



**Institute for Development  
of Freedom of Information**

**Institute for Freedom of Information Proposals for the  
New Anti-Corruption Strategy and Action Plan 2019-  
2020**

April 2019

## Contents

General Overview .....	2
1. Effective Interagency Coordination for the Prevention of Corruption .....	3
2. Prevention of Corruption in Public Service .....	4
3. Openness, Access to Public Information and Civic Participation in the Fight against Corruption .....	4
4. Education and Public Awareness Raising with the Aim of Corruption Prevention .....	5
5. Prevention of corruption in law-enforcement bodies .....	6
6. Prevention of Corruption in Judiciary .....	6
7. Ensuring transparency and prevention of corruption risks in public finance and public procurement.	10
8. Prevention of corruption in customs and tax system.....	11
9. Prevention of corruption in private sector .....	11
10. Prevention of Corruption in Health and Social Sector .....	12
11. Prevention of Political Corruption.....	13
12. Prevention of Corruption in Defence Sector.....	13
13. Reduction of corruption risks in regulatory bodies.....	14
14. Corruption Prevention in Sports.....	14
15. Corruption Prevention in Infrastructural Projects.....	14
16. Prevention of corruption in the activities of self-governing bodies .....	15

## General Overview

Institute for Development of Freedom of Information (IDFI) welcomes the initiation of drafting the new Anti-Corruption Strategy and Action Plan for 2019-2020 by the Secretariat of Anti-Corruption Interagency Council and hopes that the document will cover all the important objectives for corruption prevention.

Independence of Institutions fighting corruption is one of the most important standards set by international treaties, conventions, guidelines or recommendations. It is the independence of such agencies that ensures effective fight against corruption, accountability, high degree of transparency and, therefore, high level of public trust.

Analysis of the practice of combating corruption in Georgia shows that the independence of the agencies fighting corruption is the most challenging. IDFI has been highlighting the deficiencies in the existing anticorruption system for a long time in various formats.

The lack of investigation of the cases of "elite corruption" by the present as well as previous government indicates that it is necessary to reform the system because it cannot effectively respond to cases of high-level corruption. This poses questions in the society and negatively affects the trust towards public institutions. Furthermore, alleged offenses of public officials encourage this type of crimes and harms the country's democratic development.

**Therefore, IDFI considers that the new Anti-Corruption Strategy and Action Plan need to provide for creation of an independent anticorruption agency with public trust, high degree of independence and relevant competency to investigate high-level corruption cases and to answer legitimate questions accumulated in the society.**

The evaluation report of the previous Anti-Corruption Action Plan lacks the evaluation component as it simply provides the monitoring results of the implementation of measures/actions, thus it prevents us establish the level of achievement of the goals and objectives envisaged by the Action Plan. The vagueness of the previous action plan's implementation rate / outcomes makes it difficult to define the goals and objectives for the new action plan. IDFI also notes with regret that at the end of the first quarter of the year the Secretariat of the Anti-Corruption Council has not yet presented the draft of the new Action Plan and the objectives and measures it plans to introduce in it. Accordingly, IDFI bases its position on the information available for the organization and international organizations' opinions on various areas covered by the Anti-Corruption Action Plan.

As a general comment, IDFI underlines that the previous Action Plan provided for only some important measures and was overloaded with many technical and minor commitments and activities. Measures in the Action Plan were mainly copied from the previous one with very few new ones added to it. In addition, the objectives of the previous Action Plan were often too general or too specific; indicators did not meet the "SMART" criteria, which made it difficult to measure the implementation of the Action Plan. Moreover,

despite the recommendation of the OECD-ACN,<sup>1</sup> the previous Action Plan did not include impact assessment indicators. Accordingly, to eliminate the existing deficiencies in the previous Action Plan, the general recommendations of IDFI on the new Action Plan are as follows:

1. Situation analysis must be prepared for each chapter of the Anti-Corruption Strategy and Action Plan, based on which problems/challenges and respective objectives will be determined;
2. In determining the objectives of the Action Plan, the secretariat and the responsible agencies must pay special attention to criteria such as importance, measurability, sufficiency, specificity and relevance;
3. The Action Plan must include impact and outcome indicators that will meet "SMART" criteria.

## 1. **Effective Interagency Coordination for the Prevention of Corruption**

**Institutionally strengthened and inclusive Anti-Corruption Council** - 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. Accordingly, IDFI recommends the Anti-Corruption Inter-agency Coordination Council to give due consideration to the issue of participation in the action plan of the public institutions and to discuss the reasons why some agencies do not / no more participate in the Council work, as well as to include in the strategy the ways to tackle the identified challenges.

Deriving from the principle of inclusiveness it is important to assign the function of the deputy chairperson of the Council to the civil society representative who will have the authority to put the issue on the agenda. The Council shall hold meetings at least six times in two-year period envisaged by the Action Plan that will contribute to the effective coordination of the anticorruption policy and in-depth discussions.

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 anti-corruption event to contribute to the international cooperation; developing the risk assessment methodology with the civil sector involvement; actively prepare and publish researches and analysis in relation of corruption prevention.

**Increased awareness and education in anticorruption** - in terms of awareness raising, IDFI considers it important for the action plan to include the commitment to develop a public relations strategy (as it is provided for in the second recommendation of the OECD-ACN Fourth Round Monitoring Report) which was not adopted during the previous Action Plan period. Additionally, educational activities on corruption prevention must increase in respect of specific target groups. It is important that the new Action Plan

---

<sup>1</sup> OECD-ACN Fourth Round Monitoring Report, rec. 1. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2018-ENG.pdf>.

envisage the training of civil servants, including all managers, in ethics, conflict of interest, and generally, in anticorruption.

**Accountability** - it is important for anticorruption activities to increase accountability towards the Parliament and the society. In this regard, IDFI shares the opinion of the OECD-ACN on the formation by the Anti-Corruption Council of a regular parliamentary reporting format. It is also important that the Action Plan include an obligation of the Anti-Corruption Council to ensure that the public information related to the Council's activities is proactively published on the website (e.g. progress, monitoring and evaluation reports of the Action Plan).

## 2. Prevention of Corruption in Public Service

**Assessment System of civil servants** - for the prevention of corruption in public service it is important to ensure the effective functioning of the employees' assessment system. It is noteworthy that until 2018, the assessment system in public service was not obligatory. The new Anti-Corruption Action Plan should include monitoring, evaluation and implementation of the assessment system, as required.

**Implementation of Ethics Standards** - a new action plan must include an objective for effective implementation of rules on ethics, the conduct of training for public servants on ethics, conflict of interests and incompatibility. It is important to conduct such training sessions systematically and to ensure the participation of all civil servants, including managers.

**Increased awareness on whistle-blower institution** - IDFI considers it necessary to provide in the Action Plan awareness raising activities on the whistle-blower mechanism. Knowledge regarding the Institute of whistle-blower is still low within public institutions, which is mentioned in the OECD-ACN report as well. According to the recommendation 10 of this report, it is important to continue the awareness raising activities on the whistle-blower mechanism.

## 3. Openness, Access to Public Information and Civic Participation in the Fight against Corruption

One of the challenging areas of the Anti-Corruption Action Plan is achieving the objectives of openness and accessibility of public information. More specifically, the draft law on freedom of information has not yet been submitted to the Parliament. 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>2</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. Therefore,

---

<sup>2</sup> OECD-ACN Fourth Round Monitoring Report, rec. 14. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2018-ENG.pdf>.

new Anticorruption Strategy and Action Plan 2019-2020 must include following issues in terms of openness and inclusiveness:

- Adoption of a new law on freedom of information and its efficient enforcement;
- Improvement of the quality of proactive publication of public information by public institutions;
- Improve qualification of persons responsible for issuing public information and proactive publication;
- 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;
- Carrying out civic awareness raising campaigns on the importance of whistle-blower mechanism in public service.

#### 4. Education and Public Awareness Raising with the Aim of Corruption Prevention

**Public Communication Strategy** - improving education and public awareness in corruption prevention is one of the important tasks. The measures foreseen by the previous Action Plan have not been implemented so it is important to include them in the new Action Plan.<sup>3</sup> At the same time, the adoption and implementation of a public relations strategy is one of the recommendations of the OECD-ACN Fourth Round Monitoring Report.<sup>4</sup> More specifically, the new action plan should provide for development of a public relations' strategy on anticorruption issues, informational meetings with the purpose of enhancing public awareness on anti-corruption policies. In this context, it is necessary to ensure a wide regional coverage. IDFI considers it important to put in the Action Plan the training of journalists on the topic of anticorruption and implementation of social campaign that will enable responsible agencies to establish effective communication with different target groups. One of the recommendations of the Fourth Round Monitoring Report of the OECD-ACN is to implement educational activities for the broader community and specific target groups.<sup>5</sup>

**Availability of information regarding anticorruption activities and challenges** – in order to ensure availability of the information on anticorruption activities, the new Action Plan needs to foresee the commitments such as: continuous updating of the information on the Ministry of Justice webpage; preparation and publication of anticorruption informative material; regular analysis of international rankings related to corruption; preparation of researches and analysis and ensuring their publicity.

It is important for the new Action Plan to foresee carrying out of the survey of public perceptions and awareness, as without it, it is impossible to measure the achievement of the objectives under this priority.

---

<sup>3</sup> The OECD-ACN Fourth Round Monitoring Report, rec. 2, also recommends this.

<sup>4</sup> OECD-ACN OECD-ACN Fourth Round Monitoring Report, rec. 2. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2018-ENG.pdf>.

<sup>5</sup> *Ibid*

## 5. Prevention of corruption in law-enforcement bodies

The Prosecution Service is the only responsible agency under this priority in the Action Plan. It is necessary for the Ministry of Internal Affairs to take part in the preparation of the new Action Plan and include relevant commitments.

**Criteria for appointment and promotion of prosecutors** - the new action plan should take into account the commitments for setting clear and objective criteria for appointment and promotion of prosecutors, ensuring their publicity and the reasoning of the decision on promotion and appointment.<sup>6</sup> According to the 13th Recommendation of the OECD-ACN Fourth Round Monitoring Report, the role of collegial bodies should increase in terms of appointment and promotion of prosecutors and, therefore, it is important for the new action plan to foresee the commitments in this regard.

**Promotion of prosecutors** - 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 ensure full compliance of prosecutors' system of bonuses with the GRECO and OECD-ACN recommendations.

**Taking a case from a prosecutor and providing instructions** - it is important for the new Action Plan to foresee the commitment for ensuring that the decision to take the case from a prosecutor and that the instructions given by the supervising prosecutor are in written form and reasoned as specified in the Fourth Round Report of the GRECO.

## 6. Prevention of Corruption in Judiciary

Despite the three waves of reforms implemented in the recent years, important gaps and challenges remain in the judiciary, which indicate the need for comprehensive reform. In order to minimize the risks of corruption, IDFI believes that the National Anti-Corruption Strategy and the 2019-2020 Action Plan must include following key issues:

**Uniform system of selection and appointment of judges** - rules and practice of appointing judges have significant effect on judicial independence and impartiality as well as on the degree of trust of the population towards the judiciary. Current rules of selection and appointment of judges do not meet the requirements of objectivity, validity, merit-based principle and transparency, which indicates the need for effective reform in this direction.

One of the most important components of the selection and appointment of judges is institutional arrangement of the High School of Justice. Improvement of the legal framework for the High School of Justice is particularly relevant in the sense that the fundamental reform of the selection and appointment procedures

---

<sup>6</sup> The OECD-ACN Fourth Round Monitoring Report, rec. 13, recommends this.

of judges without ensuring the real independence of this body is impossible. IDFI believes that comprehensive revision of legislation is necessary to implement the fundamental reform of the High School of Justice.

Although the Action Plan for 2017-2018 envisaged the improvement of legislation on the recruitment, professional training and assessment of the High School of Justice trainees and its implementation in practice (measure 6.1.7). No measures have been taken in this regard during the reporting period. The previous action plan envisaged amendments to the legal act adopted by the High Council of Justice and not an amendment to the law, which was a significant gap. It is important to reflect this issue in the action plan of 2019-2020. This should ensure that the objective criteria of selecting the list of justice trainees and the rule of conducting the competition is regulated by the law, as well as the reasoning of the decision adopted regarding the competition and the effective mechanism of appealing.

IDFI recommends the 2019-2020 Action Plan to include more key issues, which were not been envisaged by the 2017-2018 Action Plan, namely:

- Strengthening the institutional and functional independence of the High School of Justice,<sup>7</sup> including the review of the existing rules for the formation of the Independent Council of the School and fair and objective separation of the functions of the High School of Justice and the High Council of Justice.
- Review the rules of recruiting of the High School of Justice Teachers, which should ensure the objectively and transparently of the teacher selection process.

In addition, IDFI considers that 2019-2020 Action Plan should also take into account the improvement of the system of appointment of judges. The importance of this issue was highlighted in the second progress report of the OECD-ACN. In particular, when assessing the implementation of the recommendations regarding selection, appointment and promotion of judges, experts paid attention to the critics expressed by the NGOs, in particular, regarding the lack of objectivity of the selection criteria and the risk of abuse of power, lack of transparency and reasoning of decisions.

**Reform of the judicial promotion and periodic evaluation system** - existing legal framework does not provide for the objective, transparent and fair process of promoting judges. Although Action Plan 2017-2018 in compliance with the OECD-ACN recommendation 12.3 included the commitment to regulate the promotion of judges through open competition and clear criteria (measure 6.1.1), the appropriate measures have not been taken in this regard during the reporting period. Accordingly, IDFI believes that this issue should be reflected in the 2019-2020 Action Plan. It is noteworthy that the 2017-2018 Action Plan provided for the regulation of this issue by the legal act of the High Council of Justice. Depending on the importance of the issue, IDFI considers that the promotion of judges should be regulated by the law. It is important that the GRECO Fourth Round Report emphasizes the necessity of justification of any decision regarding the promotion of judges. According to the recommendation vi of GRECO Report, promotion of judged should

---

<sup>7</sup> Independence of the High School of Justice is one of the priorities under the EU-Georgia Association Agreement Agenda 2017-2020. [http://infocenter.gov.ge/uploads/files/2017-11/1511272286\\_annex\\_ii\\_-\\_eu-georgia\\_association\\_agenda\\_text.pdf](http://infocenter.gov.ge/uploads/files/2017-11/1511272286_annex_ii_-_eu-georgia_association_agenda_text.pdf)

be based on clear and objective pre-established criteria, through a transparent process, and a judge must have the right to appeal against the decision related to his/her promotion.<sup>8</sup> IDFI believes that the new Anti-Corruption Action Plan should take into account full implementation of this recommendation.

Given the fact that promotion of judges is closely related to their periodic evaluation, IDFI thinks that 2019-2020 Action Plan should also take into account the improvement of the periodic evaluation of judges that was not reflected in the 2017-2018 Action Plan. The present assessment system is defective because basically, it counts quantitative criteria and is more oriented on a judicial system rather than assessing the work of an individual judge. Accordingly, IDFI assumes that the basic reforms in this direction and the regulation of the basic principles of the periodic evaluation system are particularly important.

**Revision of the procedure of appointing the Court Chairperson and their rights and obligations** - today Chairpersons of the Court are appointed by the High Council of Justice through a vague and non-transparent procedure. This contributes to the perception of the chairperson as a controller within the system.

While the Action Plan for 2017-2018 envisaged a review of the functions and duties of the chairpersons of the courts in accordance with the OECD-ACN Recommendations (Measure 6.1.5), as well as reviewing the rules on their appointment/selection (Measure 6.1.6), in the reporting period there have not been any tangible results on this.

Second progress report of the OECD-ACN also criticized significant power assembled in the hands of the court chairpersons.<sup>9</sup> When measuring the implementation of the recommendation, the experts acknowledged reduction of the court chairpersons' power through the electronic distribution of cases as limited progress and at the same time, emphasized the fact that the presidents retain considerable power, and that it is necessary to pay serious attention to this recommendation.

In addition, despite the fact that the electronic distribution of cases was considered as an important step, the experts agreed with the civil society criticism regarding court presidents distributing judges to narrow specialization arbitrarily, which may endanger the system of random and automated distribution of cases. Based on this, IDFI assumes that the 2019-2020 Action Plan should include the commitment of reviewing the procedures of appointing and responsibilities of the court chairpersons.

**Disciplinary Liability of Judges** - despite the steps taken to improve disciplinary liability within the "third wave" of judicial reform, the major shortcomings in this direction remain an important challenge that constitutes a risk to the individual's independence of judges. It should be noted that the reform of the disciplinary liability of judges also represents OECD-ACN and GRECO recommendations.

IDFI believes that the 2019-2020 Action Plan should provide for the commitment to review the regulatory norms of disciplinary liability in order to increase efficiency, transparency and objectivity; improve the process of disciplinary proceedings and establish new grounds for disciplinary liability (measure 6.2.4), which

---

<sup>8</sup> <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806dc116>.

<sup>9</sup> <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2018-ENG.pdf>.

has not been fulfilled in the reporting period. The foreseeable and clearly formulated grounds of disciplinary responsibilities are crucially important to ensure the independence of an individual judge.

IDFI considers that it is necessary to elaborate a new Code of Ethics (Measure 6.2.1), preparation of the handbook on the Code of Ethics (Measure 6.2.2) and creation of a Consultation Mechanism (Measure 6.2.3). These measures have been covered by the previous action plan but have not been fulfilled during the reporting period. These issues were recommended in the fourth evaluation round of GRECO.<sup>10</sup>

In addition, IDFI believes that the 2019-2020 Action Plan should also reflect the issues that have not been envisaged by the 2017-2018 Action Plan, namely:

- Creation of strong legislative guarantees for independence of Independent Inspector including the amendment to the existing rules for appointment and dismissal of the Inspector and determining the rules of appealing against his/her dismissal, as well as determining the remuneration by the law;
- Increase transparency of the activities of an Independent Inspector, which implies the publicity of conclusions prepared by an independent inspectorate by covering the identification data of the parties, as well as regulating in the law the periodic publication of generalized report on disciplinary cases.

**Improve the norms regulating the activities of the High Council of Justice.** The limitless discretionary power of the High Council of Justice and the possibility of arbitrariness have repeatedly been the subjects of criticism. This indicates the necessity of improving the relevant norms. It is noteworthy that the increase of transparency of the High Council of Justice, justification of its decisions and the proper regulation of the conflict of interest also represents OECD-CAN recommendation (12.1 Recommendation).<sup>11</sup>

The Action Plan for 2017-2018 envisaged the justification of all decisions of the High Council of Justice (measure 6.3.3), but the challenges in this direction have not been overcome yet. Accordingly, the above-mentioned issue needs to be reflected in the Action Plan of 2019-2020.<sup>12</sup>

IDFI believes that the 2019-2020 Action Plan should also cover the issues that have not been envisaged by the 2017-2018 Action Plan, namely:

- Increase transparency of the High Council of Justice, which includes adequate regulation of the rule of closure of the hearing and procedure, as well as conducting an open sitting for interviewing candidates for judges.
- Improve the regulatory norms of conflict of interests.

**Increasing transparency of the judiciary system** - a significant challenge in the transparency of the judiciary is the absence of a flexible and applicable platform for access to court decisions. Ensuring efficient access to the centralized system of judicial decisions is also the OECD-ACN recommendation (Recommendation 14.4). The Action Plan for 2017-2018 envisaged creation of electronic database of court decisions (measure

---

<sup>10</sup> <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806dc116>.

<sup>11</sup> This is highlighted in the Fourth Round GRECO Report, rec. 4, 8.

<sup>12</sup> This is also highlighted in the Venice Commission Report 2018. CDL-AD(2018)029, § 45.

6.3.2), but this still remains a challenge because of the lack of an effective platform for access to the decisions. Accordingly, IDFI assumes that access to the court decisions should be reflected in the Action Plan of 2019-2020.

## **7. Ensuring transparency and prevention of corruption risks in public finance and public procurement**

The Action Plan for 2017-2018 envisaged integration of state procurement system with other state electronic services (eTreasury, RS, eBudget) (measure 7.1.4.2). Based on the observation on the state electronic system, we believe that there was no significant progress in this direction. Consequently, based on the importance of integration of state e-services, we believe that the commitment needs to be transferred to the 2019-2020 Action Plan. At the same time, it is important to specify what services (eTreasury, RS.GE, eBudget, automated withdrawal of information from the Revenue Service and the National Agency of Public Registry) are inclined, which will enable us to assess progress.

Additionally, to protect the state procurement system from the threats of corruption, it is necessary to take important steps towards transparency and efficiency. Namely:

### **- Increase the competition in state procurement**

Improvement of Subscription Function - adding more parameters for subscription function of the state procurement announced in the unified electronic system, e.g. specific buyer, sum, more detailed CPV codes and tender location.

Business Analytical Module of State Procurement - adding the free and universal business analytical module based on the open data in the unified electronic system of public procurement.

Research of the needs of potential suppliers - preparing a research paper on the needs for potential suppliers across the country and on reasons for them not to be included in the electronic procurement system.

### **- Adding information types in the unified electronic system of procurement**

Subcontracting in state procurement - adding new fields (on tenders and direct procurement) in the electronic procurement system, where comprehensive information will be uploaded on subcontractor and on the subcontract.

Quality Control on Service Procurement - adding quality control fields to the electronic system for service procurement (on tenders and direct procurement), where it will be obligatory to publish exhaustive information on the quality control performed on the completed work, including quality assessment documents.

Municipal location of the tenders - adding the field to the tenders announced at the state procurement electronic system at the municipality level.

More Accuracy in Annual Plans – indicating probable date specified by month (instead of quarter) for each procurement in the Annual Plan.

- **Improvement and simplification of the data publication form**

Recommendation 15 of the OECD-ACN Fourth Round Report envisages improvement of public procurement and draws special attention to the refinement of the publication of data on state procurement. IDFI believes that the following activities are important in this context:

API (Application Programming Interface) - adding full API technology to the electronic procurement system.

Aggregated data in CSV format - adding the possibility of downloading information to CSV format to the state procurement aggregated data website (<http://opendata.spa.ge>).

Aggregated data filtering - adding supplier and date fields to the information filtering of the aggregated data website of the state procurement (<http://opendata.spa.ge>) and the possibility of downloading the filtered data into a single file.

## **8. Prevention of corruption in customs and tax system**

Measures taken to prevent corruption in the customs and tax system in the previous action plan are evaluated based on 12 indicators. According to one of the indicators, new mechanisms of quality control should have been developed, which has not been done. Thus, IDFI considers that the new action plan should ensure the implementation of the quality control of tax audits.

During the implementation period of the previous Action Plan, the number of tax offenses revealed through the tax inspection and customs control should have been increased. The data needed to evaluate the results of this measure is not available for IDFI. It is necessary to continue working in this direction.

IDFI believes that the training sessions on anticorruption issues need to be ensured for employees within the tax system, and the above-mentioned action should be provided in the new Action Plan.

It is important for the new Action Plan to envisage measures for improving the quality of service.

## **9. Prevention of corruption in private sector**

Prevention of Corruption in Private Sector became part of the Anti-Corruption Action Plan in 2015, but in the following years, development of this direction and harmonization with the international standards have not been achieved. The OECD-ACN Fourth Round Report provides recommendations for business integrity, which was not reflected in the previous action plans. In particular, the Action Plan did not include the study of the risks of business integrity, training the companies and public officials on these risks and their prevention. It is important to have these measures into the new Action Plan. It is noteworthy that the OECD-

ACN recommendation, which envisaged strengthening the capacity of business ombudsman to promote business integrity measures, was not included in the previous action plan.

The Business Ombudsman's Office should be a significant link between the state and business, including the involvement of this office in the legislative process, and it should provide the information about significant changes or initiatives to the private sector. Accordingly, IDFI believes that opting out the Business Ombudsman from the Action Plan will weaken the business integrity, so it is necessary to have the new commitments.

The new Action Plan should reflect further restrictions on transferring to private sector of public officials ("revolving door") and relevant enforcement mechanism in accordance with the OECD-ACN recommendation to prevent conflict of interest.

It is necessary to take considerable steps to prevent corruption in enterprises created with state participation, such as elaboration and implementation of ethical standards in such enterprises, carrying out training sessions on the anticorruption issues, elaboration of the objective, transparent and clear criteria for appointments to and dismissal from office.

## 10. Prevention of Corruption in Health and Social Sector

The most part of the Georgian state budget is spent on healthcare and social security of the population. The draft budget of 2019 allocates about 4 billion GEL for this direction. Accordingly, one of most corruption-prone area could be this one. The National Anti-Corruption Strategy and the new 2019-2020 Action Plan should provide for the introduction and strengthening of anti-corruption mechanisms in implementing healthcare and social programs. Taking into account the monitoring carried out by IDFI, the strategy should envisage developing anticorruption mechanisms in the following directions:

**Strengthening the Monitoring of Universal HealthCare Programme** – monitoring system of the state funds' spending allocated within the program in order to reduce the likelihood of illicit activities of medical institutions. Namely, the system must ensure maximum control of the arbitrary aggravation or alteration of the patient's conditions by the medical establishments for obtaining additional compensation through a corrupt agreement with an appropriate controlling person or through bypassing it.

**Strengthening Monitoring of Commissions' Activities Established within the State Programmes** - the amount and sequencing of the finances granted to beneficiaries within various social and healthcare programmes depend on the decision of the special commissions. For instance, a specially created commission discusses requests directed to the Minister of Healthcare in order to participate in a state referral program; the Commission for IDP ensures organization and implementation of the long-term housing for IDPs. For corruption risk reduction of such commissions, is important to ensure transparency and adequate monitoring of their activities.

## 11. Prevention of Political Corruption

IDFI is of the opinion that 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 analyse the Election Code of Georgia and the Law on Political Unions of Citizens of Georgia in the context of 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 harmonisation 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. It is necessary 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 commitments, which will ensure the implementation of the abovementioned.

## 12. Prevention of Corruption in Defence Sector

It is noteworthy that the Ministry of Defence is often the object of criticism due to the high rate of ineffective procurement made by the Ministry, due to the failure to release public information and due to the failure of the high officials of the Ministry to fill out the assets declarations properly.<sup>13</sup>

Accordingly, IDF considers that in order to prevent corruption at the Ministry of Defense, the accountability of the Ministry needs to be strengthened, including ensuring participation of the Parliament and the public in the process of planning of the reforms and assessing the achieved outcomes.

It is important for the new Anti-Corruption Action Plan to include obligation to train the employees of the Defence Ministry on anticorruption issues including the code of ethics, conflicts of interest, etc. Effective functioning of internal control units need to be ensured in this context, which will monitor the compliances with the norms of ethics.

IDFI considers it necessary to put in the Action Plan the measures to reduce urgent and secret procurement in defence sector (through clearly defined narrow categories of cases where emergency and secret procurement will be possible).

---

<sup>13</sup> Please see the information [here](#), [here](#) and [here](#).

### **13. Reduction of corruption risks in regulatory bodies**

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

Increasing transparency of Consumer Rights Public Defender's Office and Energy Ombudsman and raising awareness of the society is important. Accordingly, the new Action Plan need to foresee some key measures in this direction, including carrying out public opinion and awareness survey.

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 improvement of the appointment and dismissal procedure of the employees of 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.

### **14. Corruption Prevention in 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. In the National Anti-Corruption Strategy and the 2019-2020 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 organizations:

- 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;
- Ensuring publicity of audit checks of sports federations and relevant findings;
- Ensuring transparency of the allocation of cash prizes and of the awarding of these prizes to athletes, coaches or other support staff.

### **15. Corruption Prevention in 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>14</sup>

IDFI believes that for preventing corruption in infrastructural projects, it is important for the new Action Plan to take into account the improvement of criteria for selecting projects for implementation. The pilot works are in progress in this direction and it is important to monitor the criteria based on the results of the analysis and then to make them fully operational.

In order to enhance the human resources qualification, the Action Plan should provide for the systematization of staff training on infrastructure projects management, planning and monitoring.

For improving transparency of infrastructural projects, it is important to monitor infrastructural projects and ensure publicity of monitoring results.

Work needs to continue in the direction of implementation of ethical norms. It is necessary to systematically implement the awareness raising activities of employees on ethics and integrity.

## **16. Prevention of corruption in the activities of self-governing bodies**

For harmonizing the ongoing reforms and the existing strategies in the country, it is desirable to have in this part of the Strategy and Action Plan new decentralization principles, objectives and relevant activities for the 2019-2020. Particularly important is the integration of the following objectives and relevant activities in the National Anti-Corruption Strategy ("Forming Reliable, Accountable, Transparent, and Results-oriented Self-Governance"):

Implementation of efficient and innovative systems of management and service quality at local level – development of minimum state standards of municipal services, framework for policy and procedures; revision of the rule of creating private legal entities by the local self-government; development of plan for management of information stream through the unified electronic system and plans for effectiveness, assessment and self-assessment systems.

Introduction of high standards transparency and accountability - in this regard, the strategy emphasizes the necessity of facilitating open management program in all municipalities. This coincides with the spirit of the national anti-corruption strategy, as it is for this purpose that Tbilisi, Rustavi and Telavi joined to the Anti-Corruption Council in the pilot regime. It is desirable to uphold this approach and more municipalities to take preventive anticorruption measures.

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 internal audit effectiveness and availability of their reports;

---

<sup>14</sup> OECD-ACN Fourth Round Report, rec. 22. <https://www.oecd.org/corruption/acn/OECD-ACN-Georgia-Progress-Update-2018-ENG.pdf>.

- Increasing transparency of non-profit (non-commercial) legal entities of municipalities;
- Raising awareness about the participation mechanisms under the Local Self-Governance Code;
- Implementation/improvement of proactive publication of public information and access to open data standards.
- 
- IDFI considers that taking into consideration these issues will significantly facilitate the implementation of the following OECD-ACN recommendations:
  - Promote development and implementation of the Anti-Corruption Action Plan at the local level;
  - Develop methodology for assessing corruption risks by central and local public institutions;
  - Strengthen the capacity of internal audit services and ensure the enforcement of the rules of incompatibility and anticorruption restrictions by non-entrepreneurial (non-commercial) legal entities.