

# EPF Occasional Policy Brief

## CONFLICT OF INTEREST SITUATIONS IN ARMENIA: SUGGESTIONS ON IMPROVEMENT OF MONITORING AND PREVENTION

2016

In Armenia, Conflict of Interest (Col) is one of the major issues that leads to enhanced corruption. The lack of a regulatory basis and low level of understanding of Col and ways to manage Col situations have become preconditions for nepotism, clientelism, abuse of official position, etc. The cases where Col is not regulated, announced and made transparent harm social justice and healthy competition, and result in the highly ineffective utilization of state resources.

EPF has worked on Col policies since 2012. EPF has studied the experience of Moldova, Georgia and the Czech Republic in Col policies and developed a manual titled *How to live in Armenia and avoid corruption*<sup>1</sup> (in Armenian). The manual introduces the typology of corruption and Col, corruption prevention tools, situations of corruption and Col risks, and behavioral models in these situations.

In 2013-2014, EPF implemented an EU-supported project jointly with Moldovan, Ukrainian and Polish CSOs aimed at studying the legal and practical levels of Col regulations in these countries, and the level of understanding among public servants on the national and local levels. This project offers proposals on improvement of Col regulation in Armenia. One of the findings was that only 56% of public servants interviewed from 10 of the Ministries of Armenia had a more or less clear understanding of Col. Please see the [link](#)<sup>2</sup> to the research results.

The reasons for this situation are determined both by culture as well as by the size of society. Culturally, Col has been considered something normal since Soviet times: it was assumed that holding a public position is in fact a means which leads to personal well-being and formal or secret enrichment. The same culture continued also in post-Soviet Armenia, and this tendency was exacerbated by poverty and the low quality of state personnel. The lack or insufficiency of public support mechanisms also contributes to the fact that state positions are often viewed as means to afford opportunities to one's family and/or clans, to the 'nearest and dearest.'

The size of society contributes to the same tendency: fair, equal and impartial recruitment and disbursement of public good is challenged because 'everybody knows everybody' in a small society, and therefore impartiality is considered to be impossible.

Below are several practical recommendations for addressing the issue of Col in Armenia:

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1. <http://bit.ly/2kAcYrQ>

2. [http://www.epfarmeria.am/wp-content/uploads/2017/03/Survey\\_Report\\_for\\_dissemination\\_Engaging\\_Civil\\_Society\\_in\\_Monitoring\\_Conflict\\_of\\_Interest\\_Policies\\_Project\\_2014.pdf](http://www.epfarmeria.am/wp-content/uploads/2017/03/Survey_Report_for_dissemination_Engaging_Civil_Society_in_Monitoring_Conflict_of_Interest_Policies_Project_2014.pdf)

## LEGISLATIVE LEVEL

The National Assembly should develop and adopt a Law on Conflict of Interest, regulating the issue for all groups of public, municipal servants and state officials. Amendments should be made to other legal acts related to the Col issue (e.g. the Law on Public Service). CSOs should be involved in the process of development of the legislation; the international experience available through such platforms as the OECD Istanbul Action Plan, Open Government Partnership, Eastern Partnership and others should be utilized while drafting the legislation.

## POLICY AND INSTITUTIONAL DEVELOPMENT

Government agencies should review their internal regulations in terms of inclusion and/or reformulation of Col regulations such as the policies on declaration of Col by public servants, forming of internal monitoring bodies, etc. Trainings and presentations should be organized for public servants on Col regulations.

## RAISING PUBLIC AWARENESS ON Col

Talk shows and PSAs should be developed and broadcast, journalistic investigations focusing on Col should take place. A series of presentations and trainings on monitoring implementation of Col policies should be organized for CSOs working on anti-corruption, good governance, local government and public administration.

## RECOMMENDATIONS TO DONOR COMMUNITY AND INTERNATIONAL ORGANIZATIONS

Legal and policy improvements on Col should be reflected in the EU-Armenia framework agreement both as a funding precondition for direct budget support and in light of ensuring transparency and accountability of EU financial support expenditure.

Civil society actors' activities aimed at monitoring implementation of Col policies should be supported.

Development and adoption of Col legislation and policies with direct involvement of civil society and media should be set as a precondition for providing financial support to the government.