TRANSPARENCY INTERNATIONAL
KYRGYZSTAN

ANNUAL REPORT

2019

CORRUPTION PERCEPTION INDEX 2019

The Kyrgyz Republic ranked 125th out of 180 in the 2019 Corruption Perceptions Index (CPI-2019). Kyrgyzstan received 30 points out of 100, being on a par with Djibouti, Ukraine and Azerbaijan. Compared to the results of the Index for 2018, the position of the Kyrgyz Republic has changed very little: it received one point more and changed its position in the ranking (from 135th to 125th place).

The first places in the CPI-2019 were taken by Denmark and New Zealand (87 points), followed by Finland (86 points), the third - shared by Singapore, Sweden and Switzerland (85 points). At the bottom of the rating are Syria (13 points), South Sudan (12 points) and Somalia (9 points).

The Corruption Perception Index is a composite index that measures the perception of corruption in the public sector of various countries. Transparency International has been issuing CPIs annually since 1995. The 2019 Index is based on data from 13 sources over the past two years (2017-2019), compiled by 12 independent organizations in surveys of experts and entrepreneurs around the world. Countries are ranked on a scale of 0 to 100 points. Countries with the highest levels of perceived corruption receive zero points, and 100 - with the lowest. Kyrgyzstan was included in the ranking in 2003.

Corruption Perception Index for 2019 shows that a huge number of countries show little or no improvement in the fight against corruption. Our analysis also shows that cutting big money in politics and making policy decisions broadly aligned with the needs of society are necessary to curb corruption.

This year's CPI study highlights the link between politics, money and corruption. The unregulated flow of big money in politics also makes public policy vulnerable to undue influence. The CPI shows that countries with stricter adherence to campaign finance rules have lower levels of corruption.

KYRGYZSTAN - 2019

Score **30**/100

Rank **125**/180

Azerbaijan, Djibouti and Ukraine received the same score

Score for 2018 **29**/100

KYRGYZSTAN'S "NEIGHBORS"

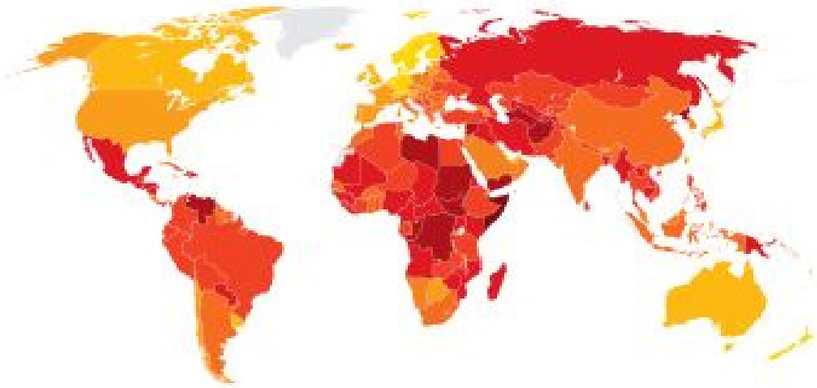
31/100 Bolivia, Gabon, Malawi,

29/100 Guinea, Laos, Maldives, Mali, Mexico, Myanmar, Togo

TRANSPARENCY INTERNATIONAL
the global coalition against corruption

CORRUPTION PERCEPTIONS INDEX 2019

The perceived levels of public sector corruption in 180 countries/territories around the world.



SCORE	COUNTRY/TERRITORY	RANK
87	Denmark	1
87	New Zealand	1
86	Finland	3
85	Singapore	4
85	Sweden	4
85	Switzerland	4
84	Norway	7
82	Netherlands	8
80	Germany	9
80	Luxembourg	9
78	Iceland	11
77	Australia	12
76	Austria	12
77	Canada	12
77	United Kingdom	12
76	Hong Kong	16
75	Belgium	17
73	Estonia	18
73	Ireland	18
73	Japan	20
71	United Arab Emirates	21
71	Uruguay	21
69	France	23
69	United States of America	23
68	Bhutan	25
67	Chile	26
66	Seychelles	27
65	Taiwan	28
64	Bahamas	29
63	Barbados	30
63	Portugal	30
63	Qatar	30
62	Spain	32
61	Botswana	34
60	Brunei Darussalam	35
60	Israel	35
60	Lithuania	35
60	Slovenia	35
59	Korea, South	39
58	Saint Vincent and the Grenadines	39
58	Cabo Verde	41
57	Cyprus	41
57	Poland	41
56	Costa Rica	44
56	Czech Republic	44
54	Georgia	44
54	Latvia	44
53	Dominica	48
53	Saint Lucia	48
53	Malta	50
53	Grenada	51
52	Italy	51
51	Malaysia	51
51	Rwanda	51
51	Saudi Arabia	51
50	Mauritius	56
50	Namibia	56
50	Oman	56
49	Slovakia	59
49	Cuba	60
48	Greece	60
48	Jordan	60
47	Croatia	63
46	Sao Tome and Principe	64
45	Romania	64
45	Argentina	66
45	Belarus	66
45	Montenegro	66
45	Senegal	66
44	Hungary	70
44	Romania	70
44	South Africa	70
44	Suriname	70
43	Bulgaria	74
43	Jamaica	74
43	Tunisia	74
42	Armenia	77
42	Bahrain	77
42	Solomon Islands	77
41	Benin	80
41	China	80
41	Ghana	80
41	India	80
41	Morocco	80
40	Burkina Faso	85
40	Guyana	85
40	Indonesia	85
40	Kuwait	85
40	Lesotho	85
40	Trinidad and Tobago	85
39	Serbia	91
39	Turkey	91
38	Ecuador	93
38	Sri Lanka	93
38	Timor-Leste	93
37	Colombia	96
37	Ethiopia	96
37	Gambia	96
37	Tanzania	96
37	Vietnam	96
36	Bosnia and Herzegovina	101
36	Kosovo	101
36	Panama	101
36	Peru	101
36	Thailand	101
35	Albania	106
35	Algeria	106
35	Brazil	106
35	Cote d'Ivoire	106
35	Egypt	106
35	North Macedonia	106
35	Mongolia	106
34	El Salvador	113
34	Kazakhstan	113
34	Nepal	113
34	Philippines	113
34	Rwanda	113
34	Zambia	113
33	Sierra Leone	119
32	Moldova	120
32	Niger	120
32	Pakistan	120
31	Bolivia	123
31	Gabon	123
31	Malawi	123
30	Azerbaijan	126
30	Djibouti	126
30	Kyrgyzstan	126
30	Ukraine	126
29	Guinea	130
29	Laos	130
29	Maldives	130
29	Mali	130
29	Mexico	130
29	Myanmar	130
29	Togo	130
28	Dominican Republic	137
28	Kenya	137
28	Lebanon	137
28	Liberia	137
28	Mauritania	137
28	Papua New Guinea	137
28	Paraguay	137
28	Russia	137
28	Uganda	137
26	Angola	146
26	Bangladesh	146
26	Guatemala	146
26	Honduras	146
26	Iran	146
26	Mozambique	146
26	Nigeria	146
25	Cameroon	153
25	Central African Republic	153
25	Comoros	153
25	Tajikistan	153
25	Uzbekistan	153
24	Madagascar	158
24	Zimbabwe	158
23	Eritrea	160
23	Nicaragua	161
22	Cambodia	162
22	Chad	162
20	Iraq	162
19	Burundi	165
19	Congo	165
18	Turkmenistan	165
18	Democratic Republic of the Congo	168
18	Guinea Bissau	168
18	Haiti	168
18	Libya	168
17	Korea, North	172
16	Afghanistan	173
16	Equatorial Guinea	173
16	Sudan	173
15	Venezuela	173
14	Yemen	177
13	Syria	178
12	South Sudan	179
9	Somalia	180

In countries where campaign finance regulations are comprehensive and systematically enforced, the average CPI score is 70, while in countries where such regulations are either absent or ineffective, the average scores are only 34 and 35, respectively.

Sixty percent of countries that have significantly improved their CPI scores since 2012 have also strengthened adherence to campaign finance rules. In addition, when politicians listen only to wealthy or politically connected people and groups, they often do so to the detriment of the citizens they serve by failing to involve the most important political, social and business actors in the political decision-making process.

Countries with lower CPI scores also have a higher concentration of political power among wealthy citizens. Countries with broader and more open consultation processes scored an average of 61 on the CPI.

In contrast, where there is little consultation, the average score was only 32. Transparency International Chairwoman Delia Ferreira Rubio noted «Governments must urgently eliminate the corrupt role of big money in the financing of political parties and the undue influence it has on our political systems.»

This year, in the Kyrgyzstan will be elected a new Parliament, and we hope that effective laws will be adopted aimed at enhancing the transparency and accountability of the activities of state bodies, as well as the political parties themselves.

PUBLIC PROCUREMENT

Public procurement is the most important instrument of government regulation, which is due to a number of reasons: in the overwhelming majority of countries of the world, public procurement accounts for a significant share of gross domestic product (GDP). In OECD countries this indicator varies within 10-15%, in developing countries this indicator can reach 25%.

Inappropriate use of public funds as a result of corruption and inappropriate practices in the public procurement system is one of the serious problems that are urgent around the world, especially in developing countries such as Kyrgyzstan.

To control corruption in public procurement, it is first necessary to understand procurement procedures and what methods can effectively reduce corruption risks. In addition, it is necessary to analyze the impact of corruption on the public procurement sector, identify indicators that could indicate the existence of corruption schemes, and investigate potential vulnerabilities in the procurement chain.

For public procurement to be effective, it must meet the needs of the relevant actors, i.e. society, government and private sector. Transparency International Kyrgyzstan conducted the study on corruption risks in the public procurement system, where it was identified corruption risks and developed recommendations for improving legislation and the public procurement platform itself. Although the current public procurement system is formally transparent and all procurement is carried out through an electronic portal, in reality, the operation of the public procurement web portal still leaves loopholes for corruption. Despite the fact that the web portal is considered multifunctional, it is very inconvenient to use (incomplete, freezes, slow loading of the necessary data).

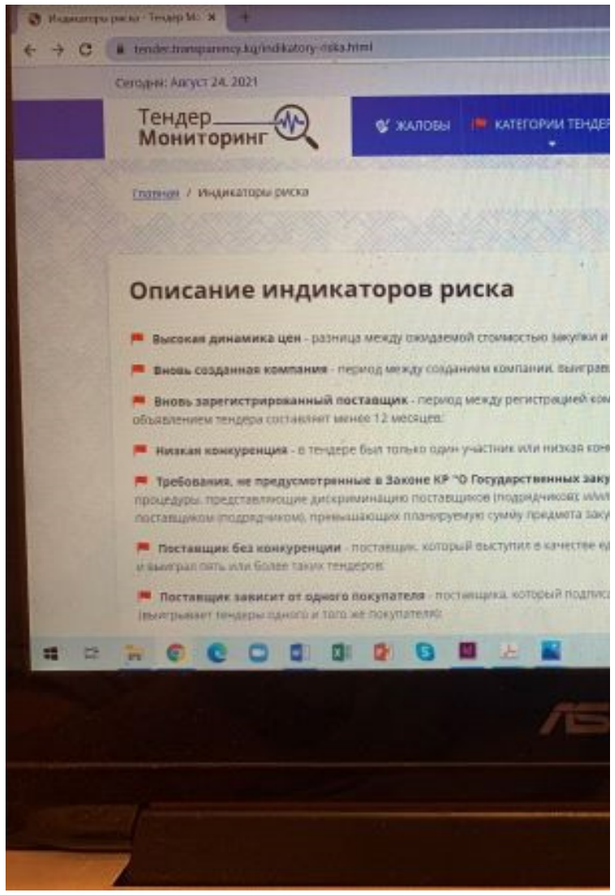
For example, for remote regions due to poor connection, slow internet, etc., this is a big problem. It takes a lot of time to fill out a competitive bid, especially for such tenders in which the procuring entity announces a tender for the purchase of, for example, food products, or services for performing a large amount of work, etc., divides goods or services into separate lots.

For the user, in order to find the tender of interest, it is necessary to know the exact name of the organization or the Tax Identification Number on the public procurement web portal, or the advertisement number. At the same time, if you distract from the work on the web portal, then the page you need will not load, or send you to the main page. The web portal will not display information until you refresh the current page or the web portal itself.

A sophisticated search for information on the web portal of public procurement makes it clear that it was designed in such a way that it can only be used by users who know what to look for and how to find the information they need.
At the same time, if you distract yourself from working on the web portal for literally 10 minutes, then the page you need will not load, or send you to the main page. It turns out that your time spent looking for the necessary tender, or information on the organization, etc., turned out to be wasted. The web portal will not display information until you refresh the page.

Development and launch of the Transparency International Kyrgyzstan web platform with red - flags for monitoring

Based on the identified problems, Transparency International Kyrgyzstan has developed a web platform for monitoring public procurement and developed 25 corruption risks (red flags) - https://tender.transparency.kg/. Our website calculates bribery risk scores for each tender. The indicators themselves are not evidence that a tender is prone to corruption, but it does indicate which tenders may require further analysis due to the increased risk of corruption.



Users can view information about procuring entities registered on the Official Public Procurement Portal using the specified ad number, including:

- The total number of published tenders, indicating information about the name, format, method, purchase cost, as well as the results of the ongoing tender; information about the participants in the tender;
- Dates of the published tenders (deadline for submission and validity of bids); information on the planned cost and cost of bids, etc .;
- Display of tenders grouped by categories - goods, works, services and consulting services;
- Name of lots, grouped by the General Classifier of State Purchases;

The tenders stored in the system are checked against several parameters designed to assess the risk of corruption for the respective tender. Users will be able to search using various parameters to view bids at risk of corruption. Below is a description of the parameters. This tool is solely intended to identify tenders that we believe have a higher vulnerability to corruption - this does not necessarily mean that there are any irregularities in the relevant tender. We will continue to refine the criteria for this risk analysis.

The data on this website is taken from the online procurement platform Official Public Procurement Portal of the Kyrgyz Republic. A helper program is linked to the website that automatically downloads and analyzes data and calculates derivative and aggregate statistics that we display. The reprocessed data is then uploaded to the website for public access.

ACCOUNTABLE MINING

In October 2018, Transparency International Kyrgyzstan became one of 5 new chapters joined the Mining for Sustainable Development Programme of Transparency International (TI). The programme is implemented in the frame of a global thematic network initiative led by Transparency International Australia in more than 20 resource-rich countries around the world.

The Mining for Sustainable Development Program complements existing efforts to improve transparency and accountability in the extractive industries by focusing specifically on the start of the mining decision chain: the point at which governments grant and award mining permits and licences, negotiate contracts and make agreements.

The programme is implemented in two phases: the research phase (2018-2020) focuses on understanding the problem by identifying and assessing corruption risks in the process and practice of granting subsoil use licences, permits and contracts. By understanding the nature and causes of corruption risk, national chapter will develop and implement solutions to address priority corruption risks during the advocacy phase of the programme. We will work with key stakeholders from government, the mining industry, civil society and affected communities to improve transparency, accountability and integrity in mining project approval decisions.

The research found that the reforms undertaken by the Kyrgyz government in recent years to address governance risks in the country's mining sector have yielded some positive results. One of such result was the introduction of a first filed application rule instead of a direct negotiation rule to obtain a license. The adoption of the new Law on Subsoil in 2018 and related by-laws, as well as the clear regulation of the choice of method for granting a licence, depending on the size and importance of the mineral deposit, have contributed to the transparency and integrity of the process. Nevertheless, the study identified 14 risks in the process of granting subsoil use rights. These risks reflect gaps in pre- and post-award disclosure, the appraisal process and public consultation. Most of the risks, however, relate to the context in which mineral rights are awarded, suggesting the need for full-scale reforms to the country's overall governance framework.

Thus, shortcomings in legislation still leave room for ignoring, or sometimes not even including, the requirements of transparency, accountability and integrity in subsoil use licensing and environmental protection. Problems also remain with the implementation in practice of existing legal requirements. For example, compliance with licensing conditions and environmental protection requirements is practically not monitored.

Legislation does not yet contain requirements for the inclusion of anti-corruption provisions in subsoil use agreements and their application in the activities of extractive companies. Reporting of corruption is underdeveloped, even though the Law on the Protection of Whistleblowers of Corruption Offences has been passed and the legislation enshrines a remuneration for such reporting.

The interests of local communities, in particular rural women, who are amongst the vulnerable groups, are still very poorly taken into account in community consultations due to selective participation of community representatives in such consultations. Both men and women are not sufficiently aware of their rights to participate in such consultations.

The mining industry in the Kyrgyz Republic is an important sector of the economy, currently accounting for about half of industrial production and a tenth of the country's GDP. This industry is important in the socio-economic development of Kyrgyzstan. The Government is currently developing a Concept for Reforming the Mining Sector, which will be the basis for key changes in this area. The implementation of these changes will require the active participation of all stakeholders, including financial and technical support. The Mining for Sustainable Development Programme contributes to improved governance in the extractive sector in the Kyrgyz Republic by continuing its work to identify risks of corruption in the process of granting subsoil use licenses, permits and contracts.

ANTI-CORRUPTION JOURNAL

The team of Transparency International Kyrgyzstan has developed an «Anti-Corruption Journal» - https://askjournal.kg/, in order to inform the population about the public services provided, about overcoming administrative barriers and anti-corruption measures. The task of the «Anti-Corruption Journal» is not only to explain the laws to the population and help in interaction with government agencies, but also legal education, and the formation of anti-corruption skills among citizens.

In order for ordinary citizens to have the opportunity to quickly and efficiently receive public services, the web - portal has the Instructions section, where people can find several dozen instructions in various areas, such as:

- Army
- State Registration Service
- Land sector
- Healthcare
- Migration
- Taxes
- Local government bodies
- Education
- Law enforcement agencies
- Social services
- Judicial system
- Energy

These instructions provide an accessible and simple description of the sequence of actions when contacting government agencies. From our instructions, citizens can learn about their rights and obligations of government officials, familiarize themselves with the forms and samples of necessary documents, find out the working hours, addresses and phone numbers of the necessary government organizations.

The web- platform has also sections as, Materials, Power, Tools, Analytics, Success Stories, where people can find a lot of interesting and informative information.

In addition, the web- platform of the «Anti-Corruption Journal» provides an opportunity to ask questions, exchange opinions and leave your feedback on the quality of public services provided.

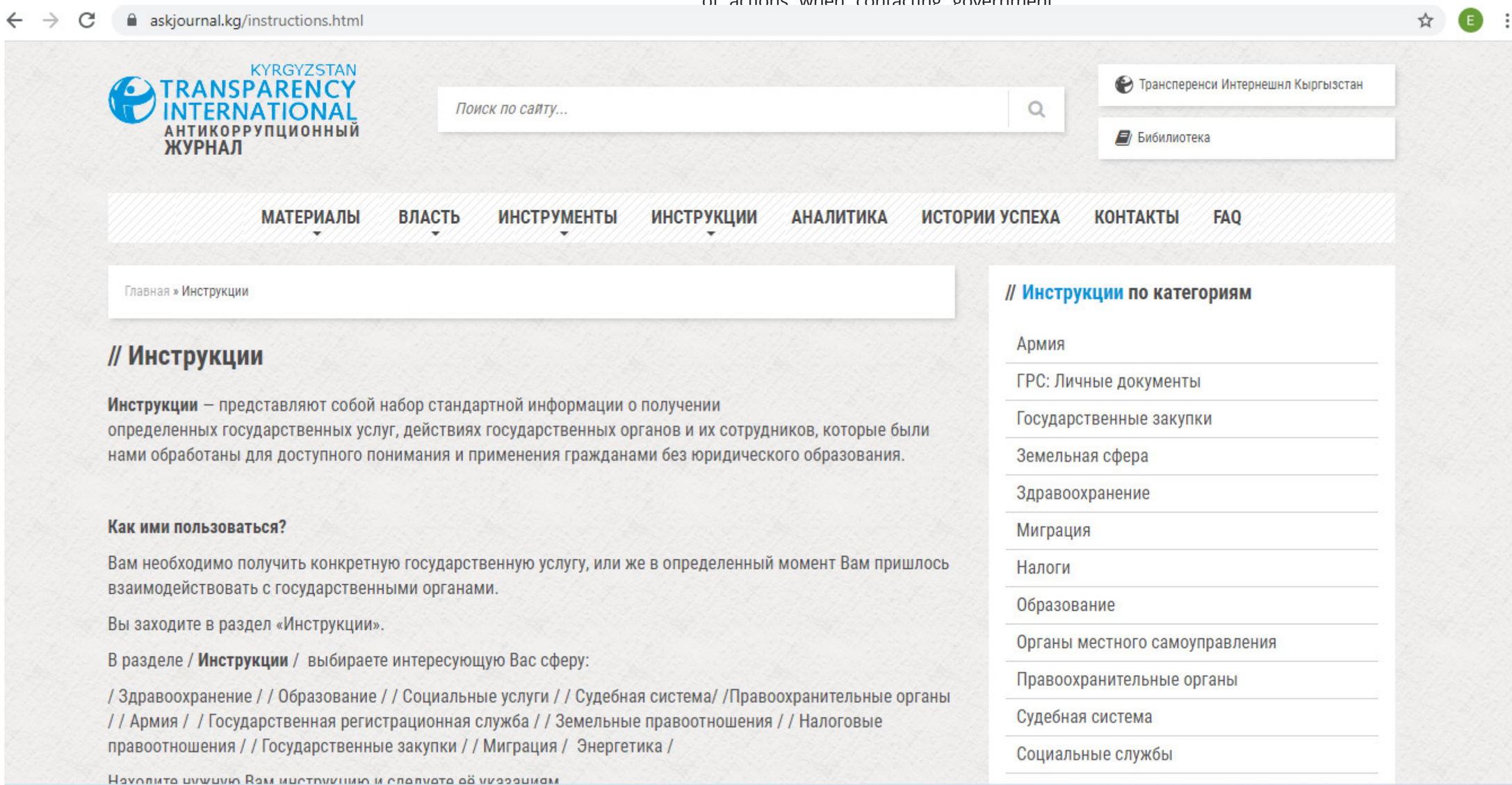
KEY FIGURES

TOTAL NUMBER OF VISITORS 2019

359,476

AVERAGE NUMBER OF VISITORS PER MONTH

30,000



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