf> [↑](#footnote-ref-27)
28. See: OECD report “Anti-Corruption Reforms in Armenia: Pilot 5th Round of Monitoring Under the Istanbul Anti-Corruption Action Plan” [(oecd-ilibrary.org)](https://www.oecd-ilibrary.org/docserver/e56cafa9-en.pdf?expires=1659340701&id=id&accname=guest&checksum=8CEA3B50F068FEB1AF4FBBABA2A86A44) [↑](#footnote-ref-28)
29. See: <https://www.e-gov.am/u_files/file/decrees/varch/2022/820_1.pdf> [↑](#footnote-ref-29)
30. Within the framework of the Anti-Corruption Communication Action Plan 2022, approved by the decision of the Prime Minister of July 18, 2022 N 820-L, the public was informed about anti-corruption reforms at least 7 times in 6 months. [↑](#footnote-ref-30)
31. See: Caucasus Research Resource Center, Public Opinion Survey on Corruption, Yerevan, 2022. [↑](#footnote-ref-31)
32. See: Public Opinion Survey on Corruption in Armenia, Yerevan, 2022, pp. 9-10. [↑](#footnote-ref-32)
33. See: Report of the Expert Advisory Group on Anti-Corruption, Transparency, and Integrity in Latin America and the Caribbean. Authors: Eduardo Engel, Delia Ferreira Rubio, Daniel Kaufmann, Armando Lara Yaffar, Jorge Londoño Saldarriaga, Beth Simone Noveck, Mark Pieth, and Susan Rose-Ackerman. 2018 Inter-American Development Bank, p. 22: [↑](#footnote-ref-33)
34. See: Annual Report 2020 of Corrupt Practices Investigation Bureau of Singapore, which states that the majority of all cases registered for investigations (86%) in 2020 were from the private sector, with only 9% of these involving public sector employees (<https://www.cpib.gov.sg/files/research%20room_%20Annual%20Corruption%20Stats%202020%20Press%20Release.pdf>, p. 4). United Kingdom’s Anti-Corruption Strategy for 2017-2022 has six priorities, and the Priorities 2, 3, 4 and 5 are directly related to the private sector. (<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/667221/6_3323_Anti-Corruption_Strategy_WEB.pdf>). France's Transparency, Anti-Corruption and Economic Modernization Law 2016-1691 (Sapin II) clearly requires the French anti-corruption authority to prepare guidelines for both the public and private sectors to prevent bribery, abuse of influence, extortion, favoritism, etc. (<https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000033558528/>) [↑](#footnote-ref-34)
35. See: https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-18June2021/CAC-COSP-IRG-II-3-1-ADD.3/V2102056\_E.pdf [↑](#footnote-ref-35)
36. See: OECD report “Anti-Corruption Reforms in Armenia: Pilot 5th Round of Monitoring Under the Istanbul Anti-Corruption Action Plan” [(oecd-ilibrary.org)](https://www.oecd-ilibrary.org/docserver/e56cafa9-en.pdf?expires=1659340701&id=id&accname=guest&checksum=8CEA3B50F068FEB1AF4FBBABA2A86A44)

    [↑](#footnote-ref-36)
37. <https://moj.am/page/583> [↑](#footnote-ref-37)
38. The Business Integrity Club, founded and led by Corporate Governance Center, has a mission to improve the business environment in Armenia by promoting a culture of integrity. The aim of the Business Integrity Club is to promote the transparency and accountability of Armenia’s business environment, increase confidence in the country’s economic system and support the economy in attracting long-term, patient and constructive investments, and contribute to the viability of business sector. In the framework of the Business Integrity Club anti-corruption compliance mechanisms were introduced in approximately 22 companies. [↑](#footnote-ref-38)
39. <https://www.state.gov/reports/2022-investment-climate-statements/armenia/>

    [↑](#footnote-ref-39)
40. The assessment was carried out by ADWISE consulting company in cooperation with the Ministry of Justice of the Republic of Armenia in April 2023, within the framework of the assignment by the Center for International Private Enterprise (CIPE) "Private Sector Corruption Risks Assessment in the Field of Public Administration Services in the Republic of Armenia". [↑](#footnote-ref-40)
41. See: https://corpgov.am/wp-content/uploads/2021/08/anti-corruption-compliance-guide.pdf?download=false

    [↑](#footnote-ref-41)
42. See: <https://corpgov.am/wp-content/uploads/2021/09/g20_oecd-principles-of-corporate-governance-arm.pdf>. The principles are intended to help policy makers evaluate and improve the legal, regulatory, and institutional framework for corporate governance, with a view to supporting economic efficiency, sustainable growth and financial stability. This is primarily achieved by providing shareholders, board members and executives, the workforce and relevant stakeholders, as well as financial intermediaries and service providers with the right information and incentives to perform their roles and help to ensure accountability within a framework of checks and balances. [↑](#footnote-ref-42)
43. This requirement is identified in OECD's Pilot 5th Round Monitoring report. [↑](#footnote-ref-43)
44. This requirement is identified in OECD's Pilot 5th Round Monitoring report. [↑](#footnote-ref-44)
45. See: Private Sector Corruption Risks Assessment in the Field of Public Administration Services in the Republic of Armenia (to be published soon). [↑](#footnote-ref-45)
46. It is a widespread international practice for corruption prevention bodies to arrange consultations with business sector representatives. During these consultations, business representatives openly discuss narrow sector corruptive schemes and related issues, such as taxation, customs, public procurement, licenses and permits. The information obtained is not used for criminal prosecution but for identifying problems. In this scenario, business representatives do not fear worsening business relations, allowing corruption prevention bodies and as a result the policy makers to get first-hand information about the problems. [↑](#footnote-ref-46)
47. See: U4 Anti-Corruption Resource Center, Armenia: Overview of Corruption and Anti-corruption), <https://www.u4.no/publications/armenia-overview-of-corruption-and-anti-corruption> [↑](#footnote-ref-47)
48. <https://www.unodc.org/documents/corruption/Publications/2015/National_Anti-Corruption_Strategies_-_A_Practical_Guide_for_Development_and_Implementation_E.pdf> , pp. 16, 31, 37, 42-50 [↑](#footnote-ref-48)
49. <https://www.unodc.org/documents/southeastasiaandpacific/2013/10/corruption/Kuala_Lumpur_Statement_on_Anti-Corruption_Strategies_Final_21-22_October_2013.pdf>; <https://transparency.am/files/statements/1548064401-49-259867.pdf> [↑](#footnote-ref-49)
50. <https://transparency.am/files/statements/1548064401-49-259867.pdf> [↑](#footnote-ref-50)
51. <http://rai-see.org/wp-content/uploads/2015/05/Methodology_on_Monitoring_2015.pdf> [↑](#footnote-ref-51)
52. <http://www.anti-corruption.org/wp-content/uploads/2017/04/RBAP-DG-2014-Anti-Corruption-Strategies.pdf> [↑](#footnote-ref-52)
53. <http://www.anti-corruption.org/wp-content/uploads/2017/04/RBAP-DG-2014-Anti-Corruption-Strategies.pdf>, էջ 26-27 [↑](#footnote-ref-53)
54. <https://www.cmi.no/publications/file/4171-how-to-monitor-and-evaluate-anti-corruption.pdf> , էջ 20-22, 28 [↑](#footnote-ref-54)
55. <http://documents1.worldbank.org/curated/en/129401593200074880/text/Monitoring-and-Evaluation-M-E-of-Anti-Corruption-Action-Plans.txt> [↑](#footnote-ref-55)
56. RA Prime Minister Decision N 1508-L of 12 December 2021 "On approving the methodological instruction for the development, presentation and oversight of strategic documents affecting state revenues and expenditures." [↑](#footnote-ref-56)
57. <https://www.oecd.org/corruption/acn/OECD-ACN-Armenia-4th-Round-Monitoring-Report-July-2018-ENG.pdf> [↑](#footnote-ref-57)
58. <https://anti-corruption.gov.am/am/news_page?content.cid=135> ,

    <https://anti-corruption.gov.am/am/news_page?content.cid=137> [↑](#footnote-ref-58)
59. <https://armla.am/49074.html> , <https://armla.am/?s=%D5%80%D5%A1%D5%AF%D5%A1%D5%AF%D5%B8%D5%BC%D5%B8%D6%82%D5%BA%D6%81%D5%AB%D5%B8%D5%B6+%D5%BC%D5%A1%D5%A6%D5%B4%D5%A1%D5%BE%D5%A1%D6%80%D5%B8%D6%82%D5%A9%D5%B5%D5%A1%D5%B6+%D6%87+%D5%A4%D6%80%D5%A1+%D5%AB%D6%80%D5%A1%D5%AF%D5%A1%D5%B6%D5%A1%D6%81%D5%B4%D5%A1%D5%B6> [↑](#footnote-ref-59)
60. For details, see the Chapter "Prevention of Corruption and Civil Society Organizations" in the Section on Preventing Corruption of this document. [↑](#footnote-ref-60)
61. <https://www.arlis.am/DocumentView.aspx?docid=173833> [↑](#footnote-ref-61)