



**MONITORING OF CONFLICT OF INTEREST  
IN CENTRAL PUBLIC INSTITUTIONS  
ARMENIA 2014**

*This report has been elaborated within the project “Engaging Civil Society in Monitoring Conflict of Interests” funded by the European Commission. The content of this document is the sole responsibility of the authors and can under no circumstances be regarded as reflecting the position of the donors.*

## CONTENTS

1. INTRODUCTION .....	3
2. LEGAL REVIEW OF THE CONFLICT OF INTEREST .....	4
3. SURVEY OF PUBLIC SERVANTS ON THE CONFLICT OF INTEREST .....	12
4. STATE INSTITUTIONS' RESPONSES TO INQUIRIES ON THE CONFLICT OF INTEREST MATTERS .....	31
5. EXPERT VIEWS ON IMPLEMENTATION OF CONFLICT OF INTEREST POLICIES .....	41
ATTACHMENT 1. Inquiry addressed to state institutions .....	43

## 1. INTRODUCTION

This report has been elaborated within the EC funded Action Engaging Civil Society in Monitoring Conflict of Interests. The project is conducted in four EaP countries (Armenia, Moldova, Poland and Ukraine) by six partner CSOs (TI-Moldova, Transparency International Anticorruption Center (TI-Armenia), Eurasia Partnership Foundation, TI-Ukraine, Stefan Batory Foundation and the Ukrainian Public Policy Institute.

The first year of the implementation of this Action was focused on strengthening the capacities of the Action Partner organisations to monitor conflict of interests (Col) in central public institutions. As the result, the partner organisations conducted the following four types of activities:

- expertise of the legal framework that regulates Col and main requirements to the mechanism of its implementation;
- conducting opinion polls of public servants from central public authorities and main conclusions that can be drawn from such a poll;
- conducting focus group of representatives of HR and internal control departments on main difficulties met when implementing Col policies;
- official requests of information to the monitored central public institutions and analysis of responses;
- elaborating policy recommendations to improve Col policy.

The current country report was elaborated by TI-Armenia and Eurasia Partnership Foundation in Armenia. Its' potential beneficiaries are public servants, particularly decision makers, civil society and mass-media. International organisations monitoring the country performances in the field of good-governance and anti-corruption can also find it informative.

## 2. LEGAL REVIEW OF THE CONFLICT OF INTEREST

*Review is conducted by Transparency International Anticorruption Center*

### **Is the Col defined clearly and exhaustively?**

Although the other laws bear regulating norms on situations of conflict of interest or preventive norms regarding possible situations of Col, however their formulations are not always precise. For example, according to Article 65 of RA Constitution, MPs (and according to Article 88 also a member of the government) *“cannot be engaged in entrepreneurial activities”*, while according to Article 24 of the RA Law on Public Service *“a public servant and high-level public official cannot be engaged in entrepreneurial activities personally”*. A member of parliament and a member of the government, under the meaning of the RA Law on Public Service, are considered as high-level public officials, for whom the constitutional norm in a mandatory way forbids to be engaged in entrepreneurial activities, regardless whether that engagement is being conducted personally or via intermediaries, while the legislative norm forbids engagement in entrepreneurial activities **personally**.

If we take into account the fact that according to the RA Law on Public Service a MP, a member of government, as well as several community servants are considered to be high-ranking officials, the analyses of the mentioned rules will show that the Constitution has originally set stricter and more precise prohibition for engaging in entrepreneurial activities, while the legislature later diverged from the constitutional provision and mitigating it with the word "personally", gave high-ranking officials an opportunity to do business not personally but, for example, through a trustee, or to be a founder of the company but not participate in the management body. However, the term “personally” doesn’t change the meaning of “entrepreneurial activity”. The legal definition of it is given in Article 2 of the RA Civil Code, that is *“Entrepreneurial activity is independent activity by a person conducted at its own risk pursuing as a basic purpose the extraction of profit from the use of property, sale of goods, doing work, or rendering of services”*. Therefore, if the activity is implemented independently (not personally) and the goal of activity is to obtain a profit, then it is entrepreneurial, regardless of whether the official or doing it personally as a founder or manager, or through other persons, trustees.

Constitutional norms limiting the entrepreneurial activity of judges are also given in sectoral laws with different formulations. According to Article 98 of the Constitution of RA, judges and members of the Constitutional Court may not be engaged in entrepreneurial activities nor may they hold an office in state and local self-government bodies or in commercial organizations not connected with their duties, as well as engage in any other paid occupation, except for scientific, pedagogical and creative work. This provision is identically reflected in RA Law on Constitutional Court<sup>1</sup>, while in Judicial code of RA this provision is formulated more concretely, but in the narrow sense, namely:

*1. A judge may not be a sole entrepreneur.*

---

<sup>1</sup> RA Law on Constitutional Court, Article 3

2. A judge may not be a member of an economic company or a depositor of a trust-based partnership, if:

a) It reasonably implies use of the judge's official position; or

b) In addition to taking part in the general assembly of the company, the judge is also engaged in the performance of instructive or managerial functions within the organization; or

c) It can be reasonably assumed that the for-profit organization will often appear before the respective court as a party to proceedings.

It means that unlike constitutional provision, the legislative provision prohibits a judge from entrepreneurial activity by only in the specific types of the commercial companies.

Similar legal regulation is also established for prosecutors. The prosecutor may not be a sole entrepreneur. A prosecutor may not be a member of an economic company or a depositor of a trust-based partnership, if in addition to taking part in the general assembly of the company, the prosecutor is also engaged in the performance of instructive or managerial functions within the organization<sup>2</sup>.

The analysis of a number of provisions shows that the relations regarding Col for different officials have different legal regulations, and there is no uniformity or they are not regulated at all. Thus, RA law on Public Service, regulating the behavior of high-ranking officials in cases of Col, establishes the mechanism of addressing to the superior<sup>3</sup>. In such cases the high-ranking official must submit a written statement on the Col to his superior by laying down the concrete circumstances of the conflict of interests. Before receiving a written consent from his superior a high-ranking official has no right to act or to make decision on that issue. This article, however, has a number of drawbacks. First, this provision does not apply to MPs, members of Constitutional Court, Judges, Prosecutors (it means that the relations with them are regulated by sectoral laws but, on the other hand, there only exist no legal mechanisms for the announcement on the conflict of interests for MPs, while there are no ones for judges, prosecutors and members of the Constitutional Court). Second, this provision does not apply to high-ranking officials who do not have superiors, which means that in cases of Col those do not inform anyone and the facts remain unknown. Third, the legislator relied on the good-will and the law-obedience of the official and did not regulate the cases when the official have not informed about Col. Fourth, according to the formulation of the provision, it turns out that the superior can also agree that his subordinate has a Col and hence the announcement of a Col becomes an end in itself. Fifth, the major drawback of the article is that the legal regulation is not applied to the situations, when the action causing the Col or decision making is reserved for only that official (position). And additionally, the provision does not regulate situations when conflict of interests has already taken place.

---

<sup>2</sup> RA Law on Prosecutor's office, Article 43

<sup>3</sup> RA Law on Public Service, Article 31

Norms of ethics, prescribed by Article 28 of the RA Law on Public Service, do not prevent public servants from engaging in actions or decision-making in conflict of interest situations. Paragraph 7 of the mentioned article stipulates that the public servant has “to endeavor to manage his/her investments in a way to reduce to minimum the situations of conflict of interest”. Meanwhile, it is possible that the official makes decisions in favor of his/her relatives and contributions not connected to his/her investments. It seems that the aim of the provision was not exclusion of Col situations, but reduction of their probability. Whereas, the absence of imperative prohibition norms may not ensure accurate beha

**What categories of persons are covered by the provisions on Col? Are these provisions applied to all public officials or to some categories of public officials? Are these provisions applied to all public officials or to only those in high positions? Are these provisions applied both at central and local level?**

Col provisions regard only the high-ranking officials, leaving out of regulation Col of other public servants and respective relations. RA Law on Public Service Article 5, Par 15 sets forth the definition of the “high-ranking official” and the list of such persons. It includes officials occupying highest level positions in legislative, executive and judiciary, headed b RA president. The list of such officials contains heads of state bodies established by laws of Armenia, oversight bodies of the president and prime minister, advisors and assistants of the president, heads of communities having more than 50,000 residents by the data of January 1 of the previous year and other officials. In total there are 681 positions (both at state and regional/local levels)<sup>4</sup>.

**Does the national legal framework include a mechanism for submission of statements on personal interests? Is the mechanism sufficient, clear and efficient in implementation? Does the national legal framework prescribe submission’s deadline and statement’s model on personal interests?**

Although in accordance with Article 21 of RA Law on Public Service one the main duties of the public servant is submitting a declaration of interests in cases and manner prescribed by law, but that manner and cases are not prescribed by law, which means, that the national legislation of the Republic of Armenia does not provide for the declaration of interests.

**Does the national legal framework include a mechanism for evidence of statements on personal interests?**

See the previous section

**Does the national legal framework foresee a control mechanism, namely - a person/entity in charge for collecting and control body? Is the mechanism sufficient, clear and efficient in implementation? What are the competence and capacity of the person/entity in charge for collecting and control body? Is the capacity sufficient for exercise its competence?**

---

<sup>4</sup> Stu` [www.ethics.am](http://www.ethics.am)

The Ad Hoc Ethics Committee of the National Assembly was established and started functioning in accordance with Article 24.1 of RA Law on Rules of Procedure of the National Assembly and operates in order of rotation of its membership.

Ethics Commission for High-ranking Officials was formed and started functioning on January 9, 2012. Among the authorities established by the legislation of Ethics Commission for Hi-ranking Officials is to reveal of the conflict of interests of high-ranking officials (except for Col of MPs, members of the Constitutional Court, judges prosecutors the members of NA. Revelation of Col of the latter is meant to be implemented by Ethics Commissions of the respective bodies.)

In accordance with RA Law on Public Service the Ethics Commission for High-ranking Officials gives clarification based on the application of a high-ranking public official on necessity to issue a statement regarding the conflict of interests in a concrete situation. However, the law provides/intends it as a right of high-ranking official, not his responsibility. The Ethics Commission for High-ranking Officials in case of detecting Col submits recommendations on their elimination and prevention to the president of the Republic, The National Assembly and the government, as well as publishes information on the measures taken in the regard of violations of the rules of ethics.<sup>5</sup>

However, the law does not clearly define what measures can the Commission take or on what are aimed undertaken measures: elimination of the consequences of a conflict of interest, or only to note the fact by his decision. The Ethics Commission for High-ranking Officials maintains the register of declarations of property, income and persons related to high-ranking public officials, conducts analysis and ensures publication of declarations. This function enables the Commission to compare the incomes of the official with their sources and to oversee his investments and possibility of Col.

The Ethics Commission for High-ranking Officials is composed of 5 members, which causes a large amount of work and the objective difficulties in case of existence of 681 high-ranking officials. The Ethics Commission for high-ranking officials has not detected any case of Col during about 2 years of its operation.

For the Judges there operates the Ethics Commission of the Council of Courts' Chairmen as stipulated by Judicial Code of RA. When receiving a report about, or encountering a fact of violation of rules of work discipline or the rules of conduct, the Ethics Committee shall, when examining another matter that is within the limits of its authority, organize a discussion in which the judge shall be engaged. If, as a result of the discussion, the Committee finds that the violations are neither grave nor regular, then it may limit its action to the discussion of the matter. Otherwise, the Committee shall file a motion requesting the Disciplinary Committee of the Justice Council to instigate disciplinary proceedings.

The Disciplinary Committee has the right:

---

<sup>5</sup> RA Law on Public Service, Article 43

1) To instigate disciplinary proceedings against first instance and appellate judges and court chairmen and to file motions thereon to the Justice Council; and

2) Based on a request by the Ethics Commission of the Council of Courts' Chairmen, to instigate disciplinary proceedings against a Cassation Court judge and chamber chairman, as well as the Cassation Court Chairman, and to file motions thereon to the Justice Council<sup>6</sup>.

For prosecutors was created and operates the Ethics Commission stipulated by the law of the RA on the Prosecutor's Office. A severe reprimand, demoting the class rank by one degree, demotion, removal from office may be imposed on prosecutors only on the basis of relevant opinion of the Ethics Commission. Moreover the matter is presented to the Ethics Commission for discussion by the Prosecutor General.

When considering the matter with respect to the disciplinary violation, the Ethics Commission shall determine, through voting, the fact of existence of a disciplinary violation, the prosecutor's fault in the violation, and, if the Prosecutor General so requests, also the possibility of applying the disciplinary penalty of "removal from office." The Prosecutor General shall impose a disciplinary penalty within a period of three days on the basis of relevant opinion of the Ethics Commission<sup>7</sup>.

The law of the RA on Public Service requires that Ethics Commissions are formed and operate in all bodies of Public Service, and the subjects of their investigation should be the facts of any violation of the rules of ethics by public servant<sup>8</sup>.

Ethics rules of civil servants and the order of formulation and their functions are established by the Civil Service Council of the Republic of Armenia.

**Does the national legal framework include provisions on the declaration and resolution of conflicts of interest? What are they? Are these provisions sufficient, clear and efficient in implementation?**

In case of a conflict of interests, the high-ranking public official must submit a written statement on the conflict of interests to his/her superior by laying down the concrete circumstances of the conflict of interests<sup>9</sup>.

In case of a conflict of interest arising at the sittings of the National Assembly, its committees or sub-committees, *the Member of National Assembly must make a statement on the conflict of interest prior to speaking or voting in the relevant sitting, and when making a legislative initiative, submitting a draft resolution to the National Assembly for deliberation or submitting*

---

<sup>6</sup> RA Judicial Code, Article 106

<sup>7</sup> RA Law on the Prosecutor's Office, Article 47

<sup>8</sup> RA Law on Public Service, Article 38

<sup>9</sup> RA Law on Public Service, Article 31

*recommendations on an issues circulated in the National Assembly, he/she must submit his/her written statement along with the relevant documents stating the nature of interests<sup>10</sup>.*

RA Law on Rules of Procedure of the National Assembly establishes the obligation of MPs of making statement on Col in cases of risks of Col. Violation of this requirement is considered as a violation of ethical norms and becomes a subject of investigation in Ethics Committee of National Assembly. If National Assembly approves the conclusion of Ethics Committee on the violation by MP a decision on termination (dismissal) of powers of MP is made<sup>11</sup>.

**Does the national legal framework foresee a sanction mechanism? What is the punishment? Is it proportional and sufficient to discourage the law breakers? What authority is empowered to apply sanctions? May these sanctions be appealed? Is there a practice of cancelling/declaring null a decision made in a Col situation?**

It is not clearly regulated by law what measures should be applied against those officials who was in a Col situation. The analysis of the general legislation leads to a conclusion that the Col is a violation of ethics norms in case of MPs as well as other high-ranking officials but the consequences of the offense may be different. Thereby, if a MP violated limitations on his activities arising from his status (engaged in entrepreneurial activities, or in any other paid occupation) or did not make a statement on conflict of interests in cases prescribed by law, the Ethics Committee of the NA, examining that issue in committee sittings, submits a conclusion on the violation by a MP. That conclusion is submitted to the NA, and if the NA approves the conclusion of the Ethics Committee by secret ballot, the NA makes a decision on the termination of the powers of the MP

There are no legal regulation mechanisms in cases of conflict of interests or violations of limitations on their activities for other high-ranking officials. The legislation has only restricted by provisions preventing conflict of interests and have not provided legal regulation on situations arising Col.

The second part of Article 23 of the law of the RA on Public Service provides that public Servants and high-ranking officials must within one month following his/her appointment to office and in case s/he has 10 and more per cent of shares in the charter capital of commercial organizations hand them over to entrusted management. But what consequences do emerge in cases of the failure to comply this legislative requirement? The consequences are different for different officials. E.g. it is considered to be a basis for dismissal for civic and community servants, but for prosecutors it is a basis for disciplinary sanction. The failure to comply with the requirement of declaration of property and income is a basis for dismissal of a civil servant, while for high-ranking official it's a violation of ethics norms. Moreover, there is no administrative liability for submission of declarations not in a timely manner or for submission of declarations filled with faked (counterfeited) data, which means that no legal consequences may rise on the

---

<sup>10</sup> RA Law on NA Regulations, Article 6.2

<sup>11</sup> RA Law on Rules of Procedure of the National Assembly, Article 6.2

part of a respective official, for failing to submit declarations in not in due time or for submitting them filled with faked/incomplete data.

Legislation does not regulate cases when high-ranking officials made a decision or an action causing a conflict of interests, whether that decision or action should be declared invalid, how and by whom?

**Does the national legal framework include provisions to ensure transparency of the statements' submission and control? Is the sanction mechanism transparent?**

Legislation of RA contains provisions relating to the transparency of the process, namely, RA Law on Public Service establishes that the Ethics Commission for high-ranking officials publishes information on violations of the rules of ethics, and the measures taken in their regard. The conclusion on the violation by a high-ranking public official of the rules of ethics is posted on the website of the state body in question within 5 working days from the date of adoption of this decision. Moreover within one month following the passing of the year the Ethics Commission for High-ranking Officials publishes in the media the detected cases of conflict of interests and the measures taken against them.

According to RA Law on Rules of Procedure of the National Assembly, the Chairperson of the Ethics Committee publicizes the resolutions and conclusions of the Ethics Committee at the upcoming four-day sitting of the regular session of the National Assembly, following which they are posted on the website of the National Assembly. The conclusion of the Ethics Committee on violating by MPs the ban on engaging in entrepreneurial activities is sent to the Chairperson of the National Assembly within 24 hours and is included in the agendas of the regular session and the first of the four-day sittings without voting and discussed in an extraordinary manner.

**Are there cases of decisions made under Col? Were these cases investigated and appropriate sanctioned? Were there person punished?**

There are no cases of being in the situation of Col and being sanctioned based on it.

**Conclusions and recommendations**

Legal provisions regarding conflict of interests are included in the various sources, which creates additional difficulties in process of using it in practice. In addition they have different formulations.

The law should limit the enforcement of the actions which causes a Col or decision making by the official more clearly and imperatively and exclude the possibility of agreement by the superior. As well as the mechanism of invalidating the decisions or actions causing Col must be established.

We recommend the following:

1. Aggregate all the provisions related to Col in one legal act to ensure unified regulation and implementation
2. Standardize the legal consequences of the Col for different officials
3. Expand the scope of the provisions on Col to public servants at all levels
4. Determine that high-ranking officials should implement their official duties so as to exclude possible situations of Col
5. Ensure that high-ranking officials who do not have superiors in cases of Col must submit a written statement to the Ethics Commission for High-ranking Officials on his/her own initiative representing the concrete circumstances regarding Col
6. High-ranking officials should be forbidden by law from implementing an action or adopting a decision regarding Col despite of the position of or permission of his/her superior
7. Define the institute of declaration of interests and provide for regulatory mechanisms
8. Expand the scope of related persons by legislation to include at least one more relation up to the 3<sup>rd</sup> degree of relationship.

### 3. SURVEY OF PUBLIC SERVANTS ON THE CONFLICT OF INTEREST

*Survey is conducted by Eurasia Partnership Foundation.*

In November 2013-April 2014 Eurasia Partnership Foundation (EPF) has conducted survey in a number of Armenian ministries to examine the level of understanding and perceptions of Conflict of Interest (Col) policies among public servants.

EPF has officially applied to 10 ministries with a proposal to conduct surveys among their staff public servants:

1. Ministry of Education and Science
2. Ministry of Labor and Social Affairs
3. Ministry of Justice
4. Ministry of Urban Development
5. Ministry of Energy and National Resources
6. Ministry of Finance
7. Ministry of Economy
8. Ministry of Agriculture
9. Ministry of Healthcare
10. Ministry of Nature Protection

Two of the above ministries (Economy and Finance) rejected the request while arguing that, at the moment, holding the proposed survey was “unreasonable”. The Ministry of Education and Science, while not openly rejecting, still constantly postponed the reply with no further explanation. The other seven ministries have assisted EPF in conducting surveys in a very timely and supportive manner.

As a result, the survey was done in in the seven out of 10 ministries with participation of 134 public servants.

Given that in 2009 and 2010 the Government of Armenia flatly refused to support and participate in the anti-corruption survey of USAID-funded “*Mobilized Action Against Corruption*” (MAAC) project, this can be considered a significant success.

Prior to each survey, an EPF expert introduced the essence of the questionnaire and the goal of holding the survey and was present in the room during the survey to be able to respond to possible questions.

#### **Observations**

There were three major types of attitude in process of filling the questionnaire.

The overwhelming majority of public servants asked to fill the questionnaire was filling them without any questions and were approaching to the process as to part of their job assigned by

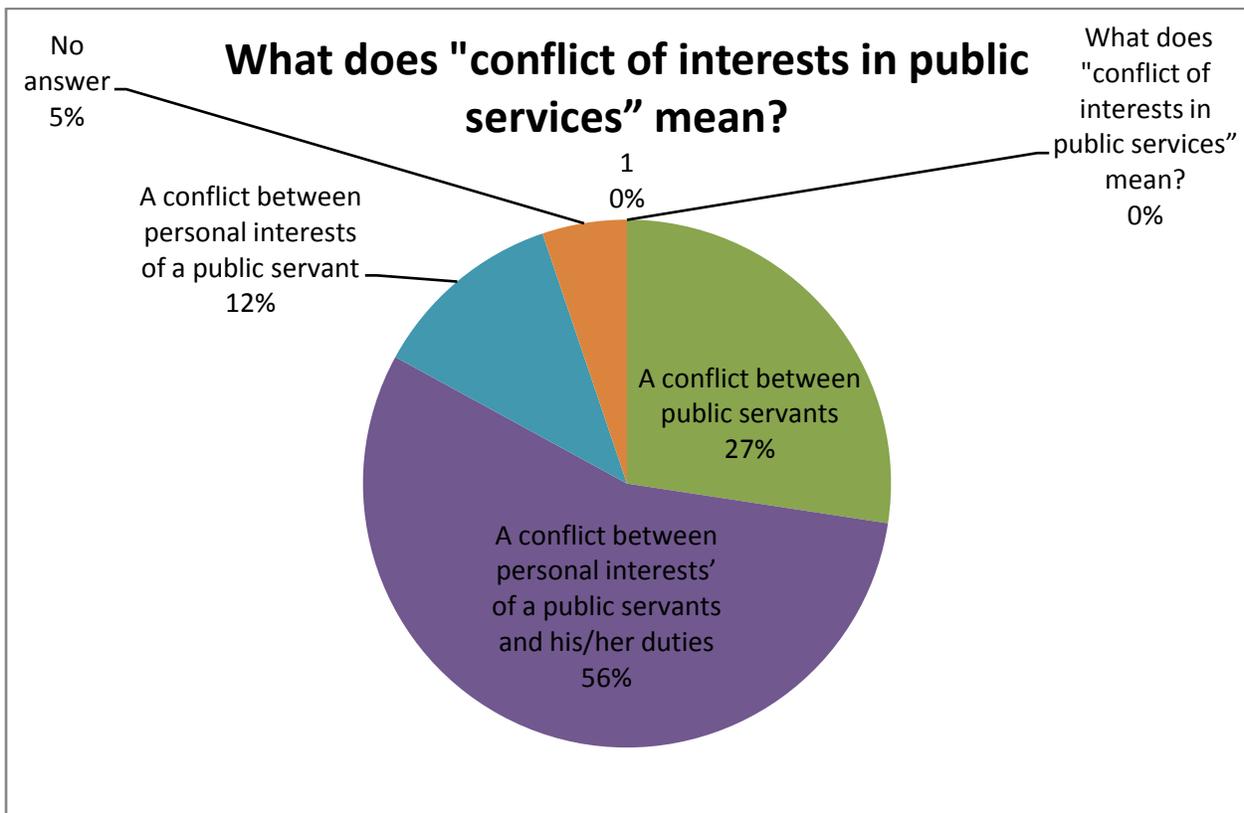
their supervisors. A smaller group was quite skeptical towards the process and was expressing their opinions and attitude in process of filling the questionnaire. The skeptics were mainly questioning if there is any sense in filling up the questionnaire and saying that this kind of work will not change anything and will not reduce the level of corruption, arguing about separate questions and stating that nothing will change. They were referring to the fact that the corruption is on higher level and that the situation will change only if hi ranked officials are not corrupted.

In many Ministries the public servants were coming to the surveys with a perception that EPF is going to measure their level of corruption. However after the explanation and detailed description of the process and the reasoning behind it these public servants were changing their opinions.

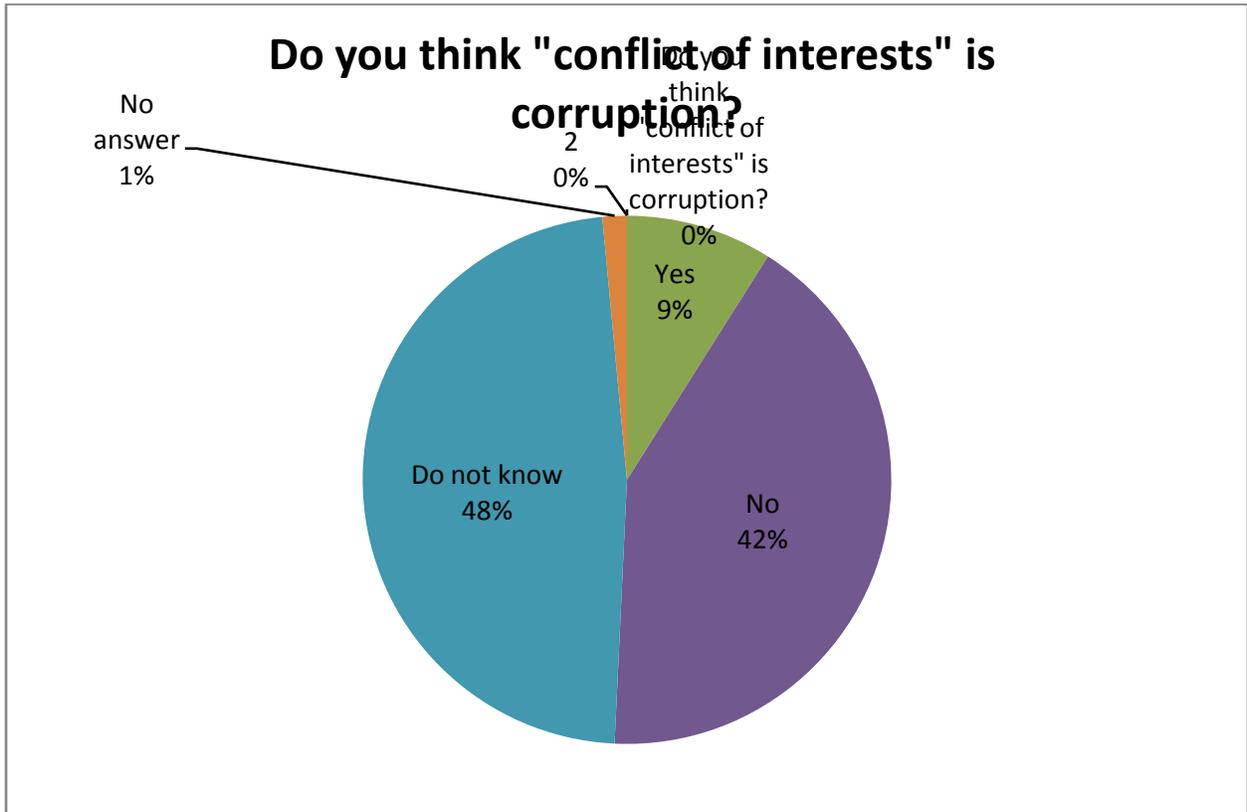
There were cases when participants wanted to avoid expressing in their real opinions but wanted to indicate that what is filled by them does not illustrate what they think. This particularly happened while answering the question about the level of corruption in their home institutions.

### Results of the Survey

1.

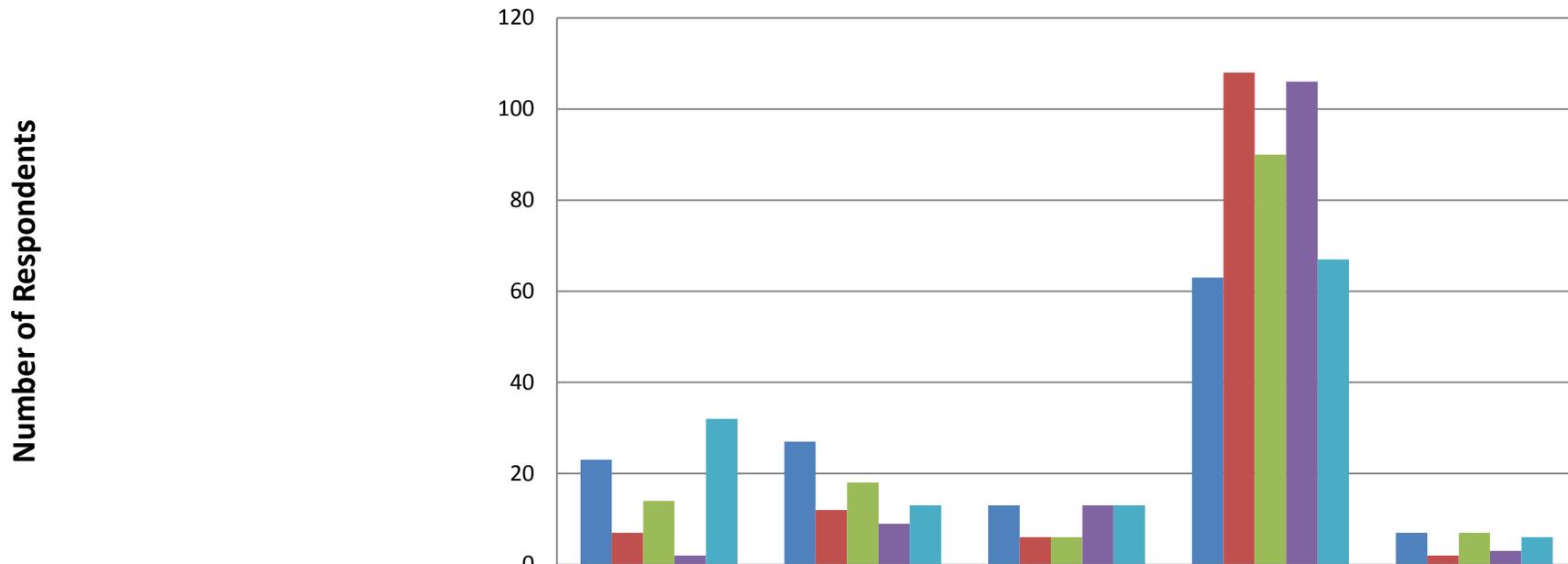


2.



3.

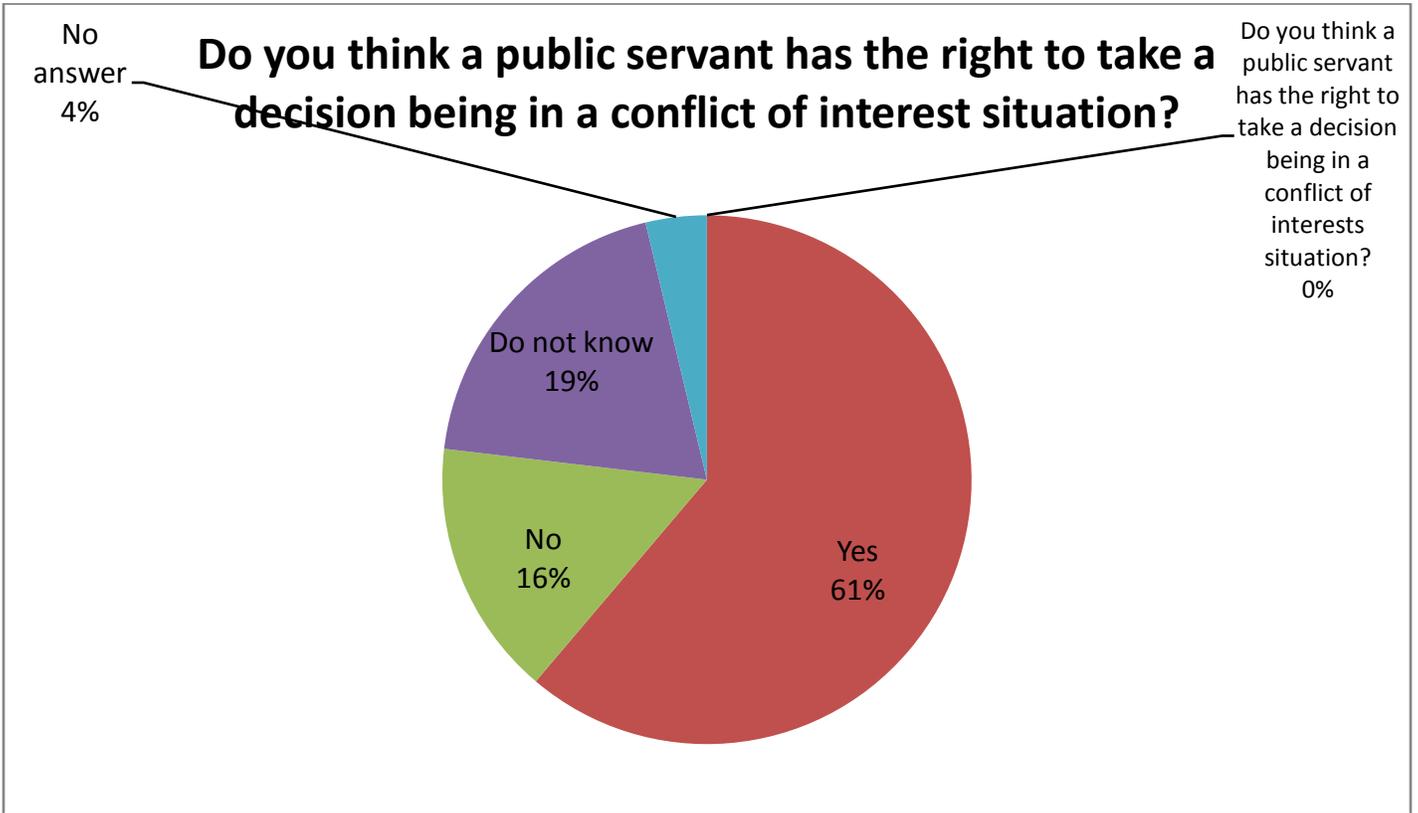
### In your opinion, how acceptable are the following situations:



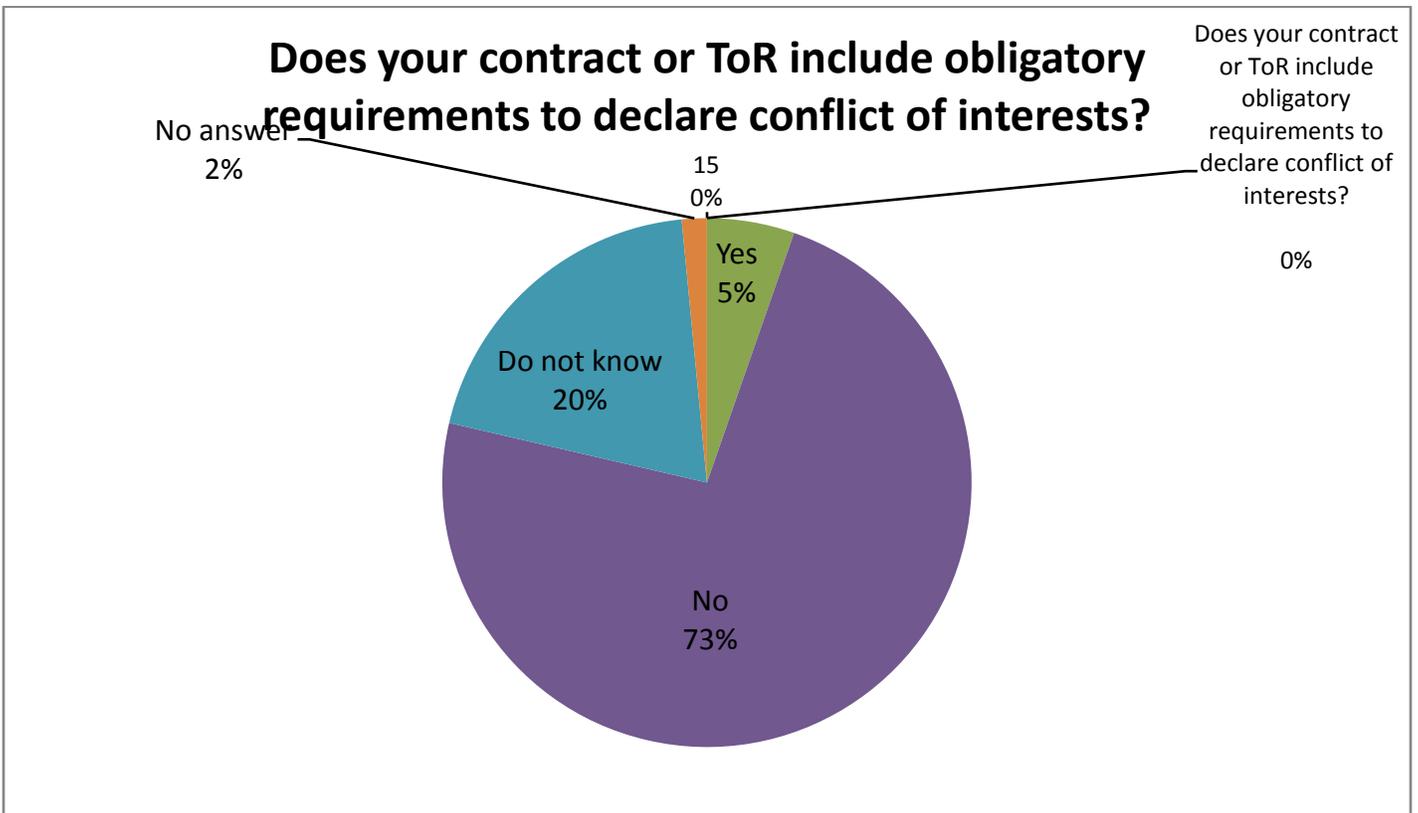
#### The public servant

	Totally acceptable	Acceptable to some extent	Acceptable as an exception	Unacceptable	No answer
■ Takes part in the decision to sign a contract on public procurement with a company owned by his/her spouse	23	27	13	63	7
■ Uses the internal information to warn a business person on a control from a state institution	7	12	6	108	2
■ Decides on allocation of funds to an NGO funded by him/her	14	18	6	90	7
■ Uses the company car in an election campaign	2	9	13	106	3
■ After quitting the position in public service applies for a job in a company he/she supervised in his/her public position	32	13	13	67	6

4.

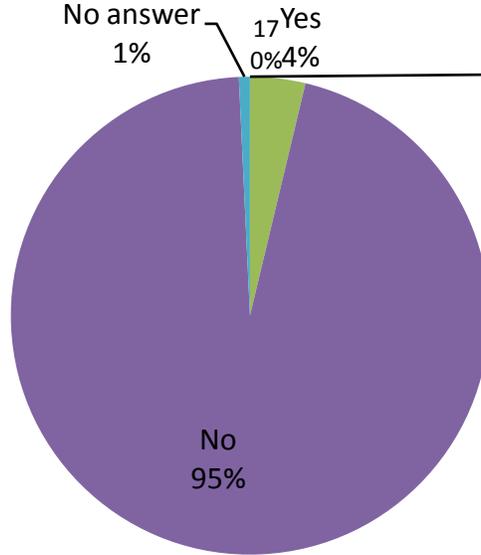


5.



6.

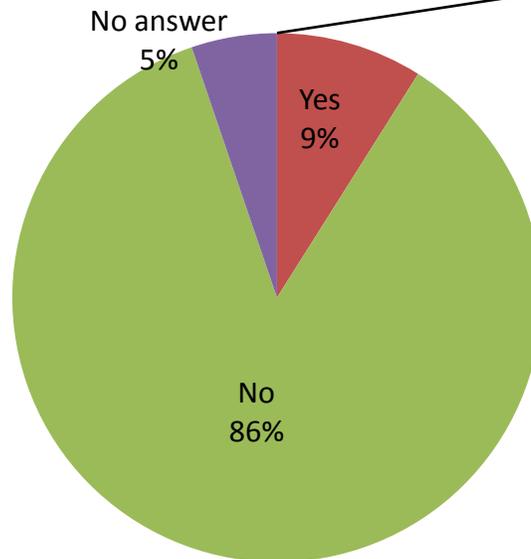
### Are you aware of any instances of "conflict of interests" that took place during the previous year in your institution?



Are you aware of any instances of "conflict of interests" that took place during the previous year in your institution?  
0%

7.

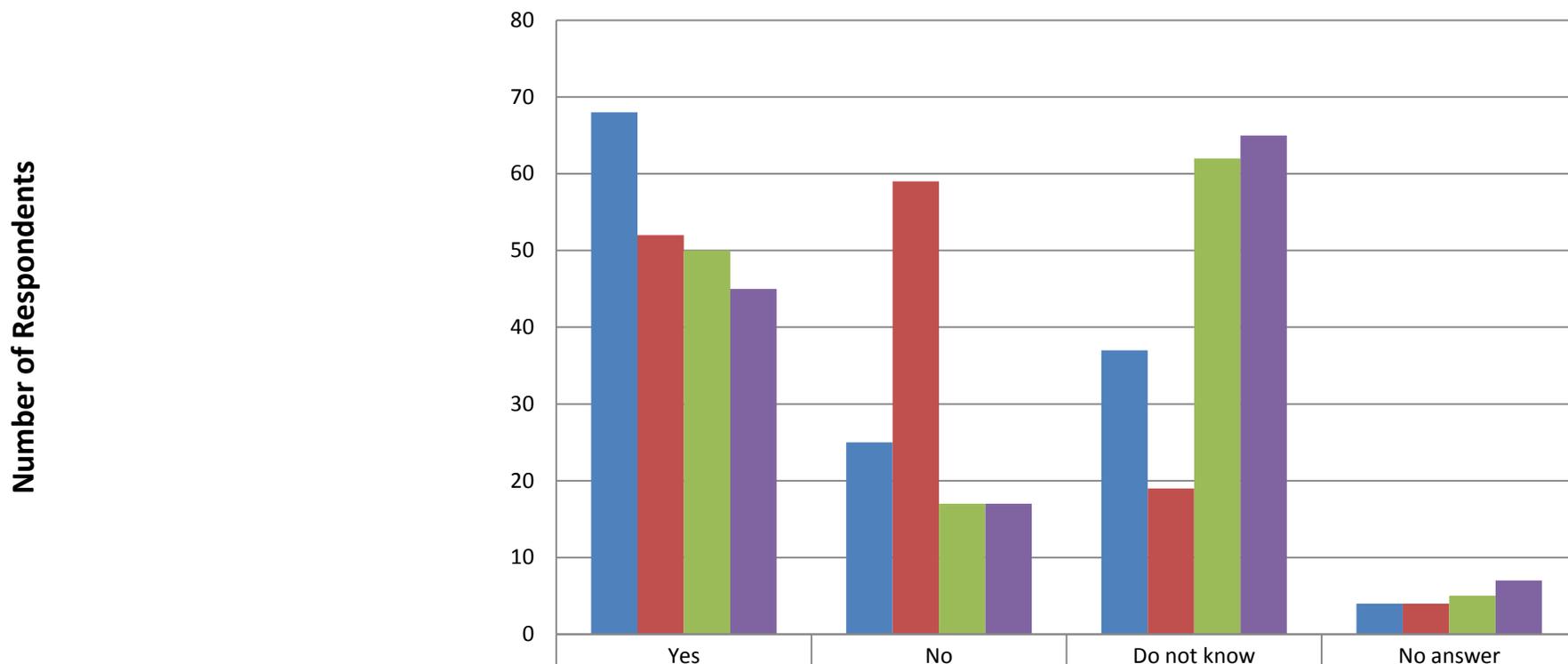
### Are there any post-engagement restrictions for the personnel working for your institutions?



Are there any post-engagement restrictions for the personnel working for your institutions?  
0%

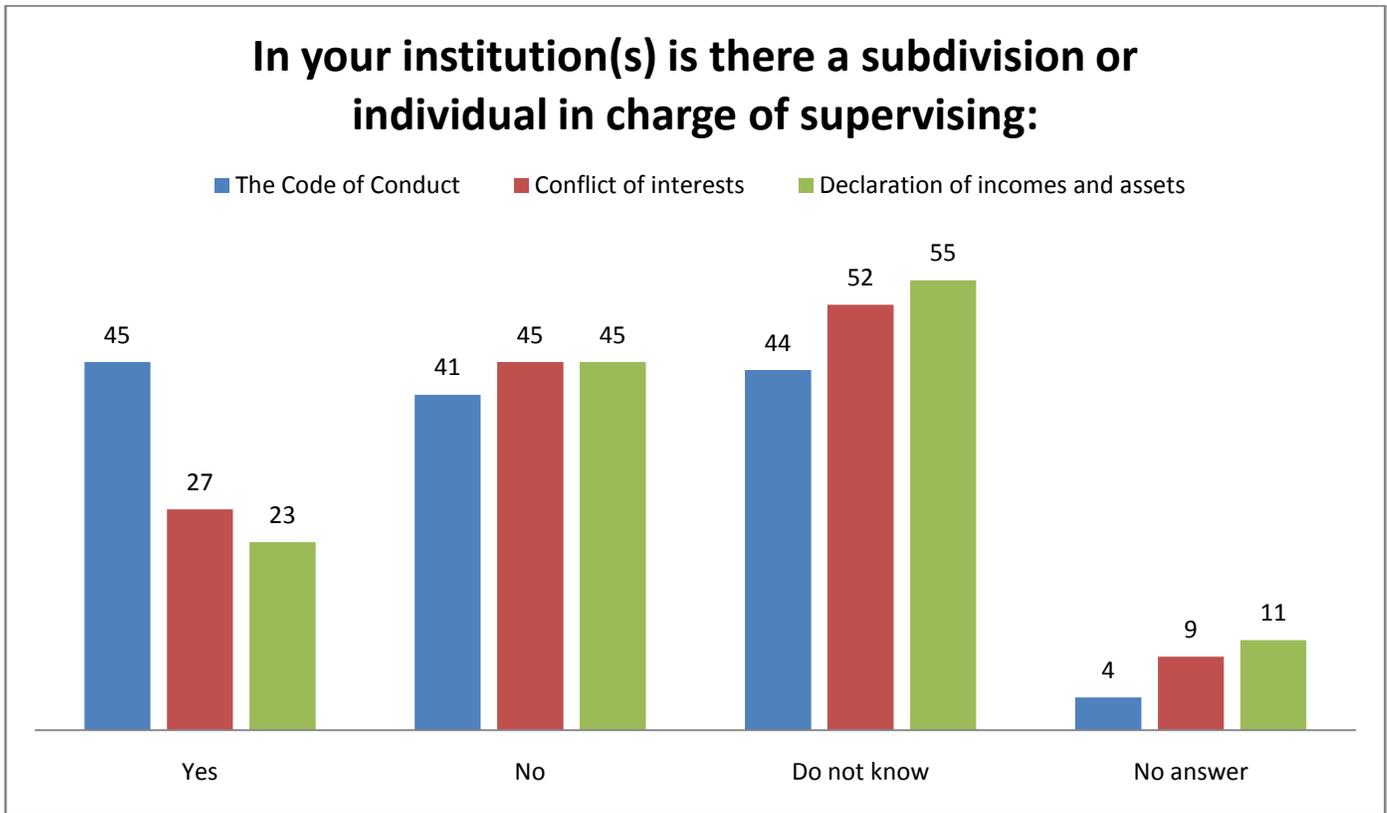
8.

**Please express your opinion on the following practices in your institution:**

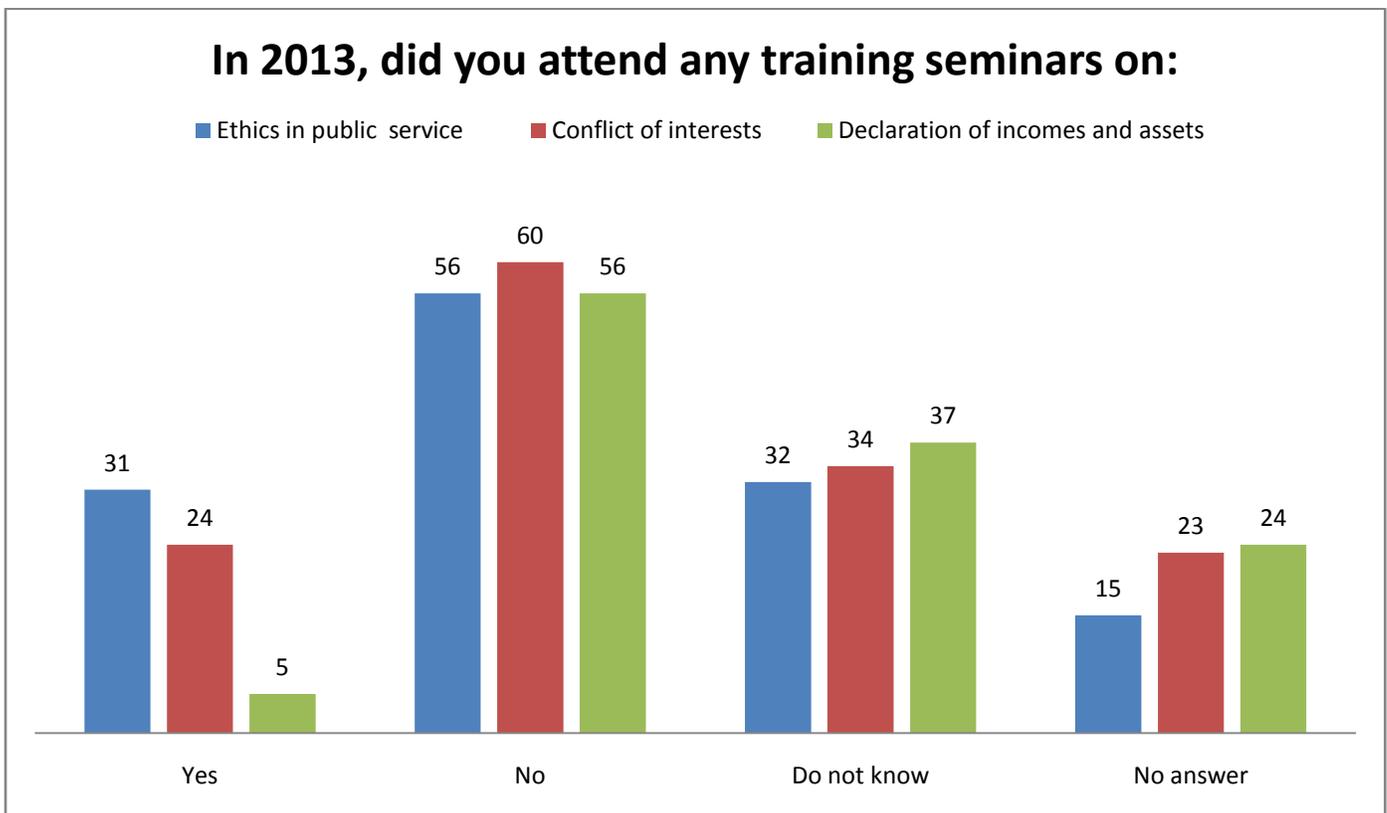


	Yes	No	Do not know	No answer
■ Is there a Code of Conduct/Ethics for the staff members of your institution?	68	25	37	4
■ Are you aware of any infringements of the Code of Conduct/Ethics?	52	59	19	4
■ If the Code was broken, were measures taken against the code breaker?	50	17	62	5
■ Were the staff members informed of the measures taken towards the people who broke the Code of Conduct?	45	17	65	7

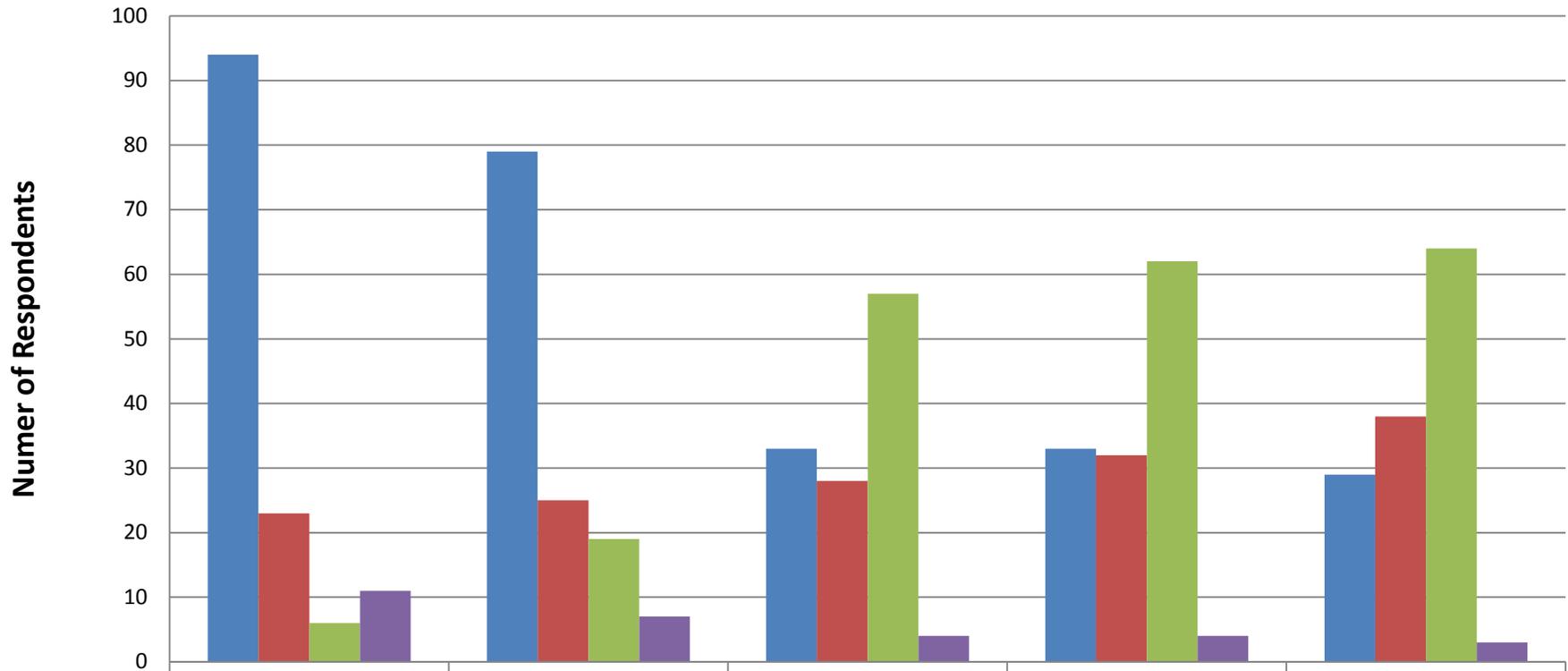
9.



10.



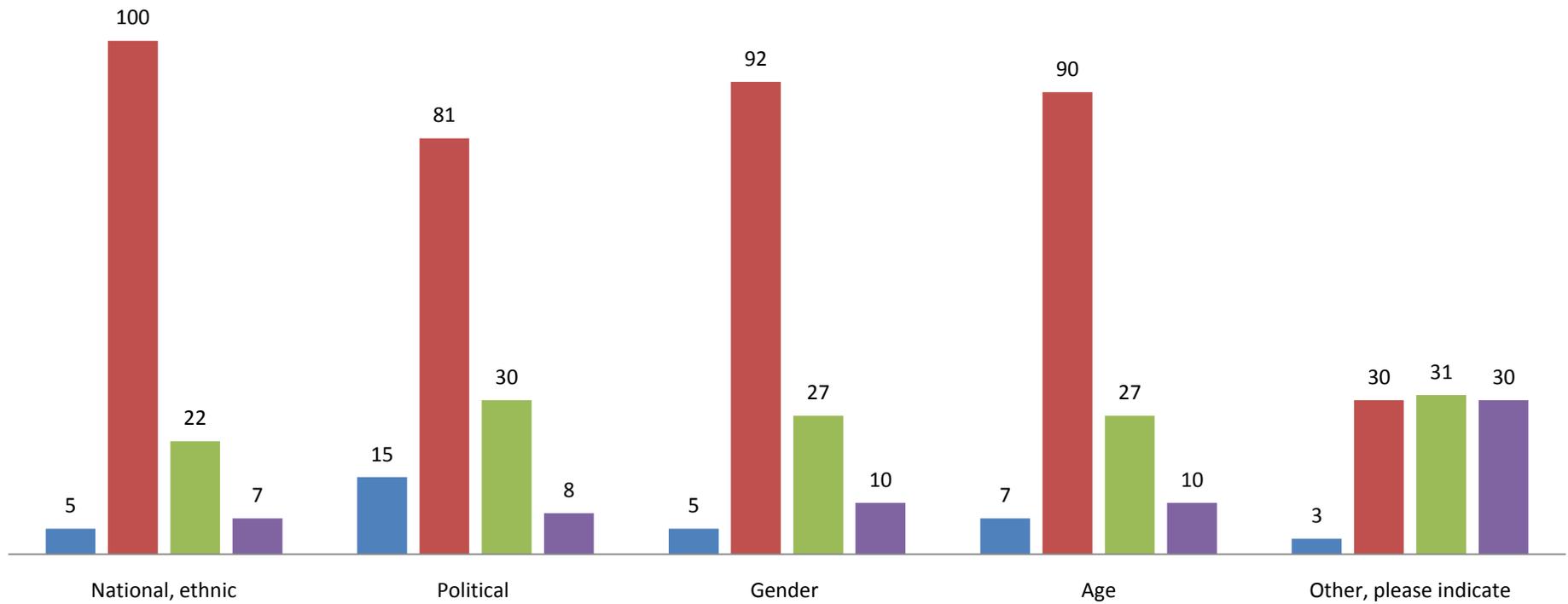
### Please express your opinion on the following practices in your institution:



Are you aware of the procedure of attestation/evaluation of the staff members?	94	23	6	11
Do you consider the staff members' evaluation procedure to be objective and transparent?	79	25	19	7
Are there cases in your institution when staff members are hired due to personal relationships?	33	28	57	4
Do you have cases when staff members are promoted/motivated on non-meritocratic bases (unfairly)?	33	32	62	4
Are there cases when staff members abuse their function for personal gain?	29	38	64	3

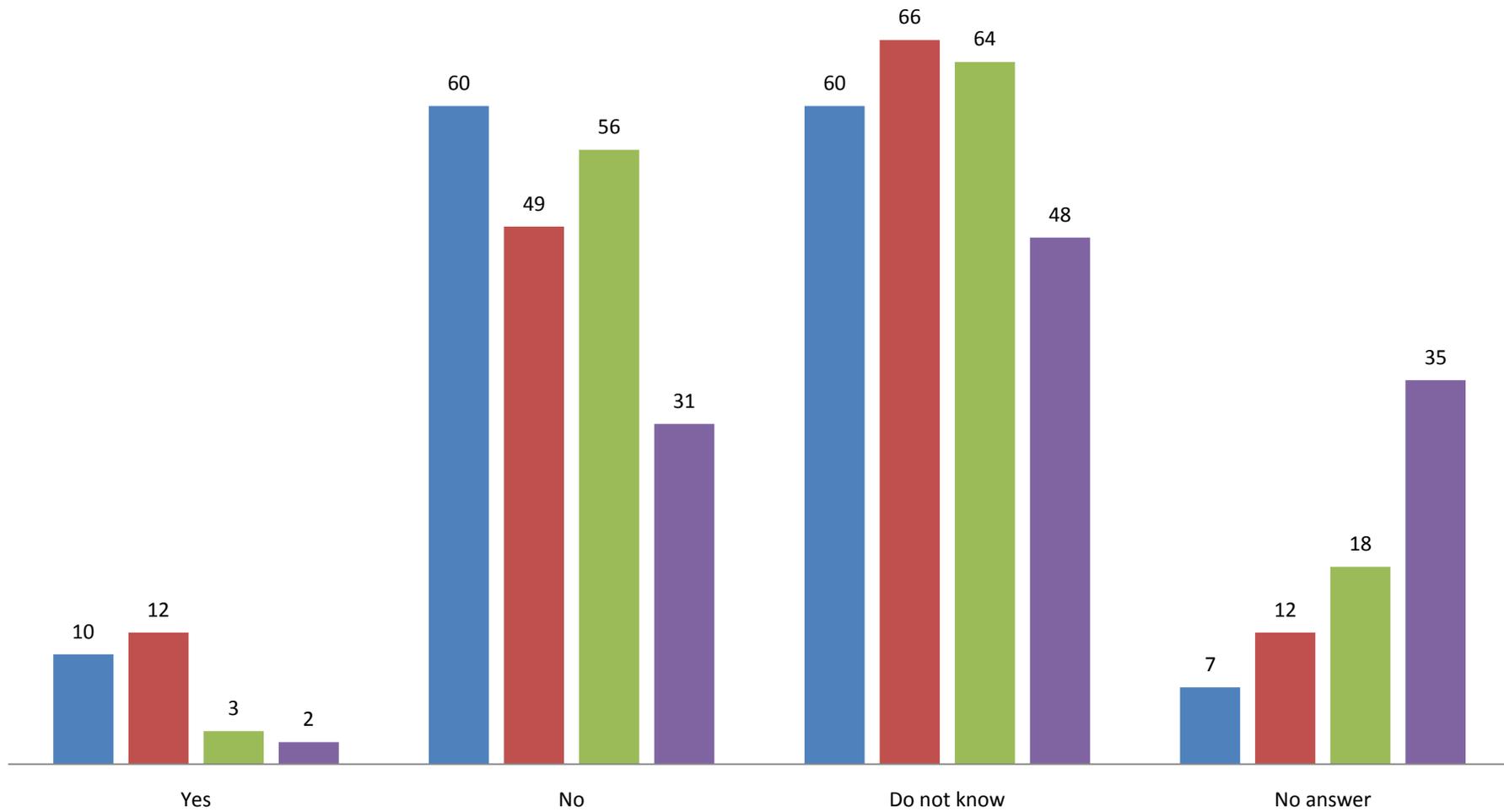
## Are there cases when staff members are discriminated on the following grounds:

■ Yes ■ No ■ Do not know ■ No answer

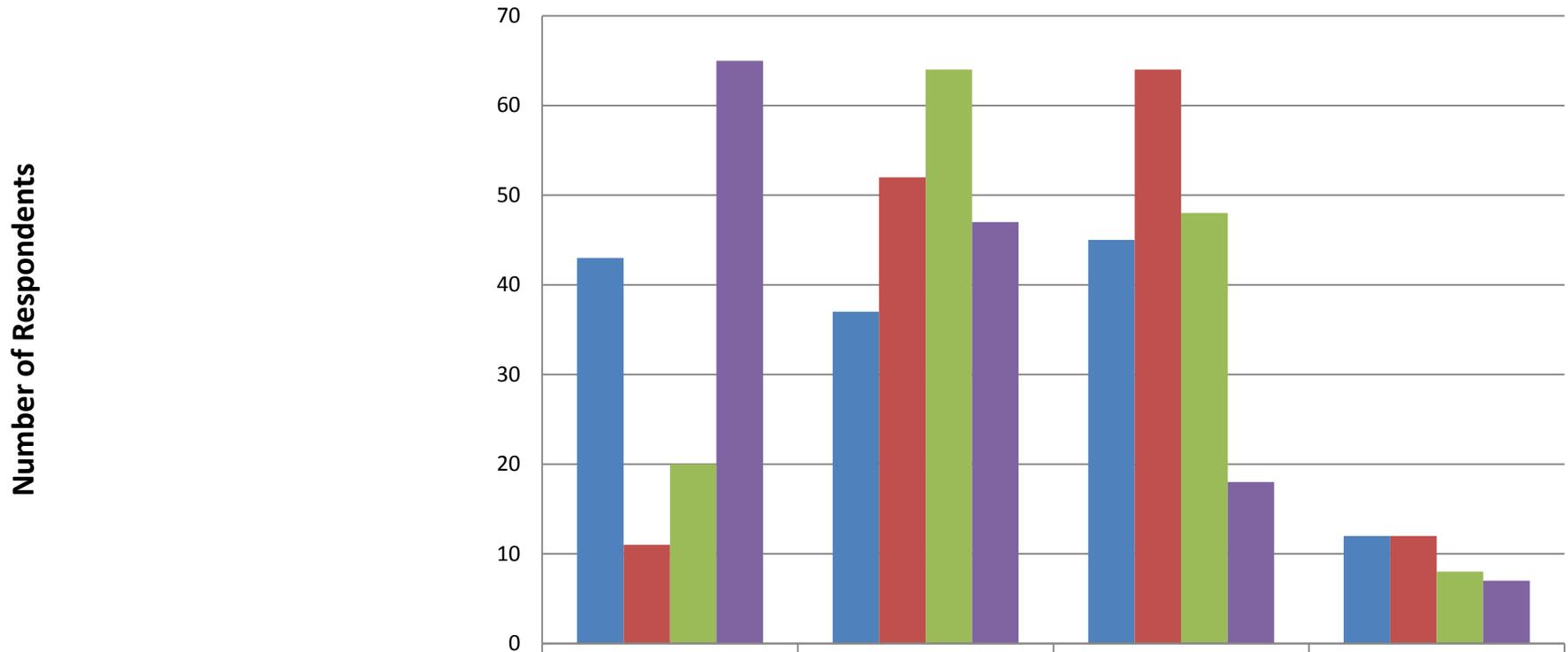


### Are there cases when staff members use the following resources of the institution for personal reasons:

Equipment    Transportation    Rooms    Other, please, indicate

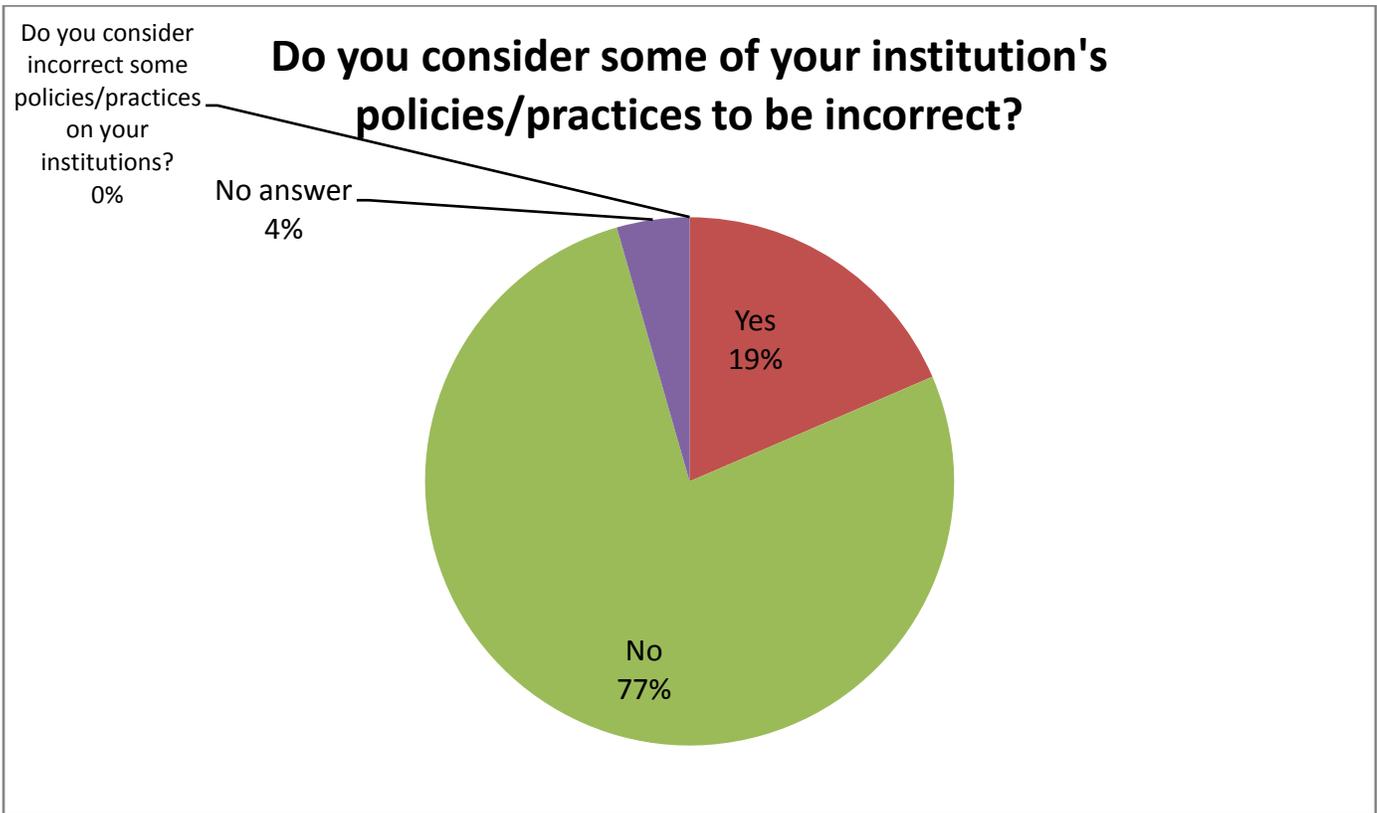


**Please express your opinion on the following practices in your institution:**

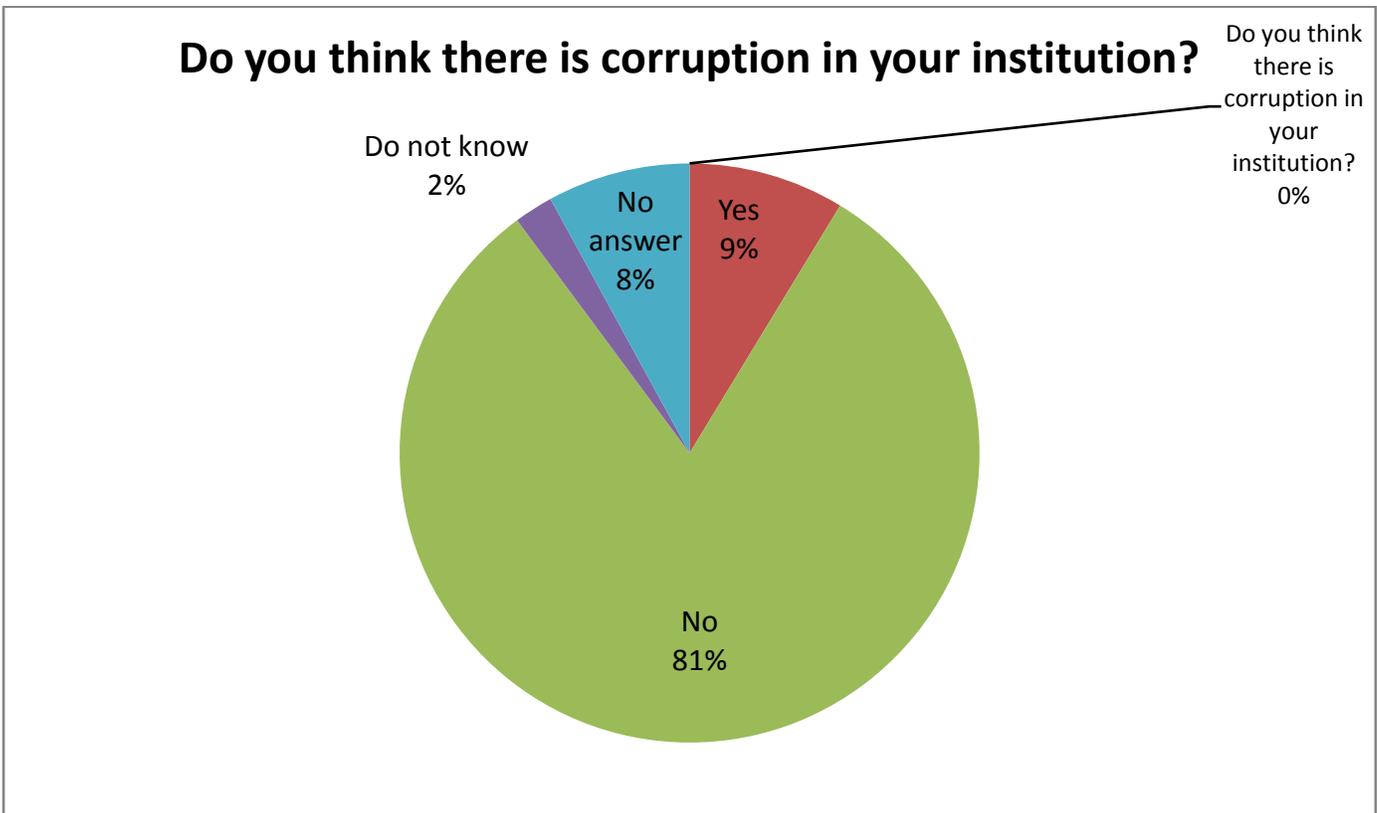


■ Are you aware of what information in your institution has an internal character?	43	37	45	12
■ Do you have cases when the internal information is used for private gain?	11	52	64	12
■ Are there cases when staff members are pressured to make a decision/solve a problem in someone's interests?	20	64	48	8
■ Would you be interested to know the results of controls made in your institution?	65	47	18	7

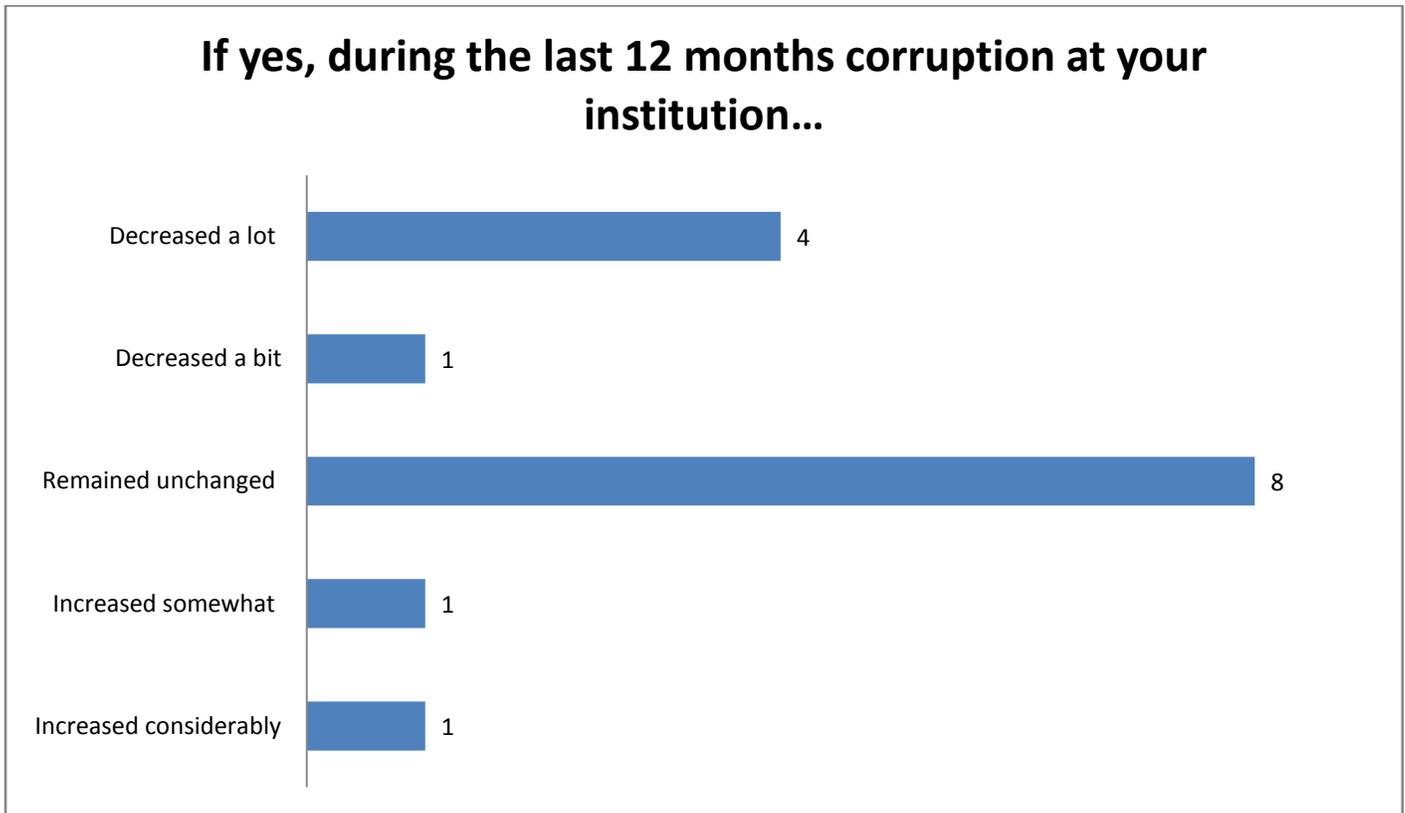
15.



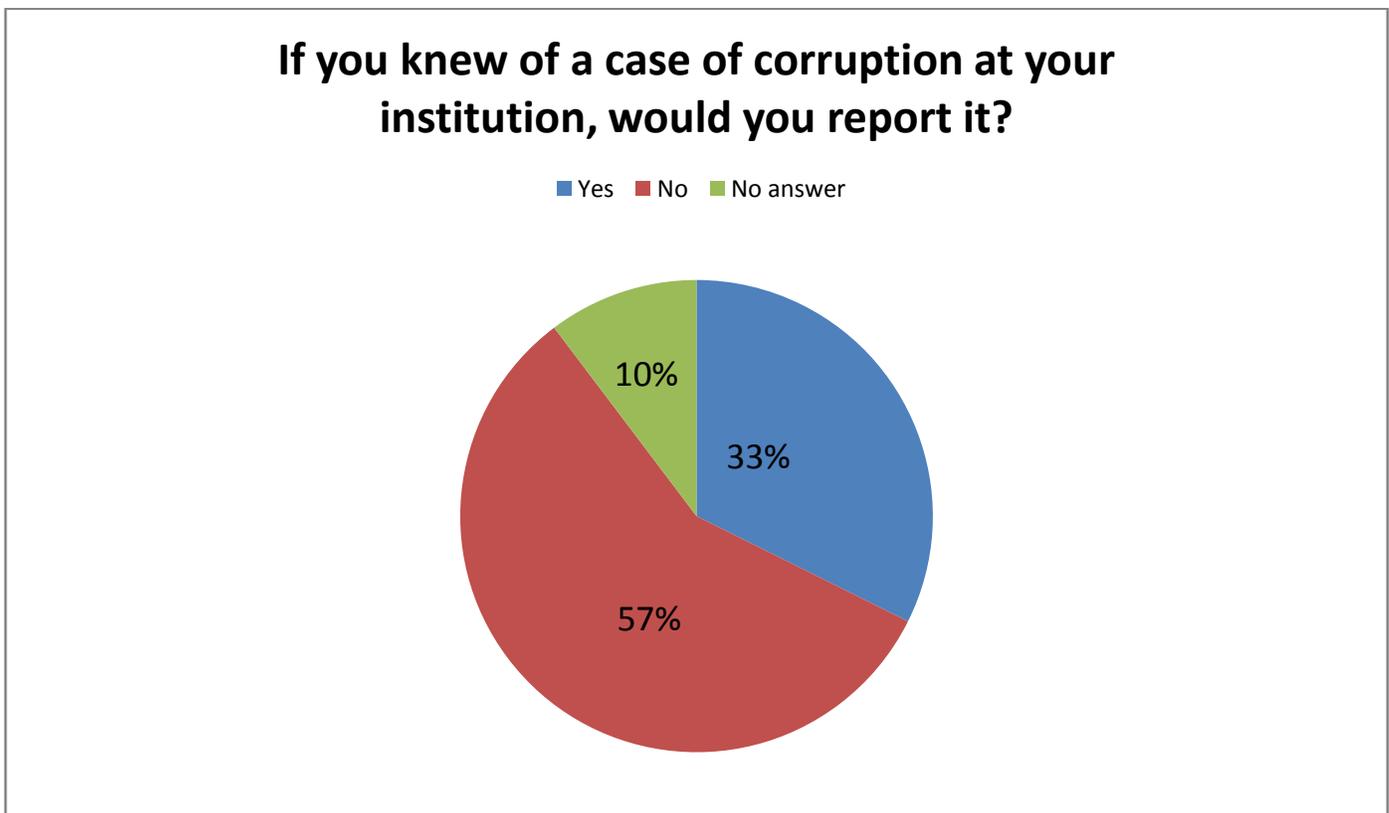
16.



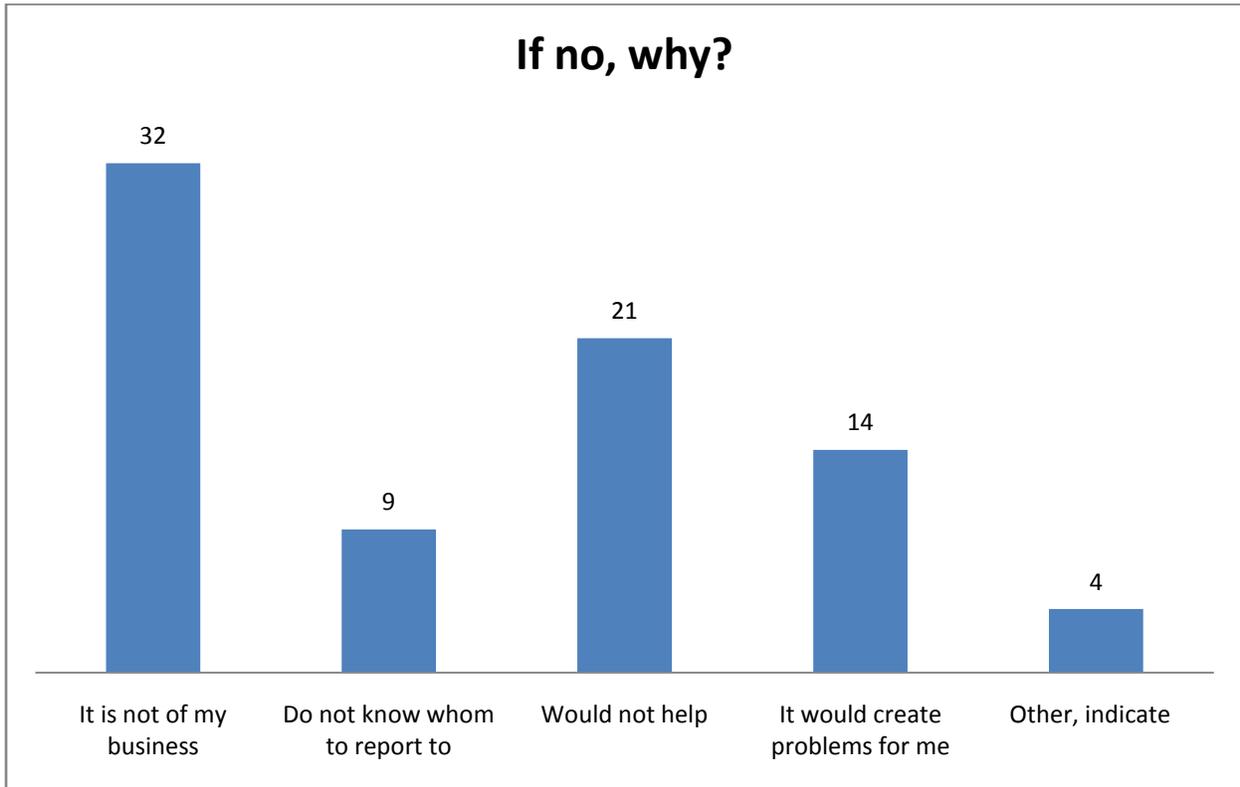
17.



18.



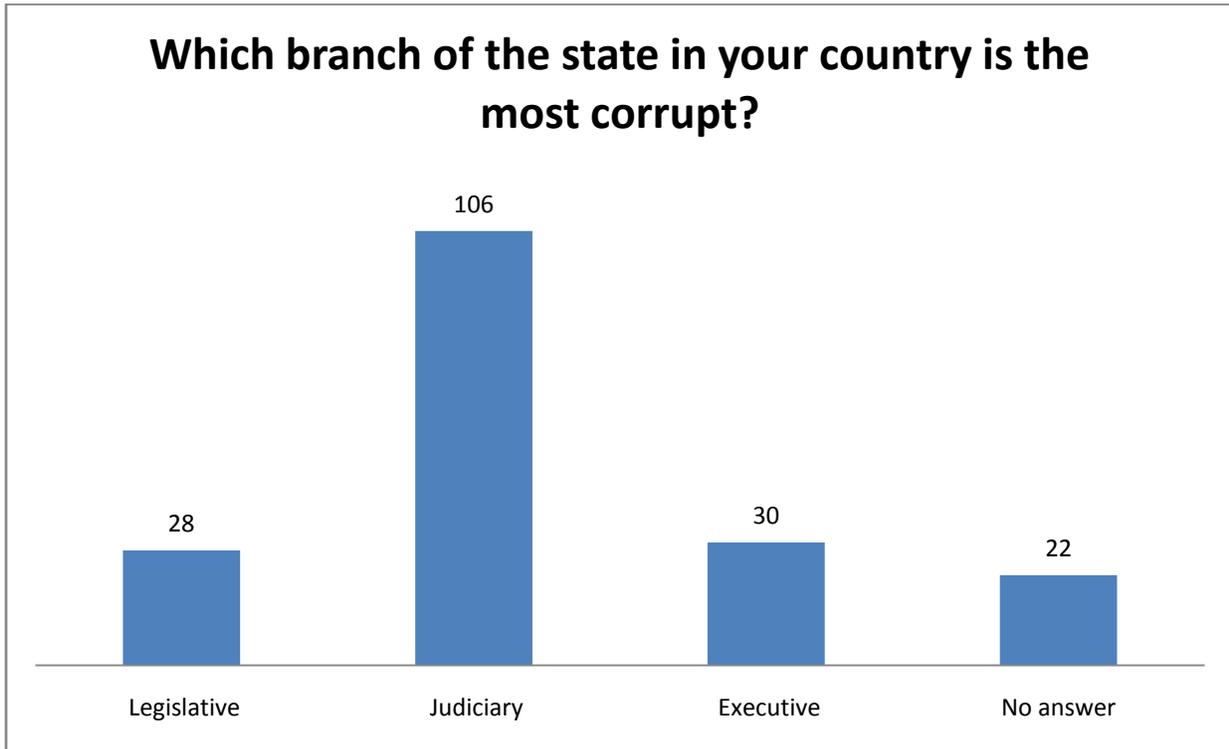
19.



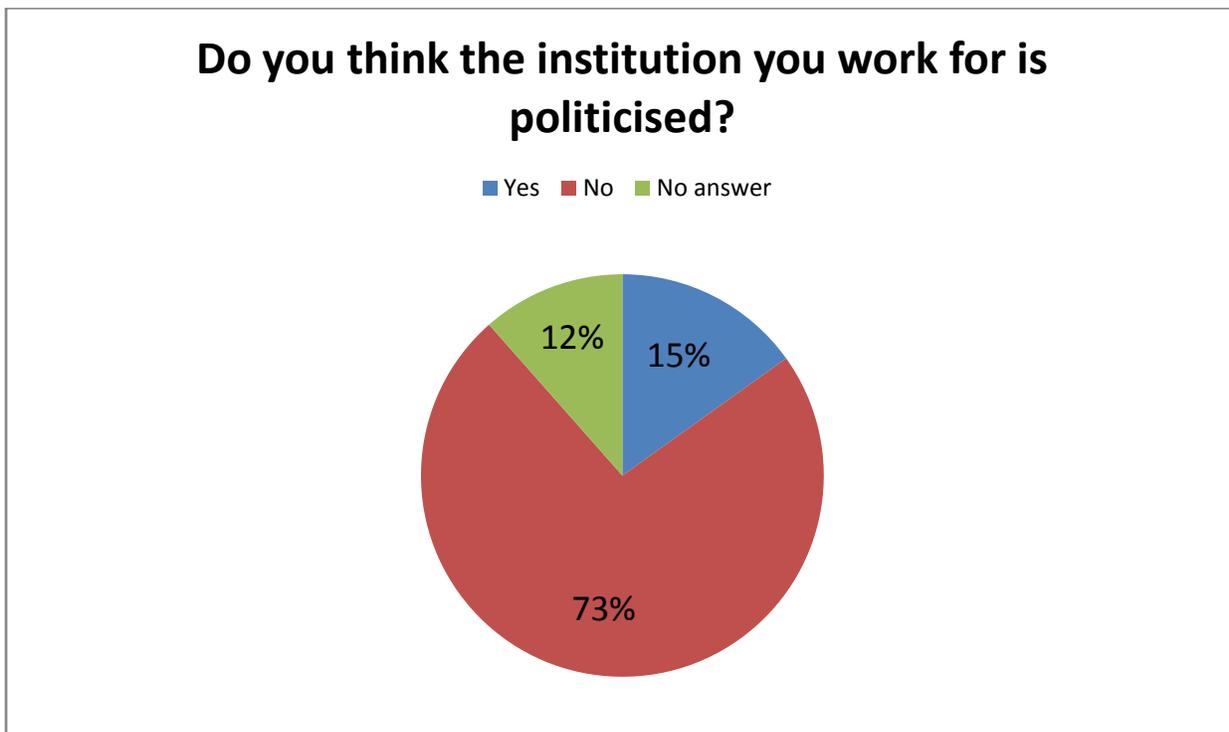
20.



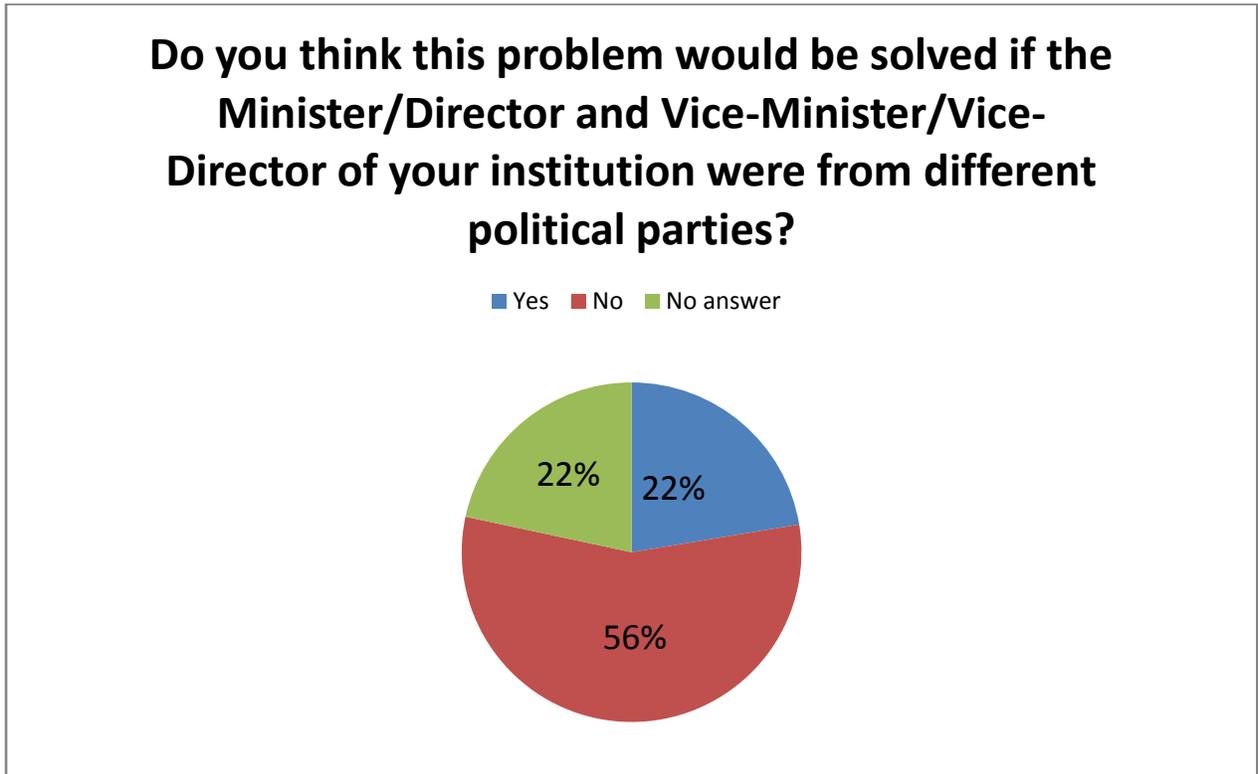
21.



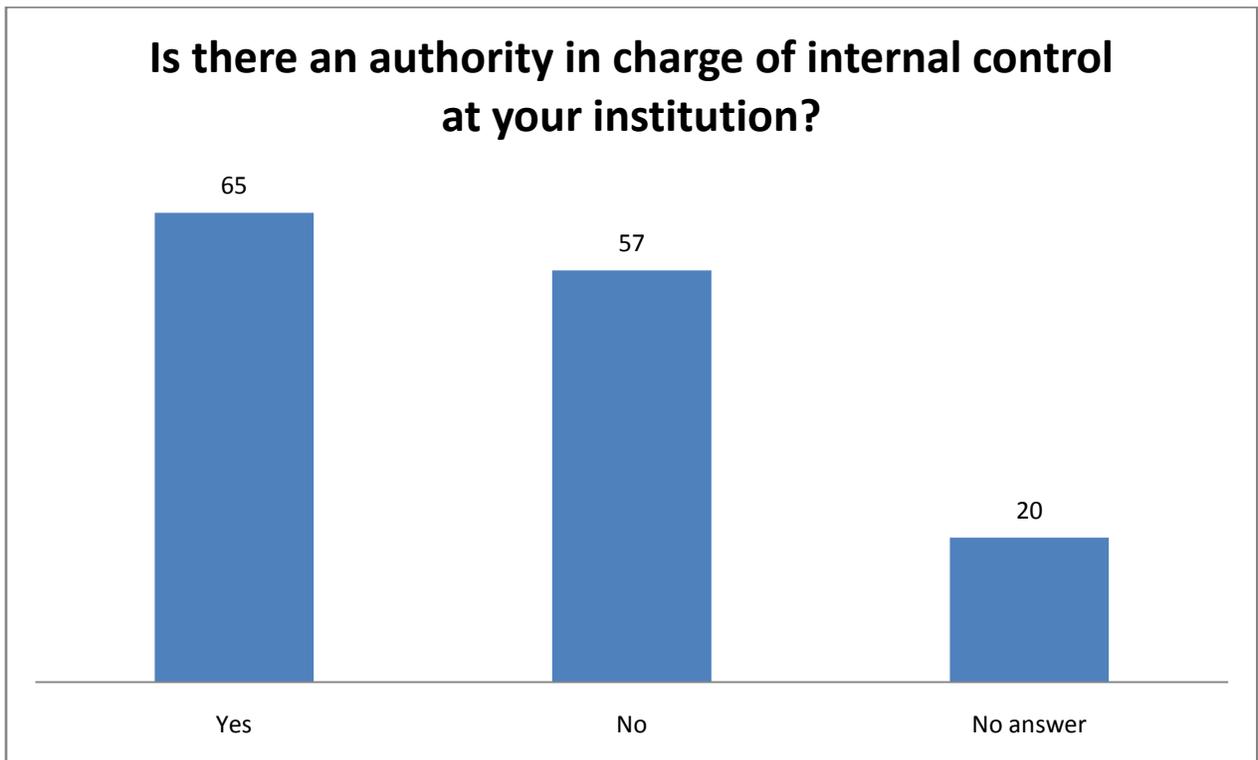
22.



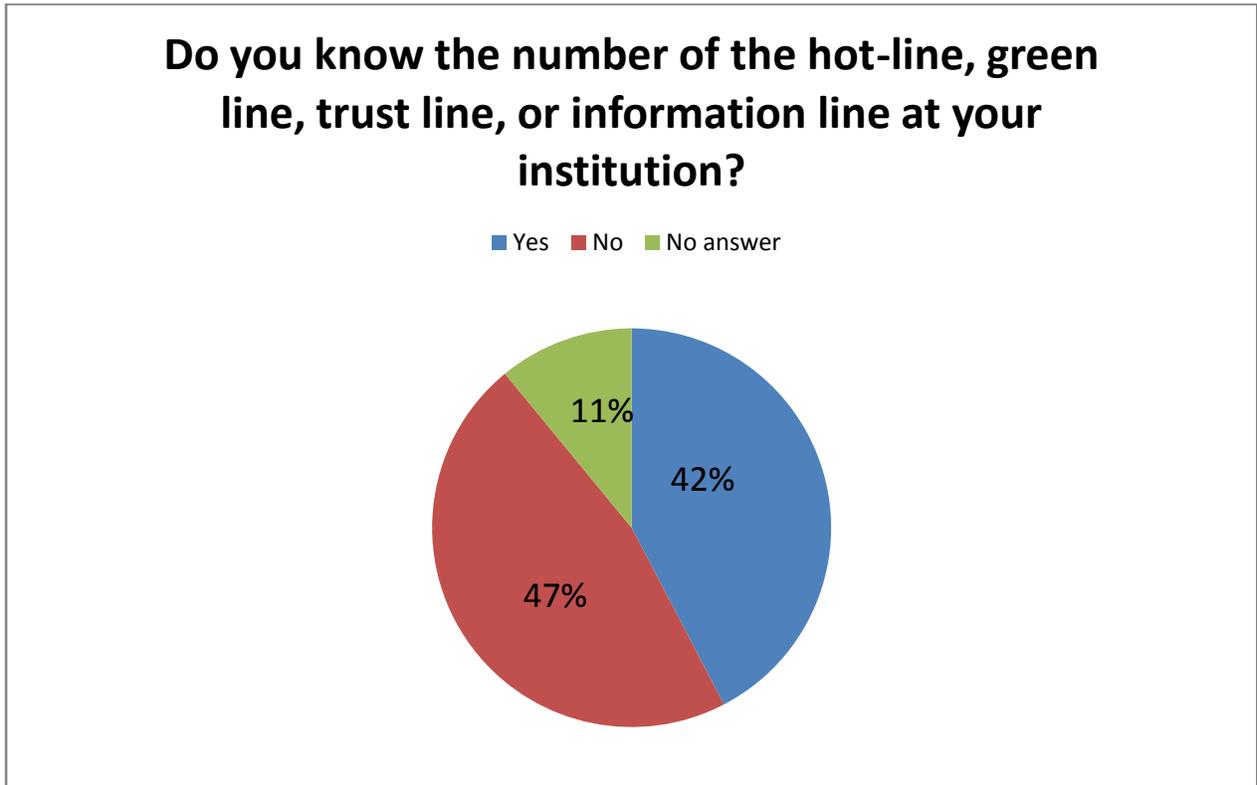
23.



24.



25.



### Conclusions and recommendations

The presented data illustrates the following:

- a. There is lack of knowledge on the notion Col among public servants and lack of understanding of the essence of corruption and the concept of anti-corruption measures.
- b. Those public servants who define the Col correctly do not necessarily consider it to be an obstacle for decision-making, i.e. there is a systemic problem in public service system.
- c. 73% of respondents have mentioned that there are noobligatory requirements to declare conflict of interestsin their contract or ToR. This can be evaluated as an institutional shortcoming of state institutions since even if the responses are not correct it means that the respondents are not aware of these requirements.
- d. Despite the fact that the majority of respondents have mentioned the Judiciary system as the most corrupt (79%) many of them have marked all three branches of power, which means that the perception among many public servants is that corruption in Armenia is of systemic nature.
- e. 57% of respondents that have mentioned that they wouldn't they report about a corruption case they have indicated. Almost 84% of respondents are either indifferent or afraid to report about the cases of corruption they have indicated.

- f. The average monthly wage indicated by the respondents for minor, middle and senior positions in their institutions is 2-4 times higher than current salaries in state institutions. Meanwhile sums indicated by respondents are accordant to average monthly price of living and can be considered as rational.
- g. In answers to many sensitive questions or direct questions that indicate Col cases (See charts 13 and 14) the “Do not know” and “No answers” prevail. This can indicate that the respondents either avoid answering these questions although they are aware of cases questioned in the questionnaire.
- h. Although the majority of respondents state that there is no discrimination in their institutions the political discrimination in the first among the affirmative answers and is at least twice higher than other affirmative answers.
- i. Responses to questions in chart #3 that offer behavioral models in Col situations indicate that the majority of respondents would avoid appearing in a direct Col situation however in case of shared responsibility or non-obvious Col situation around half of the respondents are ready or consider it possible to make decisions.
- j. The general picture of the survey illustrates that Col-related issues are not well articulated in policies and procedures of the central authorities and are not properly addressed by the management of these institutions.

The above mentioned conclusions can lead to following recommendations:

- a. There is a strong need to introduce the essence of Col and corruption in general, as well as anti-corruption measures and mechanisms to avoid situations of corruption appearance in central state institutions. This can be implemented via trainings organized for public servants as well as for those officials who are responsible for staff administration, recruitment and evaluation; and internal control.
- b. There is a necessity to implement monitoring of implementation of Col policies on regular basis with involvement of responsible officials and civil society.
- c. The rules and regulations of state institutions shall be thoroughly reviewed and adjusted and trainings for public servants on policies and procedures shall be organized on periodic basis.
- d. Institutionalized and periodic reporting mechanisms on the Col policies implementation shall be established in state institutions.
- e. Col issues shall be clearly articulated in contracts and ToRs of public servants.
- f. Mechanisms of external control and monitoring with strong involvement of civil society shall be established to ensure that cases of Col are identified and necessary measures are taken, as well as to ensure that there is no political, ethnic, gender or any other discrimination.

#### 4. STATE INSTITUTIONS' RESPONSES TO INQUIRIES ON THE CONFLICT OF INTEREST MATTERS

*Analysis conducted by Transparency International Anticorruption Center.*

TIAC addressed written requests for information were addressed to 26 central public administration authorities, including 18 Ministries, 7 adjunct bodies under the Government of RA and Prosecutor General's Office of R CPAs in January 21, 2014. List of institutions included Ministry of Agriculture, Ministry of Culture, Ministry of Defense, Ministry of Diaspora, Ministry of Economy, Ministry of Education and Science, Ministry of Emergency Situations, Ministry of Energy and Natural Resources, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Healthcare, Ministry of Justice, Ministry of Labor and Social Affairs, Ministry of Nature Protection, Ministry of Sport and Youth Affairs, Ministry of Territorial Administration, Ministry of Transport and Communication, Ministry of Urban Development, General Department of Civil Aviation, National Security Service, Police, State Committee of Real Estate Cadaster, State Nuclear Safety Regulatory Committee, State Property Management Department, State Revenue Committee (currently integrated into the Ministry of Finance), and General Prosecutor's Office. Requests related to 7 questions addressing the establishment of structures to supervise enforcement of the code of conduct in accordance with the requirement of RA Law on Public Service; measures taken to inform the civil servants on Col and code of conduct; awareness raising of citizens on implementation of the code of conduct; practice of receiving complaints on violation of the code of conduct; notifications of ethics commissions on Col situations; application of restrictions of the receipt of gifts; established mechanisms of complaints regarding the performance of public servants. Additionally, the inquiry included a question about the official opinion of CPAs regarding the need to introduce declaration of Col, given that Armenian legislation does not regulate this phenomenon.

Responses of institutions<sup>12</sup> were input into individual tables that included a description of the current state of situation and proposals on improving the situation. Performance of CPAs was summarized, analyzed and scored on a scale from 0 to 4<sup>13</sup> and illustrated in graphical charts.

Scoring was provided to all questions based on the following principle:

- 0- Institution did not respond to the given question / response does not actually provide answer to the question / there have not been any measures taken
- 1- Institution takes merely ad hoc measures / there have not been recorded cases of violations of conflict of interest regulations or code of conduct;
- 2- Institution takes some irregular, non-systemic measures;
- 3- Institution implements regular/systemic, but not complete measures;
- 4- Institution implements regular/systemic and complete measures.

---

<sup>12</sup> Responses were received within 1-12 days. Three institutions - RA Police, Prosecutor General's Office and Ministry of Justice informed about providing response in maximum 30 days period for implementing additional work to provide complete information and sent their answers as promised. Most of CPAs made efforts to provide responses to questions. Twenty institutions addressed all 8 questions of the questionnaire providing complete or incomplete response, while six did not respond to all questions.

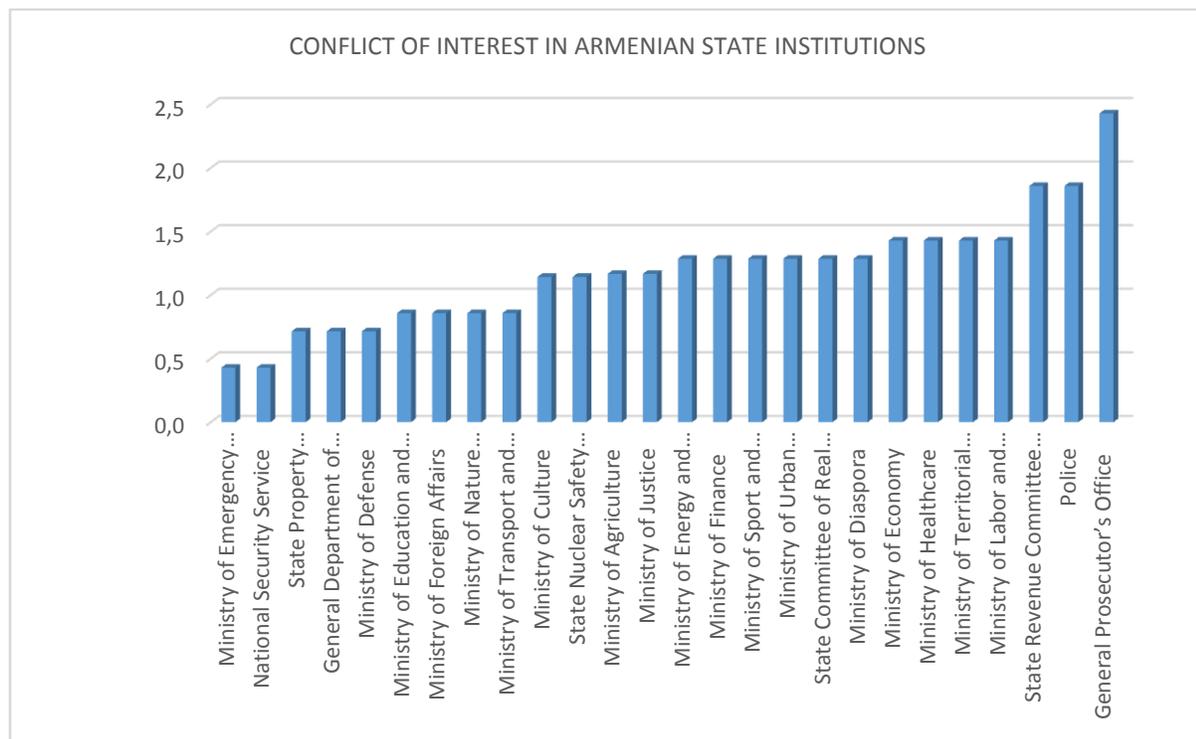
<sup>13</sup> Where 0 means that CPA did not apply the anti-corruption policy / did not offer data that would confirm the policy application; and 4 - CPA has applied the policy according to the legal provisions.

Given the lack of mandatory requirements for individual institutions to regulate conflict of interest situations in Armenian legislation, the scoring related to the discretionary activities of institutions rather than their performance against the set forth requirements. Indicated activities of institutions aimed at implementation of Col policies were not verified through additional research or assessed for their effectiveness.

### Implementation practices

According to the responses received, Public Servants Ethics Commissions are formed or officials appointed in 20 bodies that have been surveyed. Only 9 of the Surveyed State Bodies answered that special seminars/ trainings on Col and Public servant Code of Conduct were organized, although they were not regular. Being satisfied with the fact that state bodies have the official webpages, working telephone numbers, hotlines or a possibility to examine a petition on-line, the majority of respondents did not consider it necessary to carry out specific steps towards awareness raising. Notifications on Col from their employees have not been recorded in any state body. Responses about receiving gifts and their registration were not informative and more likely tended to deny the phenomenon, than to reveal the reality.

Many responses were of a general nature. Judgments were made based on the provided answers rather than collection of additional data and analysis of the quality of performance. Best performance was demonstrated by RA Prosecutor’s Office, RA Police, RA State Revenue Committee, though it should be noted that these institutions have unique mandates and according to their nature are dealing with complaints and taking sanctions. Worst performance was recorded for the Ministry of Emergencies and National Security Service.



Detailed description of situation is provided below:

### ***Establishment of supervisory bodies***

In accordance with RA Law on Public Service, "ethics commissions<sup>14</sup> of public servants are being formed in all the bodies of public service." Survey results showed that such commissions were actually created in 20 institutions. Although they have different names (for example, Ethics Commission, Public Servant's Ethics Commission), but their functions are derived from RA Law on Public Service and are aimed to the implementation of supervision over the code of ethics and Col within their respective institutions

So, to the question of "Which department of your institution and / or which official is authorized to supervise the enforcement of the legislation regulating the Col and the code of conduct of public servants" some of them answered that this function is carried out by Ethics Commissions or the Ethics Commission for High-ranking Officials of the Republic of Armenia. As the purpose of the survey was to ascertain the existence of Ethics Commissions in general, for that reason their activities and the efficiency of their activities are not interpreted.

In three cases (RA Ministry of Police, RA National Security Service, Prosecutor General) there was a response that for the compliance with legislation regulating the conflict of interests and the supervision of public servants' code of conduct is carried out by the management of the institution: the minister (Director, Department Chair), heads of structural subdivisions, prosecutors, etc., within the limits of their jurisdiction. Ministry of Justice assigned the respective responsibilities to its Legal Oversight Department, while the Committee of State Revenues designated tasked those to Personnel Management Department Code of Conduct Review and Evaluation Division.

And the Ministry of Education and Science of the Republic of Armenia has given a response that supervision over the compliance with legislation regulating the conflict of interests, and the codes of conduct for public servants is not within the authorities of public officials and institutions. It is obvious that this is due to the lack of knowledge of law or is due to the misperception of the question.

### ***Awareness raising efforts related to Col***

The combination of survey responses allows us to conclude to what extent had public authorities signified the problem of awareness on the conflict of interests and what steps have been taken for the prevention of the conflict of interests and maintaining the code of conduct. To the question "What measures have been undertaken by your institution to inform the civil servants on Col and code of conduct? Have there been seminars held? How many? How many civil servants attended these?," only 9 state bodies noted about seminars organized by them or with their participation. In particular seminars - workshops, discussions regarding conflict of interests and code of ethics were held by the Ministry of Health, the Ministry of Defense and the

---

<sup>14</sup> RA Law on Public Service, Article 38, Part 1

Ministry of Urban Development of the Republic of Armenia, which were attended by the employees from internal and adjunct departments. In 2013 and 2014, with the support of OSCE Office in Yerevan there were organized workshop-discussions and held in "Prosecution School" SNCO on "the improvement of communication skills between the public servants of the prosecution system and citizens, and the enforcement of public servants' code of ethics" which resulted in the publication of the same-name guide<sup>15</sup> in 2013.

According to the presented information the awareness-raising in the police of the Republic of Armenia is regularly undertaken activity and the code of ethics of police officers form a mandatory part of police department trainings held on each Tuesday.

RA Foreign Ministry informed that the servants of the staff of the ministry, diplomatic missions and consulates have been properly informed about the code of ethics, receiving gifts and the formation of the Ethics Commission. The State Revenue Committee has organized and held courses on the topics about ethics and psychology of professional activity of tax servants, services provided from the service points of taxpayers, code of conduct of customs officers, ethics and the conduct culture of customs officers.

Some institutions answered that civil servants undergo training once in three years when they also discuss issues related to civil servants' ethics. A few told that corresponding subdivision of the state body (e.g., Personnel Management Division, Chief of Staff) regularly informs about the processes related to the conflict of interests and code of conduct, as well as the awareness has been carried out through discussions or working documentation.

Four of the surveyed institutions informed that their employees are aware of the ethics of civil servants, the legal acts determining their rights and responsibilities, for that reason there has been no need for organizing individual courses or seminars on those topics.

In a few cases, however, there have been answers of a declarative nature and without any concreteness, which is already a factor to conclude that there have not been taken any concrete steps. For example, the Ministry of Emergency Situations noted that "... activities are carried out aiming to ensure the proper behavior of employees, exclude the conflict of public and private interests."

### ***Awareness raising of citizens on implementation of the code of conduct***

In addition to the awareness of public servants, it is critical to ensure public awareness on legal regulations on the conflict of interests and implementation mechanisms. For clarifying the steps towards public awareness raising, state institutions have been asked the following question:

---

<sup>15</sup><http://www.osce.org/node/116256>

“What measures have been taken by your institution for notifying citizens about the implementation of public servants’ code of conduct.” The answers were almost the same. In two cases only (Ministry of Justice and State Revenue Committee) it was noted about the publication of information brochures or manuals for awareness. Prosecutor General’s Office noted that its cooperation with Anti-corruption Advocacy and Assistance Centers<sup>16</sup> is directed towards public awareness. And in all other answers, as a way of informing citizens, was mentioned the official website, hotline, the existence of legal acts, the possibility of applying online and the mechanism of following the request, as well as admission days. Ministry of Transport and Communications referred to the decision on the order of organizing an ethics commission, published in official bulletin. So, mere publication of the order was considered to be a sufficient notice, while such response indicates that there are no awareness raising activities.

Analyzing the responses received, it should be noted that the different approaches of state institutions in this issue is due to the lack of a common law requirement: whom to make aware of and how. The absence of mandatory awareness requirement gives state institutions a discretionary authority, and thus, they themselves determine the size and procedure of the awareness raising. In one case, it may be a periodically implemented activity, while in another case, as a single operation. Surveys showed that the state bodies basically do not recognize the necessity of the implementation of awareness raising activities, reasoning that public servants are aware of their rights and duties, while the citizens can inquire about the legal regulations if they want. Perhaps this is a correct answer to the extent that the legislation does not define positive duty of awareness (notification) for state bodies.

### ***Receipt of complaints regarding violations of code of conduct***

Cases of the violation of public servants code of ethics are examined by respective ethics commissions established in state institutions. The latter have been asked the following question: “Has your organization ever received any complaints/petitions on the violation of the code of conduct. If yes, please specify how many complaints have been received? What kinds of violations have been occurred? What measures have been undertaken? Were any sanctions applied on persons violating the code? What kind of sanctions? How many persons were sanctioned?”

Through the inquiry we tried to find out to what extent public servants follow the code of conduct and to what extent the state institutions are obliged to ensure the proper behavior of their employees. Most of the institutions reported that they have not received complaints. In one case there was a response with no information with the following content: “we receive complaints and proceed it in a specified way (National Security Service). In another case there was an oral complaint on the behavior of an employee and was applied disciplinary fine (Ministry of Health). On the basis of a complaint in two cases were followed by disciplinary proceedings and the employees were subjected to a disciplinary sanction (Ministry of Labor and Social Affairs).

---

<sup>16</sup> These centers operated as a project of a few CSOs, funded by USAID

More detailed information was presented by RA Prosecutor General's Office, RA police and RA State Revenue Committee. In particular, RA Prosecutor General's Office noted, that during 2008-2013 they have received 66 complaints, and as a result of which 6 prosecutors were subjected to disciplinary proceedings and 58 were subjected to service examination. During disciplinary proceedings disciplinary sanction was applied to one prosecutor in the form of "caution", to two prosecutors - "warning", to one prosecutor – "strict warning" and two prosecutors were dismissed from their work upon their own initiative and the disciplinary proceedings were stopped. Service examinations of 38 out of 58 prosecutors showed that there was no violation of the implementation of service duties, requirements of the law and the code of conduct. Eighteen prosecutors were cautioned and the service examinations were stopped over two on the basis of their leaving their work. For two public servant employees two service examinations were conducted on the basis of complaints, as a result 1 servant was cautioned, and in the case of another there was no violation of the code of ethics revealed.

RA Police informed that in 2012 it received 156 complaints on the violations of the codes of ethics by the police servants, 13 of which were given a positive solution, 117 were left without consequences, 10 are under consideration, while 15 were referred to other agencies according to their jurisdiction. In 2012, on the basis of violation of the code of ethics, 67 service examinations were conducted as a result of which 85 servants were subjected to different disciplinary sanctions, and 11 were dismissed from their service.

In the response received from the RA State Revenue Committee it was noted that in 2013 there were 10 service examinations conducted on the basis of 11 complaints, as a result of which 15 employees were subjected to disciplinary liability of different types, in particular 2 employees were given oral warning, 8 employees – written warning, 1 employee was downgraded in the position and 4 employees were dismissed from their positions.

The analysis of the responses shows that the complaints were mainly received and the proceedings were initiated in law enforcement bodies. This can be explained by the fact that the latter has daily and direct contact with the public and in such case the violation of the codes of ethics become more obvious. While the contact of other institutions is scarce or indirect, for that reason the deviations from the codes of ethics are scarce, or go unnoticed. On the other hand there is no guarantee that the presented information is completely consistent with the reality, and there is no information available on their official websites on the activity of ethics commissions, the meetings held and issues discussed. Although this also can mean that there were not complaint, and for that reason proceedings were not initiated.

### ***Notification about conflict of interest situations***

Offenses made by public servants and known for public servants are subject to notification. That is, a public servant is obliged to inform the appropriate officials about the offenses made by other servants and about any illegal activities related to public service; including activities of corrupt nature<sup>17</sup>. For establishment and development of this whistleblowing institution, some

---

<sup>17</sup> RA Law on Public Service, Article 22

security-related issues were regulated by a government decision<sup>18</sup>. In practice, this provision has not yet been applied and the similarity of survey responses also confirm this fact.

To the question “Has ever been any notification on the conflict of interests by the servants in your organization? If yes, how many of them did notify, who did admit the decision on regulating the conflict of interests < please specify position>, what measure has been applied for regulating the conflict of interests <please specify the type of the conflict of interests and the solution>, Did you pay attention to cases when public servant involved in CoI did not report on that? How such cases were identified? What measures were applied towards that public servant,” all state institutions answered that there had not been such cases.

### ***Enforcement of restrictions on the receipt of gifts***

Through inquiries there was an attempt to find out from the state bodies whether a practice of price check of a gift received based on the position, or registration of gifts has ever been used. “Are the gifts registered and their cost evaluated in your institution? Have there been cases of violation of the ban on receiving gifts? Did you have cases, when the public servants working in your institution informed personally about getting gifts, how many such cases were there, were they registered and what solutions were given?” Fifteen of institutions inquired in their response denied the fact of getting gifts, noting that there were not such cases. Moreover, the Ministries of the Environment, the Education and Science, the Culture of the Republic of Armenia responded that the employees of the ministry do not receive gifts for performing official duties."

In the case of 4 of the answers obtained (Ministry of Diaspora, the RA General Prosecutor's Office, the RA Police and National Security Service), the fact of getting gifts is not denied, but it was noted that their registration was carried out according to the law and there were not any cases of violation of the ban on receiving gifts.

A more comprehensive answer to this question was given by the Ministry of Territorial Administration, saying that the gifts received were symbolic: in the form of books, albums, calendars, medals and souvenirs, over which are imposed the restrictions under the legislation.

Five of the surveyed did not answer this question at all.

### ***Raising the accountability related to compliance to code of conduct***

Public awareness on the existing legal regulations of public servants' conduct, their implementation and the existence of supervisory bodies is a critical issue. When to apply, whom to apply to and similar issues need to be clarified, so that citizens are able to present their application in a proper way. Steps towards making the public aware of these issues have been attempted to be clarified through the following inquiry: “Does your organization inform the public about how to make statement on the inappropriate behavior of public servants? Is there a

---

<sup>18</sup> RA Government Decision N1816 from 15.12.2011

hotline or a mechanism for the processing of online applications? If yes, how many such applications have been received?”

Answers obtained are different in their content, but mainly result in the following: there were no concrete meetings or seminars on this subject and there were no separate activities aimed at public awareness raising. Eight institutions operate hotline services, 6 have a possibility for online applications, 3 have both options, and 3 mentioned that there are mechanisms, but did not specify the types. Others did not respond. According to the response of the Ministry of Justice 3349 messages were received through hotline and 468 online, but none of them was on the violations of the codes of ethics by public servants. As a source for information it was mentioned the official website, citizen receptions or working meetings, the printing and publication of booklets or manuals on the codes of ethics, as well as media notifications. The latter was mentioned by the police of the Republic of Armenia as a periodic awareness raising tool. There was received one response from the Ministry of Youth and Sports on the fact that the function of informing the public is not set under the statute of the Ministry, which actually reflects the gap of law related to the state institutions’ responsibility to inform the public about the CoI and code of ethics.

The overall picture is that there were no concrete measures held to inform citizens about the public servants’ CoI and code of ethics.

### ***Opinions about the need for declaration of interests***

Obligations of a public servant are established by RA Law on Public Service, including the submission of the declaration of interests according to the prescribed way and instances provided by law.<sup>19</sup> However, this provision has remained as a declarative clause, given that the implementing mechanisms have not been set. Therefore, the declaration of interests as an institution is not operational in the Republic of Armenia.

For discovering the opinions of state institutions about the necessity of this institution they were given the following question: “Is the declaration of personal interests (in addition to the declaration of property and income and the notification of the conflict of interests) is critical issue in our country on your opinion?» Only three institutions (11%) found that there is a need to introduce a declaration on personal interests in addition to the declaration of property and income and the notification on CoI. Ministry of Economy responded that declaration on conflict of interests is not only a critical issue but a legal requirement. Ministry of Energy and Natural Resources stated that it is an important step. And the Committee for State Property Management noted that declaration on personal interests is a critical issue when there is a conflict between the personal and state Interests. Ministry of Urban Development did not respond directly, but initiated an oral survey of its employees and concluded that the majority is against the declaration of interests.

---

<sup>19</sup> RA Law on Public Service, Article 21

It should be noted that the notion of “the declaration of interests” is not perceived clearly or is not perceived at all. As a matter of fact, it leads to confusion related to the mechanism of property and income declaration, and in some cases related to statements on the Col. Following the inquiries, there have been some phone calls from state institutions in order to clarify the meaning of the question. In two cases of the answers obtained it is obvious that the question was not understood, because they advised to contact the relevant authorities on that issue which are dealing with it (the State Revenue Committee) or to make additional studies (Ministry of Health of the Republic of Armenia), and the Ministry of Transport and Communications Ministry said that the declaration of interests is regulated by law, meanwhile such procedures are not defined.

## **Conclusions**

Conflict of interest is in fact regulated for the high-ranking officials, whose compliance with respective requirements is controlled by the Ethics Commission of High-ranking Officials.<sup>20</sup> Law on Public Service does not clearly regulate the work of lower level Ethics Commissions established in state institutions. Neither there is coordination and common approach towards regulation of conflict of interest in the public sector. Levels of efforts in respect with regulation of Col and review of compliance to the code of conduct are depend on the political will and discretion of the given leadership. The need for declaration of personal interest is not recognized, which may be attributed to the lack of thorough understanding of the conflict of interest or lack of interest to declare such interest.

## **Recommendations**

Following recommendations are designed to strengthen the regulatory framework of conflict of interest through adoption of legal provisions that include the following:

- Extend the Col requirements to public servants at all levels of public service;
- Introduce a system of declaration of personal interests to be filed with declaration of assets and incomes;
- Maintain coordination and oversight of ethics commissions of state institutions to ensure common approach, standards and practice of mechanisms of complaints, pursuit of complaints, publicity of Col situations and code of conduct violations, etc.
- Develop a unified system of legal consequences in case of violation of code of conduct or Col;
- Regulate the recording of all gifts by ethics commissions and develop a mechanism for the control and publicity of the receipt of gifts;
- Set restrictions on and system of monitoring of the given gifts by public servants along with the received ones;
- Introduce a ban on the decision-making in a Col situation, in extreme cases delegating it to the supervisory official or a collegial body;

---

<sup>20</sup> Conflict of interest of members of parliament is controlled by National Assembly Ethics Commission.

- Include Col and code of conduct issues within the recruitment tests of all positions of public servants and within the curricula of three-year training of civil servants;
- Develop an effective system of public awareness raising such as social advertisement of ethics commissions;
- Establish a system of public reporting of violations of rules of ethics, conflict of interest notifications, management of respective situations, complaints, undertaken measures and sanctions on institutions' websites.<sup>21</sup>

---

<sup>21</sup> According to RA Law on Public Service, Ethics Commission for High-ranking Officials shall publish only its conclusions/decisions

## 5. EXPERT VIEWS ON IMPLEMENTATION OF CONFLICT OF INTEREST POLICIES

*Focus group discussions are summarized by Eurasia Partnership Foundation.*

Discussions were conducted on 25 July 2014 and included participants from Public Service Council of RA, RA Ethics Commission of High-ranking Officials, Ministry of Health, Ministry of Urban Development, State Academy of Public Administration, State Academy of Public Administration.

The major aim of the meeting was to collect the feedback from the representatives of key institutions and management of staffs of Armenian ministries on current state of implementation of Col policies, existing legislative and institutional gaps, as well as opinions on the level of understanding of Col in state institutions. The outcomes of this meeting should complement to the results the analysis of the official inquiries to all Armenian ministries and the review of the legislative framework implemented by Transparency International Anti-Corruption Center Armenia, as well as of the survey implemented by EPF in 7 Ministries in November 2013-May 2014 via affirming the conclusions and answering the questions that the survey results have left or revealed.

As it was indicated by the survey the problems existing in sphere of implementation of Col policies are of systemic nature. The legislation, the institutional framework, the practice and perceptions of Col in state institutions do not coincide with each other. The major reason for this is that on the level of system of values, the notion of Col is not well formulated and understood, thus it is not well reflected in the legislation.

The gap that exists on the level of legislation does not allow the authorities (or allows authorities not) to define and establish the institutional framework that would effectively address the issue of Col. This results in a situation on the practical level where the overwhelming majority of public servants does not identify and reflect on Col situations neither for themselves nor for their colleagues.

Next level in this system is the lack or even absence of positive precedents in sphere of revealing a Col situation and addressing it effectively that would result in justice in decision making-process, effective management of public resources, transparency and accountability in work of state institutions, development of practice of professional relations between state officials/public servants, etc. The lack of precedents keeps the public perceptions on corruption quite negative and unchanged as the CPI for recent years.

Finally the unchanged perceptions do not allow formulating the value as it was indicated in the very beginning. This was illustrated during the discussion of the process of establishment of ethic commissions in ministries which are lacking effectiveness because of limited mandate and unclear mission which is not regulated by law and is not well understood by staffs of ministries.

While discussing possible activities to improve the situation all the above mentioned levels from values to perception were mentioned by participants. The recommendations collected from the participants are:

- To improve the legislation particularly in terms of formulation of notions;
- To establish working mechanisms inside state institutions that will involve public servants in effectively managing Col situations;
- To train public servants and the administrative staff of ministries including (chiefs of staffs, human resource managers, etc.);
- To develop of a code of conduct for all institutions;
- To adopt a common policy/coordination for all ethics commissions;
- To identify corruption sensitive positions and expansion of the scope of conflict of interest to include those;
- To introduce liability for mismanagement of conflict of interest situations.

The focus group discussion has reaffirmed the outcomes of the official inquiries, legal analysis and the survey and has shown that the results of previous work implemented by TI Armenia and EPF are illustrative and demonstrate the current state in sphere of managing Col situations in central executive institutions of Armenia.

## ATTACHMENT 1. Inquiry addressed to state institutions

1. Which department of your Institution and / or which official is authorized to supervise the enforcement of the legislation regulating the Conflict of Interests and the Code of Conduct of public servants?
2. What measures have been undertaken by your institution to inform the civil servants on Col and Code of Conduct? Have there been seminars held? How many? How many civil servants attended these?
3. What steps have been undertaken by your institution to inform the citizens about the implementation of the Code of Conduct?
4. Has your institution ever received any complaints/petitions on violation of the code of conduct:

If yes, please specify

- 4.1. How many complaints have been received?
- 4.2. What kinds of violations have been occurred ?
- 4.3. What measures have been undertaken?
- 4.4. Were any sanctions applied on persons violating the code? What kind of sanctions? How many persons were sanctioned?
5. Have servants of your institution ever notified on Col ? If yes, please specify
  - 5.1. What is the number of public servants who reported on conflicts of interest?
  - 5.2. Who took a decision on the conflict of interests settlement (please, specify the position of the person)?
  - 5.3. What measures to resolve the Col were adopted? (please, specify the type of the Col and its resolution)?
  - 5.4. Did you pay attention to cases when public servant involved in Col did not report on that? How such cases were identified? What measures were applied towards that public servant?
6. Are the gifts registered and their cost evaluated in your institution? Have there been cases of violation of the ban on receiving gifts? Did you have cases, when the public servants working in your Institution informed personally about getting gifts, how many such cases were there, were they registered and what solutions were given?
7. Does your institution inform the public how to complain about inappropriate behavior of Public servants? Do you have a mechanism to examine cases reported by hotline or on-line petition? If yes, how many such complains did you receive?
8. In your opinion, is the declaration on personal interests (in addition to the declaration of property and income and the notification on Col) a critical issue for our country.