

## NATIONAL ANTI-CORRUPTION STRATEGY AND ACTION PLAN: ELABORATION AND IMPLEMENTATION

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### Background

In the past few years since the November 2003 Rose Revolution the new government has carried out several high-profile anti-corruption campaigns, including the prosecution of several high-ranking officials from the former government, the introduction of a new patrol police force, the streamlining of licensing and permissions procedures, reform of university admissions, reforms of public and civil registries, etc. All of these activities have contributed to increased public confidence in the government's anti-corruption efforts. According to the 2004 Transparency International Global Corruption Barometer, a public opinion survey that assesses the general public's perceptions and experience of corruption, Georgia made the largest leap of any country in its perceptions of corruption. It ranked as one of the three most optimistic countries in regards to eradicating corruption. In comparison, the 2003 Barometer showed Georgia near the top of the list of pessimists, with 55.2% of the surveyed population expecting corruption to increase.

In 2005 the overall rate of optimism related to the future decline of corruption dropped by 22%. In 2004, 60% of respondents expected corruption levels to decrease over the next three years; in 2005, just 38% believed that corruption levels would decrease. While the decline can be attributed at least in part to the end of post-revolution euphoria, it is obvious that in spite of a number of positive reform results, the public has remained concerned about the consistency of the government's anti-corruption campaign. Reforms targeting sectors such as traffic police, education and national defense have been well received by the general population, but the same public also recognizes the need for continued future changes.

One of the major concerns regarding the Georgian government's initial anti-corruption strategy was its rather ad-hoc nature. Often it seemed more curative than preventive in focus. Early reforms initiated by the government addressed isolated cases of corruption and fought them on a case-by-case basis, but relatively few systemic measures were taken to analyze and address the root causes of corruption. Without a unified anti-corruption strategy initiated at the level of the central government, the individual ministries worked in isolation, choosing their own pace and strategy for institutional reform. In some cases they failed to reform altogether. This issue was often highlighted as a major obstacle in both local and international assessments of Georgia's anti-corruption efforts.

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<sup>1</sup> TI Georgia monitored the Anti-Corruption Strategy and Action Plan elaboration and implementation processes through financial support of the OSCE Mission to Georgia".

In 2004-2005 Georgia signed a partnership agreement with the G8 to promote transparency and combat corruption. Prior to that it had committed to following recommendations received from the Council of Europe's Groups of States against Corruption (GRECO) and the Organization for Economic Co-operation and Development (OECD)'s Anti-Corruption Network for Transition Economies. All of these commitments stressed the necessity of a national anti-corruption strategy to guide the new government in its struggle for transparency and accountability. Additionally, there were extensive conversations with the World Bank and other international institutions that focused on the government's dedication to initiating a strategy and action plan, particularly with regard to the delivery of social services and civil service reform.

## **Developing an Anti-Corruption Strategy**

In response to local and international demand, on January 18, 2005 the President of Georgia set up a Working Group comprised of government and three NGO representatives (TI Georgia, Young Lawyers' Association and Young Economists' Association) and assigned it the task of developing a National Anti-Corruption Strategy and Action Plan. The work of the Group was to be coordinated by the National Security Council of Georgia (the President's advisory body, part of the State Chancellery<sup>2</sup>) and the Strategy and Action Plan were to be completed by June 1 of the same year. But the actions taken by the government to develop a carefully considered and constructed national anti-corruption strategy were insufficient. The problems were as follows:

(a) While it was established on January 18 and charged with responsibility to complete its work by June 1, the Working Group did not convene for the first time until March 4—and this only after prompting by its NGO members, who drafted a public letter to government members urging a meeting.

(b) The efforts of the Working Group were not well organized. At the first meeting on March 4 participants agreed to meet bi-weekly to review work carried out during the past two weeks and to plan tasks for the next two-week period. However, due to a lack of commitment on the part of the government, the bi-weekly meetings did not take place. In order to support the continued activity of the Working Group, the deputy ministers involved were asked to nominate an expert from each respective ministry to take part in day-to-day activities of the Group and to participate in its bi-weekly meetings. But the government remained apathetic towards the Working Group throughout the entire process. Different representatives appeared at different meetings, and discussion rarely progressed beyond the main purposes of the Strategy and its overall structure.

(c) The National Security Council requested that the ministries submit strategies for fighting corruption within their particular institution or sector. The NGOs planned to then comment on ways in which the strategies could be improved. But only a few ministries submitted internal strategies. None of these documents was longer than three pages. Overall, they provided almost no useful information for further development of the national anti-corruption strategy.

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<sup>2</sup> On the basis of Presidential Decree #815 a special Anti-Corruption Policy Division was created within the newly formed National Security Council's Department of State and Public Security. The division was charged with responsibility for formulating Georgia's anti-corruption policy, permanently monitoring state institutions' anti-corruption activities, analyzing levels of corruption in various sectors of state life, etc.

(d) Very little work was done between meetings until the last weeks before the deadline. This was partly due to a lack of necessary resources (human, infrastructural, and financial) within the National Security Council. However, poor participation and lack of commitment on the part of the government also affected the working process.

(e) No effort was made to publicize the draft process or solicit public input into the anti-corruption strategy. This was again due to a shortage of finances, and to the de facto absence of an actual working process in which the public could become involved.

In the end, the outcome of the National Anti-Corruption Strategy development process was a document hastily prepared by the National Security Council and government representatives. The President approved this document on June 24, 2005 according to Presidential Decree #550, shortly before a GRECO assessment group was scheduled to assess Georgia's compliance with GRECO recommendations.

The National Anti-Corruption Strategy of June 2005 identified corruption prevention, institutional reform, liberalization of the business environment, ratification and implementation of international anti-corruption conventions, and promotion of public participation in anti-corruption activities as main priorities of the government's anti-corruption campaign. In contrast to the NGOs' suggestion, the final Strategy included no background analysis of causes and types of corruption, but listed just a few major objectives of the fight against corruption. The National Security Council explained that further details would be provided in the Implementation Action Plan to be developed on the basis of the National Strategy.

There are at least three main reasons why the process of development of the National Anti-Corruption Strategy was problematic:

(a) Development of the document was prompted not by the government's own interest in having a written strategy for fighting overall and sectoral corruption, but by the demand from the international community. The government invested little effort in developing something it was hardly committed to, and rather designed the in order to justify itself before the international community.

(b) Since development of a detailed anti-corruption strategy was not the government's top priority, it delegated responsibility to the National Security Council, which at that time had neither the influence, nor sufficient financial or material resources to effectively coordinate the process and to develop a detailed and comprehensive strategy paper. As the practice showed, the National Security Council was unable to ensure consistent attendance of government representatives at Working Group meetings, or to solicit written suggestions from them on what to include in the Strategy.

(c) Neither the Council nor the ministries involved in the process of the Strategy development had sufficient capacity to develop detailed strategies and actions for combating corruption.

### **Anti-Corruption Action Plan Development**

The Presidential Decree by which the Strategy was approved stated that within two months from approval of the Strategy the government would develop and submit to the President for approval an Action Plan for Strategy implementation. The Action Plan was to define the specific actions to

be taken in fulfillment of Strategy objectives, the entities responsible for their implementation, and timelines for their implementation—important details that the Strategy itself did not include.

Responsibility for developing the Action Plan was shifted from the National Security Council to the Office of the State Minister for Reform Coordination. The position “State Minister for Reform Coordination” was created on the basis of Presidential Decree #597, issued December 17, 2004. The Minister assumed responsibility for coordinating economic, legal, structural and institutional reforms.<sup>3</sup>

Until October 3, 2005 anti-corruption strategy formulation and coordination was the joint responsibility of the National Security Council and the State Minister for Reform Coordination. On October 3, 2005 Presidential Decree #815 eliminated the National Security Council’s Anti-Corruption Division. Division responsibilities were subsequently shifted to the office of the State Minister for Reform Coordination. Now the State Minister for Reform Coordination is the only state entity responsible for overall coordination of the government’s anti-corruption policies.

The Office of the State Minister for Reform Coordination began working on the Anti-Corruption Strategy Implementation Action Plan shortly after the National Anti-Corruption Strategy was approved. It submitted an initial Action Plan draft on August 31, 2005. The Working Group formed to develop the Strategy was not involved in development of the Action Plan.

On September 12, 2005 the government approved the Action Plan. Afterwards, on September 20, it presented the document to civil society representatives at a roundtable<sup>4</sup> attended by Georgian and international NGOs, the diplomatic corps accredited in Georgia and the mass media.

### **Main Priorities of the September 2005 National Action Plan**

The National Anti-Corruption Action Plan identified the following priority areas:

Increasing the efficiency of anti-corruption activities by: (a) improving anti-corruption legislation; (b) developing a special anti-corruption oversight system for monitoring the activity of high officials; (c) reducing and streamlining the regulatory and oversight functions of the state and reducing administrative barriers to the reduction of corruption; and (d) increasing the pace of privatization of state property and ensuring maximum transparency of this process (state ownership to be maintained only where necessary to carry out state functions.)

Strengthening mechanisms for fighting corruption by: (a) reforming the judiciary; (b) reforming law-enforcement institutions; (c) streamlining structural, personnel and administrative arrangements of public entities to improve human resource management; (d) improving the internal and external auditing and financial accounting procedures of state institutions; (e) improving state procurement procedures and mechanisms; (f) further improving tax administration and improving treasury service reporting; (g) reforming the system of political party financing; (h) strengthening the

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<sup>3</sup> The Office of the State Minister for Reform Coordination is responsible for coordinating reform processes within the government. It coordinates cross-sectoral reform initiatives that fall under the sphere of responsibility of more than one ministry. In addition to coordinating reforms, the Office of the State Minister for Reform Coordination provides technical and expert assistance to the ministries. In particular, it establishes and participates in government commissions (on transport problems, energy problems, etc.) with the purpose of developing reform strategies in various sectors.

<sup>4</sup> The roundtable was funded by the National Democratic Institute’s Georgia office (NDI Georgia).

institution of the ombudsman; (i) developing a system of targeted social protection; and (j) supporting media development.

Increasing International Cooperation by: (a) implementing the recommendations of international organizations; (b) ratifying international conventions; (c) recognizing and establishing the principles of EITI; and (d) consolidating WB PIUs and further integrating them into governmental structures.

While the National Anti-Corruption Action Plan was completed in a much more timely manner and included more detail than the Strategy document, a number of significant problems remained, namely:

(a) The steps to be taken towards the achievement of certain Action Plan objectives were quite specific in some cases and extremely vague in others. An example of the former was the set of provisions for addressing high-level corruption: according to the Action Plan, the executives of large state enterprises and legal entities of public law would now be required to complete declarations and a state procurement manual would be developed to ensure uniformity and transparency of procurement processes. Important areas in which the government's anti-corruption priorities were only weakly defined included oversight of civil servants, transparency of privatization processes, transparency of the court system, and development of a witness protection system.

(b) The Government Ordinance by which the Action Plan was approved charged the State Minister for Reform Coordination with responsibility to monitoring Plan implementation. It also required the line ministries to create internal (ministerial) anti-corruption action plans and submit them to the government, and to submit quarterly reports on progress towards fulfillment of Action Plan objectives. Neither the Action Plan nor the Presidential Decree by which it was approved included provisions to ensure public awareness of Action Plan implementation or to promote public input into the process. The National Anti-Corruption Strategy stated that annual implementation reports would be submitted to the President and publicized, and that an annual conference would be organized to review the report and update the action plan. These, however, are not the most effective ways of keeping the public informed about the implementation process or, more importantly, of soliciting input.

(c) The Action Plan failed to include guidelines for its internal coordination. The State Minister for Reform Coordination was designated to oversee the process, but details on the manner in which this was to be done were not specified.

### **National Anti-Corruption Action Plan of March 2006**

Another important problem was that the September Action Plan did not specify timeframes for completing the actions described or the entities responsible for fulfilling those actions. In these circumstances, it was difficult for interested organizations to communicate with the responsible institutions in a timely manner to support and/or monitor their efforts. To address this problem, on March 28, 2006 the President signed a new decree "On Approval of the Action Plan" (#155). The new decree was very similar to the Action Plan approved by the government on September 18, but the revised document included implementation timeframes, agencies and partner organizations—a significant improvement. Other differences from the previous version of the Action Plan were:

- (a) The new Presidential decree required all state agencies to designate representatives (at the level of deputy chief of the agency) to an Implementation Action Plan Working Group;
- (b) The new decree required all ministries to report to the government on their progress on a quarterly basis. The previous decree required the ministries to report back on a monthly basis; and
- (c) The new decree added the Prosecutor General's Office and the High Council of Justice to the list of the institutions responsible for developing an internal action plan.

The activities specified in the new Action Plan were basically the same, save for the addition of two items and the deletion of two others. The two additional activities were: 8.1. Prepare to implement international accounting standards in the public sector; and 8.5. Develop a new law on the Chamber of Control. The following activities were removed from the September Action Plan: 9.4. Rationalize the list of state procurement items defined as classified; and 14.2. Develop mechanisms for eliminating direct and covert subsidizing of the mass media.

### **Anti-Corruption Action Plan Implementation and Reporting**

While the Action Plan envisaged full implementation of all tasks by the end of 2008, the document was to be updated every year in line with progress achieved and setbacks faced. Further, all ministries were assigned to develop their own Action Plans to better coordinate their responsibilities as outlined in the national Action Plan. This provision was a response to concerns that the Anti-Corruption Strategy and Action Plan lacked details on the major corruption problems in each sector and the government's methods for addressing them. The ministerial Action Plans were to both identify problems in their respective sectors and describe the specific actions to be taken for their resolution.

But not all the ministries prepared the requested action plans. TI Georgia sent Freedom of Information requests to all ministries requesting copies of their internal anti-corruption action plans. Only ten ministries responded and sent their documents: the Ministries of Finance, Education and Sciences, Culture, Refugees and Resettlement, Energy, Environment, Justice, Agriculture, Health and Foreign Affairs. TI Georgia later learned that the other ministries did not submit action plans to the State Reform Minister's Office either.

Many of the ministerial action plans repeated actions already assigned in the National Action Plan. The Ministries of Education, Finance and Agriculture submitted the most detailed action plans. The Ministries of Energy, Culture, Justice, and Refugees and Resettlement, on the other hand, submitted just one-to-two-page documents with less than ten bullet points on ways they planned to combat corruption within their spheres of influence. None of the action plans provided background information on major sources of corruption within their sectors. Other ministries never even submitted an action plan. Neither the line ministries nor the State Minister for Reform Coordination publicized the ministerial action plans or held public discussions regarding their content.

While coordination of Action Plan implementation was assigned to the State Minister for Reform Coordination, the whole government and the Prime Minister were personally responsible for the Strategy. The presidential decree by which the Action Plan was approved required all state agencies to designate representatives to an Implementation Action Plan working group. While some agencies designated their deputy heads to serve in the national working group, others established their own working groups with multiple members all representing the nominating agency. This was

apparently due to confusion among state agencies regarding the status of the working group – whether it had to be national or at the agency level.

Besides having to develop internal action plans and designating representatives to the Implementation Working Group, all ministries as well as the Office of the Prosecutor General and the Supreme Council of Justice were obliged to report to the Office of the State Minister for Reform Coordination on their progress every three months. But the solicitation of reports was problematic as well. This time, unlike in the case of the National Security Council, the problem was not so much the insufficient authority of the State Minister as the incapacity of various state agencies to implement effective anti-corruption measures and to report on them meaningfully.

In the end, instead of soliciting and publicizing period reports from the involved state agencies, the Office of the State Minister for Reform Coordination organized a conference in November of 2006 with financial support from the Council of Europe. During the conference the State Minister's Office publicized a six-month progress report on implementation of the National Action Plan. The Deputy State Minister reviewed the Action Plan and spoke briefly about the activities undertaken to date and changes to the government's initial plans. Hard copies of the progress report were distributed at the conference.

Ambiguities in the Action Plan itself made it difficult to meaningfully assess the progress made by individual agencies in the fight against corruption. Given that the Action Plan itself failed to specify concrete benchmarks for measuring success and in many cases lacked detail on implementation methodology, the terms in which progress was reported at the conference were also very general. For example, one Action Plan goal was for the government to increase the transparency of privatization processes. During the conference the State Minister's Office reported that the practice of posting information on the sale of property on the Ministry of Economic Development's website ([www.privatization.ge](http://www.privatization.ge)) addressed this issue. The information was indeed posted on the website, but NGOs and other civil society actors remained concerned that the Ministry is (a) using direct sale as a method of privatization (instead of more competitive, transparent practices such as open auctioning or bidding) in a number of privatizations and (b) continuing to disseminate contradictory information on privatizations already completed or underway.

About six months later, in April of 2007, the Office of the State Minister presented yet another, more detailed report on the implementation of the National Anti-Corruption Action Plan which, in addition to presenting textual descriptions, evaluated planned activities as (a) achieved (b) in progress or (c) not achieved (following the method in which OECD Anti-Corruption Network members assess progress).<sup>5</sup> According to the government's own assessment, by April of 2007 it had achieved.

### **A New Anti-Corruption Action Plan**

In addition to the updated progress report, in April of 2007 the State Minister's Office presented an updated draft Anti-Corruption Action Plan to local and international NGOs. The new Action Plan defined the following as priority areas:

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<sup>5</sup> OECD ACN uses the following grading system in its assessment of member countries' compliance with the ACN recommendations: fully compliant, largely compliant, partially compliant and non-compliant.

An efficient and corruption-free public sector, to include: (a) developing a draft law on electronic signatures and submitting it to Parliament, (b) improving strategic and annual planning processes at the Ministry of Finance based on MTEF principles, (c) developing a Basic Data and Direction document, (d) stage-by-stage transition of state, territorial, and local budgets to the GFSM-2001 system, (e) establishing uniform standards for public sector financial oversight, (f) strengthening financial oversight for local self-government bodies, (g) ensuring financial oversight of state-owned enterprises, (h) establishing uniform and transparent standards to ensure improved conditions for hiring and promotion of civil servants, (i) revising and specifying rules regarding conflicts of interest and receipt of gifts for civil servants, (j) developing codes of conduct for civil servants, (k) improving financial monitoring service mechanisms for the obtaining of information, (l) conducting standard methods research for measuring corruption, (m) solving legislative and technical issues necessary for introduction of an electronic treasury service; gradual implementing of this service beginning with salary transfers and settlements of account, (n) incorporating the National Bank into the Unified Treasury System, (o) training personnel to ensure efficient functioning of the new Unified Treasury System, (p) implementing legislative changes in order to improve procurement procedures and to transform the Procurement Agency into an independent structural unit, (q) implementing an overall plan for hospital sector development, (r) training municipal service employees on construction licensing issues, and (s) reconsidering the system of National Regulatory Commissions of Georgia.

A competitive and corruption-free private sector, to include: (a) separating and distributing examinations functions among customs officers, (b) creating supplementary legislation in compliance with the new Customs Code to simplify administrative procedures and reduce the time required for freight regularization, (c) clearly separating the functions of customs officers from those of brokers, (d) improving Tax Audit Standards at the Economics Department, (e) creating an electronic environment for provision of services to taxpayers and electronic receipt and provision of declaration forms, and (f) proceeding with the state-owned agricultural land privatization process.

An improved judicial and law enforcement system, to include: (a) integrating the Police Code of Ethics into the academic curricula, (b) training various police divisions, (c) developing a witness protection system, (d) simplifying access to information (on search and previous conviction) and increasing efficiency of permissions systems within the Ministry of Interior, (e) increasing public awareness of corruption and anti-corruption measures through an informational campaign, (f) creating educational programs for training judges within the High School of Justice; developing a strategy, selecting personnel and preparing instructors, (g) developing criteria for promotion of current judges; establishing of requirements for promotion of judges to superior courts, (h) implementing legislative changes to lay the basis for unlimited term appointment of judges, (i) decentralizing state budget funds assigned to courts, (j) determining Criminal Code articles to fall under jury jurisdiction, (k) establishing a jury system, (l) establishing a Prosecutor's Council as an independent body within the prosecutorial system, (m) organizing regular trainings for Tbilisi, district and regional prosecutors and the Prosecutor General's office, (n) implementing legislative changes to clarify civil servants' liabilities regarding crimes of corruption crimes and better protect civil servants, (o) creating a Central Coordination Commission (on the basis of the existing Public Oversight Commissions) at the penitentiaries, (p) increasing the qualifications of Penitentiary and Probation Department employees through the Penitentiary and Probation Training Center, (q) developing a gradual retraining plan and organizing trainings for penitentiary system employees, (r) drafting and adopting a Prisoners' Code, (s) adopting a draft law on "Legal Aid" service and

introducing subsequent amendments to the current legislative acts, (t) establishing administrative bodies of a Legal Aid Service, and (u) establishing a Public Defender Register and beginning an attorney registry.

Improving anti-corruption legislation, to include: (a) ratifying the UN Convention Against Corruption, (b) revising the legislation in order to clarify the procedures for public officials' property and financial declarations, (c) improving and ensuring the transparency of political party and election campaign financing, (d) abolishing or reducing (to 3000) the 5000 margin imposed for not mounting investigations of criminal acts related to money laundering (which in itself constitutes a crime tantamount to a crime of corruption), (e) harmonizing Georgian legislation with the Council of Europe's Criminal Law Convention on Corruption (namely Articles 14, 18, and 19 of the Council of Europe's Criminal Law Convention), and (f) cooperating with the OECD ACN in the preparation of periodic reports to ensure realization of the twenty-one objectives developed at the ACN session of January 18, 2004.

The new Action Plan identifies responsible agencies, partner agencies, implementation timeframes and, importantly, implementation indicators--the elements missing from the previous Action Plan. Further, the new Action Plan is more concrete and wide-ranging--most of the actions described in this document were not part of the September 2005 Action Plan. In addition to adding new details to the priority areas laid out in the previous Plan, the State Minister for Reform Coordination added several new priority areas, including hospital sector rehabilitation, training of municipal service employees in construction licensing, and penitentiary system development. But the new Action Plan also eliminated several important provisions of the September document, namely: establishment of a clear distribution of functions within the civil service and distinction between policymaking and policy implementation functions (taking into account the experiences of pilot ministries), ensuring transparency of the courts and their open interaction with citizens, developing and adopting a law on general inspections, etc. Further, the new Plan did not require the ministries to re-submit updated internal action plans.

Overall, the April version of the draft Action Plan placed an emphasis on the transparency of public finances and improved revenue administration, law enforcement system development, and harmonization of anti-corruption legislation with international anti-corruption conventions. Of a total of 52 items in the Action Plan, 17 pertain to public finance transparency and revenue administration, 21 to law enforcement, and 6 to international conventions and recommendations. The remaining eight items address diverse issues including the development of a civil servant code of conduct and a draft law on electronic signatures, improvement of conflict of interest regulations, etc.

A number of the actions in the new Action Plan are near completion or currently being discussed. This makes sense, given that for the majority of actions the implementation timeframe is 2007. Other actions are due to be completed by the end of 2008 or 2009.

Importantly, in this case the government presented its draft to NGOs and solicited their input. Still, the Action Plan has not yet been submitted to the Cabinet of Ministers. It remains to be seen if the revisions suggested by NGOs will be incorporated into the final version.

Three main (overall) concerns regarding the Action Plan are: (a) like the previous Action Plan, it provides no comprehensive examination of the causes and types of corruption in priority sectors,

(b) in a number of places it talks about developing or strengthening targeted areas, but says nothing about how, or based on what principles, this should be done, and (c) it contains no provisions for ensuring public involvement in the design, implementation and assessment of anti-corruption reforms. There is mention that some sort of anti-corruption materials will be developed and distributed to raise public awareness, but for some reason responsibility for this task has been assigned to the Ministry of Interior. The planned content of the materials is unclear. It is possible that a detailed plan for publicizing the Anti-Corruption Action Plan will be included in the decree that ultimately approves this most recent document.

## Considerations for the Future

Setting aside specifics of the National Anti-Corruption Strategy and Action Plan, there are a number of issues that arise in discussions of the Georgian government's anti-corruption efforts. The closing section of this report briefly outlines these controversies as well as a few lingering concerns.

- **Detailed strategy (action plan) vs. clear-cut outline (bullet point list) of short- and medium-term objectives**

*Detailed Strategy/Planning:* A detailed strategy is necessary for providing involved actors with a clear picture of not only what objectives need to be met, but what specific actions need to be taken to meet those objectives, the responsible parties, timeframes, indicators, etc. The strategy will (a) help responsible officials and institutions to fulfill their tasks efficiently, (b) assist the institution responsible for coordinating anti-corruption reforms to oversee overall implementation of the reforms and hold institutions accountable, (c) allow civil society actors working in different sectors to communicate with the relevant government institutions and contribute to the successful achievement of sectoral objectives, and (d) assist both the government and civil society to evaluate actual outcomes against the stated indicators of success.

The March 2006 National Anti-Corruption Action Plan listed several specific actions that the government intended to implement in 2006 in order to reduce corruption nationwide. But many of the commitments made under the Action Plan were general and, in the end, government and civil society actors had different opinions on whether or not these commitments were fully met. For example, the Action Plan stated that the government would establish a standard methodology for measuring corruption. In April of 2007 the government publicized its report on the status of the Action Plan implementation. It claimed that in the summer of 2006 the government conducted a public opinion survey (using the so-called Kaufman methodology) to measure corruption in Georgia's secondary education system, and suggested that thus the commitment to establishing a standard methodology for measuring corruption was met. But the Kaufman methodology that was piloted in the educational sector was not replicated in any other sectors, nor was it mentioned in the updated version of the Action Plan (the updated Action Plan was presented to the public in April of 2007). Another example is the provision of the March Action Plan that states that the government will ensure transparency of the privatization process. The Action Plan did not specify any particular privatization-related problems, nor did it describe how the government planned to achieve greater transparency. In its status report, the government claimed that greater transparency was indeed ensured, but in 2006 a number of civil society groups expressed concern that, while the

details of closed or publicized privatization deals were available online on the Ministry of Economic Development website, information on buyers and signed agreements was not always provided to the public. Further, on multiple occasions public officials made contradictory comments regarding a few large-scale privatizations, which created suspicion about the real fairness of the process. Others criticized the practice of privatizing large enterprises by means of direct sale. While in 2005-2006 70% of state property was privatized by other methods (competitive bidding and open auction), these organizations claimed that some of the largest enterprises were privatized by direct sale. Further, they claimed that the government never justified its reasons for choosing direct sale over the two other methods.

*Brief Outline:* There is no need for lengthy and excessively detailed strategies on what must be done and how. It is more important to have a clear plan of what specific objectives must be met and then to push for timely achievement of those objectives. Success will become apparent after these objectives are met: depending on the sector, it will be evident in increased revenues, increased client satisfaction, increased foreign investment, etc.

A number of practical examples prove that such an approach works well. One very clear example is among the most acknowledged reforms – reform of the traffic police. This reform took place shortly after the change of government. There was no lengthy strategy paper detailing what needed to be done and how. The government knew exactly what it wanted: to free traffic police from corruption, to increase their effectiveness and to enhance public confidence in this institution. It took the essential steps to achieve these objectives and as a result, the traffic police is currently considered one of the least corrupt institutions in Georgia. In 2003 very few would have believed that Georgia would ever have a corruption-free traffic police force.

Another set of successful reforms were those undertaken in the business sector. Without a detailed action plan, the government simplified the procedures required for registering and operating commercial enterprises and reduced the number of required business licenses and permissions from over 900 to 103. As a result the 2006 World Bank Doing Business study named Georgia as number one reformer.

#### ▪ **In-depth research and planning vs. quick actions**

*In-depth research/planning:* The current strategy papers prepared by the government are not based on in-depth research of (a) root causes of corruption, (b) specific types and levels of corruption, or (c) concrete effects of existing corrupt practices. Without a thorough understanding of these issues, it is impossible to develop effective mechanisms to combat corruption and to achieve actual, sustainable results. The government assumes it understands a problem completely, thinks up a quick solution to eradicate it, and implements it right away. Due to this excessively simplistic approach, the government either (a) makes a mistake, (b) implements changes that yield only short-term results, or (c) fixes parts of the targeted problem but overlooks aspects, thus leaving room for certain problems to re-emerge or new problems to surface.

Further, the absence of research and analysis alienates civil society groups from an important aspect of the decision-making process: problem identification and prioritization. When the process is not participatory from the start, it negatively affects the public attitude toward the government's actions: either citizens become apathetic isolated spectators of the reform process, or they regard the reforms with distrust or even oppose them.

Nevertheless, a number of NGOs maintain that the government is moving too quickly, and the result is a) a lack of public understanding and support for change and b) too many mistakes made along the way.

*Quick actions:* The problems are obvious and so are their solutions. The government is committed to acting quickly. Now that the international community is observing Georgia closely and assessing its commitment to building a strong, democratic and developed state, the government must take advantage of this momentum and show observers that it is indeed committed to and capable of taking action to become a strong democracy with a developing economy. The new government inherited weak, or rather non-existent institutions, and multiple problems in almost all sectors of state life. Against this background, the government does not always have time for extensive background research and analysis. The previous government often spent months and years studying problems and identifying their causes and outcomes, but it never actually implemented any real actions to combat corruption. The new government does not over-research the problems: they are not new, they have been studied before, what remains to be done is to address them.

▪ **What to include in the National Action Plan: the government's own commitments vs. non-governmental actors' suggestions**

*NGO suggestions:* NGOs and other civil society actors regard the National Anti-Corruption Strategy and other reform strategies as tools to consolidate a wide range of short-, medium- and long-term measures critical to reducing corruption in Georgia. Some of these measures derive from Georgia's own experience, and others from international best practices. Sometimes non-governmental actors know that the government either has no capacity to fulfill their recommendations at a given moment, or that it has no real will to fulfill them, but nevertheless push for these recommendations to be included in strategy documents so that the public officials can be held accountable for their commitments in the long-term future.

*Government's own commitments:* In the first few years after the Rose Revolution the government was more open about taking on new obligations without thinking twice about whether or not they were realistic for either objective or subjective reasons. For years there had many commitments made by the Georgian state both in and outside Georgia, however, the implementation and monitoring of those commitments would often been modest in comparison with the efforts put into creating the original framework. Recently, however, it 'learned its lesson' and began to adopt a new approach of under-committing and over-delivering (as opposed to over-committing and failing to deliver fully). This holds true not only for the updated version of the National Anti-Corruption Action Plan, but for the European Neighborhood Policy Action Plan Implementation Plan adopted in May of this year as well.

## Conclusion

While fighting corruption is a complex and long-term job, there are few simple principles that should serve as the foundation of any anti-corruption effort:

(a) Less state regulation and a limits on the discretion of state officials can help to reduce corruption. With fewer regulatory functions and less discretion, the state will have fewer and smaller-scale opportunities for corruption; and

(b) Citizens must know their rights and the ways in which they can protect them. Corruption exists when and where there is a) a lack of public information and b) uncertainty about how an individual's rights and interests can be protected.

As for the Anti-Corruption Strategy and Action Plan, in order for their implementation to be successful above all it is essential that the process be widely publicized from the start and on a continuous basis. This could be done in three steps:

(a) broad dissemination of the adopted National Anti-Corruption Strategy and Action Plan and information regarding the process of their implementation;

(b) establishment of a clear, realistic, and transparent process for designing specific reforms in compliance with the adopted anti-corruption documents to provide interested parties with an opportunity to first agree to broad principles and later to finer details, culminating in the process of legislative drafting laws when necessary; and

(c) periodic systematic assessments of progress and broad dissemination of assessment findings.

Now that the new government of Georgia has produced its first National Anti-Corruption Strategy and Action Plan, it is of great importance that its implementation is broadly supported by the executive, Parliament and the public, and that the said public enjoys wide ownership in the Plan. Georgia's fight against corruption will be more successful if the process is well-planned and inclusive, encouraging active public participation instead of passive spectatorship. When the public is left un-informed about initiatives and un-involved in their implementation, the reform process occurs in vacuum and lacks the constituent confidence fundamental for their successful enactment.