

# Independent Reporting Mechanism Armenia: Progress Report 2012-13

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## EXECUTIVE SUMMARY: ARMENIA

Independent Reporting Mechanism (IRM) Progress Report 2012-13

**Armenia’s national action plan contained fifteen commitments, of which five were ambitious. Seven of these were relevant to an OGP Value, and eight were substantially or completely implemented. The next action plan provides, both, civil society and government an opportunity to work together and enhance the relevance of OGP for citizens.**

The Open Government Partnership (OGP) is a voluntary international initiative that aims to secure commitments from governments to their citizenry to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. The Independent Reporting Mechanism (IRM) carries out a biannual review of the activities of each OGP participating country.

The Republic of Armenia officially began participating in OGP in October 2011, when Edward Nalbandian, the Minister of Foreign Affairs, declared the government’s intent to join.

In Armenia, a working group set up by a Prime Minister’s decree was in charge of drafting the OGP action plan. The representatives from Ministries of Foreign Affairs, Territorial Administration, Justice, and Finance and Economy were appointed to the working group. The America department of the Ministry of Foreign Affairs was in charge of coordinating activities related to drafting the action plan.

The action plan was approved by a “protocol decree” on 5 April 2012 by the Ministerial Committee on Institutional-Legal Affairs

### OGP PROCESS

Countries participating in OGP follow a process for consultation during development of their OGP action plan and its implementation. Armenia developed its OGP action plan with participation from select civil society organizations (CSOs) that work in the areas of freedom of information, accountability, and anticorruption. However, several factors limited participation. Most notably, the government did not provide advance notice for consultations or invite CSOs to submit proposals for the draft action plan.

Eight representatives of CSOs participated in in-person consultations, which they considered “meaningful.” However, these organizations noted that the draft action plan was not posted on the government website for public comment. The Freedom of Information Center created a website dedicated to OGP, which was recognized by the government. The government’s process for seeking stakeholder comments when drafting its progress report on implementation, had several weaknesses, including the lack of a two-week public comment period, before the September 30, 2013 deadline as mandated by OGP guidelines.

### At a glance

Member since: 2011  
Number of commitments: 15

### Level of Completion

Completed: 7 of 15  
Substantial: 1 of 15  
Limited: 7 of 15

### Timing

On schedule: 6 of 15  
Ahead of schedule: 1 of 15

### Commitment emphasis:

Access to information: 4 of 15  
Civic participation: 1 of 15  
Accountability: 7 of 15  
Technology and innovation for transparency and accountability: 3 of 15

### Number of Commitments with:

Clearly relevant to an OGP Value: 7 of 15  
Moderate or transformative potential impact: 5 of 15  
Substantial or complete implementation: 8 of 15

All three (🌟): 1 of 15

## COMMITMENT IMPLEMENTATION

As part of OGP, countries are required to make commitments in a two-year action plan. Table 1 summarizes each of Armenia's 15 commitments, including its potential impact, its level of completion, whether it is on schedule, and the key next steps for future OGP action plans. Armenia's plan covered a wide variety of sectors and had ambitious commitments. Armenia completed 7 of its 15 commitments. Table 2 summarizes the IRM researcher's assessment of progress on each commitment.

*Table 1. Assessment of Progress by Commitment*

COMMITMENT	POTENTIAL IMPACT				LEVEL OF COMPLETION				TIMING	NEXT STEPS
	NONE	MINOR	MODERATE	TRANSFORMATIVE	NONE	LIMITED	SUBSTANTIAL	COMPLETE		
<p>★ COMMITMENT IS CLEARLY RELEVANT TO OGP VALUES AS WRITTEN, HAS SIGNIFICANT POTENTIAL IMPACT, AND IS SUBSTANTIALLY OR COMPLETELY IMPLEMENTED.</p>										
<p><b>1.1 a. Introduce a unified payment system (portal):</b> Introduce an online unified payment system for state fees (e.g., licenses, permits, services).</p>									On schedule	None: Completed commitment
<p><b>1.1.b. Improve system for car inspection and licensing:</b> Use the one-stop shop principle for car registration and other vehicle services.</p>									On schedule	<b>New commitment</b> based on existing implementation
<p><b>1.1.c. Implement an electronic system for consular services:</b> Implement electronic consular services.</p>									Behind schedule	None: Abandon commitment
<p><b>1.1.d. Implement Mail-Armenia system:</b> Citizens who apply for a passport for the first time will be provided with an email address, which will be used for all state notifications.</p>									Behind schedule	Revision of commitment to be more achievable or measurable
<p><b>1.1.e. Introduce e-statistics system:</b> Introduce an electronic filing system for state statistical service reports.</p>									Behind schedule	New commitment
<p><b>1.1.f. Introduce e-documentation sharing system in urban communities:</b> Connect 48 urban administrations to the Mulberry electronic document-sharing system.</p>									On schedule	None: Completed commitment
<p><b>1.2. Review the regulatory normative legal acts (Regulatory Guillotine Project):</b> Create a national regulatory framework, inspired by international best practices, to ensure a business- and citizen-friendly regulatory environment.</p>									On schedule	New commitment
<p><b>1.3. Improve the internal audit system for the public sector:</b> Implement the new internal audit system, based on international standards and best practices, in all central governmental entities, town communities and <b>commercial and noncommercial government organizations.</b></p>									On schedule	None: Completed implementation

COMMITMENT	POTENTIAL IMPACT				LEVEL OF COMPLETION				TIMING	NEXT STEPS
	NONE	MINOR	MODERATE	TRANSFORMATIVE	NONE	LIMITED	SUBSTANTIAL	COMPLETE		
<p>⊛ COMMITMENT IS CLEARLY RELEVANT TO OGP VALUES AS WRITTEN, HAS SIGNIFICANT POTENTIAL IMPACT, AND IS SUBSTANTIALLY OR COMPLETELY IMPLEMENTED.</p>										
<p><b>1.4. Improve procurement procedures:</b> Disclose detailed information, ensure better compliance, transparency and competition to improve the procurement system and enhance the institutional capacity of public procurement bodies.</p>								Behind schedule	Further work on basic implementation	
<p><b>1.5. Improve budget planning and reporting systems through full utilization of program budgeting:</b> Introduce program budgeting by 2014 to improve reporting on the use of public funds to ensure accountability and transparency in sectors and Ministries, and strengthen internal and external auditing procedures.</p>								Behind schedule	Further work	
<b>2.1 Promoting Access To Information</b>										
<p><b>2.1.a. Ensure transparency of asset disclosure:</b> Ensure public access to asset and income declarations of high-ranking officials by posting the declarations on the website of the newly established Ethics Commission.</p>								Behind schedule	Further work	
<p><b>2.1.b. Standardize official website content:</b> Ensure regular publication of information related to budgets as well as day-to-day functions of government, in keeping with the law on freedom of information.</p>								Behind schedule	Maintenance and monitoring of completed implementation	
<p>⊛ <b>2.1.c. Improve knowledge and skills of public servants about access to information:</b> Organize training sessions, in collaboration with civil society organizations, to improve knowledge and skills of public servants on access to information.</p>								On schedule	Maintenance and monitoring	
<p><b>2.2. Promote transparency and objectivity in tax administration:</b> By the end of 2013 use electronic processing for 90 percent of taxpayers' reports, and create information centers to raise awareness and provide assistance to taxpayers.</p>								Ahead of Schedule	New commitment	
<p><b>2.3. Fight against corruption:</b> Develop government anticorruption policies based on feedback from civil society. Set up a Secretariat to assist the Council on the Fight against Corruption, as well as to facilitate interaction between state and civil society organizations.</p>								Behind schedule	Further work	

Table 2. Summary of Progress by Commitment

COMMITMENT	SUMMARY OF FINDINGS
<p>★ COMMITMENT IS CLEARLY RELEVANT TO OGP VALUES AS WRITTEN, HAS SIGNIFICANT POTENTIAL IMPACT, AND IS SUBSTANTIALLY OR COMPLETELY IMPLEMENTED.</p>	
<p>11.a. Introduce a unified payment system (portal)</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Complete</li> </ul>	<p>The unified payment system is designed to make payments observable by the state body. The commitment lacked relevance to core OGP values. Civil society representatives did not express an interest in this commitment.</p>
<p>1.1.b. Improve system for car inspection and licensing</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Complete</li> </ul>	<p>This commitment improved provision of car registration and other vehicle related services. However, according to civil society representatives, this commitment lacked relevance to core OGP values.</p>
<p>1.1.c. Implement an electronic system for consular services</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Substantial</li> </ul>	<p>This system was implemented in more than half the consular services; however, civil society organizations (CSOs) did not consider it an important OGP commitment.</p>
<p>1.1.d. Implement Mail-Armenia system</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Limited</li> </ul>	<p>The commitment has been partially implemented; however, rather than only receive government notifications the system should enable citizens to submit questions and requests for information to government. Further work is required to make this commitment relevant to core OGP values of access to information and public participation.</p>
<p>1.1.e. Introduce e-statistics system</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Limited</li> </ul>	<p>The commitment is difficult to understand. As written it does not articulate how it will promote the OGP values of access to information and accountability.</p>
<p>1.1.f. Introduce e-document sharing system in urban communities</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Complete</li> </ul>	<p>Implementation is complete. However, its relevance for OGP is unclear. Although sharing electronic documents through the Mulberry system is beneficial for exchanging information among state bodies, the commitment does not provide public access to government information.</p>
<p>1.2. Review the regulatory normative legal acts (Regulatory Guillotine Project)</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Complete</li> </ul>	<p>This commitment was fulfilled. Some CSOs suggested simplifying the business process as an important commitment. In the next action plan the Government should formulate a new commitment building on this one to improve the business environment in Armenia.</p>
<p>1.3. Improve internal audit system for the public sector</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Unclear</li> <li>• Potential impact: Minor</li> <li>• Completion: Complete</li> </ul>	<p>Improving an internal auditing system focused on increasing transparency and strengthening the public financial management system. CSOs were less interested in this commitment because the results of internal audit investigations are not subject to public disclosure.</p>
<p>1.4. Improve procurement procedures</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Clear</li> <li>• Potential impact: Moderate</li> <li>• Completion: Limited</li> </ul>	<p>Even though there is an opinion that the Armenian legislation on procurement is generally in line with international standards, according to civil society organisations and experts are of the view that its implementation needs further efforts to identify endemic problems with the existing procurement system, and to ensure better implementation.</p>
<p>1.5. Improve budget planning and reporting systems through full utilization of program budgeting</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Clear</li> <li>• Potential impact: Transformative</li> <li>• Completion: Limited</li> </ul>	<p>Implementation of this commitment will strengthen parliamentary as well as public oversight of different budgetary programs. As a result, the public as well as parliament will gain more access to program- and sector-specific performance indicators. Program budgeting was to be fully introduced in 2014 as defined in the action plan, but this commitment is behind schedule and will be fully introduced in 2018.</p>
<p>2.1 Promoting Access To Information</p>	
<p>2.1.a. Ensure transparency of asset declaration</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Clear</li> <li>• Potential impact: Transformative</li> <li>• Completion: Limited</li> </ul>	<p>The GoA is working on program budgeting since 2004 and the first legislative changes related to program budgeting took place only in 2013. A legislation to ensure transparency in assets declaration was in place for several years, but there was no tool to implement it. This commitment assumed introduction of website to publicly disclose assets and income of all high-ranking public officials. CSOs proactively monitored its implementation. Although the commitment represents a significant step forward, only half of all high-ranking public officials' assets and income declarations have been made public.</p>

<p>2.1.b. Standardize official website content</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Clear</li> <li>• Potential impact: Moderate</li> <li>• Completion: Limited</li> </ul>	<p>A draft government decree was presented that ensures all information as prescribed by the Law on Freedom of Information is published regularly. This draft decree however, is yet to be finalized. While the government self-assessment report states it consulted analysts on how to implement this commitment, it is unclear whether any CSOs were consulted. The government is yet to disclose the results of the consultations and approve the decree.</p>
<p>2.1.c. Improve knowledge and skills of public servants about access to information</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Clear</li> <li>• Potential impact: Moderate</li> <li>• Completion: Complete</li> </ul>	<p>In collaboration with a CSO, the government trained officials on the Law on Freedom of Information. This commitment is a good example of collaboration between civil society and government.</p>
<p>2.2. Promote transparency and objectivity in tax administration</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Clear</li> <li>• Potential impact: Minor</li> <li>• Completion: Complete</li> </ul>	<p>This commitment called for an online system to process at least 90 percent of all taxpayers' reports. Service and information centers were also established to assist taxpayers. Although the service centers and online system have become popular with taxpayers, it is early to assess the impact of the new system to enhance transparency in tax administration.</p>
<p>2.3. Fight against corruption</p> <ul style="list-style-type: none"> <li>• OGP value relevance: Clear</li> <li>• Potential impact: Minor</li> <li>• Completion: Limited</li> </ul>	<p>Since 2009, the government has made continuous efforts to fight corruption; however, limited information on specific activities on its fight against corruption is publicly available. This commitment included the establishment of a Secretariat to assist the government's Council on Fight against Corruption and an obligation to consult with CSOs and based on the results of consultations to make changes to specific anti-corruption activities. In general the GoA doesn't consult with the CSOs or consults with selected CSOs, thus this was an important commitment. However, as of June 2013 the secretariat has not been established as required by the governments anti-corruption strategy for 2009-2012 and there is no evidence that the government consulted the civil society on its fight against corruption and made changes to its activities based on these consultations.</p>

## RECOMMENDATIONS

In Armenia, for the OGP to be an important tool that makes government more open, accountable, and responsive to its citizens, both civil society and government need to work together to improve the relevance of OGP and its core values among citizens and officials. Based on the challenges and findings identified in this action plan, the principal recommendations are:

1. The action plan preparation process should comply with the following minimum standards: (a) include wider public involvement; (b) provide advance notice for all public consultations; (c) publish summaries of recommendations received; (d) clearly formulate timelines and responsibilities for agencies and officials responsible for the commitments.
2. To guarantee that important issues relevant to the Armenian people are incorporated in the action plan, civil society organizations must get involved with the OGP process, participate in consultations, and use opportunities created by the government for the upcoming action plan.

The action plan should include commitments that are directly related to OGP values in the areas of: (a) fight against corruption; (b) public financial management (including public procurements and program budgeting); (c) education; (d) health; (e) environmental protection; (f) tax administration and (g) transparency of asset and income declarations of high level government officials.

**Eligibility Requirements 2012:** To participate in OGP, governments must demonstrate commitment to open government by meeting minimum criteria on key dimensions of open government. Third-party indicators are used to determine country progress on each of the dimensions. For more information, visit <http://www.opengovpartnership.org/how-it-works/how-join/eligibility-criteria>. Raw data has been recoded by OGP staff into a four-point scale, listed in parentheses below.

<b>Budget Transparency:</b> Not Evaluated	<b>Access to Information:</b> Law enacted	(2 of 4)	
<b>Asset Disclosure:</b> Elected officials to Parliament only	(3 of 4)	<b>Civic Participation:</b> 5.88 of 10	(3 of 4)

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The Open Government Partnership (OGP) aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. OGP's Independent Reporting Mechanism assesses development and implementation of national action plans to foster dialogue among stakeholders and improve accountability.



## I. BACKGROUND

The Open Government Partnership (OGP) is a voluntary, multistakeholder international initiative that aims to secure concrete commitments from governments to their citizenry to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. In pursuit of these goals, OGP provides an international forum for dialogue and sharing among governments, civil society organizations, and the private sector, all of which contribute to a common pursuit of open government. OGP stakeholders include participating governments as well as civil society and private sector entities that support the principles and mission of OGP.

### Introduction

The Republic of Armenia began the process of joining OGP in January 2012. An OGP working group was set up by a 2012 Prime Minister's decree<sup>1</sup> to draft the OGP Armenian Action Plan.

To participate in OGP, governments must exhibit a demonstrated commitment to open government by meeting a set of minimum performance criteria on key dimensions of open government that are particularly consequential for increasing government responsiveness, strengthening citizen engagement, and fighting corruption. Indicators produced by organizations other than OGP determine the extent of country progress on each of the dimensions, with points awarded as described below. Armenia entered into the partnership meeting some of the minimal requirements for eligibility, with a high score in some of the criteria. At the time of joining, the country had the lowest possible ranking for "open budgets,"<sup>2</sup> fulfilled the principle of "access to information" through its Law on Freedom of Information,<sup>3</sup> had a high score in "asset disclosure" based on a limited presentation of assets of elected officials to the Parliament,<sup>4</sup> and had a score of 5.88 out of a possible 10 on the Economist Intelligence Unit's Democracy Index Civil Liberties subscore.<sup>5</sup>

All OGP participating governments must develop OGP country action plans that elaborate concrete commitments over an initial two-year period. Governments should begin their action plans by sharing existing efforts related to a set of five "grand challenges," including specific open government strategies and ongoing programs. (See Section 4 for a list of grand challenge areas.) Action plans should then set out each government's OGP commitments, which stretch government practice beyond its current baseline with respect to the relevant grand challenge. These commitments may build on existing efforts, identify new steps to complete ongoing reforms, or initiate action in an entirely new area.

Along with the other cohort 2 OGP countries, Armenia developed its national action plan from January through April 2012. The official start date for the action plan submitted in April was 1 July 2012 for implementation through 2013. Armenia published its self-assessment in October 2013. According to the OGP schedule,<sup>6</sup> officials and civil society members were to revise the first plan or develop a new plan by April 2014, with consultations beginning January 2014.

Pursuant to OGP requirements, the Independent Reporting Mechanism (IRM) of OGP partnered with an experienced, independent local researcher to carry out an evaluation of the development and implementation of the country's first action plan. In Armenia, the IRM partnered with Artak Kyurumyan, an independent researcher with expertise in governance, who authored this progress report. It is the aim of the IRM to inform ongoing dialogue around development and implementation of future commitments in each OGP-participating country.



### Institutional Context

In January 2012, a working group was set up by an Armenian Prime Minister's decree<sup>7</sup> to draft the action plan. The Ministry of Foreign Affairs (MFA) was charged with responsibility to draft an action plan and submit it to the Government of Armenia (GoA) staff by 19 March 2012. Nine government officials were appointed to the OGP working group; they included representatives from the GoA staff, the MFA, the Ministry of Territorial Administration, the Ministry of Justice, the Ministry of Finance, and the Ministry of Economy. Since the invitation to join the OGP came from U.S. Secretary of State Hilary Clinton, the America department of the MFA was charged with the responsibility to coordinate activities related to drafting of the action plan. The action plan was approved by a "protocol decree" on 5 April 2012 by the Ministerial Committee on Institutional-Legal Affairs. In Armenia, important government documents are usually approved by government decrees. The Armenian Law<sup>8</sup> "About Legal Acts" does not contain the term "protocol decree". The President of Armenia defined the term "protocol decree" in a 2007 order.<sup>9</sup> Protocol decrees are used to approve reports, proposals, etc. Ministerial committees are established by a Prime Minister's decree to give an opinion about drafts of policy documents and legal acts.<sup>10</sup> This is the first time the IRM researcher witnessed a case in which an international commitment taken on by the GoA was adopted by a "protocol decree" approved by the Ministerial committee. However, one must take into account that most OGP commitments are based on existing activities that already had the necessary legal basis. The head of the America department of the MFA explained that the GoA decided to approve the OGP Armenian Action Plan by means of a protocol decree because time pressures made it infeasible to seek the passage of the document through all the procedures for a government decree. The Armenian action plan was officially presented at the Ministry of Foreign Affairs on 10 April 2012. The members of the working group and the representatives of the embassies of the United States and Brazil were invited to this presentation.<sup>11</sup> The OGP Armenian Action Plan was officially presented to the international community during a high-level annual meeting of the Open Government Partnership initiative on 17–18 April 2012 in Brazil by the deputy minister of the MFA.

### Methodological Note

IRM partners with experienced, independent national researchers to author and disseminate reports for each OGP participating government. In Armenia, IRM partnered with Artak Kyurumyan, an independent researcher with expertise in governance. The IRM researcher reviewed two key documents provided by the national government: the first OGP Armenian Action Plan,<sup>12</sup> and the government's self-assessment of the first action plan.<sup>13</sup> The IRM researcher also discussed the action plan and its individual commitments during several face-to-face meetings with civil society organizations (CSOs) in four meetings (referred to as IRM researcher meetings) organized in 2013. These IRM researcher meetings were held in Gyumri on 2 October, with four CSO representatives present; in Vanadzor on 3 October, with six CSO representatives; in Yerevan on 4 October, with several members of the Public Network, a coalition of CSOs; and on 23 October in Yerevan, with eight representatives from five CSOs. Most CSOs considered the commitments related to the fight against corruption, the promotion of access to information, budget transparency, public procurement, and the promotion of transparency and objectivity in tax administration as the most important commitments. The CSOs considered the e-governance-related activities as less important and less relevant to the OGP. The CSOs also expressed an interest in including some commitments that would enhance public participation and access to government information on issues such as education, health, environmental protection, and tax administration.

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<sup>1</sup> Prime Minister's Decree N50-A, 27 January 2012.

<sup>2</sup> Open Budget Partnership, *Open Budgets Change Lives* (Washington, DC: Open Budget Partnership, 2012). <http://bit.ly/1fAV22Y>.

<sup>3</sup> <http://bit.ly/1jmsefl>.

<sup>4</sup> Simeon Djankov, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, "Disclosure by Politicians," (Tuck School of Business Working Paper 2009-60, 2009): <http://bit.ly/19nDEfK>; Organisation for Economic Co-operation and Development (OECD), "Types of Information Decision Makers Are Required to Formally Disclose, and Level Of Transparency," in *Government at a Glance 2009*, (Paris: OECD, 2009). <http://bit.ly/13vGtqS>; Ricard Messick, "Income and Asset Disclosure by World Bank Client Countries" (World Bank, Washington, DC, 2009). <http://bit.ly/1cIokyf>

<sup>5</sup> Economist Intelligence Unit, "Democracy Index 2010: Democracy in Retreat," *Economist* (2010). Available at: <http://bit.ly/eLC1rE>.

<sup>6</sup> <http://www.opengovpartnership.org/sites/default/files/attachments/OGP%20Calendar%20For%20All%20Countries.docx>.

<sup>7</sup> This is the same as endnote 1

<sup>8</sup> See law on "Legal Acts." (HO-320) Adopted on 3 April 2002

<sup>9</sup> Presidential Order NH-174-N of July 2007.

<sup>10</sup> Prime Minister's Decree N 306-N of 3 June 2008.

<sup>11</sup> [http://www.mfa.am/hy/press-releases/item/2012/04/10/open\\_gov/](http://www.mfa.am/hy/press-releases/item/2012/04/10/open_gov/)

<sup>12</sup> <http://bit.ly/156KYJ>

<sup>13</sup> <http://bit.ly/156JUH>

## II. PROCESS: DEVELOPMENT OF ACTION PLAN

The action plan consultation process in Armenia did not meet the required OGP Articles of Governance. Even though the consultation was participatory, it was limited to few civil society organizations (CSOs). Countries participating in OGP follow a set process for consultation during development of their OGP action plans. According to the OGP' Articles of Governance, countries must:

- Make the details of their public consultation process and timeline available (online at minimum) prior to the consultation
- Consult widely with the national community, including civil society and the private sector; seek out a diverse range of views; and make a summary of the public consultation and all individual written comment submissions available online
- Undertake OGP awareness-raising activities to enhance public participation in the consultation
- Consult the population with sufficient forewarning and through a variety of mechanisms—including online and through in-person meetings—to ensure the accessibility of opportunities for citizens to engage.

A fifth requirement, during consultation, is set out in the OGP Articles of Governance. This requirement is dealt with in Section III: Consultation during Implementation:

Countries are to identify a forum to enable regular multistakeholder consultation on OGP implementation—this can be an existing entity or a new one. Consultation is dealt with in the next section, but evidence for consultation both before and during implementation is included here and in Table 1 for ease of reference.

**Table 1. Action Plan Consultation Process**

<b>Phase of Action Plan</b>	<b>OGP Process Requirement (Articles of Governance Section)</b>	<b>Did the Government Meet this Requirement?</b>
During development	Timeline and process: Prior availability	No
	Advance notice	No
	Advance notice: Days	N/A
	Awareness-raising activities	No
	Online consultations	No
	In-person consultations	Yes
	Summary of comments	No
During implementation	Regular forum	Yes

### Advance Notice of Consultation

The Armenian government did not provide advance notice of consultation. The Prime Minister's decree assigned the working group to engage representatives of civil society. Thus, the head of the America department of the Ministry of Foreign Affairs (MFA) prepared a list of CSOs that work in the areas of freedom of information, transparency,

accountability, and anticorruption. In January 2012, a few CSOs received invitations via email to participate in the meeting of the OGP working group. The IRM researcher was unable to verify the total number of CSOs invited because no records were maintained. However, when the Freedom of Information Center (FOICA), a CSO, learned about the OGP working group from the Freedom of Information Advocates Network, and requested that GoA include its representative on the team, the MFA accepted its request. Even though CSOs were engaged in the consultation as soon as the government began the process of developing its action plan, there was no public announcement regarding the consultations, and the government did not issue any calls to CSOs to submit proposals.<sup>1</sup>

### Quality and Breadth of Consultation

The government organized group and in-person consultations, but failed to organize any online consultations, and did not publicize the summary of in-person discussions. Furthermore, the GoA did not carry out any public-awareness-raising activities. Eight representatives of CSOs participated in the first session of the OGP working group on 7 February 2012. The CSOs that participated in drafting the action plan describe it as participatory and the consultation process as “meaningful.” Their assessment was based on the willingness of the head of the working group to consult CSOs as well as to incorporate their feedback. Fewer CSOs participated in the later sessions of the working group.

The MFA drafted the action plan and distributed it via email. Government officials submitted commitments that were already in the GoA agenda and on which the GoA was already working within the framework of different on-going projects (some of these were supported by international organizations). The government officials participating in the OGP working group mentioned that the GoA was not going to include new commitments under OGP that would require new funding, which the government did not have at the moment. Four or five sessions of the working group were held (nobody remembered the exact number). After the first session of the OGP working group, CSOs submitted their proposals via email and these were discussed at the next session. According to the head of the department of Americas at the MFA, the draft plan was posted for comments on the MFA website at “Foreign Policy/Bilateral relations/USA” but the official did not remember for how long the draft was posted for comments. It is unclear how the OGP action plan relates to Armenia’s bilateral relations with the United States. However, none of the CSOs confirmed that the draft action plan was uploaded for public comment. The OGP working group did not receive any comments from the public. In the opinion of the IRM researcher, CSO involvement was very limited because many of the CSOs interviewed were not aware of the OGP or of their government’s participation.

The city of Gyumri’s journalists’ club, Asparez, received information about OGP from the Open Society Foundations-Armenia (OSF). OSF suggested that the Asparez chairman participate in the OGP annual meeting in Brazil (17-18 April 2012) and covered travel expenses. In an article published after the Brazil meeting, the Asparez chairman stated that certain issues related to OGP were not clear. For instance, he wrote, the responsible government bodies are not defined clearly in the action plans of many governments, and it is unclear whether it would be possible to make changes to the action plans, whether the governments would publish implementation reports, and the frequency of publication of such reports.<sup>2</sup>

In the opinion of the IRM researcher, the name of the partnership was not properly translated into Armenian. The Armenian translation reads “Open Governance (not Government) Partnership.” This translation may distort the concept by leaving an impression that the OGP is not aimed at addressing the issue of openness in the

Armenian government, but rather the openness of the governance process in general. Furthermore, most of the commitments undertaken by the GoA within the OGP framework were pre-existing commitments, raising doubts about the added value of this initiative for the international community, for the GoA, and for Armenian society.

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<sup>1</sup> The government described its decision to not invite proposals from CSOs as a precautionary measure, which was necessary to prevent different CSOs from submitting suggestions not related to OGP.

<sup>2</sup> <http://www.asparez.am/news-hy/ogp-brazil/>

### III. PROCESS: CONSULTATION DURING IMPLEMENTATION

The process of consultation during the action plan was largely at the agency level or within the OGP working group responsible for monitoring the implementation of the action plan established by the Prime Minister's decree<sup>1</sup>. As part of their participation in OGP, governments commit to identifying a forum to enable regular multistakeholder consultation on OGP implementation—either an existing forum or a new one. This section summarizes that process.

#### Consultation Process

The OGP working group established by the Prime Minister's decree performs the role of a consulting body. Whenever necessary, the OGP working group provides recommendations to the Prime Minister, who then gives assignments to different government bodies related to OGP commitments.

During the period covered by this report, the OGP working group had two meetings: on 2 October 2012 and on 22 April 2013. During these meetings the working group discussed the progress of government activities related to OGP commitments. Both meetings were held on GoA premises. The OGP working group was a new platform that facilitated interactions between civil society organizations (CSOs) and the government. However, within the framework of this new group, cooperation was limited to three CSOs: the Freedom of Information Center (FOICA), Transparency International anticorruption center (TIAC), and the Asparez club of journalists of Gyumri. The first two were also involved in the working group that drafted the OGP Armenian Action Plan. The third CSO received an invitation to join the working group after its representative participated in the annual OGP meeting in Brazil.

The three CSOs in the OGP working group are well respected and well known for their activities, mostly in the areas of freedom of information and the fight against corruption. However, the IRM researcher is of the opinion that these three CSOs do not represent the entire CSO community (and they must not try to); they do not have that mandate from the CSO community. While the three CSOs are well qualified in the areas of freedom of information and the fight against corruption, other areas of public life in Armenia, such as environmental protection, health, education, rights of women, the rights of the disabled, human rights, and regional development, can be incorporated into the OGP framework. Several well-respected CSOs are working on these issues. Therefore, the Armenian government should create a broader platform that will allow direct interaction with CSOs working in different areas.

After the second OGP working group meeting in April 2013, one of the CSOs, FOICA, suggested organizing an international conference to discuss the OGP action plan. The GoA welcomed the initiative and collaborated with FOICA. The conference was organized in June 2013 with the support of the U.S. Agency for International Development (USAID).

FOICA created a website ([www.ogp.am](http://www.ogp.am)) dedicated to the OGP Armenian Action Plan, again with USAID support. The website contains information about the action plan, the working group, and news about civil society and freedom of information. The GoA recognized the site as an official website of OGP Armenia.<sup>2</sup> However, a disclaimer on the website says, "the contents of this website are the sole responsibility of FOICA." The IRM researcher is of the opinion that either the GoA must take full responsibility for the website (including full responsibility for the content, costs, and maintenance) or that it should create a new website that will serve as a basis for its relations with the broader

public. The GoA must give opportunity to all CSOs to submit their proposals related to OGP online. It should also make a commitment to answer all relevant questions and provide comments about the issues raised by CSOs on an official website, and set appropriate timelines for all the activities mentioned in the action plan.

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<sup>1</sup> Decree # 931-A from September 29, 2012

<sup>2</sup> <http://www.gov.am/en/open-government/>

## IV. IMPLEMENTATION OF COMMITMENTS

All OGP participating governments develop OGP country action plans that elaborate concrete commitments over an initial two-year period. Governments begin their OGP country action plans by sharing existing efforts related to their chosen grand challenge(s), including specific open government strategies and ongoing programs. Action Plans then set out governments' OGP commitments, which stretch government practice beyond its current baseline with respect to the relevant policy area. These commitments may build on existing efforts, identify new steps to complete on-going reforms, or initiate action in an entirely new area.

OGP commitments are to be structured around a set of five “grand challenges” that governments face. OGP recognizes that all countries are starting from different baselines. Countries are charged with selecting the grand challenges and related concrete commitments that most relate to their unique country contexts. No action plan, standard, or specific commitments are to be forced on any country.

The five OGP grand challenges are:

1. *Improving Public Services—measures that address the full spectrum of citizen services including health, education, criminal justice, water, electricity, telecommunications, and any other relevant service areas by fostering public service improvement or private sector innovation.*
2. *Increasing Public Integrity—measures that address corruption and public ethics, access to information, campaign finance reform, and media and civil society freedom.*
3. *More Effectively Managing Public Resources—measures that address budgets, procurement, natural resources, and foreign assistance.*
4. *Creating Safer Communities—measures that address public safety, the security sector, disaster and crisis response, and environmental threats.*
5. *Increasing Corporate Accountability—measures that address corporate responsibility on issues such as the environment, anti-corruption, consumer protection, and community engagement.*

While the nature of concrete commitments under any grand challenge area should be flexible and allow for each country's unique circumstances, OGP commitments should be relevant to OGP values laid out in the OGP Articles of Governance and Open Government Declaration signed by all OGP participating countries. The IRM uses the following guidance to evaluate relevance to core open government values:

- **Access to information** - These commitments:
  - pertain to government-held information;
  - are not restricted to data but pertains to all information;
  - may cover proactive or reactive releases of information;
  - may pertain to strengthen the right to information; and
  - must provide open access to information (it should not be privileged or internal only to government).
- **Citizen Participation** — governments seek to mobilise citizens to engage in public debate, provide input, and make contributions that lead to more responsive, innovative and effective governance. Commitments around access to information:
  - open up decision-making to all interested members of the public; such forums are usually “top-down” in that they are created by government (or actors empowered by government) to inform decision-making;



- often include elements of access to information to ensure meaningful input of interested members of the public into decisions;
- often include the enhancing citizens' right to be heard, but do not necessarily include the right to be heeded.
- **Accountability** — there are rules, regulations, and mechanisms in place that call upon government actors to justify their actions, act upon criticisms or requirements made of them, and accept responsibility for failure to perform with respect to laws or commitments.
  - As part of open government, such commitments have an "open" element, meaning that they are not purely internal systems of accountability without a public face.
- **Technology and Innovation** — Commitments for technology and innovation
  - promote new technologies and offer opportunities for information sharing, public participation, and collaboration.
  - Should make more information public in ways that enable people to both understand what their governments do and to influence decisions;
  - May commit to supporting the ability of governments and citizens to use tech for openness and accountability; and
  - May support the use of technology by government employees and citizens alike.

Countries may focus their commitments at the national, local and/or subnational level—wherever they believe their open government efforts are to have the greatest impact.

Recognizing that achieving open government commitments often involves a multiyear process, governments should attach timeframes and benchmarks to their commitments that indicate what is to be accomplished each year, wherever possible.

This section details each of the commitments Armenia included in its initial action plan. The IRM researcher clustered the commitments into five themes: (1) e-governance for delivering public services; (2) improving the business environment (including regulatory guillotine and tax-service-related commitments); (3) public financial management (including internal auditing, public procurement, and program budgeting); (4) government transparency and accountability (including commitments related to declarations, standardization of websites, and training of civil servants); and (5) the fight against corruption.

Although most indicators given on each commitment's factsheet are self-explanatory, a number deserve further explanation.

- **Relevance:** The IRM researcher evaluated each commitment for its relevance to OGP Values and OGP Grand Challenges.
  - **OGP values:** Some OGP commitments are unclear in their relationship to OGP values. In order to identify such cases, the IRM researcher made a judgment based on a close reading of the commitment text. This identifies commitments that can better articulate their relationship to fundamental issues of openness.
  - **Grand challenges:** While some commitments may be relevant to more than one grand challenge, the reviewer only marked those that had been identified by government (as almost all commitments address a grand challenge).
- **Ambition:**
  - *Potential impact:* OGP countries are expected to make ambitious commitments (with new or pre-existing activities) that stretch

government practice beyond an existing baseline. To contribute to a broad definition of ambition, the IRM researcher judged how potentially transformative commitment might be in the policy area. This is based on researcher's findings and experience as a public policy expert.

- *New or pre-existing*: The IRM researcher also recorded, in a non-judgmental fashion whether a commitment was based on an action that pre-dated the action plan.
- **Timing**:
  - Projected completion*: The OGP Articles of Governance encourage countries to put forth commitments with clear deliverables with suggested annual milestones. In cases where this information is not available, the IRM researcher makes a best judgment, based on the evidence of how far the commitment could possibly be at the end of the period assessed.

## 1.1 FOSTERING OPEN GOVERNMENT THROUGH E-GOVERNANCE

### 1.1.a. Introduce a Unified Payment System (portal)

*Introduction of a unified payment system (portal): A single payment system of state fees (licenses, permits, services, etc.), which will allow payment by bank credit card or a terminal. Through this system the amount paid will be available for observation by the state body.*

COMMITMENT DESCRIPTION						
Availability	LEAD INSTITUTION	Ministry of Finance				
	SUPPORTING INSTITUTIONS	Project Implementation Unit in charge for judicial reforms				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		High (Commitment language provides clear, measurable, verifiable milestones for achievement of the goal)				
Relevance	OGP GRAND CHALLENGES	Improving public services				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
						√
AMBITION						
New vs. pre-existing Pre-existing		Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)				
LEVEL OF COMPLETION						
Start date: 12 January 2012		End date: 16 April 2012		Actual completion	Complete	
				Projected completion	Complete	
NEXT STEPS				None: Completed Implementation		

#### What happened?

The GoA implemented the unified payment system within the framework of the second judicial reform project supported by the World Bank. Funding from the Dutch and Japanese governments have also been used. On 12 January 2012, the project implementation unit (PIU) in charge of judicial reforms signed an agreement with a supplier for the creation of a unified payment system in Armenia.<sup>1</sup> The project was carried out from January to April 2012 (as the government was drafting its OGP action plan). The system started operations 14 April 2012. The state electronic payment system (<https://www.e-payments.am>) was introduced by a government decree,<sup>2</sup> the day after the Armenian action plan was approved. From 14 April 2012 to 1 June 2013, 4,162 payments were executed via electronic payment system,<sup>3</sup> about 11.3 percent of the total number of duties and other similar payments. The system is being developed further to assist in electronic transfer of other payments. Now taxpayers can pay taxes via this system.

### **Did it matter?**

This commitment did not enhance OGP values of access to information, accountability, and public participation. By introducing this new system, the government embraced the importance of new technologies. Rather than going to the bank to make payments, citizens can make payments directly from their home or office, thus saving time. However, contrary to the goal of the OGP, which is to make the government more visible to the public, Armenia's unified payment system is designed to make the payments observable by the state body. While the implementation of a unified payment system will substantially improve the quality of payment services, the introduction of this system does not make any government-held information more accessible to the public, does not increase public participation, and does not solve any accountability issue. NGOs participating in the IRM researcher meetings did not express an interest in this commitment.

### **Moving forward**

This particular commitment and other e-government-related commitments do not increase citizens' access to government-held information previously withheld from the public. Nor does it improve public participation or encourage accountability. In the opinion of the IRM researcher, this commitment should not be included in the government's future OGP action plans.

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<sup>1</sup> Reply from official in the Ministry of Finance, GoA.

<sup>2</sup> Government Decree 496-N of 19 April 2012, Ministry of Justice electronic database, [www.arlis.am](http://www.arlis.am).

<sup>3</sup> Reply from the official in the Ministry of Finance, GoA.

## 1.1.b. Improve System for Car Inspection and Licensing

State car inspection improvements; vehicle registration, provision of drivers' licenses, electronic system of penalties and payments. The one-stop shop principle for car registration, driver's license provision, fine payment, tracking the process with 12-digit code.

COMMITMENT DESCRIPTION						
Answerability	LEAD INSTITUTION		Police			
	SUPPORTING INSTITUTIONS		World Bank, European Union			
	POINT OF CONTACT SPECIFIED?		No			
SPECIFICITY AND MEASURABILITY		Low (Commitment language describes activity that can be construed as measurable with some interpretation on the part of the reader)				
Relevance	OGP GRAND CHALLENGES		Improving public services			
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
						√
AMBITION						
New vs. pre-existing Pre-existing		Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)				
LEVEL OF COMPLETION						
Start date: None	End date: 22 May 2012	Actual completion			Complete	
		Projected completion			Complete	
NEXT STEPS		New commitment building on existing implementation				

### What happened?

The system was implemented on 2 April, 2012 with the framework of Public Sector Modernization project finance by the World Bank. At present, several business processes are carried out exclusively via electronic system.

### Did it matter?

Implementation of this system improved the provision of public services in the respective area. However, CSOs did not consider this commitment important as an OGP commitment.

### Moving forward

The GoA should drop this commitment and adopt another commitment that is related to OGP values of access to information, accountability, public participation, and technology and innovation for openness and accountability.

### 1.1.c. Implement an Electronic System for Consular Services

*Implementation of an electronic system for consular services: The electronic system of consular services (provision and exchange of passports, passport validity extension, providing background check information and certificates of return, etc.).*

COMMITMENT DESCRIPTION						
Answerability	LEAD INSTITUTION		Ministry of Foreign Affairs			
	SUPPORTING INSTITUTIONS		Police			
	POINT OF CONTACT SPECIFIED?		No			
SPECIFICITY AND MEASURABILITY		Medium (Commitment language describes an activity that is objectively verifiable, but does not contain specific milestones or deliverables)				
Relevance	OGP GRAND CHALLENGES	Improving public services				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
						√
AMBITION						
New vs. pre-existing Pre-existing			Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
Start date: 1 November 2011		End date: 16 April 2012		Actual completion	Substantial	
				Projected completion	Complete	
NEXT STEPS		None: Abandon Commitment				

#### What happened?

The implementation of this activity was based on a government decree from 2011.<sup>1</sup> A working group developed the basic implementation of the system. The electronic system is implemented in more than half of the consular services.

#### Did it matter?

This commitment was not mentioned by CSOs as something important from an OGP perspective.

#### Moving forward

The GoA should drop this commitment and adopt another commitment that is related to OGP values of access to information, accountability, public participation, and technology and innovation for openness and accountability.

<sup>1</sup> Government Decree N974-N of 23 June 2011.

### 1.1.d. Implement the Mail-Armenia System

*Implementation of Mail-Armenia system: A personal e-mail address will be provided to citizens who apply for a passport for the first time. All types of state notifications will be submitted to that address.*

COMMITMENT DESCRIPTION						
Answerability	LEAD INSTITUTION	EKENG CJSC (E-governance Infrastructure Implementation Unit)				
	SUPPORTING INSTITUTIONS	AI Partnership LTD				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		Medium (Commitment language describes an activity that is objectively verifiable, but does not contain specific milestones or deliverables)				
Relevance	OGP GRAND CHALLENGES	Improving public services				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
						√
AMBITION						
New vs. pre-existing Pre-existing			Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
Start date: 1 December 2012		End date: 1 July 2013		Actual completion	Limited	
				Projected completion	Complete	
NEXT STEPS	Revision of the commitment to be more achievable or measurable					

#### What happened?

During the “Open Government Partnership-Armenia” international conference, organized 14 June 2013, it was mentioned that drafts of legal acts designed to implement the Mail-Armenia system would be submitted to the appropriate bodies for approval.<sup>1</sup> The draft law “about Making Additions and Amendments in the Republic of Armenia Law about Public and Individual Notification by Internet” was sent to the Parliament. A person is considered properly notified if the notification has been sent to his or her official electronic mail address and there is an electronic confirmation of it being read. If the person or body who has been sent the notification does not receive the electronic notification or read it within a week, but there is an electronic verification that it has been received, a second notification is sent to the official electronic mail

address and the same notification is published on the official website of notifications of the Republic of Armenia. On the seventh day after sending the second notification, the person is considered properly notified. As of late October 2013, 50 percent of the technical work on the system had been completed.

#### **Did it matter?**

The CSOs did not express special interest in this commitment. At the second OGP working group session, the representative of FOICA suggested considering the emails sent from these official electronic mail addresses as proper (that is official) requests. The IRM researcher is of the opinion that electronic correspondence is not a one-way road, that is, a citizen's electronic address must not be used simply to receive emails from official sources, but also to enable citizens to send notifications, questions, and requests to government officials.

#### **Moving forward**

It is necessary to monitor the further implementation of this commitment. The GoA should reformulate the definition of the commitment, set clear targets, and appoint a person responsible for providing information about the implementation of this task.

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<sup>1</sup> <http://news.am/eng/news/158092.html> ; <http://news.am/arm/news/158092.html>



### 1.1.e. Introduce an E-Statistics System

*Introduction of e-statistics system: State statistical service reports via electronic filing system*

COMMITMENT DESCRIPTION						
Answerability	LEAD INSTITUTION	National Statistical Service				
	SUPPORTING INSTITUTIONS	State Revenue Committee, Ministry of Justice, Ministry of Territorial Administration				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		None (Commitment language contains no verifiable deliverables or milestones)				
Relevance	OGP GRAND CHALLENGES	Improving public services				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
						√
AMBITION						
New vs. pre-existing Pre-existing			Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
Start date: None	End date: 22 May 2012	Actual completion		Limited		
		Projected completion		Complete		
NEXT STEPS		New commitment building on existing implementation				

#### What happened?

According to the government's self-assessment report, this commitment was to be fulfilled by the end of 2013. However, the expert appointed by the GoA mentioned that the task will not be completed until August 2014.

#### Did it matter?

The CSOs did not consider this commitment important from an OGP perspective.

The commitment is not clearly formulated and is very difficult to understand. For example, it is unclear which reports were referred to in the commitment (statistical reports *to* the National Statistical Service or reports *by* the National Statistical Service). Several reports *by* the National Statistical Service are available in pdf format on the official website ([www.armstat.am](http://www.armstat.am)), and the new system will be used to submit electronic reports *to* the National Statistical Service. Thus, this commitment, in its present form, is indeed irrelevant from an OGP perspective.

#### Moving forward

The IRM researcher is of the opinion that the databases of the National Statistical Service (as well as databases of other state bodies) must be available to the public online.

The GoA should formulate a new commitment building on this one, and clearly articulate its relevance to the OGP value of technology and innovation for openness and accountability. The new commitment should ensure that government-held statistical information is made available to the public in easily accessible and technologically legible formats on the National Statistical Service website.

## 1.1.f. Introduce an E-Documentation Sharing System in Urban Communities

*Introduction of e-documentation sharing system in urban communities: All 48 urban Administrations of Armenia will be connected to the Mulberry electronic documentation sharing system.*

COMMITMENT DESCRIPTION						
Answerability	LEAD INSTITUTION	Ministry of Territorial Affairs				
	SUPPORTING INSTITUTIONS	No				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		High (Commitment language provides clear, measurable, verifiable milestones for achievement of the goal)				
Relevance	OGP GRAND CHALLENGES	More effectively managing public resources				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
						√
AMBITION						
New vs. pre-existing Pre-existing			Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
Start date: 18 January 2011		End date: 1 March 2013		Actual completion	Complete	
				Projected completion	Complete	
NEXT STEPS		None: Completed implementation				

### What happened?

The implementation of this commitment is based on the 2004 Armenian law “Electronic Documents and Electronic Digital Signature”<sup>1</sup> and the 2005 government decree,<sup>2</sup> “Approving the Procedure for Implementation of Electronic Documents and Electronic Digital Signatures in Government Bodies of the Republic of Armenia.”<sup>3</sup> As of 1 July 2013, the system has been implemented in 45 of 48 urban communities.<sup>4</sup> There were additional organizational, human, technical and technological problems in the remaining communities of Akhtala, Shamlukh, and Dastakert. According to the Ministry of Territorial Administration,<sup>5</sup> at the time of the writing of this report, the system was actually implemented in all communities in technical terms. For instance, in Dastakert - an urban community of only 300 people - they lack adequate staff. The system was also implemented in 150 rural communities (some of them with populations exceeding 5000). No state budget funds were used to implement this program. The program is implemented based on agreements between communities and a CSO, the Center for Development of Information Systems and Training. The software and part of the hardware provided through programs funded by international organizations (such as, the World Bank, the Deutsche Gesellschaft für Internationale Zusammenarbeit [GIZ], and others).

The goal is to install the Mulberry electronic documentation system in all communities with populations of more than 1,000. It is planned to install the system in 500 more communities in 2014.

#### **Did it matter?**

The exchange of information in the Mulberry system (intranet system) is mainly between state bodies. The system does not make any government-held information available to the public. But it can help government staff quickly answer inquiries from the citizens. It may also improve the quality of government operations, the flow of information, and recordkeeping, etc.

#### **Moving forward**

The commitment has been fulfilled. The Mulberry system is necessary to better organize the functions and activities of the state government and local self-governance bodies. However, in the opinion of the IRM researcher, it is not necessary to include this commitment in the next action plan as it is not directly relevant to OGP values.

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<sup>1</sup> The Law “About Electronic Document and Electronic Digital Signature” (HO-40), adopted on 14 December 2004

<sup>2</sup> Government Decree 1595-N of 4 August 2005.

<sup>3</sup> Ministry of Justice electronic database [www.arlis.am](http://www.arlis.am)

<sup>4</sup> Reply from the official in the Ministry of Territorial Administration.

## 1.2. REVIEW THE REGULATORY NORMATIVE LEGAL ACTS (Regulatory Guillotine Project)

*The Government of Armenia has embarked on a broad regulatory simplification reform known as the “regulatory guillotine.” The guillotine makes use of best international practices to count, review, and streamlines the national regulatory frameworks affecting business activity and the daily lives of citizens. The reform aims at eliminating or simplifying legal norms that are not needed or are not business friendly. This quick framework plan will result in an improved business environment creating better opportunities for FDI and promoting economic development and job creation in Armenia. Moreover, a draft law on state registration of legal entities, state record of legal entity’s separate units, establishments, individual entrepreneurs as well as other draft laws related to betterment of business environment have been submitted to the Government for its consideration.*

COMMITMENT DESCRIPTION						
Answers ability	<b>LEAD INSTITUTION</b>	Council for Reformation of Legal Acts Regulating the Economic Sector				
	<b>SUPPORTING INSTITUTIONS</b>	Armenian Development Agency, Organization of Security and Cooperation in Europe, World Bank, United Nations Development Programme, U. S. Agency for International Development				
	<b>POINT OF CONTACT SPECIFIED?</b>	No				
<b>SPECIFICITY AND MEASURABILITY</b>		Low (Commitment language describes activity that can be construed as measurable with some interpretation on the part of the reader)				
Relevance	<b>OGP GRAND CHALLENGES</b>	Improving public services				
	<b>OGP VALUES</b>	<b>Access to Information</b>	<b>Civic Participation</b>	<b>Accountability</b>	<b>Technology and Innovation</b>	<b>None</b>
						√
AMBITION						
<b>New vs. pre-existing</b> Pre-existing			<b>Potential impact</b> Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
<b>Start date:</b> None		<b>End date:</b> 16 April 2012		Actual completion	Complete	
				Projected completion	Complete	
<b>NEXT STEPS</b>		New commitment building on existing implementation				

### What happened?

The National Center for Legislative Regulation Project Implementation Unit (hereafter NCLR PIU) was established in 2011<sup>1</sup> and started operations in May 2012. The GoA has accepted proposals from NCLR PIU related to simplifying licensing procedures; electronic communication; electricity, gas and water supply sectors; producing medicines; operating drugstores; and licensing medical assistance and services. Now the NCLR PIU is studying regulations pertaining to tax and customs, entrepreneurship,

external and international relations, culture and social sectors. According to information received from NCLR PIU management, the NCLR PIU did not work on issues of state registration of legal entities or state records of legal entity's separate units, establishments, and individual entrepreneurs, because these issues were regulated by the Ministry of Justice, as part of 2009–11 reforms. The Ministry of Justice implemented projects to simplify the procedures of registration of legal entities and individual entrepreneurs, and establish an e-register system.

#### **Did it matter?**

As a result of reforms carried out during 2009–11, the state registration of legal entities, and state records of legal entities, establishments, individual entrepreneurs, as well as other issues, have improved. Some CSOs and individuals mentioned simplifying the business processes as an important part of the commitment.

#### **Moving forward**

In the opinion of the IRM researcher, this commitment has been completed and a new commitment, that builds on this one with well-defined targets to improve the business environment in Armenia, should be formulated.

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<sup>1</sup> Government Decree N1462-N of 13 October 2011.

### 1.3. IMPROVE THE INTERNAL AUDIT SYSTEM FOR THE PUBLIC SECTOR

The government will continue enhancing the audit system to achieve a greater degree of transparency in managing public resources. It is planned to start the implementation of the new internal audit system from the second quarter of 2012. By the end of 2012 the internal audit system must be implemented in all central governmental entities, town communities and commercial and non commercial government organizations. This requires introducing effective methods and procedures for risk assessment and internal audit methods and tools complying with the international standards and best practices, as well as training of relevant staff. Further developments in the area of internal audits will also require the development and implementation of an internal audit qualification system and continuous training and development programs for internal auditors.

COMMITMENT DESCRIPTION						
Answerability	<b>LEAD INSTITUTION</b>	Ministry of Finance				
	<b>SUPPORTING INSTITUTIONS</b>	Four Assist Development Consulting Limited				
	<b>POINT OF CONTACT SPECIFIED?</b>	No				
<b>SPECIFICITY AND MEASURABILITY</b>		Medium (Commitment language describes an activity that is objectively verifiable, but does not contain specific milestones or deliverables)				
Relevance	<b>OGP GRAND CHALLENGES</b>	Improving public services, increasing public integrity, more effectively managing public resources				
	<b>OGP VALUES</b>	<b>Access to Information</b>	<b>Civic Participation</b>	<b>Accountability</b>	<b>Technology and Innovation</b>	<b>None</b>
						√
AMBITION						
<b>New vs. pre-existing</b> Pre-existing			<b>Potential impact</b> Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
<b>Start date:</b> 1 April 2012		<b>End date:</b> 31 December 2013		<b>Actual completion</b>	<b>Complete</b>	
				<b>Projected completion</b>	<b>Complete</b>	
<b>NEXT STEPS</b>			None: Completed implementation			

#### What happened?

The Armenian law “Internal Audits,” adopted in 2010, regulates the major issues associated with internal audit functions in the public sector. The GoA planned the improvement of the internal audit system in 2010.<sup>1</sup> The same year, the Foreign Financing Projects Management Center (FFPMC), a state institution, invited interested consultants to submit proposals related to the provision of consulting services to develop a public sector internal audit system (supported by an Institutional

Development Fund grant) between February 2011 and February 2012.<sup>2</sup> The GoA approved a timetable<sup>3</sup> to introduce internal audits as follows:

- Government bodies, state institutions and the municipality of Yerevan by 1 April 2012
- Organizations with 50 percent state ownership and state noncommercial organizations that had an AMD 500 million turnover or gross income in 2011 by 1 July 2012
- Urban communities by 1 January 2013, including: Commercial and non commercial organisations and institutions of urban communities with more than AMD500 million turnover or gross income in 2011 and a 50 percent share of urban communities, Rural communities and their commercial and noncommercial entities and institutions by 1 January 2016.

The Ministry of Finance (MoF) provided a list of entities (52 state bodies, the municipality of Yerevan, and 44 urban communities) that had already implemented the internal audit function. The MoF approved methodological instructions about the application of internal audit professional standards, the procedures for developing internal audit regulation manuals on issues associated with internal audit methods and tools, and the risk- assessment methods and procedures.<sup>4</sup> The MoF organized training courses for the staffs of the internal audit units. The MoF also drafted a new government decree to introduce a qualification system for internal auditors. At the time of writing, the draft decree was submitted to the Ministry of Justice for expert opinion,<sup>5</sup> and was expected to be approved by December 2013. The system was to be implemented in 2014.

#### Did it matter?

The GoA was planning the implementation of an internal audit function in all central governmental entities, urban communities, and commercial and noncommercial government organizations, prior to its inclusion in the OGP action plan. The enhancement of internal audit capabilities will undoubtedly strengthen the Armenian public financial management system. The CSOs mentioned that they are not interested in this commitment because the results of internal audit investigations are not subject to publication, unless prescribed by law.

#### Moving forward

The IRM researcher recommends considering this commitment as completed.

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<sup>1</sup> Government Protocol Decree N44 of 11 November 2010, "Public Internal Financial Control Strategy."

<sup>2</sup>[http://www.ffpmc.am/announcements/rfp/2010/09.11.10\\_27.09.10\\_Request%20for%20EOI\\_AV%20arm.pdf](http://www.ffpmc.am/announcements/rfp/2010/09.11.10_27.09.10_Request%20for%20EOI_AV%20arm.pdf)

<sup>3</sup> Government Decree N1233-N of 11 August 2011.

<sup>4</sup> Minister of Finance orders N974-N of 8 December 2011.

Minister of Finance order N143-N of 17 February 2012.

<sup>5</sup> Letter of the Ministry of Finance to the Ministry of Justice, N4/13.3/14979-13, 8 October 2013.



## 1.4. IMPROVE PROCUREMENT PROCEDURES

To ensure transparency, accountability and lawfulness of public procurement, the government embarked on improving further the existing procurement system and enhancing the institutional capacity of public procurement bodies. It planned to introduce a reporting system by the authorized body to disclose more detailed information about procurements made by contracting entities. Additionally, to minimize the risks of conflicts of interests and exercise better control over compliance with public procurement procedures, it planned to develop code of conduct for procurement officials. Meanwhile, continuous training and development programs will be developed and introduced. Also, by the end of 2013 it is planned to fully implement and ensure effective use of e-procurement systems to enhance transparency and competition in public procurement. The official websites [www.gnumner.am](http://www.gnumner.am) and [www.armeps.am](http://www.armeps.am) will be improved in order to function more effectively and provide complete information on procurement procedures.

COMMITMENT DESCRIPTION						
Answerability	<b>LEAD INSTITUTION</b>	Ministry of Finance				
	<b>SUPPORTING INSTITUTIONS</b>	Support for Improvement in Governance and Management (SIGMA), European Bank for Reconstruction and Development, Deutsche Gesellschaft für Internationale Zusammenarbeit(GIZ) GmbH				
	<b>POINT OF CONTACT SPECIFIED?</b>	No				
<b>SPECIFICITY AND MEASURABILITY</b>		Medium (Commitment language describes an activity that is objectively verifiable, but does not contain specific milestones or deliverables)				
Relevance	<b>OGP GRAND CHALLENGES</b>	Improving public services, increasing public integrity, more effectively managing public resources				
	<b>OGP VALUES</b>	<b>Access to Information</b>	<b>Civic Participation</b>	<b>Accountability</b>	<b>Technology and Innovation</b>	<b>None</b>
		√		√	√	
AMBITION						
<b>New vs. pre-existing</b> Pre-existing			<b>Potential impact</b> Moderate (the commitment is a major step forward in the relevant policy area, but remains limited in scale or scope)			
LEVEL OF COMPLETION						
<b>Start date:</b> 1 January 2011		<b>End date:</b> 31 December 2013		<b>Actual completion</b>		Limited
				<b>Projected completion</b>		Complete
<b>NEXT STEPS</b>			Further work on basic implementation			

### What happened?

The implementation of an electronic procurement system started in 2004, prior to the government's participation in OGP. The European Union (EU), the Organisation for Economic Co-operation and Development (OECD), the U.S. Agency for International Development (USAID) and the World Bank assisted the GoA in improving the public procurement system. Support for Improvement in Governance and Management

(SIGMA), a joint initiative of OECD and the EU provided assistance on procurement reforms.<sup>1</sup> USAID financed the development of the website and conducted seminars and workshops. World Bank support came through the Public Sector Modernization Project-I (4 May 2004 to 28 February 2011), which had a component on introducing e-procurement systems. The World Bank's 2009 Country Procurement Assessment Review (CPAR) of Armenia<sup>2</sup> claimed that several recommendations from Armenia's 2004 CPAR<sup>3</sup> action plan had not been fully implemented (e.g. those related to reduction in the use of single-source procurement, bid dispute resolution, and transparency of public procurements). A GoA protocol decree<sup>4</sup> approved a strategy of procurement system reforms. In 2009 the Prime Minister approved a timetable to implement a strategy by 2013.<sup>5</sup> The Law "About Procurement"<sup>6</sup> (the third law on procurement since 2000) was approved in 2010. The GoA and the Ministry of Finance (MoF) worked hard to develop procurement systems and over the last two to three years have adopted several decrees and orders related to public procurements, electronic procurements, and the expansion of information about public procurements.<sup>7</sup> The Procurement Support Center, a state noncommercial organization, developed curriculum and training manuals that are used to train officials responsible for procurements.<sup>8</sup> According to MoF officials, a code of conduct for procurement officials is under development. On 14 November 2011 the MoF officially declared the launch of its e-procurement system,<sup>9</sup> which was presented as a big step toward transparency at the eighth Regional Public Procurement Forum in May 2012 in Tirana, Albania. The minutes of the second OGP working group meeting on 22 April 2013 show that the group considered this commitment as essentially completed.

Despite all these efforts, on 15 September 2012, the President of Armenia publicly criticized the Prime Minister and other ministers for mishandling state procurements after the head of the President's Inspection Service presented a report stating that the state procurement system is plagued with structural and administrative problems.<sup>10</sup> The problems were discussed by the GoA on 20 September 2012.<sup>11</sup>

The 2012 annual report of the Chamber of Control (CoC) mentioned that it "is still uncovering procurement processes, which are anti-competitive, inefficient, non-transparent, non-public and are organized on a discriminatory basis."<sup>12</sup> The CoC characterized the problems in Armenian public procurements as systemic, and stated that the electronic procurement system does not work and declared that the project has failed. The MoF concurred with the CoC's opinion. According to the CoC, previous failures and risks of the existing e-procurement process were not analyzed prior to developing reforms, which significantly reduced the reliability of the reforms. In 2012 the Financial Control Inspectorate of the MoF revealed a number of violations of procurement legislation.<sup>13</sup> Other organizations also assessed the e-procurement system.

In October 2013, Transparency International's Anti-Corruption Center (TIACC) published three papers on the Armenian public procurement system,<sup>14</sup> stating that:

- The e-procurement system did not allow full implementation of all procedures envisaged by current Armenian legislation.
- During the first two years of operation, there were 58 announcements of electronic procurements out of which only 35 took place. In some of the contracts the day of awarding the contract is not specified and in some cases only the draft contract is available.
- Although there is evidence that the volume and total number of transactions of single-source procurements increased, the data are incomplete.
- The Procurement Appeals Board (PAB), sometimes referred to as the procurement complaint review board, does not have a representative from the Central Bank of Armenia (the IRM researcher found only two CSO representatives on the PAB).

- The meetings of the appeal commission are not recorded, which creates doubts about the transparency of the commission's activities.
- The terms of the PAB members are not specified. TIACC representatives participated in a commission session at which only two commission members were present, yet there were signatures of three members under decision made at that meeting. TIACC reports mentioned several other problems such as that the time on the Armenian Electronic Procurement System does not match the Armenian time zone.
- Although an Asian Development Bank report<sup>15</sup> claimed that the "government procurement market is open to foreign bidders," the TIACC study found that there is a problem with participation by nonresident bidders and that it must be substantially improved.

In November 2012, the head of the Union of Information and Technology Enterprises expressed an opinion that the e-procurement system is actually nothing but a billboard.<sup>16</sup> Policy Forum Armenia estimated that the annual opportunity loss to the state budget resulting from single-source procurement is in the range of US\$300 million to 400 million.<sup>17</sup>

The Procurement Support Center agreed with many of the problems specified by TIACC. However, it also stated that all problems were solved by October 2013 and that the last time the system failed (for a brief period) was in early August 2013. The European Bank for Reconstruction and Development (EBRD) is helping with the implementation of e-planning and e-procurement management components of the system. According to an MoF official working in cooperation with EBRD, the Ministry developed a terms of reference to revise the electronic procurement system and it is expected that the new system will be implemented in 2014 and will be functional in the second half of 2014. At a press conference in July 2013, the Minister of Finance mentioned that the Ministry is taking steps to improve the procurement system. On 25 October 2013, the deputy minister of MoF presented the results of the procurement reforms at a press conference<sup>18</sup>. Specifically, the financial requirements for companies bidding for big tenders have been increased. The financial punishment for not completing the awarded contract has been introduced.

#### Did it matter?

This commitment was considered one of the most important by several CSOs, including those that are members of the OGP working group. TIACC has carefully monitored the public procurements. There is an opinion that Armenia's procurement legislation complies in general with international standards. However, its implementation lacks transparency. There is also an opinion that the MoF is creating artificial barriers for CSOs to get on the PAB while it is more sympathetic towards candidates from state bodies. The GoA embarked on an intensive reform of e-governance systems, which are working well in supporting operations such as the transfer of money and information, etc. However, implementation of more sophisticated systems, such as the e-procurement system, is facing serious problems and criticism.

The IRM researcher is of the opinion that the Armenian procurement system is not functioning properly and that any effort to technically fix the system without addressing the fundamental problems may result in continued failure. There is a need for a thorough analysis of the problems plaguing the existing system. The absence of a reliable procurement system in general, and a reliable e-procurement system in particular, has a heavy price tag for the Armenian public and the Armenian economy.

## Moving forward

The GoA should carry out further research to identify the endemic problems in the Armenian procurement system. Until the research is finalized, the government should stop all noncompetitive procurement methods and ensure that the Prime Minister has exclusive power to authorize the use of noncompetitive methods. In the next action plan, the GoA should formulate a commitment to compile full information about the procurement methods used by different government agencies and the number and volumes of procurements carried out using different methods and publish this information together with the 2013 annual budget execution report. The GoA should commit to publishing other information about public procurements. A revised electronic procurement system must allow for the generation of aggregate information, which will make preparation of these reports relatively easy. This commitment requires further work on basic implementation. Commitments and milestones related to public procurements in the next action plan need to be based on thorough research, be time bound, and specify the officials responsible for their fulfillment.

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<sup>1</sup> <http://www.oecd.org/site/sigma/about/>

<sup>2</sup> World Bank, "Republic of Armenia: Country Procurement Assessment Report, Report No. 49975-AM, June 29, 2009.

<sup>3</sup> World Bank, "Republic of Armenia: Country Procurement Assessment Report," Report No. 29246-AM, May, 2004.

<sup>4</sup> Protocol Decree N17 of 23 April 2009.

<sup>5</sup> Prime Minister Decree N862-A of September 12, 2009.

<sup>6</sup> The Law About Procurements (HO-206-N) from December 22, 2010.

<sup>7</sup> See the following sources available in Armenian: Government Decree 168-N of 10 February, 2011, "Organization of Procurement Process"; Government Decree 1145-N of 11 August 2011, "the sample form of a guarantee letter demanded by government bodies"; Government Decree 1481-N of 20 October, 2011, "Prequalification Requirements towards Possible Participants of Public Procurements"; Government Decree 1916-N of 29 December 2011, "Approving the Procedures for Electronic Procurements"; Government Decree 1259-N of 20 September 2012, "Making Changes to Decree N168-N"; Government Decree 1104-N of 30 August, 2012, the MoF must regularly (every 10 days) update on the GoA official website ([www.e-gov.am](http://www.e-gov.am)) information about single source procurements; MoF Orders N1153-N of 21 December 2012, and N667-A from 2 August 2013, specified the procedures of publication of procurement related information required by legislation and the sample form of documents to be used during procurements.

<sup>8</sup> Available at: [www.gnumner.am](http://www.gnumner.am).

<sup>9</sup> <http://old.armradio.am/eng/news/?part=eco&id=21317>.

<sup>10</sup> <http://www.president.am/en/press-release/item/2012/09/15/President-Serzh-Sargsyan-Government-meeting/>.

<sup>11</sup> <http://www.hhk.am/en/news/item/2012/09/20/parzabanum/>.

<sup>12</sup> Chamber of Control, "2012 Annual Report of the Control Chamber of the Republic of Armenia," approved by the RA Control Chamber Council's decision 7/1, 29 March 2013.

<sup>13</sup> Financial Control Inspectorate of the Ministry of Finance of Armenia, "2012 Annual Report," (2013), available in Armenian.

<sup>14</sup> TIACC (Transparency International's Anti-Corruption Center), "Policy paper on Electronic Procurement in the Republic of Armenia," (2013), available only in Armenian, <http://transparency.am/publications.php?l=en>; TIACC, "Policy Paper on Single Source Procurement in the Republic of Armenia," (2013), available only in Armenian.

<http://transparency.am/publications.php?l=en>; TIACC, "Policy Paper on Public Procurement Appeals System in the Republic of Armenia," (2013), available only in Armenian, <http://transparency.am/publications.php?l=en>.

<sup>15</sup> ADB (Asian Development Bank), "Armenia: Case Study on E-Government Procurement Development," prepared by Karen Baghdasaryan (ADB, 2011).

<sup>16</sup> [http://telecom.arka.am/en/news/telecom/armenian\\_e\\_procurement\\_set\\_is\\_trumpeted\\_as\\_achievement\\_but\\_is\\_not\\_effective\\_uite\\_says/](http://telecom.arka.am/en/news/telecom/armenian_e_procurement_set_is_trumpeted_as_achievement_but_is_not_effective_uite_says/)

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<sup>17</sup> Policy Forum Armenia, “Corruption in Armenia,” October 2013, [www.policyforumarmenia.org/coc\\_2012\\_report\\_english.pdf](http://www.policyforumarmenia.org/coc_2012_report_english.pdf)

<sup>18</sup> <http://minfin.am/index.php?art=1304&lang=1>

## 1.5. IMPROVE BUDGET PLANNING AND REPORTING SYSTEMS THROUGH FULL UTILIZATION OF PROGRAM BUDGETING

*To ensure evidence-based policy formulation embedded in budget decisions, the government will fully introduce program budgeting by 2014. In parallel to budget formulation improvements, the new systems will improve reporting and accountability on the use of public funds through transparent reporting on sector/ministry performance (rather than on finances only). These reforms will also contribute to improvements in internal and external auditing systems.*

COMMITMENT DESCRIPTION						
Answerability	LEAD INSTITUTION	Ministry of Finance				
	SUPPORTING INSTITUTIONS	All government institutions				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		High (Commitment language provides clear, measurable, verifiable milestones for achievement of the goal)				
Relevance	OGP GRAND CHALLENGES	Improving public services, more effectively managing public resources				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
		√		√		
AMBITION						
New vs. pre-existing Pre-existing		<b>Potential impact</b> Transformative (the commitment entails a reform that could potentially transform “business as usual” in the relevant policy area)				
LEVEL OF COMPLETION						
<b>Start date:</b> 1 January 2011		<b>End date:</b> 31 December 2013		Actual completion	Limited	
				Projected completion	Substantial	
<b>NEXT STEPS</b>			Further work on basic implementation			

### What happened?

The Armenian budget provides substantial information about GoA expenditures. The annual budget laws and the government decrees related to budget implementation disclose detailed information about all budget lines. However, the present format of the budget does not help in understanding whether the GoA is achieving its sectoral goals and is delivering on promises formulated in different strategic papers.

The GoA has been working on implementation of program budgeting since 2005. This is a complex task, as it attempts to change the philosophy of the public financial management system by shifting from controlling the line items of budget programs to formulating, establishing, and monitoring the achievement of government program goals. A reliable internal audit and public internal financial control system is an imperative for a public financial management system. It is also necessary to create sufficient motivations for government program managers to achieve these goals.

This system will also allow Parliament to look more thoroughly at the achievement of sectoral goals defined in government strategic papers. In recent years, performance

indicators were developed for budgetary programs. However, until recently, the public and the Parliament did not pay special attention to their achievement, and focused mainly on financial indicators (how much allocation was planned and how much was actually allocated). On 30 April 2013, the parliament adopted amendments to the law “Budget System”<sup>1</sup> that incorporated definitions of programs and expected outcomes. Performance indicators for various programs and activities are being discussed in Parliamentary committees.

#### **Did it matter?**

The public and the members of Parliament have gained access to, and in the future will obtain more access to, information about:

- Why different government programs are being implemented
- What are the goals of each program
- How are program goals are linked to government strategic goals
- What performance indicators are used to describe the progress of different programs and activities.

However, the GoA will not fully introduce program budgeting by 2014, as defined in the action plan. In fact, according to the government program it will continue working on this issue and<sup>2</sup> will be ready to only partially introduce program budgeting in 2016 and fully introduce it in 2018.

#### **Moving forward**

Program budgeting allows for the linking of budget programs to the strategic programs of the government. The IRM researcher recommends including different activities and steps related to the introduction of program budgeting in Armenia as commitments in future OGP action plans. The action plan must also clearly specify the outputs and timelines associated with each commitment and activity or milestone.

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<sup>1</sup> The Law of the Republic of Armenia “About making Additions and Amendments to the “Law on Budget System” ” (HO-45), adopted on 30 April 2013

<sup>2</sup> Government Decree N515-A of 16 May 2013.

## 2.1.PROMOTING ACCESS TO INFORMATION

### 2.1.a. Ensure Transparency of Asset Declarations

*Ensuring transparency of asset declarations: sset and income declarations of high-ranking officials will be published in a publicly accessible way, such as on the website of the newly established Ethics Commission, which is also in charge of analyzing the content of declarations [sic].*

COMMITMENT DESCRIPTION						
Answers where ability	LEAD INSTITUTION	Ethics Commission of High-Ranking Officials				
	SUPPORTING INSTITUTIONS	Freedom of Information Center of Armeni, Transparency International Anti-Corruption Center, Hetq investigative journalists				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		High (Commitment language provides clear, measurable, verifiable milestones for achievement of the goal)				
Relevance	OGP GRAND CHALLENGES	Increasing public integrity				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
		√		√	√	
AMBITION						
New vs. pre-existing New			Potential impact Transformative (the commitment entails a reform that could potentially transform “business as usual” in the relevant policy area)			
LEVEL OF COMPLETION						
Start date: 1 July 2012		End date: 31 December 2013		Actual completion		Limited
				Projected completion		Substantial
NEXT STEPS		Further work on basic implementation				

#### What happened?

In 2009 the GoA announced that it was “introducing legislative changes on prescribing targeted severe sanctions for senior state officials engaging in business activities.”<sup>1</sup>

A member of the High Level Officials Ethics Commission, who is also a member of the OGP working group, stated that all government officials submitted 2012 asset and income declarations to the commission.<sup>2</sup> However, some declarations were not posted on the commission’s website because it was being restructured. The commission analyzed the declarations for 2011 and 2012 and found that more than 100 officials failed to comply with the requirements of the legislation. The commission returned these declarations to the officials and demanded they submit clarifications and explanations about inconsistencies. The analysis of declarations helped summarize the impact of the law and prepare proposals to eliminate existing gaps and improve the system. However, the commission did not publish the results of the analysis because it



was not legally obligated to do so. The Committee to Protect Freedom of Expression (CPFE), a CSO, monitored the Ethics Commission website and presented its results<sup>3</sup> at a press conference on 15 October 2013, in Yerevan (at Media Center at Saryan 30), revealing that:

- Declarations of less than half of the high-ranking public officials required to submit them were available on the Ethics Commission website (322 out of 660).
- Missing from the website were the declarations of 89 members of Parliament, several ministers and deputy ministers, the head and 5 members of the Constitutional court, several judges of other courts, the prosecutor general and 3 deputies, and the head and one of the members of Ethics Commission.
- Some of the declarations were incomplete, incorrect, or even false.

These and other issues were discussed with the Ethics Commission chairman at a meeting called by CPFE on 15 July 2013. According to the chairman, the commission sent more than 100 reminders to high-level officials to submit declarations, but the commission does not have the necessary powers to hold government officials accountable for not submitting declarations or submitting incomplete or incorrect information. The chairman also claimed that the state officials must feel individually responsible for providing correct information, not only to their supervisors but also to society in general<sup>4</sup>.

#### **Did it matter?**

By taking on a commitment to introduce “legislative changes on prescribing targeted severe sanctions for senior state officials engaging in business activities” in 2009, the GoA accepted that some state officials were engaged in business. Over the years, reports in the Armenian media confirmed the existence of this problem. However, over the past four years the Armenian public has not witnessed even one case in which action was taken against any senior state official for being engaged in business. The Transparency International Anti-Corruption Center (TIACC) requested the Ethics Commission to investigate this issue with regard to certain senior state officials.

In the IRM researcher’s opinion, this commitment has been fulfilled partly. All the declarations of assets and income of high-ranking officials have not been published on the website of the Ethics Commission (because according to a commission member the website was undergoing restructuring) (as it was being restructured). In the opinion of the IRM researcher, the Ethics Commission and the GoA should have explored the option of uploading all 2012 declarations on the Ethics Commission website, while developing the new website. It is too early to assess the impact of the publication of these declarations.

#### **Moving forward**

In the opinion of the IRM researcher, the absence of a legal requirement is not a sufficient justification for not fulfilling the commitment. While the GoA took the first difficult steps and published asset and income declarations of high-ranking government officials in a place accessible to the public, according to the CPFE not all the declarations were available. More work is needed to assure the full implementation of this commitment. The IRM researcher makes the following recommendations for the next action plan:

- The GoA will need to include a commitment to publish the declarations of all high-level state officials envisaged in the law and to guarantee that the analysis of these declarations is made available.
- Introduce legislation to clearly define the consequences of not publishing the declarations or publishing wrong or false information. The publication of

declarations is meaningless if high-level state officials are not held accountable for publishing false information.

- The legislation will need to ensure that there is sufficient information about all conflict-of-interest situations.

This commitment was considered one of the most important by several CSOs. As specified above, the CPFE closely monitored the implementation of this commitment. The TIACC submitted requests to investigate whether certain high-ranking officials had any conflicts of interest, and checked their declarations for accuracy. The IRM researcher is of the opinion that the GoA and the international donor community must support the CSO monitoring functions and provide necessary funding to CSOs that monitor the website and officials' compliance with Armenian legislation.

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<sup>1</sup> IMF (International Monetary Fund), "Country Report Armenia: Memorandum of Economic and Financial Policies," See Attachment II. Armenia: Memorandum of Economic and Financial Policies, No. 09/214, July 2009.

<sup>2</sup> The IRM researcher discussed the implementation of the commitment with Armen Khudaverdyan, member of the High Level Officials Ethics Commission and member of OGP working group. Telephone conversations and e-mails from October 10-11 2013

<sup>3</sup> Expert opinion about the results of the official website of the High Level Officials Ethics Commission of Armenia published by the Committee to Protect Freedom of Expression (CPFE), a CSO.

<sup>4</sup> Committee to Protect Freedom of Expression CSO. Expert opinion about the results of monitoring of the official website of Commission of Ethics of High level officials.

## 2.1.b. Standardize Official Website Content

*Standardization of Official websites' content: The standardization process will be designed to ensure a unified structure for government websites (including budget related information in data formats that will support public expenditure analysis), the publication of essential information on government websites, and the successful usability of the sites for all target audiences. The standards will also ensure regular publication of information prescribed by the "Law on Freedom of Information", such as budgets, budget implementation reports, vacancies, contact information of officials, etc.*

COMMITMENT DESCRIPTION						
Answers ability	LEAD INSTITUTION	Ministry of Transport and Communication				
	SUPPORTING INSTITUTIONS	None				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		High (Commitment language provides clear, measurable, verifiable milestones for achievement of the goal)				
Relevance	OGP GRAND CHALLENGES	Increasing public integrity				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
		√		√	√	
AMBITION						
New vs. pre-existing Pre-existing			Potential impact Moderate (the commitment is a major step forward in the relevant policy area, but remains limited in scale or scope)			
LEVEL OF COMPLETION						
Start date: 1 May 2012		End date: 31 December 2013		Actual completion	Limited	
				Projected completion	Substantial	
NEXT STEPS		Maintenance and monitoring of completed implementation				

### What happened?

This issue has been on the agenda of the GoA since 2011.<sup>1</sup> The Ministry of Transport and Communication was assigned to prepare a draft of the government decree "Approving the Requirements towards Official Internet Websites of the State Bodies." The need for this decree was based on the order of the President.<sup>2</sup>

In 2012, in response to a request from the CSO, Freedom of Information Center (FOICA), the Ministry of Transport and Communication replied that the draft was presented to the government.<sup>3</sup> According to a Ministry report, by the department of communication of the staff of the Ministry of Transport and Communication of Armenia the draft decree was edited and presented to the GoA for discussion in the third quarter of 2012.<sup>4</sup> In response to the letter of IRM researcher the deputy Minister of Transport and

Communication informed that the final version of the draft decree has been presented to the government of the RA.<sup>5</sup>

#### **Did it matter?**

This commitment was considered one of the most important by several NGOs (specifically by Freedom of Information Center of Armenia and the Committee to Protect Freedom of Expression [CPFE]).

The draft government decree has been discussed for more than two years, but is yet to become final. During this period, several ministries and agencies restructured their websites without having any clear criteria approved by the GoA (e.g. the Ministry of Finance restructured its website in late October 2013). Thus, websites of different government bodies, Ministries, and agencies have different structures and content, which makes it hard to find information.

The self-assessment report specifies that the executive bodies discussed the draft government decree with technical specialists. However, it does not mention whether it was discussed with the civil society organizations and analysts that often look for information on the websites of government bodies.

#### **Moving forward**

In the opinion of the IRM researcher, the GoA should include this commitment in the next action plan and work toward its implementation. The GoA will need to reveal the results of its consultation efforts with the public: specifically, what comments and suggestions it received, who submitted them, the GoA's opinion of each comment and suggestion, and which suggestions from the public will be incorporated into the decree.

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<sup>1</sup> Government Decree N111-N of 13 January 2011 "Approving the Government of the Republic of Armenia Activity Program and Priority Issues," point 54 of Annex 1.

<sup>2</sup> President's Order NK-97 of 26 June 2009, "Approving the Concept of Information Security of the Republic of Armenia."

<sup>3</sup> FOICA letter from 6 June 2012.

<sup>4</sup> Report about works done by the department of communication of the staff of the Ministry of Transport and Communication of Armenia in the third quarter of 2012.

<sup>5</sup> Letter to IRM researcher from the Deputy Minister of Transport and Communication, #04/11.2/11941-13, 10 October 2013.

## 2.1.c. Improve Knowledge and Skills of Public Servants about Access to Information

*Improvement of knowledge and skills of public servants on access to information: In cooperation with non-governmental organizations, training sessions for civil and community servants will be regularly organized. These training sessions will help public servants to work openly and accountably with the public, as well as to appropriately process and respond to information requests.*

COMMITMENT DESCRIPTION						
Availability	<b>LEAD INSTITUTION</b>	Freedom of Information Center of Armenia (FOICA), a civil society organization				
	<b>SUPPORTING INSTITUTIONS</b>	Ministry of Territorial Administration, Civil Service Council, Union of Armenian Government Employees				
	<b>POINT OF CONTACT SPECIFIED?</b>	No				
<b>SPECIFICITY AND MEASURABILITY</b>		High (Commitment language provides clear, measurable, verifiable milestones for achievement of the goal)				
Relevance	<b>OGP GRAND CHALLENGES</b>	Increasing public integrity				
	<b>OGP VALUES</b>	<b>Access to Information</b>	<b>Civic Participation</b>	<b>Accountability</b>	<b>Technology and Innovation</b>	<b>None</b>
				√		
AMBITION						
<b>New vs. pre-existing</b> Pre-existing			<b>Potential impact</b> Moderate (the commitment is a major step forward in the relevant policy area, but remains limited in scale or scope)			
LEVEL OF COMPLETION						
<b>Start date:</b> 1 March 2012		<b>End date:</b> 1 December 2012		Actual completion		Complete
				Projected completion		Complete
<b>NEXT STEPS</b>		Maintenance and monitoring of completed implementation				

### What happened?

In the decade 2003–13, the GoA collaborated with the civil society organization (CSO), Freedom of Information Center (FOICA) to train 2,843 officials on the “Law about Freedom of Information.”<sup>1</sup> In 2010 FOICA established the Non-Formal Education Center for Freedom of Information to impart knowledge about the implementation of the Armenian “Law on Freedom of Information,” the electronic management of information, and the ethical standards for government officials. Since the center was set up, many civil servants have received training:

- In 2011, 301 civil servants received training at the center.
- In collaboration with the Ministry of Territorial Administration, 400 community servants finished training during 2011–12.
- During 13–30 May 2013, the center organized training for 78 civil servants responsible for information and public relations based on programs developed in cooperation with the Civil Service Council.

FOICA received support from the European Organization for Security and Co-operation's Yerevan office and the U.S. Agency for International Development (USAID) for different training programs.

#### **Did it matter?**

The training courses organized by FOICA for officials at different levels of government play an important role in enabling officials from state and local governments to provide information to stakeholders, such as the media, organizations, and individual citizens. Any organization may apply to any government body with a question and the government body must respond in line with the requirements of the Law on Freedom of Information. FOICA trainings help officials understand how to comply with the legislation when answering requests. FOICA was successful in convincing the managers of different government bodies that knowledge of the Law on Freedom of Information will help their staffs better cooperate with the media and the public. In 2003, FOICA started giving annual awards, namely the "Golden key" and "Rusty lock" awards to state and local government bodies as well as to managers of companies, depending on whether their activities are especially open or closed.

#### **Moving forward**

FOICA is performing an important function, the result of which is that state and local government bodies and other organizations have learned to respect and comply with the requirements of the Law on Freedom of Information. This commitment is a good example of cooperation between the government and CSOs. The IRM researcher is of the opinion that it is necessary to continue the cooperation of the GoA and FOICA, but it is also necessary to specify how many civil or community service employees must be trained every year and to allocate the resources required to achieving those outputs. Based on this successful example, the GoA can develop other programs with CSOs to improve access to government-held information, to improve government accountability, and to improve cooperation between the GoA and the public.

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<sup>1</sup> <http://www.foi.am/en/trainings-overview/>

## 2.2. PROMOTE TRANSPARENCY AND OBJECTIVITY IN TAX ADMINISTRATION

By the end of 2013 it is planned to amend the code of professional ethics and liability in tax administration, and to introduce the system of professional conduct oversight and conflict of interest management within the tax administration services. It is also planned to fully switch to an online regime process, which means that at least 90 percent of all taxpayers' reports should be processed online. To raise public awareness and improve customer care, customer service and information centers will be established to provide assistance to taxpayers. By the end of 2013 it is planned to increase the number of customer service users by 15 percent as compared to the baseline. Relevant guidelines for taxpayers will be available online and updated regularly.

COMMITMENT DESCRIPTION						
Answerability	LEAD INSTITUTION	State Revenue Committee				
	SUPPORTING INSTITUTIONS	World Bank, USAID				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		Medium (Commitment language describes an activity that is objectively verifiable, but does not contain specific milestones or deliverables)				
Relevance	OGP GRAND CHALLENGES	Improving public services				
	OGP VALUES	Access to Information	Civic Participation	Accountability	Technology and Innovation	None
				√		
AMBITION						
New vs. pre-existing Pre-existing			Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
Start date: 18 May 2011		End date: 31 December 2013		Actual completion	Complete	
				Projected completion	Substantial	
NEXT STEPS		New commitment building on existing implementation				

### What happened?

A number of executive and legislative interventions were adopted by the Armenian government to address the issue of the ethics and behavior of the tax service employees—namely, a Law about Tax service,<sup>1</sup> and the code of professional ethics approved by the GoA in 2002.<sup>2</sup> In 2013 the chairman of the State Revenue Committee (SRC) approved the ethics and behavior guidelines of the employees of the tax inspectorate.<sup>3</sup> The SRC chairman also established a committee of internal investigations.<sup>4</sup> At the time of writing, the internal investigation procedures of this committee were in the drafting stage. The SRC started establishing service centers in 2011,<sup>5</sup> 14 service centers had been established in Yerevan, Gyumri, Vanadzor, Yeghenadzor, and Sevan at the time of writing. The SRC does not have a system to

record the number of users of its services. However, information about applications received at service centers is available at the SRC website.<sup>6</sup> According to available information, the number of explanations given by the Vanadzor service center to taxpayers in April and May 2013 compared with the same months in 2012 increased by more than 15 percent. The number of taxpayers who submitted online reports has also increased gradually. According to information from SRC, the share of taxpayers submitting reports online in the third quarter of 2013 was 81.3 percent compared with 45.2 percent in the first quarter and 70.8 percent in the second quarter.

#### **Did it matter?**

This commitment was considered one of the most important by several CSOs.

However, more time is needed to assess the impact of the new ethics and behavior regulations. The fruits of establishing service centers and an online reporting mechanism are already visible, as more taxpayers are using the online tool to submit their reports.

#### **Moving forward**

The IRM researcher is of the opinion that the GoA can take on more ambitious commitments to improve the transparency and objectiveness of the tax administration. The IRM researcher suggests a new commitment should build on the implementation of this commitment.

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<sup>1</sup> The Law about Tax Service, HO-402 of 3 July 2002.

<sup>2</sup> Government Decree 1624-Nof 10 October 2002, "Approving the Rules of Behavior of Employees of the Tax Service."

<sup>3</sup> Chairmen of the SRC Order 214-A of 14 May 2013.

<sup>4</sup> Chairman of SRC Order 404-A of 20 September 2013.

<sup>5</sup> The following links provide information about opening new service centers over the last two to three years: [http://www.taxservice.am/MD\\_News.aspx?ntname=MDOfficialNews&nid=97](http://www.taxservice.am/MD_News.aspx?ntname=MDOfficialNews&nid=97);  
[http://www.taxservice.am/MD\\_News.aspx?ntname=MDOfficialNews&nid=1087](http://www.taxservice.am/MD_News.aspx?ntname=MDOfficialNews&nid=1087);  
[http://www.taxservice.am/MD\\_News.aspx?ntname=MDOfficialNews&nid=1004](http://www.taxservice.am/MD_News.aspx?ntname=MDOfficialNews&nid=1004);  
[http://www.taxservice.am/MD\\_News.aspx?ntname=MDOfficialNews&nid=1000](http://www.taxservice.am/MD_News.aspx?ntname=MDOfficialNews&nid=1000);  
[http://www.taxservice.am/MD\\_News.aspx?ntname=MDOfficialNews&nid=959](http://www.taxservice.am/MD_News.aspx?ntname=MDOfficialNews&nid=959);  
[http://www.taxservice.am/MD\\_News.aspx?ntname=MDOfficialNews&nid=96](http://www.taxservice.am/MD_News.aspx?ntname=MDOfficialNews&nid=96);  
[http://www.taxservice.am/MD\\_News.aspx?ntname=MDOfficialNews&nid=877](http://www.taxservice.am/MD_News.aspx?ntname=MDOfficialNews&nid=877);  
[http://www.taxservice.am/MD\\_News.aspx?nid=1099](http://www.taxservice.am/MD_News.aspx?nid=1099)

<sup>6</sup> <http://taxservice.am/Content.aspx?itn=TICallCenter>.



## 2.3. FIGHT AGAINST CORRUPTION

*To stimulate effective cooperation between law-enforcement bodies and civil society fighting corruption and institutional bribery, the Government will regularly discuss with civil society organizations the results on monitoring and research for assessing the level and extent of corruption, as well as the impact of anti-corruption measures taken by the Government conducted by the mentioned organizations. Based on these discussions, the Government will make necessary corrections in the formulation and implementation of its anti-corruption policies. A unit (Secretariat) will be established to assist the Council on the Fight against Corruption and its Monitoring Commission to perform efficiently their functions. It will also facilitate the establishment of cooperation between state bodies and civil society organizations.*

COMMITMENT DESCRIPTION						
A n s w e r a b i l i t y	LEAD INSTITUTION	Not clear				
	SUPPORTING INSTITUTIONS	Not clear				
	POINT OF CONTACT SPECIFIED?	No				
SPECIFICITY AND MEASURABILITY		Medium (Commitment language describes an activity that is objectively verifiable, but does not contain specific milestones or deliverables)				
R e l e v a n c e	OGP GRAND CHALLENGES	Increasing public integrity				
	OGP VALUES	Access to Information	Civic Participation	Accounta bility	Technology and Innovation	None
				√	√	
AMBITION						
New vs. pre-existing Pre-existing			Potential impact Minor (the commitment is an incremental but positive step in the relevant policy area)			
LEVEL OF COMPLETION						
Start date: Not clear		End date: 31 December 2012		Actual completion	Limited	
				Projected completion	Complete	
NEXT STEPS		Further work on basic implementation				

### What happened?

The Council on the Fight against Corruption is chaired by the Prime Minister. According to publicly available information, the last council meeting was held in December 2012 when the execution report of the 2009–12 strategy was discussed. In the fight against corruption, Armenia is in a transition period. The time period of the previous strategy has lapsed and the government is considering options for the future. These options include adopting a broad strategy (similar to the previous one) or sector-specific strategies for areas such as the judiciary, health, and education. Adoption of a broad strategy would require more resources. Another approach is to develop an action plan

based on recommendations from the Council of Europe’s Group of States against Corruption (GRECO), the OECD’s anti-corruption network for Eastern Europe and Central Asia, and the UN Convention against Corruption (UNCAC).

Information about the fight against corruption by Armenian authorities is very limited. The most recent information on the implementation of anticorruption policies on the GoA website (www.gov.am) is its semi-annual report for the first half of 2011. The Monitoring Commission is chaired by an assistant to the President. It is not clear where, when, or how often this commission meets. The representatives of TIACC informed the IRM researcher that the last time they were invited to a and participated in the commission meetings was in July 2010. Since then, TIACC has not received any notification about the sessions of the commission. Taking into account the role and the reputation of TIACC in anticorruption advocacy in Armenia and around the world, this fact is worrisome. There is no evidence that the council or the commission held any discussions with CSOs or made any corrections in the formulation and implementation of its anticorruption policies. There were claims that the Monitoring Commission is not functional.<sup>1</sup> The most up-to-date information obtained by the IRM researcher dates to 12 October 2010,<sup>2</sup> when the chairman reported on amendments and additions to the regulation of the commission (specifically, regarding a plan to change the structure of the Monitoring Commission).

In the opinion of the IRM researcher, the GoA should establish a Secretariat to support the operations of the Council on the Fight against Corruption and the Monitoring Commission, and to help implement effective anticorruption policies, as envisaged in the government’s anticorruption strategy.<sup>3</sup> As of June 2013, there was no evidence that the GoA had established this Secretariat (in December 2013 the government established such a body, although that was required by the anti-corruption strategy for 2009-13).

#### Did it matter?

The lack of serious activities in the fight against corruption did matter, as signs of inaction are evident in everyday life and in the reports of international organizations. A 2010 International Monetary Fund (IMF) report mentioned that “a majority of businesses indicate that corruption, access to finance, as well as crime, theft, and disorder have recently emerged as major concerns” in Armenia.<sup>4</sup> Transparency International’s Corruption Perception Index also revealed a substantial change in the popular perception of corruption in Armenia since 2008 (see Table 1 ).<sup>5</sup> From 2007 to 2011 the corruption perception index declined from 3.0 to 2.6 (a higher value on the index means less corruption with 10 as the least corrupt).

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Armenia	3.0	3.1	2.9	2.9	3.0	2.9	2.7	2.6	2.6

Source: Transparency International corruption perception index reports for different years.

Note: the index is reported on a scale of 1-10 with 1 as the most corrupt and 10 as the least corrupt.

#### Moving forward

The IRM researcher is of the opinion that the GoA can take serious actions in the fight against corruption. The fight against corruption can and should be “continuous” as specified in the self-assessment report. However, in the opinion of the IRM researcher while the fight against corruption can be ongoing (or continuous), each commitment to fight corruption needs clear timelines and targets. The IRM researcher recommends that this commitment be renewed in the next action plan with the proposed anticorruption activities clearly defined, with specific time frames and objectives. The commitment

should also designate the government official who will be responsible for the activity, and who will have the necessary powers to implement the activity.

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<sup>1</sup> Aravot Daily, 2 November 2012, <http://www.aravot.am/2012/11/02/310441/>, available in Armenian.

<sup>2</sup> <http://www.panarmenian.net/arm/news/55128/>.

<sup>3</sup> Government Decree N 1272-N of 8 October 2009, point 64 of Annex 1.

<sup>4</sup> IMF Country Report No 350 of 12 November 2010

<sup>5</sup> Note: In 2012, Transparency International changed its scoring mechanism. Prior to 2012, as shown in Table 4, CPI scores were determined not only by the perception of corruption in that country, but also on perceptions of corruption in other countries.

## V. SELF-ASSESSMENT

The Government of Armenia’s action plan commitments lack clearly defined timelines affecting the reporting in the self-assessment.

The Government of Armenia (GoA) published its annual progress report on 1 October 2013. The text, which was posted at the government’s OGP website, [www.ogp.am](http://www.ogp.am), did not mention that it was a draft self-assessment and did not invite the public to make comments. On 17 October 2013, the Ministerial Committee on Institutional-Legal Affairs approved the report. The report mentions the involvement of a few CSOs, such as the Freedom of Information Center (FOICA), Asparez, the journalists’ club from Gyumri, and Transparency International’s Anti-Corruption Center (TIACC). However, the report did not mention consultations with the broader public. The report used a different assessment criteria for the progress of each commitment, including “fulfilled,” “in the stage of fulfillment,” and “commitments that suppose continuous work.”

While the policies implemented by the government can be continuous the specific activities within each policy should have starting and ending days. The IRM researcher is of the opinion that the GoA’s OGP commitments are not policy issues. Rather they are specific activities, and they lack clearly defined time frames for fulfillment.

**Table 2. Self-Assessment Checklist**

Was annual progress report published?	Yes
Was it done according to schedule?	No
Is the report available in the local language?	Yes
According to stakeholders, was this adequate?	No
Is the report available in English?	Yes
Did the government provide a two-week public comment period on draft self-assessment reports?	No
Were any public comments received?	No
Is the report deposited in the OGP portal?	Yes
Did the self-assessment report include review of the consultation efforts?	No
Did the report cover all of the commitments?	Yes
Did it assess completion according to schedule?	No
Did the report reaffirm responsibility for openness?	Yes
Does the report describe the relationship of the action plan with grand challenge areas?	Unclear <sup>1</sup>

<sup>1</sup> While the GoA intends to develop a new strategy to fight corruption, there is no rigorous analysis of this (or other challenges) faced by Armenia.

## VI: MOVING FORWARD

This section puts the OGP action plan into a broader context and highlights potential next steps as well as stakeholder-identified priorities.

### Country Context

Three key events took place that could have been impacted by the OGP action plan. Commitments on these events—the Parliamentary election in May 2012, the Presidential election in February 2013, and negotiations with the European Union—were not included in the OGP action plan. OGP commitments around these events could have addressed some of the challenges through transparency, public participation, and accountability.

Recently, four foreign ambassadors from the Caucasus region raised questions about the conduct of recent presidential elections in Armenia.<sup>1</sup>

It could be constructive if the Armenian government, in its next OGP action plan, undertook commitments around the conduct of elections to improve transparency and election monitoring with the participation of civil society. At the same time, civil society groups may choose to work issues related to OGP values and commitments into the ongoing political processes.

Following the elections, the GoA successfully completed negotiations on an association agreement with the European Union.<sup>2</sup> After negotiating with the European Union for about four years, however, the GoA decided to join the Customs Union of Russia, Belarus and Kazakhstan. One complaint was that the decision making process was not transparent and the government did not address the requests of different groups of society to publish the draft of the association agreement negotiated with the European Union. Going forward, the government may consider including commitments around making such processes more transparent and participatory, as well as including such measures within the outcomes of the process.

By including these items more clearly in its action plans, the government can improve the relevance of OGP and OGP values among citizens and public officials. If OGP cannot achieve this in Armenia, it runs the risk of losing its usefulness as a tool in the country. At the same time, the international apparatus of OGP needs to work more closely with governments to ensure that commitments are adequately relevant and ambitious.

In terms of the OGP process itself, the process of developing the action plan seems to be improving. Early on in the process, the OGP working group involved civil society on an invitation-only basis and did not directly provide feedback on inputs and recommendations. However, in the intervening months leading up to the release of a new action plan in 2014, the working group has shown promising signs of opening the OGP process to all interested parties and to discussing commitments on a more collaborative basis. The IRM researcher recommends that this effort continue. At the same time, civil society organizations working outside the capital and on a sectoral basis will need to use these opportunities to make recommendations for the upcoming action plan (a draft is due in April 2014).

### Current Stakeholder Priorities

The IRM researcher discussed the action plan and individual commitments during several face-to-face meetings with CSOs and also during the four meetings held in Gyumri, Vanadzor, and Yerevan. Most CSOs considered the commitments related to the fight against corruption, access to information, budget transparency, public procurement, and transparency and objectivity in tax administration, as the most

important commitments in the first OGP Armenian Action Plan. The CSOs suggested that the GoA make commitments to use modern technologies to increase access to data related to health, education, environmental protection, and other sectors. The Taxpayers Rights Protection CSO and the Professionals for Civil Society CSO submitted specific proposals related to improvements in tax administration and mechanisms for the engagement of CSOs in state- funded projects. The CSOs were less interested in e-governance activities, seeing them as less important, and less related to OGP.

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<sup>1</sup> *Choices for the South Caucasus*, <http://nyti.ms/IELKrG>

<sup>2</sup> <http://eeas.europa.eu/armenia/>

### Future Stakeholder Priorities

The CSOs mentioned they would like to see some commitments to make information available about, or enhance public participation regarding, issues such as public financial management, education, health, environmental protection, tax administration, etc. Specifically, the following priorities were stressed in three thematic areas:

#### Transparency and accountability

- Publish all asset and income declarations of high-ranking state officials.
- Standardize contents of websites of all official state bodies in order to make them easy to access and use.
- Set clearly defined activities in government's fight against corruption.
- Increase transparency in tax administration, in particular through the following:
  - Place all applications or complaints and the official answer from the State Revenue Committee (SRC) on the SRC website.
  - Open up the sessions of the SRC council in charge of handling complaints about participation by CSOs representatives, professionals, the media, and others.
  - Allow CSO representatives, professionals, the media, and others to monitor internal (service) investigations.
- Substantially improve the procurement system, including the full implementation of an electronic system. Together with the 2013 budget execution report, the GoA needs to commit to publishing detailed reports about public procurement, including at least the following information:
  - The number and volumes of procurements under different procurement procedures carried out by different state bodies. The GoA needs to involve the CSOs in implementation of different government programs and awarding offer grants to CSOs for that purpose. The GoA needs to:
    - Develop a mechanism that will regulate the selection (by competitive method) and awarding of grants to CSOs from the state budget and commit to awarding all the grants to CSOs from the state budget using this mechanism.
    - Develop and implement monitoring and evaluation mechanisms for programs implemented by CSOs.
    - Commit to publishing an annual report about CSO financing from the state budget.

#### Access to government-held information

The GoA will need to:

- Enable easy access, in Excel or CVS format, to information (database) related to public financial management from the Ministry of Finance website.
- Enable easy access, in Excel or CVS format, to information available in databases of the National Statistical Service website.
- Enable access to information, in Excel or CVS format, from databases of the State Health Agency (SHA) via the website of the Ministry of Health or the SHA (publications of international organizations refer to the SHA database).

The Ministry of Education and Science will need to:

- Ensure that the reports of higher educational institutions (universities and institutes) are available on the website of the Ministry or on another specially developed website, and

- Ensure that the Ministry will evaluate the effectiveness of operations of higher educational institutions (as required by the law about higher and postgraduate professional education<sup>1</sup>) and will publish that information.

### **Public participation**

The GoA needs to create a platform where it can discuss OGP-related and other issues with CSOs.<sup>2</sup>

### **Recommendations**

The GoA can substantially improve the OGP action plan preparation process. According to CSOs represented in the OGP working group, the GoA has started preparation of the second action plan and, as of late October 2013, it did not meet OGP requirements. In early August 2013, the CSOs received a letter with the draft action plan and a request to submit proposals related to the draft. However, the CSOs received the letter only two to three days before the deadline. It is strange that while the GoA embraces new technologies and promotes e-governance reforms in several areas, in this case, it decided not to use email, but instead used surface mail that resulted in loss of time. The OGP working group meeting took place on 9 September 2013. The CSOs represented submitted several proposals:

- FOICA submitted a proposal to establish an ombudsman responsible for protection of personal data.
- The Asparez club submitted proposals related to:
  - Holding public discussion of concept papers and draft legislation on regional and local development,
  - Improving the functions of local governing bodies, with a emphasis on making their operations more transparent,
  - Ensuring that all organizations that receive funds from the government and/or through local budgets comply with freedom of information legislation,
  - Making changes to legislation related to telecommunication and to public television, so as to make their operations more transparent and make information about shareholders of different TV and radio stations publicly available,
- Other proposals related to the police and the prosecutor office.
- TIACC submitted several proposals related to:
  - Applying freedom of information legislation to all entities that use public resources,
  - Increasing transparency in the declarations of assets and incomes of high-ranking officials,
  - Adopting a new anticorruption strategy concentrated on three to four key areas,
  - Limiting single- source procurements,
  - Assuring the independence of the procurement appeals council, and
  - Becoming a member of the extractive industries transparency initiative.

However, according to CSOs, most of their proposals have been rejected.<sup>3</sup> Two of the CSOs were not happy with the draft of the second OGP Armenian Action Plan and during a press conference on 15 October 2013 announced that they are considering preparing an alternative action plan. The IRM researcher makes the following recommendations for government and civil society organizations.

### **For Government**

In the opinion of the IRM researcher, the GoA can substantially improve the process of drafting the second OGP Armenian Action Plan by:



- Engaging more CSOs in the process, including sectoral and regional CSOs,
- Publishing the summary of public consultations, including all individual submissions and initiating broad public discussion,
- Choosing commitments that directly address OGP values, that is, access to government-held information, public participation, accountability, and increased access to new technologies for openness and accountability,
- Clearly formulating new commitments, with timelines, defined responsibilities of the different state agencies, and the official responsible for implementing the commitments. The clarity of definitions, deadlines, naming of responsible parties and officials, and a well-organized process of public consultations will help GoA prepare better self-assessment reports.

The IRM researcher is of the opinion that the deficiencies associated with the drafting and implementation of the first action plan were the result of a lack of experience and clear understanding of OGP principles among government officials. The GoA has the necessary capability to address these limitations and should ensure that the development of the next action plan, and its implementation, are in compliance with all OGP requirements.

#### **For CSOs**

- It is important that CSOs get involved in the OGP process and work to ensure that important issues relevant to the Armenian people that are related to OGP values are incorporated in the next OGP action plan.
- CSOs must engage the government, participate in consultations, and use opportunities created by the government to make recommendations for the upcoming action plan (draft due in April 2014).
- CSOs working in different sectors can also involve themselves in awareness-raising activities on the concrete benefits of OGP values, particularly transparency and public participation in policy processes.

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<sup>1</sup> The Law of the Republic of Armenia “About Higher and Postgraduate Education” (HO-62), adopted on December 14 2004

<sup>3</sup> Discussions and exchanges with CSOs, GoA employees, and professionals working in different areas.

## ANNEX: METHODOLOGY

As a complement to the government self-assessment, well-respected governance researchers write an independent assessment report, preferably from each OGP participating country.

These experts use a common OGP independent report questionnaire and guidelines,<sup>1</sup> based on a combination of interviews with local OGP stakeholders as well as desk-based analysis. This report is shared with a small International Expert Panel (appointed by the OGP Steering Committee) for peer review to ensure that the highest standards of research and due diligence have been applied. Analysis of progress on OGP action plans is a combination of interviews, desk research, and feedback from nongovernmental stakeholder meetings. The IRM report builds on the findings of the government's own self-assessment report and any other assessments of progress put out by civil society, the private sector, or international organizations. Each local researcher carries out stakeholder meetings to ensure an accurate portrayal of events.

Given budgetary and calendar constraints, the IRM cannot consult all interested or affected parties. Consequently, the IRM strives for methodological transparency, and therefore where possible, makes public the process of stakeholder engagement in research (detailed later in this section). In national contexts where anonymity of informants—governmental or nongovernmental—is required, the IRM reserves the ability to protect the anonymity of informants. Additionally, because of the necessary limitations of the methods, the IRM strongly encourages commentary on public drafts of each national document.

### Introduction

In preparing this report, the IRM researcher carried out extensive discussions with CSOs, government officials, and professionals working in different areas.

The IRM researcher had a number of meetings, telephone conversations, and email exchanges with the representatives of three CSOs involved in the OGP working group.

The IRM researcher also had intensive correspondence with GoA officials working for different ministries and agencies. The researcher prepared a list of questions related to individual commitments in the OGP Armenian Action Plan and emailed them to officials appointed by the GoA contact person. In all the emails, the IRM researcher suggested that he was ready to personally meet and discuss all the issues related to individual commitments. Some officials preferred to answer by email, while others preferred either to discuss the issues by phone or have face-to-face meetings. In all cases, when there was a telephone or a face-to-face conversation, the IRM researcher prepared a summary of the discussion and emailed it back to the respective official for comments. In certain cases, the IRM researcher studied publications, reports, and papers by different state bodies, CSOs, think tanks, and other sources. These publications were especially useful when analyzing the implementation of commitments considered important by most of the CSOs, that is, regarding public procurement, the fight against corruption, and freedom of information, etc. All the sources are mentioned in the respective sections of the report.

### Stakeholder Selection

Only three CSOs were selected to represent civil society in the OGP working group. Since these CSOs were not representative of Armenian civil society, the IRM researcher organized four meetings with a number of different CSOs. The IRM researcher prepared

a list of CSOs in Gyumri and Vanadzor through discussions with CSOs and by searches conducted on websites and CSO databases.

The IRM researcher also prepared a small survey to assess the extent of awareness among CSOs about the OGP in general, and how informed they were about the preparation of the Armenian draft action plan. The survey results revealed an absolute lack of awareness.

The IRM researcher met with representatives of four CSOs in Gyumri on 2 October and with six CSOs in Vanadzor on 3 October. Some CSOs were unable to participate because of prior commitments. The IRM researcher reached out to the chairwoman of Public Network, which has over 150 members, requesting a meeting with the network partners. On 4 October, the chairwoman organized a meeting at Ani Plaza hotel in Yerevan with members of Public Network. She also invited the GoA officials who were members of working group representatives and a CSO that was a member of the OGP working group. The IRM researcher also reached out to representatives of CSOs working in the area of tax policy and to representatives of the business community. However, only one of these CSOs replied. The IRM researcher invited several CSOs working in the areas of environment and health protection, freedom of information, civic society development, and the protection of rights of taxpayers, and the business community to a meeting organized on 23 October at the Civic Development and Partnership Foundation.

The IRM researcher tried to contact the CSOs and individuals involved in drafting the first action plan. He had face-to-face discussions with two people and a telephone discussion with one person involved in drafting the first OGP Armenian Action Plan. The IRM researcher also had very productive discussions with representatives of two other organizations involved in programs to strengthen civil society in Armenia, the Open Society Foundations and Counterpart International (in charge of a USAID- funded civil society strengthening project).

### Stakeholder Meetings One and Two

The IRM researcher held stakeholder meetings with CSOs in Gyumri (2 October) and Vanadzor (3 October). The meetings began with a presentation on the OGP, the OGP Armenian Action Plan, and the Independent Research Mechanism of the OGP. The representatives of CSOs who attended the meetings in Gyumri and Vanadzor were unaware of OGP, the Armenian action plan, and the self-assessment report prepared by the GoA. There was a general perception that being away from capital city meant limited access to major events organized by the GoA. The general understanding among participants was that the most important commitments of the GoA are related to the fight against corruption, freedom of information, public procurement, and improvements in the business environment. However, they also mentioned that it is important to initiate reforms and make more commitments on:

- Regional development
- Environmental protection
- Health
- Education
- State cadastre
- Tax reform
- Customs administration.

The representatives of the CSOs participating in these two meetings also wanted government assurance that the public councils established in the Ministries are really functioning. The IRM researcher developed a list of possible commitments based on the proposals received from CSOs.

### Stakeholder Meeting Three

The stakeholder meeting with members of Public Network in Yerevan also revealed that CSOs are not well informed about the OGP and its goals and values, the Armenian action plan, or the self-assessment report prepared by the GoA. The CSOs mentioned a lack of public awareness activities, and a lack of clarity in the way commitments were defined. The participants specified that the commitments on the fight against corruption, public procurements, and freedom of information are the most important ones in the first action plan. However, there was a consensus that the government collects information in other areas and it would be helpful if it opened up its data in the areas of health, education, etc.

### Stakeholder Meeting Four

The IRM researcher had a fourth meeting with representatives of CSOs that did not participate in the previous three IRM researcher meetings. Eight representatives of five CSOs from sectors such as environmental protection, health, the protection of taxpayers' rights, and civic development, participated in the final meeting. The IRM researcher made a presentation about the OGP, the Armenian action plan and the IRM. A discussion took place about the first OGP Armenian Action Plan and possible other commitments that could be included in future action plans. According to the CSOs present, the GoA did not carry out any public awareness campaign about the Armenian OGP Action Plan and that the second action plan should address other areas (e.g., health, education, environmental protection). There were specific proposals related to the inclusion of commitments on taxpayers' rights protection and the involvement of CSOs in GoA-funded programs.

### Public Comments

Comments and recommendations provided by members of the public during the report comment period can be viewed at [www.opengovpartnership.org/country/armenia/irm](http://www.opengovpartnership.org/country/armenia/irm)

### Acknowledgements

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Roza Vardanyan, senior expert of GoA's external relations department, assisted in establishing contacts with government officials in charge of different commitments. The IRM researcher would like to thank the Asparez club of journalists; and the CSOs Lori Development Center, Araza, and Civic Development and Partnership Foundation, for their assistance in organizing meetings.

### About the Independent Reporting Mechanism

The IRM is a key means by which government, civil society, and the private sector can track government development and implementation of OGP action plans on a bi-annual basis. The design of research and quality control of such reports is carried out by the International Experts' Panel, comprised of experts in transparency, participation, accountability, and social science research methods. The current membership of the International Experts' Panel is:

- Yamini Aiyar

- Debbie Budlender
- Jonathan Fox
- Rosemary McGee
- Gerardo Munck

A small staff based in Washington, DC shepherds reports through the IRM process in close coordination with the researcher. Questions and comments about this report can be directed to the staff at [irm@opengovpartnership.org](mailto:irm@opengovpartnership.org)

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<sup>1</sup> Full research guidance can be found at <http://bit.ly/120SR0u>