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Dialogue NGO

“Civilian Control as a Tool to Reduce Corruption Risks” Project Report

Peace Dialogue NGO

“Peace Dialogue” NGO implemented “Civilian Control as a Tool to Reduce Corruption Risks” project with funds of small sub-grants provided in the framework of “Multi-Faceted Anti-Corruption Promotion” project implemented by the “Armenian Young Lawyers Association” NGO and the partner “Freedom of Information Center” NGO. Project budget is 1,779,800 AMD from which 919,800 AMD was provided by the “Armenian Young Lawyers Association” NGO. Project duration May 1 – August 31, 2015

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Civilian Control as a Tool to Reduce Corruption Risks

Project Report

The project Civilian Control as a Tool to Reduce Corruption Risks (henceforth, Project) was implemented by Peace Dialogue NGO and was supported by a small grant project provided within the framework of the project “Multi-faceted anti-corruption promotion” launched by the Armenian Young Lawyers Association NGO and its partner organization Freedom of Information Centre of Armenia

The following activities were carried out during the project.

1. The corruption risks in Vanadzor transport sector were examined and exposed.

a) The examination of the documents obtained during the project implementation showed that Vanadzor municipality failed to examine and monitor the current situation of the regular passenger transportation means. The mentioned inactivity may be due to corruption risks.

In particular, Peace Dialogue NGO submitted a written inquiry to Vanadzor Municipality asking to provide the copies of the documents that prove that regular examinations were carried out by the municipality to test the state of the passenger transportation means in Vanadzor.

In response to the written inquiry the Vanadzor municipality did not provide sufficient documents that would prove that the municipality carried out comprehensive review of the transportation service. Instead the municipality only mentioned that a respective department of the municipality carries out regular inspection on the routes and in case shortcomings are found the service providers receive verbal warning to reduce the identified irregularities within a short period of time or they ask the competition committee to replace the old vehicles with the new ones. The municipality also mentioned that 28 minibuses have been replaced with new ones since 01.01.2012.

In fact, there is no evidence that Vanadzor municipality carries out comprehensive review of the passenger vehicles' conditions. Meanwhile, Vanadzor municipality's claim that regular inspections are carried out but not recorded does not comply with the administrative principles and logic. Therefore, this claim is not trustworthy.

Moreover, in another response to Peace Dialogue's inquiry, the municipality provided documents that show how a passenger vehicle was allowed to be replaced. This case was randomly chosen among other similar cases. In this case there is no document that would prove that the replacement of the vehicle was done as a result of the Vanadzor municipality's monitoring. The basis for replacement was the route service provider's request.

Thus, the examinations of the documents obtained show that Vanadzor municipality does not regularly examine the conditions of the passenger vehicles and does not exercise monitoring over them. This inaction can be due to some corruption risks. In particular, some questions arise as to why supervision is not exercised in order to change the current poor situation, what is the reason, and why this poor situation of the city route is beneficial for the Vanadzor municipality.

In order to improve the quality of the passenger vehicles and route service it is necessary to make expenditure. Naturally, the route service provider organizations avoid making such expenses and most probably in order to avoid such expenses, they agree with the authorities beforehand and thus avoid supervision. Thus, they pay less money for such an agreement than they would pay for improving the quality of service provided.

B) The research carried out during the project suggests that there are irregularities and shortcomings in the tender package and to hide them the Vanadzor municipality avoids submitting the required documents. Moreover, the mentioned illegalities and shortcomings in their turn contain corruption risks.

Peace Dialogue NGO asked the Vanadzor municipality to provide the copies of all documents signed between the regular public transportation service providers in Vanadzor, particularly the documents of organization and conducting tenders, the documents related to the tender results and the final decision on the tender, etc

Vanadzor municipality failed to provide the copies of the mentioned documents and thus the NGO send an inquiry to the municipality for the second time. However, the municipality again failed to provide the copies of requested documents.

The fact that Vanadzor municipality failed to provide the documents may be due to the shortcomings and omissions in these documents. Or, most probably the requested documents contain information what identifies some particular corruption aspects.

However, in response to Peace Dialogue NGO's written requests the municipality of Vanadzor provided one sample case when it was allowed to replace the passenger vehicles, the case was randomly selected.

However some important documents are missing in this sample case, such as the copy of the technical passport of the new vehicle. Thus, the copy of the vehicle was missing however the exploitation of the vehicle was allowed without identifying the vehicle's manufacture date. Based on this example, we may assume that there are other similar irregularities in the tender documents; therefore, in order to conceal such irregularities Vanadzor municipality avoids providing the requested documents. The mentioned irregularities and shortcomings obviously contain corruption risks because the municipality staff allowed all sorts of illegalities. As a rule the illegalities are allowed because people have some financial interest in them.

C)The inaccuracies in the agreements signed between the passenger transportation service providers of Vanadzor and the Vanadzor municipality, as well as the lack of preventative mechanisms lead us to assume that here again we deal with corruption risks.

The agreements signed between the service providers of regular passenger transportation in Vanadzor and Vanadzor municipality lack specific points that would mention the sanctions in case of breach of contract. The only measure mentioned is that of dissolving the contract, however, this measure has never been taken by Vanadzor municipality despite the fact that the service providers constantly make violations of the provisions of the contract. Therefore, it is obvious that this measure of accountability is not effective

Moreover, it is mandatory to mention the contracts provisions on sanctions. This is established by the RA Decision N 1167 dated 16.10.2008 on "Defining the terms of contract between the body responsible for the transportation route list and the transportation service providing organizations". Some of the obligatory provisions defined by the mentioned decision are also absent in the agreements signed by Vanadzor municipality (the payment for the rout service provided, the procedure of the payment, certain points of liability insurance regulating the damages by a third party)

2. The role of the local and state bodies in organizing and coordinating the community transportation service was examined and revealed.

During the project it became clearer what role the local and state bodies have in improving the transportation industry and whose inaction can be the reason for the poor condition of the industry. It should be particularly noted that the supervising body for the regular review of the passenger transportation in Vanadzor is the RA Transportation Department. It became more visible what tools the municipality uses to influence on the condition of the field.

In particular, it became clear that the most realistic measure the municipality can take to improve the quality of the transportation within the community is by supervising the implementation of the contractual obligations and demanding the respective bodies to fulfill the contract requirements.

We find that not proper formulations of the agreements also result in corruption risks, because the fact that such agreements are signed at all can be justified by some corrupted consent. On one hand it is beneficial for the transportation service providers because based on such agreements they can continue providing poor quality service, on the other hand it is beneficial for Vanadzor municipality because in case of any irregularity the municipality will be able to give justifications that Vanadzor municipality has no efficient mechanisms to combat such irregularities.

3. A public demand has increased for this problem to be solved.

The project aimed at developing a public demand towards this problem and as a result many citizens have made their own proposals on improving the situation. In particular, the proposals relate to the transportation hours, the bus stations and the drivers.

Hereby we present you the materials printed during the project and their views which were published on the websites www.peacedialogue.am and www.asparez.am.

Material	Views	Likes
The corruption risks in the transportation sector of Vanadzor will be examined	382	
IF YOU DON'T LIKE IT, GET OFF AND TAKE THE NEXT MINIBUS!	509	
Reduce the corruption risks in the control of the transport in Vanadzor	84	15
The municipality must be the exploiter and the responsible.	50	17
Who provides the transportation service in Vanadzor and how they do it?	318	28
71 violations were recorded among the regular transportation service providers in Vanadzor	34	1
The LCC created by the municipality to overview the transportation sector stopped its activities 11 years later.	57	1
Peace Dialogue NGO has issued a package of proposals aimed at bringing reforms in the transportation sector.	24	1