



**Institute for Development  
of Freedom of Information**

**Recommendations for the New Anti-Corruption  
Strategy and Action Plan**

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## General Overview

The Institute for Development of Freedom of Information (IDFI) welcomes the launch of the renewal of the Anti-Corruption Strategy and elaboration of 2021-2022 Action Plan with the civil society involvement by the Secretariat of the Interagency Coordination Council to Combat Corruption.

IDFI hopes that the work on the Anti-Corruption Action Plan and Strategy will be productive, the ambitious commitments needed for the progress will be considered and the strategic documents will be approved in a timely manner.

IDFI calls on the authorities involved in the development of anti-corruption strategic documents to fully comply with the recommendations that are crucial for the prevention of corruption in the country. **IDFI still sees the need of envisaging the establishment of an independent anti-corruption agency by the new Anti-Corruption Strategy and Action Plan which will be equipped with public confidence, a high degree of independence, adequate authority and qualified staff to investigate high-level corruption cases and respond to the legitimate questions of the society.**

IDFI recommendations for specific areas of the Anti-Corruption Strategy and Action Plan are given and discussed below.

### 1. Anti-Corruption System

Although the previous Anti-Corruption Strategy considered it important to continue the effective fight against complex and high-level corruption, neither the strategy nor the action plan contained a specific task and/or activity to prevent these types of corruption.

Numerous alleged cases of high-level corruption have not yet been investigated, and local civil society, as well as international organizations, have long spoken out about the problem.<sup>1</sup> The EU Parliament report highlights that high levels of corruption are a serious problem in the country.<sup>2</sup> The same is indicated by the Transparency International in the study on anti-corruption mechanisms in Eastern Europe and Central Asia. The study points out that despite the need, the government has not yet set up an independent anti-corruption agency.<sup>3</sup> In 2020 Georgia was mentioned in the rankings of several international organizations. Most of them indicate that corruption situation in the country is worsening with high-level corruption being mentioned as one of the causes. The analysis of the rankings reveals that the progress made years ago by the country in the fight against corruption is mostly stalled or reduced.<sup>4</sup> **Thus IDFI remains firmly on its position that in depth situation analysis, including on high-level corruption needs to be carried out by the Anti-Corruption Secretariat in the country and the Anti-Corruption Strategy needs to reflect a commitment of creation of an independent anticorruption agency to be submitted to the Council, which will combine the functions of monitoring the**

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<sup>1</sup> Transparency International – Georgia, *Alleged cases of high-level corruption point at need for drastic changes in anti-corruption system*; Open Society Foundation, *Addressing High-Level Corruption in Georgia: Progress Toward Meeting the EU-Georgia Association Agenda Commitments*; Institute for Development of Freedom of Information, *The Georgian National Anti-Corruption System is Ineffective against High Level Corruption*.

<sup>2</sup> European Parliament [resolution](#) of 14 November 2018 on the implementation of the EU Association Agreement with Georgia (2017/2282(INI)), para. 22.

<sup>3</sup> Eastern Europe & Central Asia: Weak Checks and Balances Threaten Anti-Corruption [Efforts](#), 2019.

<sup>4</sup> Institute for Development of Freedom of Information, *Georgia's Anti-Corruption Indexes are [Worsening](#)*.

**development and implementation of anti-corruption policy, overseeing the disclosure mechanism, monitoring financial declarations and investigating high-level corruption crimes.**

Effective inter-agency coordination for prevention of corruption means active work of the Council in terms of decision-making and monitoring the implementation of the Action Plan, as well as involvement of the agencies, which do not yet have the commitments under the Action Plan. It is unfortunate that some important agencies were not involved in the development and implementation of the previous Anti-Corruption Action Plan.<sup>5</sup> **Accordingly, IDFI recommends the Anti-Corruption Inter-Agency Coordination Council and Secretariat to give due consideration and strengthen work to expand agencies' engagement in the strategy and action plan.**

A strong Anti-Corruption Council and Secretariat are essential for the effectiveness of anti-corruption policies. Thus, it is necessary for the Action Plan to provide for the strengthening of the Secretariat of the Anti-Corruption Council with qualified personnel (OECD-ACN, Recommendation 3 of the Fourth Round Monitoring Report). The Action Plan must provide for significant commitments for the Secretariat: carrying out regional anticorruption event to contribute to the international cooperation; active implementation and publishing of researches and analysis on corruption etc. **Accordingly, IDFI recommends the Anti-Corruption Action Plan to envisage strengthening the Secretariat of the Council and implementation of significant anti-corruption activities especially in terms of awareness raising.**

## 2. Civil Service

For the prevention of corruption in civil service it is important to ensure the effective functioning of the employees' assessment system. The employees' assessment system is closely linked to career growth and professional development. IDFI's 2020 survey indicates that public servants believe that the current career development system is more ineffective than effective and that gender inequality is evident in public service.<sup>6</sup>

Raising awareness about the whistleblowing institution is also of great importance for the prevention of corruption in the public service. IDFI research confirms that the level of awareness among public servants about the disclosure mechanism is very low.<sup>7</sup> The previous Anti-Corruption Strategy and Action Plan did not provide for measures in this regard, even though awareness of the whistleblower institution is very low in public institutions, which is also highlighted in the Fourth Round Report of the OECD-ACN.

Recently, especially due to the pandemic, the quality of digital governance and its utilization rate is increasing worldwide. Citizens familiar with digital technologies are much less tolerant of corruption and have a greater possibility of revealing cases of corruption. Automation and digitization of state processes and services, including platforms provided through block-chain, reduces the involvement of officials in corrupt processes, increases transparency, and complicates opportunities for corrupt transactions. The use of modern technologies and the establishment of special public platforms also play an important role in disclosing and publishing cases of corruption and, consequently, contribute to the reduction of high-level corruption.

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<sup>5</sup> Some agencies had minimal responsibilities: the Ministry of Internal Affairs, the Business Ombudsman, national regulators, municipalities. The Strategy and Action Plan did not address the objectives of such important areas as the prevention of corruption in the field of environment and natural resources, the prevention of corruption in the field of regional development and infrastructure.

<sup>6</sup> Institute for Development of Freedom of Information, *Career in Civil Service and Gender Equality*.

<sup>7</sup> Research to be published in February 2021.

IDFI believes that in response to the challenges discussed above, the new Anti-Corruption Strategy and Action Plan should address the following issues:

- **Evaluation of public servant assessment system and changing it as necessary.**
- **Awareness-raising activities in the public service about the whistleblowing institution.**
- **Awareness raising on the electronic platform of whistleblowing, improvement and facilitation of the operation of the platform.**
- **Development and introduction of an electronic training module on anti-corruption mechanisms.**

### **3. Openness, Access to Public Information and Civic Participation**

One of the challenging areas of the Anti-Corruption Action Plan is achieving the objectives of openness and accessibility of public information. The draft law on freedom of information has not yet been submitted to the Parliament and adopted respectively. It is important that revision of the legislation on freedom of information is one of the key recommendations of the Fourth Round Monitoring Report of the OECD-ACN.<sup>8</sup> At the same time, to implement the OECD-ACN recommendations, it is necessary to create the independent supervisory body on freedom of information with the authority to issue obligatory decisions. According to the same report, systemic training of the persons responsible on public information needs to be ensured.

The importance of proactive publication of public information became even more apparent in the light of the crisis created in the country as a result of the Coronavirus pandemic in 2020. In a state of emergency the terms for issuing public information under the General Administrative Code were suspended on the basis of government decree adopted based on the presidential resolution, which significantly increased the risks of non-transparent and irrational management of budget funds by public institutions. Such challenges are significantly ensured by the establishment of a high quality of proactive publication of information by public institutions, including the possibility of forming a list of mandatory information to be published in accordance with the existing challenges.

It is evident, that the degree of transparency and citizen involvement varies between central and local public institutions, due to both the absence of law and the lack of competence for a common standard for open data processing.

Strengthening the role of the Parliament as the highest representative body in overseeing the activities of the agencies responsible for providing public information and monitoring law enforcement is of vital importance.

Active engagement of citizens in the decision-making and policy development process is a significant tool in the fight against corruption. One of the problem areas of the Anti-Corruption Action Plan is the development of citizen involvement mechanisms at both local and central levels. Georgia has so far failed to effectively manage citizen engagement mechanisms. Existing mechanisms, such as the Community General Assembly, the Petition, and the Civic Advisory Council, are not functioning effectively because, unlike participatory budgeting, these mechanisms are for consultative and informational purposes only and the final decision is made by government officials.

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<sup>8</sup> OECD-ACN Fourth Round Monitoring Report Recommendation 14. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2019-ENG.pdf>

In order to address the challenges above, it is important for the new National Anti-Corruption Strategy of Georgia and Action Plan for 2021-2022 to address the following issues related to information openness and inclusiveness:

- **Adoption of the draft law on freedom of information and its effective implementation with the involvement of the parliamentary oversight mechanism;**
- **Improvement of the quality of proactive publication of public information by public institutions;**
- **Introduction of a common standard for electronic request for public information from public institutions, envisaging possibilities of using the service by citizens;**
- **Improve qualification of persons responsible for issuing public information and proactive publication, including in municipalities;**
- **Establishing mechanisms for verification of data in annual reports on availability of public information;**
- **Registering issuance of public information by the of public institutions and ensuring its publicity;**
- **Introduction of a common standard for open data and improvement of open data access practices;**
- **Simplification of the procedure for signing registered petitions on the electronic portal of petitions [ichange.gov.ge](http://ichange.gov.ge);**
- **Increase the role of citizen engagement mechanisms, especially the Community General Assembly, the Petition and the Civic Advisory Council in the decision-making process, including:**
  - **Improvement of the legal framework for the rights of the General Assembly and the Civil Advisory Board;**
  - **Raising citizens' awareness on the role and importance of the petition;**
  - **Conducting civic awareness raising campaigns on citizen engagement mechanisms;**
  - **In addition to online platforms, development of additional means of accessing and disseminating information, such as: public libraries, newspapers, public meetings, newsletters, press conferences, and mass media.**

#### **4. Education and Awareness Raising**

Raising public awareness on ongoing anti-corruption reforms and corruption in the country is of great importance in reducing and preventing corruption risks. This requires proactive and large-scale awareness campaigns. It is also important to conduct trainings and workshops for different target groups on issues relevant to them.

It is noteworthy that the strategy of previous years, among other activities included the elaboration of a communication strategy, which unfortunately was not implemented. Acceleration of development and implementation of a public relations strategy is one of the recommendations of the OECD-ACN Fourth Round

Monitoring Report.<sup>9</sup> The OECD-ACN recommendation also provides for the creation of a website for the Anti-Corruption Council. Creation of the website will play an important role in raising the awareness on the activities of the Council as well as anti-corruption issues in general.

It should also be highlighted that from 2019, IDFI, in cooperation with Ilia State University, with the financial support of the Open Society Institute Budapest Foundation (OSI) and co-financing by the Open Society Foundations (OSGF), has developed an interdisciplinary curriculum for civil servants, representatives of non-governmental private organizations and students. The aim of the interdisciplinary program is to create corruption risk managers from the listeners and promote awareness on corruption in the society. Upon one year from the program start the modules were transformed into bachelor's and master's academic courses at Ilia State University School of Arts and Sciences. Given the particularly large number of people wishing to enroll in the program (approximately 900 candidates expressed their desire to participate in the program at both stages) it can be assumed that the demand in the society on raising awareness about corruption is a very high.

In the light of the challenges discussed above, IDFI considers the Action Plan should include the following issues

- **Raising the awareness of the public by providing information to them through various means;**
- **Conducting anti-corruption lectures for students of final school years;**
- **Development and implementation of a public relations strategy on anti-corruption issues. Among other activities the document should address the following issues:**
  - **Information campaigns and meetings on the legal requirements, corruption risks and planned reforms;**
  - **Introduction of mechanisms for stakeholder involvement in anti-corruption measures.**
  - **Raising the public awareness on the tools of participation in the ongoing reform and encourage their use.**

## **5. Law-enforcement Bodies**

A significant shortcoming of anti-corruption policy planning in previous years was the focus on the improvement of law enforcement agencies in the fight against corruption crimes only, which did not include measures to prevent corruption within the law enforcement system itself. It is internationally recognized that a successful fight against corruption is impossible only through repressive methods, and preventive measures are necessary in this process. These measures include the prevention of conflicts of interest; impersonal, transparent and reasoned decision-making; openness; raising awareness; protection of whistleblowers; implementation of ethical norms, etc.<sup>10</sup> According to the Council of Europe, in order for law enforcement agencies to be successful in their fight against corruption, they need to be independent and free from any political influence. The effective fight against corruption depends on the successful implementation of the following issues: accountability; effective domestic policies on anti-corruption and good faith; recruitment,

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<sup>9</sup> OECD-ACN Fourth Round Report Recommendation 2. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2019-ENG.pdf>

<sup>10</sup> OECD-ACN, Prevention of Corruption in the Public Sector in the Eastern Europe and Central Asia (2015), p. 17-18.

career and conditions of service; conflict of interest; prohibition or restriction of certain activities; declaration of assets, income, liabilities and interests; oversight and enforcement.<sup>11</sup>

According to the international (GRECO and OECD-ACN Fourth Round Reports) and local civil society reports (including the Monitoring [Report](#) on the Implementation of the Prosecution Action Plan), there are shortcomings in the prosecution system in a number of areas named above. In order to ensure the individual independence of prosecutors, it is necessary to set clear and objective criteria for appointment and promotion of prosecutors, ensuring their publicity and the reasoning of the decision on promotion and appointment, which are the fourth round recommendations of the OECD-ACN and GRECO implemented partially. OECD-ACN Fourth Round Report also calls for an increase in the role of collegial bodies in terms of selecting and promoting prosecutors so that decisions are not made individually.

Despite the fact that the previous action plan provided for, refinement of prosecutors' promotion system has never occurred. IDFI believes that under the new Action Plan, work in this direction should continue and law should regulate in detail criteria for promotion of prosecutors, which is the requirement for the fourth round report of GRECO. It is important to continue work to ensure compliance of the prosecutors' reimbursement and salary bonus with the GRECO and OECD-ACN recommendations.

In order to ensure independence of individual prosecutor's, transparency, fairness and objectivity of disciplinary proceedings within the prosecutorial service is a must, which remains a challenge according to the [Monitoring Report](#) on the Implementation of the Action Plan of the Prosecution Service.

In order to ensure effective prosecution, existence of comprehensive mechanism for monitoring the workload of prosecutors is necessary for a fair distribution of cases. It is also crucial that only or primary specialized prosecutors work on complex cases (cybercrime, crimes committed during legal proceedings, etc.).

IDFI has been monitoring the selection process for the Prosecutor General actively in the beginning of 2020 and [identified](#) shortcomings elimination of which are necessary to ensure selection of a candidate for General Prosecutor based on fair and transparent criteria. In order to ensure the transparency and fairness of the selection process of General Prosecutor, the detailed criteria for selection is necessary, because the organic law only provides for general criteria, which is not sufficient to properly eliminate subjective factors in the Council's decision-making. Given the lack of detailed criteria for selecting a General Prosecutor candidate, it is difficult to assess to what extent Prosecutorial Council members were guided by the principles of fairness, impartiality and integrity, and by the candidates' professional and ethical knowledge, experience and skills.

In order to address the challenges and shortcomings discussed above, IDFI recommends that the new strategy and action plan envisage the following commitments:

- **Defining in the legislation clear criteria of prosecutor appointment and promotion, increase of the role of collegial bodies in this regard and ensure reasoning of the decision on promotion.**
- **Defining in the legislation detailed criteria for incentives of prosecutors, ensuring full compliance of prosecutors' system of bonuses with the GRECO and OECD-ACN recommendations.**

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<sup>11</sup> GRECO, Corruption Prevention in Central Governments and Law Enforcement Agencies - Mid-Term Evaluation of Results and Trends.



- **Ensure transparency, fairness and objectivity of disciplinary proceedings within the prosecutorial service in accordance to the GRECO and OECD-ACN recommendations.**
- **Introduction of a comprehensive mechanism for monitoring workload of prosecutors to ensure fair distribution of cases.**
- **Ensure that only or primary specialized prosecutors work on complex cases.**

Strengthening the institutional and functional independence of the State Inspector's Office together with the Prosecutor's Office is crucial to fight corruption effectively.<sup>12</sup>

Despite the special importance of introduction of an independent investigative mechanism, the current legislation does not provide adequate guarantees for the institutional and functional independence of the State Inspector's Office. The limited list of crime that fall under the mandate of the State Inspector investigation remains a significant challenge. To date, the investigative system has not been reformed, and prosecutorial and investigative functions have not been separated, which poses a serious obstacle to the independence of inspector's work. The authority of the General prosecutor to transfer the case to another investigative body neglecting the requirements of investigative subordination is also problematic. The mandate of the State Inspector Service does not apply to crimes committed by the Minister of Internal Affairs of Georgia and the Head of the State Security Service of Georgia which remain a serious challenge.

To ensure an independent, impartial and effective investigation of the crimes committed by law enforcement, IDFI considers it important that the new Anti-Corruption Strategy and Action Plan address the issue of strengthening the independence of the State Inspector's Office, namely:

- **Widening the circle of crimes that fall under the mandate of the State Inspector's Office.**
- **Separation of investigative and prosecutorial powers.**
- **Empowerment of the State Inspector Service to independently make decision on significant investigative actions.**

As already mentioned under the priority of the anti-corruption system, an important shortcoming of the Anti-Corruption Strategy is that some important agencies do not have commitments to implement under the strategy and action plan. In order to effectively fight corruption, IDFI believes that **it is necessary to add the Ministry of Internal Affairs and the State Security Service to the law-enforcement agencies and similar to Prosecutor's Office, to envisage corruption prevention measures for the Ministry of Internal Affairs and the State Security Service.**

It should be noted that the Ministry of Internal Affairs, the Prosecutor's Office and the State Security Service do not fully produce statistics on whistleblower statements. In 2020, IDFI requested information on the disclosure statements recorded by these agencies, and none of the agencies provided complete information on statements registered internally and received (under Article 20<sup>1</sup> of the Law of Georgia on Conflict of Interest and Corruption in Public Service) separately according to sex, position etc. of whistleblower and persons disclosed. At the same time, the research conducted by IDFI (soon to be published) confirms that public sector

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<sup>12</sup> For more information see IDFI and EMC statement on Challenges Related to the Independent Investigative Mechanism, available at: [https://idfi.ge/en/emc\\_and\\_idfi\\_on\\_the\\_challenges\\_of\\_an\\_independent\\_investigative\\_mechanism](https://idfi.ge/en/emc_and_idfi_on_the_challenges_of_an_independent_investigative_mechanism)

awareness of the disclosure mechanism is very low, and special legislation for law enforcement agencies has not yet been developed. In the light of the abovementioned, IDFI considers addressing the following issues in the new Anti-Corruption Strategy:

- **Development of a common standard on production of whistleblowing statement statistics by the law-enforcement agencies based on the Article 20<sup>1</sup> of the Law of Georgia on Conflict of Interests and Corruption in Public Service;**
- **Production of comprehensive whistleblowing statistics by law enforcement agencies based on a unified methodology (internal and external applications, anonymous sources, demographic data on whistleblower and persons disclosed, response forms etc.);**
- **Development of awareness raising policy and implementation of measures for the employees about the mechanism of whistleblowing by law enforcement agencies.**

## 6. Judiciary

### 6.1. Supreme Court Reform<sup>13</sup>

Elimination of legislative gaps related to the Supreme Court of Georgia is crucial to create guarantees for corruption prevention. It is recognized that a potential threat to the independence of judges may arise within the hierarchy of the judiciary itself, as the independence of judges is determined not only by protection from any ungrounded external interference but also by protection from ungrounded influence, which in some cases may arise from other judges. The separate broad powers of the Chairperson of the Supreme Court and the Plenum, as well as the position of the Deputy Chair, contribute to the emergence of a hierarchy in the Supreme Court.

Under current legislation, the Chairperson of the Supreme Court has certain broad powers. It is important to abolish the unanimous right of the Chairperson of the Supreme Court to nominate the composition of the Grand Chamber to the Plenum, as well as the candidacy of a judge of the Constitutional Court and to give each member of the Plenum the right to nominate such candidates.

The functions of the Deputy Chairmen of the Supreme Court are unclear in the legislation. The need for position, which contributes to the emergence of a hierarchy in the Supreme Court is unclear. Therefore, it is advisable to abolish the vague and unnecessary administrative positions of deputy chairpersons

A significant shortcoming of the legislation is the presence of the chairs of the courts of appeals in the plenum of the Supreme Court, which does not correspond to the role and place of the Supreme Court in the judiciary. The Plenum is a body of judges of the Supreme Court, which has only internal competencies and makes decisions on issues related to the Supreme Court and not the judiciary as a whole. Consequently, the role of the Chairs of the Court of Appeals in the composition of the Plenum is unclear. Given the internal competencies of the Plenum, it is important that it did not include the Presidents of the Courts of Appeal.

Legislation gives the Supreme Court plenum broad powers, including the right to determine the amount of the monthly salary supplement for a member of the Supreme Court. According to the recommendations issued as

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<sup>13</sup> For more information see IDFI research The Supreme Court of Georgia – Analysis of Institutional and Legal Framework, available at: [https://idfi.ge/en/presentation\\_of\\_the\\_report\\_on\\_institutional\\_and\\_legal\\_framework\\_of\\_the\\_supreme\\_court\\_of\\_georgia](https://idfi.ge/en/presentation_of_the_report_on_institutional_and_legal_framework_of_the_supreme_court_of_georgia)

a result of the evaluation of the fourth round of anti-corruption reforms,<sup>14</sup> any discretionary remuneration shall be excluded from the remuneration of a judge to ensure the independence of the judiciary. Given that the freedom of the plenum in the decision-making process is not restricted by law, and the judges themselves determine the amount of the monthly supplement, this is a wide discretion, which poses a risk of corrupt practices. Therefore, it is important to abolish the power of the Plenum to determine the amount of the monthly supplement to the salary of a member of the Supreme Court and to regulate this issue at the legislative level.

Plenum decisions are not proactively published on the Supreme Court website, which poses a significant challenge in terms of transparency. In order to improve the transparency of the activities of the Plenum, it is advisable to proactively publish the decisions on the website of the Supreme Court.

In response to significant challenges and shortcomings in the judiciary system, the new Anti-Corruption Strategy and Action Plan should address the following key issues:

- **Review of the broad powers of the Chairperson of the Supreme Court, including the right to nominate the composition of the Grand Chamber to the Plenum and to nominate a candidate for a judge of the Constitutional Court. Granting the right to nominate these candidates to each member of the Plenum.**
- **Abolition of the position of Deputy Chairmen of the Supreme Court.**
- **Exclusion of the Chairmen of the Courts of Appeal from the Plenum of the Supreme Court.**
- **Abolition of the power of the Plenum of the Supreme Court to determine the amount of the monthly salary supplement of a member of the Supreme Court and to regulate this issue at the legislative level.**
- **Ensure proactive publication of the decisions of the Plenum on the website of the Supreme Court.**

## 6.2. Improve Transparency of the Judiciary System<sup>15</sup>

Based on the appeals of “Institute for Development of Freedom of Information” and “Media Development Foundation” the Constitutional Court of Georgia, by its [judgement](#) of June 7, 2019, ruled that the provisions of the Law of Georgia on Personal Data Protection, specifically Article 5 and paragraphs 1 and 3 of Article 6 were unconstitutional as they prohibited access to the full text of court decisions delivered within the scope of public hearings by Common Courts of Georgia. The Court declared the disputed norms void from May 2020 and thus gave the Parliament of Georgia time to harmonize existing legislation with the requirements of the Constitution, but the Parliament has not adopted appropriate legislative amendments within the prescribed timeframe.

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<sup>14</sup> Recommendation 12.7. available at: <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Round-4-Monitoring-Report-ENG.pdf>

<sup>15</sup> For more information see IDFI Statement on Access to Court Decisions, available at: [https://idfi.ge/en/idfis\\_statement\\_on\\_access\\_to\\_court\\_decisions](https://idfi.ge/en/idfis_statement_on_access_to_court_decisions)

Current practices show that the challenges related to the transparency of the judiciary remain, and despite the significant decision rendered by the Constitutional Court in favor of publicity, the courts do not consider the content of the Constitutional Court's decision and do not disclose court decisions without being redacted.

In the light of a low public confidence in the judiciary, effective public oversight of the judiciary is of particular importance. One of the means to ensure it is the transparency of the judiciary. Failure to comply with the decision of the Constitutional Court and disregard for the constitutional standard significantly undermine the rule of law in the country and threaten fundamental democratic values.

Accordingly, the new Anti-Corruption Strategy and Action Plan should address the following issues:

- **Ensuring publicity of the full text of judgements by common courts in accordance with the standard established by the Constitutional Court.**
- **Timely initiation of the relevant legislative amendments according to the decision of the Constitutional Court by the Parliament of Georgia.**

### 6.3. Reform of the High School of Justice<sup>16</sup>

According to the Fourth Wave of legislative amendments, the High Council of Justice enjoys a wide range of powers in the process of electing four members of the Independent High School Board of Justice, which creates risks for the board to influence the school. It is crucial to reduce the influence of the High Council of Justice in the process of selecting the members of the Independent Board, which is necessary for increasing autonomy of the School and ensuring its independence.

In addition, the chairperson of the Independent Board is elected by the High Council of Justice from the members elected by the Conference of Judges of the Independent Board, which increases the risk of the Council influencing school activities. It is advisable that the Chairman of the Independent Board be elected by the members of the Independent Board by majority of votes.

Determining the issues related to the admission competition to the High School of Justice by the school charter is problematic. It is advisable that the basic principles of the competition are clearly regulated at the legislative level and not by the school charter, the decision made as a result of the competition should be properly substantiated and an effective mechanism for appealing the decision should be established.

In addition, the current rule for the selection of school teachers is flawed. It is important to review the staffing rules of the school teacher council, which should ensure that the teacher selection process is conducted objectively and transparently.

Accordingly, the new Anti-Corruption Strategy and Action Plan should envisage the following commitments:

- **Ensure the independence of the High School of Justice by reducing the influence of the High Council of Justice on it.**
- **Election of the Chairman of the Independent Board by a majority of votes by the members of the Independent Board.**

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<sup>16</sup> For more information see IDFI and EMC report on Implementation of the Judicial Strategy and the Action Plan, available at [https://idfi.ge/en/second\\_shadow\\_report\\_on\\_implementation\\_of\\_the\\_judicial\\_strategy\\_and\\_the\\_action\\_plan](https://idfi.ge/en/second_shadow_report_on_implementation_of_the_judicial_strategy_and_the_action_plan)

- **Regulation of the basic principles of the competition for admission to the High School of Justice at the legislative level, ensure substantiation of the decision made as a result of the competition and the introduction of an effective appeal mechanism.**
- **Review of the staffing system of the Teachers' Council of the High School of Justice in order to objectively and transparently conduct the teacher selection process.**

#### 6.4. Reform of the Judicial Promotion and Periodic Evaluation System<sup>17</sup>

The existing legal framework does not provide for the objective, transparent and fair process of promoting judges. Promotion of judges is closely related to their periodic evaluation. The Rules on Assessment of effectiveness of Common Court Judges approved by the High Council of Justice is flawed, as it is mainly based on quantitative criteria and its content is mostly focused on the judiciary as a whole and not on a single judge. Therefore, it is essential to regulate the basic principles of the system of judicial promotion and periodic evaluation at the legislative level. In the light of abovementioned, the new Anti-Corruption Strategy and Action Plan should address the following commitments:

- **Improvement of the system of judicial promotion and periodic evaluation through introduction of objective criteria and a transparent procedure at the legislative level.**

#### 6.5. Revision of the Procedure of Appointing the Court Chairperson and their Rights and Obligations<sup>18</sup>

Under current law, court chairpersons are appointed by the High Council of Justice. Although, as a result of the "Fourth Wave" of reform, the organic law provides for the reasoning of the decision by the Council and consultation with the judges of the relevant court, the change fails to ensure a fair process for the appointment of chairpersons. The broad powers of the council in this process are problematic creating excessive power in the hands of the council, as well as risks of influencing the individual judge. In order to ensure the internal independence of the judiciary, it is advisable for the chairman to be elected by the judges of the relevant court.

In addition, the discretion of the chairs of the courts distribute judges by specific specialization, may jeopardize the system of random and automatic distribution of cases.

The current legislation provides for the possibility of electing a court chairperson/deputy chairperson, a court panel/chamber chairperson as a member of the High Council of Justice, which leads to the accumulation of excessive powers in the hands of the same person. The presence of court chairpersons in the council further increases their power and influence in the judiciary, therefore it is advisable to change such regulation.

Considering the abovementioned, the Anti-Corruption Strategy and Action Plan need to address the following issues:

- **Review the rules for electing court chairs to ensure the real involvement of judges in the process.**
- **Review of the rights and obligations of court chairpersons in terms of distribution of judges by narrow specialization.**

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<sup>17</sup> For more information see IDFI and EMC report on Implementation of the Judicial Strategy and the Action Plan, available at [https://idfi.ge/en/second\\_shadow\\_report\\_on\\_implementation\\_of\\_the\\_judicial\\_strategy\\_and\\_the\\_action\\_plan](https://idfi.ge/en/second_shadow_report_on_implementation_of_the_judicial_strategy_and_the_action_plan)

<sup>18</sup> For more information see IDFI and EMC report on Implementation of the Judicial Strategy and the Action Plan, available at [https://idfi.ge/en/second\\_shadow\\_report\\_on\\_implementation\\_of\\_the\\_judicial\\_strategy\\_and\\_the\\_action\\_plan](https://idfi.ge/en/second_shadow_report_on_implementation_of_the_judicial_strategy_and_the_action_plan)

- **Prohibition of electing the Chairperson/Deputy Chairperson of the Court, the Chairperson of the Judicial Panel/Chamber as a member of the High Council of Justice.**

#### 6.6. Strengthen the Independence and Transparency of the Independent Inspector Office<sup>19</sup>

According to the current legislation, the Independent Inspector is elected by the High Council of Justice of Georgia for a five-year term on the basis of a competition, by majority of the members. In order to strengthen the institutional independence of the Inspector and to ensure the real involvement of non-judicial members of the Council in the decision-making process, it is advisable to elect an Independent Inspector by 2/3 of the members of the Council.

Besides, it is essential that the Office of the Independent Inspector, as one of the key players in the disciplinary proceedings, ensures the proper transparency of its activities and proactively publishes its decisions redacting the identifying data of the parties. Availability of decisions is essential to assess the degree of independence of the Inspector, the objectivity of the disciplinary proceedings and the consistency of the practice.

In response to these shortcomings, the new Anti-Corruption Strategy and Action Plan should address the following issues:

- **Ensure the independence of the Independent Inspector by electing to the position by 2/3 of the full members of the Council.**
- **Ensure proactive publication of the Independent Inspector's decisions redacting the identifying data of the parties.**

## 7. Public Finance and State Procurement

Unfortunately, the Anti-Corruption Strategy does not pay enough attention to the corruption challenges in state procurement. This is based on the fact that, for example, the situation analysis in the Strategy on the transparency of public information related to state procurement discusses only the maintaining the existing standard and not its improvement. In order to prevent new opportunities for corruption, it is necessary to constantly work on raising the level of transparency (For example, disclosure of information about subcontractors in the e-system, publicity of existing market research documents, etc.). In view of the above, IDFI considers that the needs identified in the situational analysis of the strategy should be fully reflected in the action plan, namely:

- **Improving the qualifications of the responsible employees of the procuring organizations, including in the field of anti-corruption;**
- **Improving the procedures of blacklisting of economic operators by adding corruption cases by the organization's management;**
- **Publicity of existing market research documents.**

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<sup>19</sup> For more information see IDFI and EMC report on Assessment of the Judicial Reform – System of Disciplinary Liability of Judges, available at: [https://idfi.ge/en/assessment\\_of\\_the\\_judicial\\_reform\\_system\\_of\\_disciplinary\\_liability\\_of\\_judges](https://idfi.ge/en/assessment_of_the_judicial_reform_system_of_disciplinary_liability_of_judges)

The new action plan still has an overly general wording for the Activity 7.3.1.: Introduction of new procedures, tools, other business processes in the Unified Electronic System of State Procurement. **According to IDFI, it is important to specify what services are being discussed in order to be able to assess progress.**

In addition, to protect the Georgian state procurement system from corruption threats, it is necessary to take bold steps towards transparency and efficiency. Namely:

- **The strategy should focus more on raising the level of competition in the state procurement system, as encouraging competition is one of the best ways to reduce the risks of corruption.**
- **Add more parameters to the function of subscription to tenders announced in the Unified Electronic System of State Procurement, for example: specific purchaser, amount, more detailed CPV codes and tender location.**
- **Add a free and universal business analytical module based on open data in the Unified Electronic System of State Procurement.**
- **Prepare a research paper on the needs of potential suppliers across the country and the reasons for their exclusion from the electronic procurement system.**
- **Add information types to the Unified Electronic System of State Procurement.**

Thus, in order to increase the transparency standard, it is necessary to publish the following information in the e-system:

- **Add new fields in the Unified Electronic System of State Procurement (both for tenders and direct procurement), for comprehensive information to be uploaded about the subcontractor and the subcontract concluded with it.**
- **Add a new price inquiry feature to the direct purchase procedure, which will allow the procurer to conduct a price inquiry via the e-system. The procedure can be closed before concluding a contract, after which the result will be made public.**
- **Add quality control fields in the electronic system for work procurement (both in tenders and direct procurement), with a mandatory feature to publish comprehensive quality control information on the work performed, including quality assessment documents**
- **Add location field to tenders announced in the Electronic State Procurement System at the municipal level.**
- **Indicate in the Annual State Procurement Plans the estimated time of the announcement of each planned procurement with the accuracy of the month (instead of the quarter).**
- **Refinement and simplification of the form of data publication.**

Recommendation 15 of the OECD-ACN Fourth Round Report calls for improved state procurement and focuses on improving the publication of state procurement data. As stated in the strategy document, the State Procurement Agency, with the assistance of the World Bank, is working to introduce the OCDS standard. In addition, according to information available to IDFI, work is underway on a new open data portal that allows the use of aggregated data using the API (Application Programming Interface). Facilitating access to information

through the API is extremely important for anti-corruption activities. That is why we believe that the strategy should focus more, and the action plan should directly reflect the commitment to introduce full-fledged API technology in the e-system and the further development of the new e-platform created in this regard (for example, daily data updates).

It is also important to focus on the independence of the State Procurement Dispute Resolution Board. On January 1, 2021, a new rule for the appointment of members of the Dispute Resolution Board came into force. The appointment procedure is problematic in the light of EU Directive 2007/66 / EC, which stipulates that the appointment/dismissal of members of an independent dispute resolution body should be subject to the same conditions as the appointment/dismissal of judges. The logic of this obligation is determined by the essence of the duty of a board member. Although board members are not lawyers by profession (let alone with the qualification of judges), they in fact function as judges. Board members are required not only to be cognizant about state procurement issues, but also to have the ability to evaluate evidence and make substantiated written decisions.<sup>20</sup> If the appointment of the members of the board is ultimately made by the head of the government alone, reflection of the logic of the process of appointing judges will be naturally impossible. Increased qualification requirements for board members do not eliminate the risk of individual decisions in the board recruitment process. Therefore, the procedure for appointing board members, given the reality of Georgia, may be unbalanced and risky.

From June 1, 2021, an amendment to the law will apply to the Office of the Dispute Resolution Board. Under the amendment, the Board Office is a structural unit of the Competition Agency. „The number of employees and the remuneration of the Office of the Board are determined by the Council of the Competition Agency. The statute and structure of the Office of the Board shall be determined by the Council of the Competition Agency upon the recommendation of the Chairperson of the Council of the Competition Agency”. The positive change is that the Office will be separated from the State Procurement Agency as it poses a serious threat to the conflict of interest. Notwithstanding the foregoing, under the proposed amendment, the Board would still not have its own independent office. The number of staff of the Office will be determined not directly by the Board, which, as a result of the assessment of the relevant workload, knows exactly its own needs, but by the chairperson of the Competition Agency. Moreover, "[...] the statute and structure shall be determined by the Government of Georgia upon the recommendation of the Chairperson of the Competition Agency." Consequently, we face a situation where Office to support the Board remains in the governmental hierarchy and the operational independence of the Board is doubted.

- **IDFI considers that it is necessary to improve the rules for appointing members of the Board and approximate it with the standards set by the EU Directive.**
- **It is important that the Dispute Resolution Board has an independent office that is not structurally subordinate to any other public institution.**

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<sup>20</sup> SIGMA, Brief 25 “Establishing Procurement Review Bodies”, 2013, p 12



## 9. Private Sector

Participation of large business associations in the work of the Anti-Corruption Council is a significant prerequisite for preventing corruption in the private sector. Besides OECD-ACN Fourth Round Report<sup>21</sup> provides recommendations for business conscientiousness and strengthening the business ombudsman. As the business sector is one of the most challenging areas in terms of corruption control, IDFI believes that it is necessary to study the risks of business integrity and strengthen the capacity of the business ombudsman. The Office of the Business Ombudsman should be an important link in the relationship between the state and business, the involvement of this Office in the legislative process should be strengthened and it should provide the private sector with information about significant amendments or initiatives.

In order to strengthen corporate social responsibility and support the implementation of the Extractive Industries Transparency Initiative (EITI) principles, it is important that companies in the extractive industries spend some of their revenue on charity and the social well-being of the local community. Some of them do this and advertise examples of their corporate social responsibility. It is important that the funds allocated by the company for corporate social responsibility is managed with the involvement of citizens. For this purpose, the local municipality petition portal and/or vote at the general assembly of the municipality can be used. In this case the finances used for corporate social responsibility will be much more targeted and more in line with social responsibility standards.

Accordingly, IDFI recommends the new Anti-Corruption Action Plan to address the following commitments:

- **Study business integrity risks and take action to reduce/eliminate them;**
- **Ensure the participation of large business associations in the work of the Anti-Corruption Council and in the implementation of the Anti-Corruption Strategy and Action Plan respectively;**
- **Strengthen the capacity of the Business Ombudsman to promote business integrity measures;**
- **Encourage big business social responsibility.**

## 10. Health and Social Sector

Most of the state budget of Georgia is spent on health care and social security. The increase in such costs was significantly caused by the crisis created in the country as a result of the Coronavirus pandemic in 2020. The draft budget for 2021 envisages about 5.4 billion GEL in this direction. Consequently, in terms of corruption, this area belongs to one of the highest risk groups. Considering the results of monitoring conducted by IDFI, it is advisable to envisage development of anti-corruption mechanisms in the Strategy in the following areas:

- **Strengthen monitoring of equitable beneficiaries' involvement in social programs**

It is desirable to establish an electronic monitoring system for social programs with a high level of corruption (for example, determination of socially vulnerable status), which will provide identification of risky decisions for further verification.

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<sup>21</sup> OECD-ACN Fourth Round Report Recommendation 16. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2018-ENG.pdf>.

- **Strengthening the monitoring system of fair allocation of one-time social assistance to individuals from the budget of local self-governments**

It is important to have access to the following information about applications for assistance in the municipality (without identifying data of a person) - date of application, decision made, date of decision, reason for requesting assistance, amount requested, funding granted and, in case of refusal, substantiation.

- **Strengthen Universal Healthcare Program monitoring**

It is important to improve the monitoring system for the management of state funds allocated under the program in order to minimize the likelihood of unscrupulous activities of medical institutions. In particular, the system should ensure as much as possible the monitoring of cases of artificially aggravating or changing the patient by medical institutions, through a corrupt deal with the relevant controlling person or bypassing him/her, in order to receive additional compensation.

- **Strengthen the monitoring of the activities of the commissions established within the framework of state programs**

The amount and sequence of funding received by the beneficiary under various state social and health programs or other benefits provided by the program depends on the decision of the specially created commission. For example, an application written to the Minister of Health to receive the services of the state referral program is considered by a specially created commission, the process of providing and guiding the IDPs with long-term housing is provided by the Commission for Studying IDP Issues and others. In order to reduce the corruption risks of such commissions, it is important to ensure the transparency of their activities and the introduction of proper monitoring mechanisms.

## **11. Political Corruption**

For prevention of political corruption it is necessary to create the uniform legal framework for political parties and political subjects. For this, it is necessary to analyze the Election Code of Georgia and the Law on Political Unions of Citizens of Georgia and bring it in compliance with the OECD-ACN and GRECO Third Round Reports. Based on the analysis the legal amendments need to be drafted in order to harmonize provisions of these laws with each other and to remedy the deficiencies. This includes harmonization of sanctions and guaranteeing their adequacy regarding the voter buying and abuse of administrative resources. IDFI considers that it is necessary to revise the terms of the law on the Political Unions of Citizens and the terms in the Election Code to ensure uniformity and compliance; to clearly distinguish between the scopes of these laws; harmonize the sanctions, which should cover all possible electoral subjects. The provision of the election code, which gives political officials the right to carry out unlimited election campaigns, needs to be removed. Consequently, a new Action Plan should take into account the following commitments:

- **Ensuring uniformity and compliance of the terms in the Law on Political Unions of Citizens and the Election Code;**
- **Clear separation of the scope of the Law on the Political Unions of Citizens and the Election Code;**
- **Abolish the right of political officials to carry out unlimited election campaigns;**

- **Harmonization of the sanctions of the Electoral Code and the Organic Law on Political Unions of Citizens and ensuring their adequacy and proportionality.**

## 12. Defense Sector

The defense sector budget is, in many cases, the largest component of state expenditures. Defense funds usually represent a significant percentage not only of the country's budget but also of its gross domestic product, which naturally increases the public interest in ongoing processes in the defense sector, conscientious management of resources and a high standard of accountability. Due to the specifics of state secret procurement, it is difficult to effectively implement anti-corruption mechanisms in the defense sector and to detect allegedly corrupt practices. However, not all purchases in this sector are secret, but their publicity remains a problem. This fact is confirmed by IDFI survey on Covid-19 related public procurement, which revealed that the simplified procurement contracts concluded by the Ministry of Defense of Georgia were not publicly available. Upon addressing the agency, it was determined that "in the interests of defense, it was considered expedient" to restrict access to contracts. Despite the request, the Ministry did not indicate the legal basis for the decision.

In order to increase public confidence in the ongoing processes in the defense sector and strengthen monitoring mechanisms, it is necessary to increase the accountability of the Ministry of Defense, which is primarily related to the implementation of effective and real parliamentary oversight. The Trust Group, set up in the Parliamentary Committee on Defense and Security to oversee the special programs of the executive branch and the budgetary control of secret activities, has always been the subject of criticism and debate. According to the Rules of Procedure, the relevant authority, on the basis of a motivated refusal, has the right to refuse to provide information to the Trust Group regarding current cases and events if it considers that this endangers national/public security and state interests.<sup>22</sup> In order to minimize the risks of corruption, it is necessary to take legislative measures to exclude this privilege.

It is known that the risks of corruption are increased by nepotism and the policy of recruitment from the staff, while strict subordination and hierarchical reporting reduce the possible cases of corruption.<sup>23</sup>

In order to address the above challenges, it is important that the new Anti-Corruption Strategy and Action Plan envisage the following commitments:

- **Strengthen the role of the Parliament of Georgia in planning the ongoing reforms in the defense sector and monitoring the implemented processes;**
- **Establish effective mechanisms for civil engagement in ongoing defense reforms and decision-making;**
- **Revision of recruitment in the defense system;**
- **Ensuring publicity of state procurement that does not meet the criteria for secret procurement.**

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<sup>22</sup> Rules of Procedure of the Parliament of Georgia, Article 159(3)

<sup>23</sup> See [https://www.nato.int/nato\\_static/assets/pdf/pdf\\_topics/20120607\\_BI\\_Compndium\\_EN.pdf](https://www.nato.int/nato_static/assets/pdf/pdf_topics/20120607_BI_Compndium_EN.pdf), p. 318;

### 13. Sports

In terms of preventing corruption in sports, the major challenge is the absence of appropriate mechanisms for ensuring transparent activities in sports federations recognized by the Ministry. This problem was clearly highlighted by the study on Corruption Risk in the Georgian National Wrestling Federation prepared by IDFI in 2019. In the new Anti-Corruption Strategy and Action Plan, it is important to provide the commitment for raising the quality of access to information and improving the quality of monitoring of their activities within such sporting organization:

- **Introduction of relevant legislative regulations for sports federations to establish the standard of issuing public information and proactively publishing it;**
- **Ensuring detailed financial reports on expenditure incurred within the state budget and ensuring its publicity;**
- **Ensure effective monitoring of sports federations' audits, publicity of its conclusions and implementation of recommendations issued;**
- **Ensuring transparency of the allocation of cash prizes and of the awarding of these prizes to athletes, coaches or other support staff.**

### 14. Infrastructural Projects

Infrastructural projects own one of the large budgets and consequently high risks of corruption. For the prevention of corruption in the infrastructure sector, it is important to ensure transparent and effective management of infrastructural projects, protection of ethical principles. Ensuring quality control in infrastructural projects, improving competences of human resources and ensuring competition is one of the recommendations provided for the fourth round of OECD-ACN.<sup>24</sup>

IDFI believes that for preventing corruption in infrastructural projects, it is important for the new Strategy and Action Plan to take into account the following:

- **Improving the selection criteria for infrastructure projects to be implemented;**
- **Ensure systematization of staff training on infrastructure project management, planning and monitoring;**
- **Systematically implement employee awareness-raising activities on ethics and good faith.**

### 15. Regulatory Bodies

IDFI considers that in order to prevent corruption within regulatory bodies, the new Anti-Corruption Action Plan must include **introduction of a transparent and objective system of remuneration and bonuses**, which has not been completed during the previous Action Plan implementation period.

Clear, objective and transparent criteria for appointment and dismissal of employees in one of the most important components for corruption prevention. Accordingly, it is important the new Action Plan to foresee

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<sup>24</sup> OECD-CAN Fourth Round Report Recommendation 22. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2018-ENG.pdf>.

**improvement of the appointment and dismissal procedure of the employees of Consumer Rights Public Defender's Office.**

**Training the employees of Regulatory Bodies as well as Consumer Rights Public Defender's Office and Energy Ombudsman in corruption prevention, including norms of ethics,** and provide relevant commitments in the new Action Plan is also very important.

It is also important that the new anti-corruption strategy and action plan provide for **increased access to detailed information on the management of budget funds by non-commercial legal entities established by the regulators and funded from their budgets.**

## **16. Municipalities**

For harmonizing the ongoing reforms and the existing strategies in the country, it is desirable to consider the goals, objectives and activities of the new, 2020-2025 strategy of decentralization when working on this part of the Strategy. One of the goals of the strategy is - *Develop Reliable, Accountable, Transparent, and Results-oriented Self-Government*. To achieve this goal, the government plans to:

- a) Introduce effective and innovative management and quality service delivery systems at a local level;
- b) Introduce high standards of transparency and accountability;
- c) Facilitate effective participation in decision making and implementation at a local level.

In order to introduce a high standard of transparency and accountability, the strategy emphasizes the need to revise the legislative framework and promote an open governance program in all municipalities. This is in line with the idea of the national anti-corruption strategy, as it is for this purpose that several municipalities have joined the Anti-Corruption Council in a pilot mode. It is desirable that this approach be continued and that more municipalities implement corruption prevention measures. It is noteworthy that in recent years, IDFI with the support of International Donors, assisted several municipalities in developing strategies and action plans to increase transparency and good faith. For this, the existing mechanisms of transparency, good faith and accountability in the municipalities were studied and systemic problems were identified, on the basis of which recommendations were prepared on the following issues: transparency, public ethics and good faith, internal audit, human resources, citizen involvement and accountability, permits, state procurement, legal entities under municipal governments. In addition to adopting strategies and action plans, regular monitoring of their implementation is important.

Based on the mentioned experience of IDFI, we think that in order to establish a high ethical culture and standards in the municipal bodies, it is important to develop codes of ethics and practical guidelines tailored to their specifics where specific examples and practical advice will be provided on issues such as prohibited gift, conflict of interest, incompatibility of positions, misuse of administrative resources, etc. At the same time, intensive work is needed to raise the awareness of municipal staff and officials on ethics as well as the institution of the whistleblowing, capacity building of the supervisory services and elaboration of disciplinary liability principles and detailed procedures.

Accordingly, the new Anti-Corruption Strategy and Action Plan in this area should aim to establish a high ethical culture and standards at the local level and reduce corruption risks, namely:

- **Elaboration and introduction of the ethical norms and the rules of disciplinary proceedings of the municipalities**, which includes the development of codes of ethics and explanatory manuals, as well as the basics of disciplinary liability and a detailed procedure, ensuring the participation of staff in respective training.
- **Introduction of a corruption risk assessment system in municipalities**, which implies integrating the detection, management and monitoring of corruption risks in the activities of municipal bodies.

There are a number of challenges in the field of state procurement in the municipalities reflected in the state audit reports and in order to eliminate them, it is necessary to have effective mechanisms for monitoring the condition of infrastructure facilities. At the same time, it is important that in the process of planning and implementation of procurement, the risks of good faith are assessed and comprehensive tender applications are produced. Accordingly, the new Anti-Corruption Strategy and Action Plan in this area should aim to establish high standards of state procurement at the local level, namely:

- **Improving internal control over state procurement in municipal bodies**, which includes the introduction of an effective monitoring mechanism for the condition of infrastructure facilities, which will be staffed with sufficient and adequately qualified human resources; introduction of electronic monitoring mechanism for the implementation of public procurement contracts, etc.
- **Improving the transparency of the state procurement process in the municipal bodies**, which implies providing proactive publication of information about current tenders on the website and social media pages indicating approximate periods.
- **Improving the process of state procurement planning in municipalities, increasing competition and accountability**, including conducting a survey of the needs of potential suppliers across municipalities and analysis of tender conditions, as well as ensuring proper market research in the procurement planning process; introduction of conscientiousness risk assessment system in state procurement planning process, etc.

In order to prevent corruption in municipalities, it is important to increase the independence and efficiency of internal audit services and improve their risk management, as well as continuous care for the professional development of employees. Accordingly, the new Anti-Corruption Strategy and Action Plan in this regard should aim at ensuring the effectiveness of internal audit services in municipalities, in particular:

- **Strengthening internal audit services:** Ensure the independence of the Internal Audit Service and equip it with adequate human and financial resources, as well as the introduction of the practice of regular training of employees.

In addition, due to the challenges faced by the municipalities, we believe that in order to introduce high standards of transparency and accountability at the local level, the Strategy should cover following issues:

- **Improving the quality and availability of internal audit reports;**
- **Increasing transparency and effectiveness of non-profit (non-commercial) legal entities of municipalities activities, which can be achieved through system-functional analysis in legal entities and fundamental institutional reforms based on the analysis;**

- **Raising awareness about the participation mechanisms under the Local Self-Governance Code;**
- **Introduction/improvement of standards for proactive publication of public information and access to open data.**

IDFI considers that taking into consideration these issues will significantly facilitate the implementation of the Organization for Economic Co-operation and Development the Anti-Corruption Network (OECD-CAN) recommendations.