



PRESS RELEASE

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Yerevan

Corruption Risks in the Business Sector of Armenia: Final Working Meeting

On 29-30 October, 2016 the Armenian Lawyers' Association, in cooperation with the RA Ministry of Justice, the CSO Anti-Corruption Coalition of Armenia and the Freedom of Information Centre, organised an anti-corruption working meeting entitled "Corruption Risks in the Business Sector of Armenia: Final Working Meeting". The working meeting was organised in the scope of the "Multi-Faceted Anti-Corruption Promotion" Project funded by the European Union and co-funded by the OSCE Office in Yerevan. Representatives of state bodies, business organisations, business associations and civil society organisations participated in the meeting.

The working meeting was aimed at summing up the two previous working meetings held in Aghveran (10-11 December, 2015 – "The Business Sector in Armenia: Corruption Risks and Integrity Issues", 28-29 May, 2016 – "Corruption Risks in the Business Sector of Armenia: Recorded Problems and Upcoming Activities").

President of the Armenian Lawyers' Association (ALA) and Coordinator of the Secretariat of the CSO Anti-Corruption Coalition of Armenia Mr. Karen Zadoyan noted that they had been working on revealing corruption risks in the business sector for the whole past year. He added that mostly the problems in the public procurement sector were presented to the Government, an agreement had been reached and recommendations had been made by the Government. Ms. Naira Gyulnazaryan, the Coordinator of Anti-Corruption Projects at the OSCE Office in Yerevan, noted, "At this stage it is already possible to measure the success of the discussions in the "Government-CSO-Business organisations" format that were held during the past year". In his turn, Mr. Arman Mnatsakanyan, the Head of the Legal Department of the State Revenue Committee (SRC) adjunct to the RA Government, noted that the SRC attaches great importance to the fight against corruption. He said, "Working in this format is important for us since during such discussions we reveal problems that are often unknown to us as representatives of state bodies".

On the first day of the working meeting the results of the previous discussions that centred on the customs and taxation sectors, the public procurement sector, the field of free competition and monopolies, as well as the field of licences and permissions, were presented and new discussions took place. Some of the issues raised were the following: There are corruption risks in the transactions between small and medium businesses (SMEs) and supermarkets, the customs clearance process is too complex, the legislation and administrative processes are too intricate, the transaction value method is often not applied, there are corrupt officers and officials working in the system; the public procurement sector lacks transparency, electronic public procurement tenders are not credible (20% of the tenders are cancelled); there is a vast range of licences for each type of construction (the state due for each is AMD 80,000), the types of required documentation are not regulated by the legislation.

On the second day of the working meeting, group discussions were held. The participants worked out recommendations per each sector, such as: publication of leaflets on how the transaction value method is applied; disclosure of beneficial owners for the reduction of corruption in the public procurement sector, simplification and reconstruction of public procurement websites; a number of legislative reforms in the field of economic competition and provision of licences, including ensuring transparency and analysis of the potential impact that granting privileges to certain businessmen can have on SMEs.

The recommendations will be summarised and presented to the RA Government and other relevant agencies which will lead to the implementation of efficient anti-corruption reforms in the above-mentioned sectors.

The main goal of the "Multi-Faceted Anti-Corruption Promotion" project is to increase the role of the Civil Society Organisations (CSOs) in promoting anti-corruption reforms and their implementation. In the framework of the project the capacity of CSOs and the media to engage in monitoring and watchdog activities has been enhanced. Thus, 100 CSOs and media organisations have strengthened their understanding of corruption issues and freedom of information as well as their ability to monitor and engage in watchdog activities. Small sub-grants have been allocated to 15 CSOs and media organisations for raising the effectiveness of public monitoring and the implementation of appropriate monitoring, watchdog and investigative activities. In 2014 the CSO Anti-Corruption Coalition of Armenia was established in the scope of the project. The Coalition now comprises more than 80 CSOs and media organisations and plays a key role in the sustainable CSO-Government dialogue developed in the scope of the project. The joint work of the Government and the Coalition on the issues of the criminalisation of illicit enrichment and the establishment of an independent anti-corruption agency in Armenia has been a particularly remarkable achievement in the scope of the project.

The project is funded by the European Union and co-funded by the OSCE Office in Yerevan. It is implemented by the "Armenian Lawyers' Association" NGO – Applicant and "Freedom of Information Center" NGO – Partner. The project duration is 3 years (January 2014 – December 2016) and the budget is 650,000 EUR, of which 585,000 EUR was contributed by the EU and 31,117 EUR was contributed by the OSCE Office in Yerevan.

The **Armenian Lawyers' Association** (ALA) was established in 1995 with a Mission to promote to the establishment of the rule of law, democracy and formation of the civil society in Armenia, where the people are aware of their rights and where their rights are protected. Before February 2016, ALA was called Armenian Young Lawyers Association. The **Freedom of Information Center** (FOI) has been operating for over 10 years. The Mission of FOI is to promote application of the RA Freedom of Information Law, contribute to the transparency and openness of the Armenian government system and to stimulate civic society's involvement in the governance system.

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The Project is co-funded by the OSCE Office in Yerevan.
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The OSCE Office in Yerevan has been operating since 1999, and its mission is to support Armenia in developing its democratic institutions and strengthening civil society, acting in the areas of legislative reform; combating corruption and trafficking; environmental activities; raising awareness for human rights; media freedom; gender equality, etc.



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